AGENDA

REGULAR MEETING

LA PALMA CITY COUNCIL

TUESDAY, JANUARY 14, 2025

Mark I. Waldman
Mayor

Nitesh P. Patel
Mayor Pro Tem

Debbie S. Baker
Council Member

Janet Keo Conklin
Council Member

Vikesh P. Patel
Council Member

5:30 PM Closed Session
6:30 PM Open Session
La Palma City Hall
Council Chambers
7822 Walker Street, La Palma

CALL TO ORDER

CLOSED SESSION

CS-1. ***CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Pursuant to paragraph (1) of subdivision (d) of Section 54956.9)***

Claim No. 3052765, regarding physical and emotional injury.

Claimants: Aini, Alamour, Alrefai, Anabtawi, Assfour, Aweinat, Chang, Gradoni, Habbas, Haley, Hammad, Hernandez, Hijazi, Huskey, Kapogianis, Kharal, Mendoza, Monreal, Nasordeen, Nguyen, Plaskon, Valez, Yu, Zadran, and Zegar.

CS-2. ***CONFERENCE WITH LABOR NEGOTIATORS Pursuant to Government Code section 54957.6.***

Agency Designated Representatives: Conal McNamara, City Manager
Ryan Hallett, Assistant City Manager

Steve Filarsky, Labor Attorney
Mike Matsumoto, Financial Consultant

Employee Organizations:	La Palma General Employees Association La Palma Police Association La Palma Professional Employees Association
Unrepresented Employees:	Executive Management

CS-3. ***CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION (Pursuant to Government Code section 54956.9(d)(2), (e)(2))***

1 case – Proposed AT&T Tower at 8415 Meadowlark

CS-4. ***CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Pursuant to Government Code section 54956.9(d)(1))***

Name of Case: Sarkis Tatarian v. City of La Palma, et al.
Case No. OCSC 30-2024-01375931-CU-WM-CJC

OPEN SESSION TO BEGIN AT 6:30 P.M.

PLEDGE OF ALLEGIANCE

Council Member Baker

INVOCATION

Pastor Matthew Agosto, City Church
Council Member Keo Conklin

ROLL CALL

PRESENTATIONS

- Proclamation in Recognition of Korean-American Day
- Presentation to Employee of the Year to Dani Hernandez
- Presentation to Supervisor/Professional Employee of the Year to Jason Hong

ORAL COMMUNICATIONS (Time Limit: 5 Minutes Each)

Time has been reserved at this point in the Agenda for persons wishing to speak on any item that is not listed on the Agenda. By law, the City Council is prohibited from taking action on such oral comments. The matter will be automatically referred to staff for appropriate response or action or will be placed on the Agenda of a future meeting. Matters listed on the Agenda may be addressed either at this time or at the time they are before the City Council for discussion.

CONSENT CALENDAR

All matters listed under Consent Calendar will be acted upon by one motion affirming the action recommended on the Agenda. There will be no separate discussion on these items prior to voting unless members of the City Council, Staff, or the public request that specific items be removed from the Consent Calendar for separate action. Any member of the public who wishes to discuss a Consent Calendar item should come forward to the microphone and, upon recognition by the Mayor, state their name, address, and the item number.

1. ***Waive the Reading of All Ordinances***

It is recommended that the City Council waive the reading of all Ordinances in their entirety and read by title only.

2. ***Approval of Council Minutes***

It is recommended that the City Council approve the Minutes of the December 10, 2024, Regular Meeting of the City Council.

3. ***Approval of Register of Demands***

It is recommended that the City Council adopt a Resolution approving the Registers of Demands for December 17, 2024, and January 7, 2025.

4. ***Annual Comprehensive Financial Report (ACFR) for the Fiscal Year Ending June 30, 2024***

It is recommended that the City Council receive and file the Annual Comprehensive Financial Report (ACFR) of the City of La Palma for the Fiscal Year ending June 30, 2024.

5. ***First Quarter Operating Report, Fiscal Year 2024-25***

It is recommended that the City Council receive and file the First Quarter

Operating Report, Fiscal Year 2024-25.

6. ***Resolution Amending the Salary for Part-Time Employees***

It is recommended that the City Council adopt the attached Resolution amending salaries for certain part-time positions.

7. ***Award Professional Services Agreement to Willdan Financial Services to Conduct a Water & Sewer Rate Study***

It is recommended that the City Council:

1. Award a professional services agreement in an amount not to exceed $43,000 to Willdan Financial Services to prepare a Water and Sewer Rate Study;

2. Authorize a 15% contingency for unforeseen needs; and

3. Authorize the City Manager or his designee to execute all required documents.

8. ***2025 Legislative Platform***

It is recommended that the City Council adopt the City of La Palma's 2025 State and Federal Legislative Platform.

9. ***Appointments to Citizen Committees***

It is recommended that the City Council take the following actions:

1. Reappoint Irene Hesse and appoint Janelle Frese to the Community Activities and Beautification (CAB) Committee, both with a four-year term expiring December 31, 2028.

2. Reappoint Rodi Alemendralo, Sergio Alvarez, Henry Lee, and Greg Sambrano and appoint Dee Vincenti to the Development and Circulation Committee (DCC), all with four-year terms expiring December 31, 2028.

PUBLIC HEARINGS

REGULAR ITEMS

10. ***Council Member Request - Revisit Live Video Streaming of La Palma***

Council Meetings

It is recommended that the City Council consider Council Member Keo Conklin's request and discuss the matter.

11. ***City Council Code of Conduct Policy Discussion***

Staff recommends that the City Council adopt the attached resolution approving Policy 1: City Council Code of Conduct.

COUNCIL MEMBER AB1234 REPORTS, REPORTS FROM CITY-AFFILIATED COMMITTEES, AND COUNCIL REMARKS

CITY MANAGER REMARKS

CITY ATTORNEY REMARKS

ADJOURNMENT

NOTE: As a general rule, staff reports or other written documentation have been prepared or organized with respect to each item of business listed on the agenda. Copies of these materials and other disclosable public records distributed to all or a majority of the members of the City Council in connection with an open session item on the agenda are on file and available for inspection with the Office of the City Clerk, City Hall, 7822 Walker Street, during regular business hours 7:30 A.M. to 6:30 P.M., Monday through Thursday. If such writings are distributed to members of the Council on the day of a City Council meeting, the writings will be available at the entrance to the City Council Chambers. If you have any questions regarding any item of business on the agenda for this meeting, any of the staff reports, or other documentation relating to any agenda item, please contact the City Clerk at (714) 690-3334.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, you should contact the City Clerk at (714) 690-3334. Notification 48 hours prior to the meeting will enable the City to make reasonable accommodations to ensure accessibility to this meeting.

City of La Palma
Agenda Item No. 1

MEETING DATE:	January 14, 2025
TO:	City Council
FROM:	City Manager
SUBMITTED BY:	Kimberly Kenney, City Clerk
AGENDA TITLE:	Waive the reading of all Ordinances

RECOMMENDED ACTION:

It is recommended that the City Council waive the reading of all Ordinances in their entirety and read by title only.

ATTACHMENTS:

None

City of La Palma
Agenda Item No. 2

MEETING DATE:	January 14, 2025
TO:	City Council
FROM:	City Manager
SUBMITTED BY:	Kimberly Kenney, City Clerk
AGENDA TITLE:	Approval of Council Minutes

RECOMMENDED ACTION:

It is recommended that the City Council approve the Minutes of the December 10, 2024, Regular Meeting of the City Council.

FISCAL IMPACT:

None.

ATTACHMENTS:

1. City Council Minutes 2024-12-10

Attachment 1

MINUTES OF THE REGULAR MEETING OF THE LA PALMA CITY COUNCIL

December 10, 2024

CALL TO ORDER: Mayor Goodman called the Regular Meeting of the La Palma City Council to order at 5:32 p.m. in the Council Chambers of La Palma City Hall, 7822 Walker Street, La Palma, California.

CLOSED SESSION

CS-1. ***CONFERENCE WITH LABOR NEGOTIATORS***
(Pursuant to Government Code section 54957.6)

Agency Designated Representatives:	Conal McNamara, City Manager Ryan Hallett, Assistant City Manager
Employee Organizations:	La Palma General Employees Association La Palma Police Association La Palma Professional Employees Association
Unrepresented Employees:	Executive Management

CS-2. ***CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION***
(Pursuant to paragraph (1) of subdivision (d) of Section 54956.9)

Name of Case: Sarkis Tatarian v. City of La Palma, et al.
Case No. OCSC 30-2024-01375931-CU-WM-CJC

CS-3. ***CONFERENCE WITH REAL PROPERTY NEGOTIATIONS***
(Pursuant to Government Code Section 54956.8)

Property:	5022 Crescent Avenue, La Palma, California
Agency negotiator:	Conal McNamara, City Manager Ryan Hallett, Assistant City Manager
Negotiating parties:	George Adamian
Under negotiations:	Price and/or terms of a purchase

CS-4. ***CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION***

Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2), (e)(2), (e)(3): (1 case – Unispec Notice of Potential Claim #1 – attached without enclosures)

CS-5. ***CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION***

Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2), (e)(2), (e)(3): (1 case – Unispec Notice of Potential Claim #1 – attached without enclosures)

City Clerk Kenney noted that Item CS-5 will not be heard in Closed Session due to scrivener's error.

Mayor Goodman recessed to Closed Session at 5:33 p.m.

Mayor Goodman adjourned Closed Session at 6:13 p.m.

OPEN SESSION TO BEGIN AT 6:30PM

Mayor Goodman reconvened the City Council in Open Session at 6:30p.m. and asked for a report out of Closed Session.

City Attorney Thind noted that there were no reportable actions out of Closed Session and repeated that Item CS-5 was not heard in Closed Session.

PLEDGE OF ALLEGIANCE:	Mayor Pro Tem Waldman
INVOCATION:	Pastor Steve Bland, La Palma Christian Center
ROLL CALL:	Council Members
Council Members present:	Council Member Baker, Council Member Conklin, Mayor Goodman, Council Member Patel, and Mayor Pro Tem Waldman
Council Members absent:	None

City Officials present: Conal McNamara, City Manager
Ajit Thind, City Attorney
Belinda Deines, Community Development Manager
Ryan Hallett, Assistant City Manager
Andy Ramirez, Public Works & Community Services Director
Joe Guerrero, Police Chief
Kimberly Kenney, City Clerk

PROCEDURAL ITEMS (2 ITEMS)

PI-1 ***Resolution Declaring Results of the November 5, 2024, General Municipal Election***

1. Adopt Resolution No. 2024-47 reciting the facts of the General Municipal Election held on November 5, 2024, and declaring the results; adopt Initiative Ordinance 2024-03, affirming voter approved Measure W regarding limiting term limits of council members to three terms with a four-year cooling-off period and a sunset provision in the event that the City returns to at-large elections.

   Council Member Patel made a motion to adopt Resolution No. 2024-47 reciting the facts of the General Municipal Election held on November 5, 2024, and declaring the results; adopted Initiative Ordinance 2024-03, affirming voter approved Measure W regarding limiting term limits of Council Members to three terms with a four-year cooling-off period and sunset provision in the event that the City returns to at-large elections.

   The motion was seconded by Mayor Pro Tem Waldman and carried on the following vote:

   AYES: Council Member Baker, Council Member Conklin, Mayor Goodman, Council Member Patel, and Mayor Pro Tem Waldman

   NOES: None

2. Conduct presentations to outgoing Mayor Marshall Goodman

   Council Member Patel presented a plaque to outgoing Mayor Goodman in recognition for his 8 years of dedicated service and his role as Mayor for the City of La Palma.

Cerritos Mayor Pro Tem Vo presented a proclamation to outgoing Mayor Goodman in recognition of his 8 years of dedicated service.

Cal Cities Public Affairs Manager Connor Median presented a joint resolution from the California Senate and Assembly to outgoing Mayor Goodman in recognition of his 8 years of dedicated service.

Outgoing Mayor Goodman thanked his family, City Council colleagues, City Staff for their support. He recognized and thanked the staff leadership and Boards from the California Joint Powers Insurance Authority (CJPIA), the Orange County Sanitation District (OC San); the Southern California Association of Governments (SCAG), and the League of California Cities (Cal Cities) for their support during his tenure.

3. City Clerk Kenney administered the official Oath of Office and Induction to newly elected Debbie S. Baker for District 1, Vikesh P. Patel for District 3, and Mark I. Waldman for District 5.

PI-2 ***City Council Reorganization***

The City Council conducted its annual reorganization by selecting the positions of Mayor and Mayor Pro Tem.

City Clerk Kenney opened the floor to nominations for Mayor.

Council Member Nitesh Patel nominated Mayor Pro Tem Waldman for Mayor.

The motion nominating Mayor Pro Tem Waldman for Mayor carried on the vote:

AYES:	Council Member Baker, Council Member Conklin, Council Member Nitesh Patel, Council Member Vikesh Patel, and Mayor Pro Tem Waldman
NOES:	None

City Clerk Kenney passed the nominations for Mayor Pro Tem over to newly appointed Mayor Waldman.

Mayor Waldman opened the floor to nominations for Mayor Pro Tem.

Mayor Waldman nominated Council Member Nitesh Patel for Mayor Pro Tem. The motion was seconded by Council Member Baker.

Council Member Conklin nominated herself for Mayor Pro Tem. The motion failed for lack of a second.

The motion for Council Member Nitesh Patel as for Mayor carried on the following vote:

AYES:	Council Member Baker, Council Member Nitesh Patel, Council Member Vikesh Patel, and Mayor Waldman
NOES:	Council Member Conklin

PRESENTATIONS:

None Scheduled.

ORAL COMMUNICATIONS

Jack Amsell, a La Palma resident, noted his appreciation for the veteran's event hosted Council Member Conklin; congratulated Mayor Waldman on his appointment; thanked the entire City Council for their service; asked the City Council for more support of the City's senior community.

CONSENT CALENDAR

1. Waive the Reading of All Ordinances

   Waive the reading of all Ordinances in their entirety and read by title only.

2. Approval of Council Minutes

   Minutes of the November 5, 2024, Regular Meeting of the City Council.

3. Approval of Register of Demands

   Adopt Resolution No. 2024-48 approving the Register of Demands for November 19, 2024, and December 3, 2024.

4. Contract Amendment for Grant Writing and Funding Advocacy Consulting Services

   Authorize the City Manager to execute a contract amendment with Townsend Public Affairs for grant writing and funding advocacy consulting services, extending the contract term through December 31, 2026.

5. Notice of Completion and Acceptance of Work for Notice of Completion for Zone 7 Slurry Seal Improvements

   Accept the work and authorize the Public Works and Community Services Director to file the Notice of Completion and Acceptance of Work with the Orange County Recorder for the Zone 7 Slurry Seal Project, City Project No. ST-373.

6. Second Reading and Adoption of an Ordinance Amending Portions of the City Zoning Code (Chapter 44 of the La Palma Municipal Code) for Parking, Signage, and Housing Definitions in Compliance with State Housing Laws and the City's Housing Element

   Conduct the second reading and adopt Ordinance 2024-04 amending portions of the City Zoning Code (Chapter 44 of the La Palma Municipal Code) for parking, signage, and housing definitions in compliance with State Housing Laws and the City's Housing Element.

   CEQA exempt pursuant to Section 15060(c)(2) and 15061(b)(3)

7. Water Staffing Augmentation Update

   Authorize the City Manager to allocate up to an additional $50,000 for water staff augmentation services with Water Workforce.

8. Additional Budget Appropriation for the Various Median Islands Project

   1. Appropriate additional construction funding in the amount $291,000; and

   2. Authorize the City Manager or his designee to execute all necessary change order expenditures within the requested amount.

9. Request for City Clerk/Executive Assistant Position Overhire and Compensation and Classification Plan Adjustment

1. Approve an overhire for the City Clerk/Executive Assistant position; and

2. Adopt a Resolution amending the Memorandum of Understanding and Salary Schedule for the La Palma Professional Employees Association and the Management Employees Personnel Resolution; and

3. Adopt a Resolution amending the Fiscal Year 2024-25 Adopted Budget to include a salary adjustment for the City Clerk/Executive Assistant position and funding for the temporary addition of a full-time equivalent.

City Manager McNamara announced that Item 9 is being tabled and will come back to the City Council at a future meeting.

Mayor Pro Tem Patel made a motion to approve Consent Calendar Items 1 through 8. The motion was seconded by Council Member Baker and carried on the following vote:

AYES:	Council Member Baker, Council Member Conklin, Mayor Pro Tem Nitesh Patel, Council Member Vikesh Patel, and Mayor Waldman
NOES:	None

PUBLIC HEARINGS

None Scheduled.

REGULAR ITEMS (1 ITEM)

10. Appointments to External Committees and Internal Subcommittees

Mayor Waldman discussed the External Committee and Internal Committee appointments pursuant to revised Council Policy 1 – City Council Norms and appoint Representatives and Alternates, and drafted a list of appointments to the external committees as follows:

The representative to the CJPIA will be Mayor Pro Tem Nitesh Patel and Mayor Waldman as the Alternate;

The representative to the Orange County Fire Authority (OCFA) Board of Directors will be Mayor Pro Tem Nitesh Patel with no Alternate;

The representative to the Orange County Sanitation District (OC San) will be Council Member Baker and Council Member Vikesh Patel as the Alternate;

The representative to the Orange County Mosquito and Vector Control District (OCMVCD) – a two year appointment – will be Council Member Baker;

The representative to the Municipal Water District of Orange County (MWDOC) will be Council Member Conklin and Mayor Waldman as the Alternate;

The representative to the Orange County Library Advisory Board (OCLAB) will be Council Member Vikesh Patel with no Alternate; and

The representative to the Southern California Association of Governments (SCAG) General Assembly will be Council Member Baker.

As to the Internal SubCommittees, Mayor Waldman drafted a list of appointments as follows:

The Mayor and Mayor Pro Tem will serve on the Business Task Force;

The Mayor and Mayor Pro Tem will serve on the Public School Liaison Committee;

The Mayor and Mayor Pro Tem will serve on the Council Policy Subcommittee;

Mayor Pro Tem Nitesh Patel and Council Baker will serve on the Business Engagement Ad Hoc Committee;

Council Member Conklin will server on the Homeless SubCommittee (Bridges at Kraemer Place); and

Mayor Pro Tem Nitesh Patel and Council Member Baker will serve on the Economic Development/Land Use Advisory Ad Hoc Committee.

Council Member Vikesh Patel made a motion to approve the External Committee and Internal Committee appointments as drafted, excluding the appointment to the OCFA Board of Directors. The motion was seconded by Council Member Baker and carried on the following vote:

AYES: Council Member Baker, Council Member Conklin, Mayor Pro Tem Nitesh Patel, Council Member Vikesh Patel, and Mayor Waldman

NOES: None

Council Member Baker made a motion to approve Resolution No. 2024-49 appointing Mayor Pro Tem Nitesh Patel as the Representative to the OCFA Board of Directors and Mayor Waldman as the Alternate. The motion was seconded by Mayor Pro Tem Nitesh Patel and carried on the following vote:

AYES: Council Member Baker, Council Member Conklin, Mayor Pro Tem Nitesh Patel, Council Member Vikesh Patel, and Mayor Waldman

NOES: None

COUNCIL MEMBER AB1234 REPORTS, REPORTS FROM CITY-AFFILIATED COMMITTEES, AND COUNCIL REMARKS

Council Member Keo Conklin apologized to staff, that it was not her intention to offend Staff from the dais at the last meeting; that she nominated herself for Mayor Pro Tem because Measure W was passed and that traditionally all Council Members rotate; that the Mayor Pro Tem position is a learning position; that she's hosted an Asian-American Heritage month ceremony and Veteran's event; that with Measure W and now two brothers on the City Council, that transparency is key and since their names are so similar, it would be best to video this meeting while also being in compliance; that for our seniors, she proposed greater transparency with the addition of Video and Audio, and asked to get this matter on the next agenda; congratulated Mayor Pro Tem Nitesh Patel on his appointment and Mayor Waldman on his appointment; congratulated Council Member Baker, Council Member Vikesh Patel, and Mayor Waldman on their successful election; and congratulated Congressman Derek Tran on his election.

Council Member Baker attended the OC San Operations Committee Meeting; Orange County Older Adults Advisory Commission (OC OAAC) Meeting; the OCMVCD Joint Committee Meeting (Budget & Finance Committee and Building, Property, and Equipment Committee); The Area Agency on Aging (AAA) Council of California (TACC); the Cal Cities Orange County Division Board of Directors Meeting; the Cal Cities Department Orientation; OC San Board of Directors Meeting; Cal Cities League Leaders Workshop Briefing; the OCMVCD Board of Trustees Meeting; the Cal Cities League Leaders Workshop; the annual Employee Recognition Luncheon; congratulated Assistant City Manager Hallett and Deputy City Manager Cisneros for their awards they received at the Municipal Management Association of Southern California (MMASC) Conference; thanked outgoing OCFA Chief Dohman for his years of service; and thanked outgoing Mayor Goodman for his dedicated 8 years of service.

Council Member Vikesh Patel attended the Holiday Tree lighting ceremony; the annual Employee Recognition Luncheon; and thanked his family for their support during his election.

Mayor Pro Tem Nitesh Patel attended the Holiday Tree lighting ceremony; the annual Employee Recognition Luncheon; thanked the City Council for putting their trust in him for being nominated and appointed as Mayor Pro Tem; congratulated Mayor Waldman on his appointment; congratulated Assistant City Manager Hallett and Deputy City Manager Cisneros for their awards they received at the Municipal Management Association of Southern California (MMASC) Conference; thanked OCFA Chief Dohman for his outstanding service and congratulated him on his retirement; and congratulated outgoing Mayor Goodman for his 8 years of dedicated service.

Mayor Waldman attended the Holiday Tree lighting; the annual Employee recognition luncheon; and thanked his family and friends for their support during the election.

CITY MANAGER REMARKS

City Manager McNamara thanked outgoing Mayor Goodman for his dedicated 8 years of service; that he appreciates the friendship and leadership shown to him and the City; and wished everyone a happy holidays and new year.

CITY ATTORNEY REMARKS

City Attorney Thind wished everyone a happy holiday season

ADJOURNMENT

Mayor Waldman adjourned the Regular Meeting of the City Council at 7:28 p.m.

Mark Waldman
Mayor

ATTEST:

Kimberly Kenney, CMC
City Clerk

City of La Palma

Agenda Item No. 3

MEETING DATE:	January 14, 2025
TO:	City Council
FROM:	City Manager
SUBMITTED BY:	Ryan Hallett, Assistant City Manager
AGENDA TITLE:	Register of Demands

RECOMMENDED ACTION:

It is recommended that the City Council adopt a Resolution approving the Registers of Demands for December 17, 2024, and January 7, 2025.

Summary:

The laws of the State of California governing General Law Cities and the La Palma Municipal Code provide that the City Council shall approve all payments made by the City.

A Register of Demands is provided at each City Council Meeting describing each payment made or to be made by the City during the specified period.

Fiscal Impact:

Sufficient funds are available to process all payments.

ATTACHMENTS:

1. Resolution Adopting Warrant Registers

RESOLUTION NO. 2025-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA PALMA APPROVING THE REGISTERS OF DEMANDS FOR DECEMBER 17, 2024, AND JANUARY 7, 2027.

WHEREAS, certain financial obligations are due and payable by the City of La Palma, a General Law City, as of December 17, 2024, and January 7, 2025; and

WHEREAS, the laws of the State of California governing General Law Cities and the Municipal Code of La Palma provide that the City Council of a General Law City shall approve all payments by said City from the various established funds of said City; and

WHEREAS, the City Manager and the City Council of the City of La Palma have ascertained that the following lists of obligations as submitted by the City of La Palma are paid or legally due and payable by the City.

NOW, THEREFORE, BE IT RESOLVED that the City Council of La Palma hereby approves the attached Registers of Demands dated December 17, 2024, and January 7, 2025, and incorporated herein by reference.

APPROVED AND ADOPTED by the City Council of the City of La Palma at a regular meeting held on the 14th day of January, 2025.

____
Mark I. Waldman
Mayor

ATTEST:

____
Kimberly Kenney, CMC
City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS
CITY OF LA PALMA)

I, KIMBERLY KENNEY, City Clerk of the City of La Palma, California, DO HEREBY CERTIFY that the foregoing resolution was adopted by the City Council of said City at a regular meeting of said City Council held on the 14th day of January, 2025, and that it was so adopted by called vote as follows:

AYES:

NOES:

____
Kimberly Kenney, CMC
City Clerk

City of La Palma

Warrant Register

By Vendor Name

Post Dates 12/4/2024 - 12/17/2024

Approval

Reviewed by

Ryan Hallett

Ryan Hallett - Assistant City Manager

Conal McNamara - City Manager

Payment Date	Payment Number	Vendor Name	Description (Item)	Amount
Vendor: 01024 - ABLE BUILDING MAINTENANCE CO				
12/17/2024	APA001987	ABLE BUILDING MAINTENANC...	OCT'24 JANITORIAL SERVICES/CY	172.23
12/17/2024	APA001987	ABLE BUILDING MAINTENANC...	OCT'24 JANITORIAL SERVICES/	1,138.83
12/17/2024	APA001987	ABLE BUILDING MAINTENANC...	OCT'24 JANITORIAL SERVICES/PD	1,827.73
12/17/2024	APA001987	ABLE BUILDING MAINTENANC...	OCT'24 JANITORIAL SERVICES/REC	3,861.05
			Vendor 01024 - ABLE BUILDING MAINTENANCE CO Total:	**6,999.84**
Vendor: 01037 - ADMIRAL PEST CONTROL INC				
12/17/2024	APA001988	ADMIRAL PEST CONTROL INC	10/23 PEST CONTROL/EROW	195.00
12/17/2024	APA001988	ADMIRAL PEST CONTROL INC	11/22 PEST CONTROL/CY	175.00
12/17/2024	APA001988	ADMIRAL PEST CONTROL INC	11/22 PEST CONTROL/5410 LA PALMA	53.00
12/17/2024	APA001988	ADMIRAL PEST CONTROL INC	11/22 PEST CONTROL/CH	164.00
12/17/2024	APA001988	ADMIRAL PEST CONTROL INC	11/22 PEST CONTROL/WW	105.00
12/17/2024	APA001988	ADMIRAL PEST CONTROL INC	11/22 PEST CONTROL/EROW	195.00
12/17/2024	APA001988	ADMIRAL PEST CONTROL INC	11/22 PEST CONTROL/CP	152.00
			Vendor 01037 - ADMIRAL PEST CONTROL INC Total:	**1,039.00**
Vendor: 05750 - ADRIANA MCDONOUGH				
12/17/2024	APA002018	ADRIANA MCDONOUGH	11/23 COMM CTR DEPOSIT RFD	300.00
			Vendor 05750 - ADRIANA MCDONOUGH Total:	**300.00**
Vendor: 01047 - AFLAC				
12/17/2024	APA001989	AFLAC	NOV'24 AFLAC/PD	384.88
12/17/2024	APA001989	AFLAC	DEC'24 AFLAC INS PREM W/H	261.00
			Vendor 01047 - AFLAC Total:	**645.88**
Vendor: 01009 - AKAL CONSULTANTS				
12/17/2024	APA001990	AKAL CONSULTANTS	12/4 PROF ENG SVCS/DEL AMO BRIDGE/ST-360	1,280.00
12/17/2024	APA001990	AKAL CONSULTANTS	12/4 PROF ENG SVCS/DEL AMO BRIDGE/ST-360	3,840.00
12/17/2024	APA001990	AKAL CONSULTANTS	NOV'24 PROF ENG SVCS/PW	7,360.00
			Vendor 01009 - AKAL CONSULTANTS Total:	**12,480.00**
Vendor: 01067 - ALLIANT INSURANCE SVCS INC				
12/17/2024	39744	ALLIANT INSURANCE SVCS INC	JUL-SEP'24 LIABILITY INS/REC	244.00
			Vendor 01067 - ALLIANT INSURANCE SVCS INC Total:	**244.00**
Vendor: 01015 - AT&T				
12/17/2024	39745	AT&T	11/13#523-2193 T1/CH - BAN:9391033969	369.44
12/17/2024	39745	AT&T	11/15#690-3922 RV PERMIT LINE - BAN:9391033973	36.64
12/17/2024	39745	AT&T	11/25#826-6272 TELEMETRY/WTR - BAN:9391033974	59.77
12/17/2024	39745	AT&T	12/4#523-4309 EOC LINES/PD- BAN 9391033970	245.76
12/17/2024	39745	AT&T	12/4#523-7351 FAX/PD -BAN 9391033971	32.52
12/17/2024	39745	AT&T	12/1#995-1569 WALKER ST SYNCH- BAN 9391033976	30.65
12/17/2024	39745	AT&T	11/13#339/342-4813 T1/PD - BAN:9391033966	155.55
12/17/2024	39745	AT&T	10/20-11/19 800MHZ OCSD/PD - BAN:9391064973	1,216.40
			Vendor 01015 - AT&T Total:	**2,146.73**
Vendor: 01171 - B L WALLACE DISTRIBUTOR INC				
12/17/2024	APA001992	B L WALLACE DISTRIBUTOR INC	12/3 MTR BOX LIDS/WTR	17.61
			Vendor 01171 - B L WALLACE DISTRIBUTOR INC Total:	**17.61**

Payment Date	Payment Number	Vendor Name	Description (Item)	Amount
Vendor: 04030 - BRAD STENE				
12/17/2024	2227	BRAD STENE	11/19-21 CHEM AGENT TRNG/PD	151.28
			Vendor 04030 - BRAD STENE Total:	**151.28**
Vendor: 01241 - BUENA PARK POSTMASTER				
12/17/2024	39746	BUENA PARK POSTMASTER	BULK MAIL PERMIT #49/REC	350.00
			Vendor 01241 - BUENA PARK POSTMASTER Total:	**350.00**
Vendor: 01251 - C D W GOVERNMENT INC				
12/17/2024	APA001993	C D W GOVERNMENT INC	(3)SurfacePro Laptops	5,607.22
12/17/2024	APA001993	C D W GOVERNMENT INC	(1)OFFICE PRINTER&SCANNER/CLERK	462.97
			Vendor 01251 - C D W GOVERNMENT INC Total:	**6,070.19**
Vendor: 01272 - CA PARK & RECREATION SOCIETY				
12/17/2024	APA001994	CA PARK & RECREATION SOCI...	2025 CPRS DUES/REC COORD&CS SUPV	720.00
			Vendor 01272 - CA PARK & RECREATION SOCIETY Total:	**720.00**
Vendor: 05610 - CAMILLE VALLEY				
12/17/2024	APA002037	CAMILLE VALLEY	11/11-11/25 BALLET & TAP	182.00
			Vendor 05610 - CAMILLE VALLEY Total:	**182.00**
Vendor: 02669 - CHARTER COMMUNICATIONS				
12/17/2024	39749	CHARTER COMMUNICATIONS	11/11-12/10 Internet SVC/CH- Account No. 188679701	425.10
			Vendor 02669 - CHARTER COMMUNICATIONS Total:	**425.10**
Vendor: 05455 - CHARTER COMMUNICATIONS				
12/17/2024	39747	CHARTER COMMUNICATIONS	11/11-12/10 Internet SVC/CY - Account No.188679101	1,132.47
12/17/2024	39747	CHARTER COMMUNICATIONS	11/11-12/10 Internet SVC/CY - Account No.188679101	485.34
			Vendor 05455 - CHARTER COMMUNICATIONS Total:	**1,617.81**
Vendor: 05456 - CHARTER COMMUNICATIONS				
12/17/2024	39748	CHARTER COMMUNICATIONS	11/11-12/10 INTERNET SVC/WW -ACCT#188678801	719.00
			Vendor 05456 - CHARTER COMMUNICATIONS Total:	**719.00**
Vendor: 03604 - CINTAS CORPORATION				
12/17/2024	APA001995	CINTAS CORPORATION	11/21 UNIFORM SHIRTS/PW	117.59
12/17/2024	APA001995	CINTAS CORPORATION	11/21 UNIFORM SHIRTS/PW	117.59
12/17/2024	APA001995	CINTAS CORPORATION	11/21 UNIFORM SHIRTS/PW	176.43
12/17/2024	APA001995	CINTAS CORPORATION	11/27 UNIFORM SVC/PW	34.77
12/17/2024	APA001995	CINTAS CORPORATION	11/27 UNIFORM SVC/PW	34.77
12/17/2024	APA001995	CINTAS CORPORATION	11/27 UNIFORM SVC/PW	38.43
			Vendor 03604 - CINTAS CORPORATION Total:	**519.58**
Vendor: 01356 - CITY OF LA PALMA FLEXIBLE				
12/12/2024	39741	CITY OF LA PALMA FLEXIBLE	Flexible Spending Contributions - Medical	98.07
			Vendor 01356 - CITY OF LA PALMA FLEXIBLE Total:	**98.07**
Vendor: 05747 - CITYGREEN CONSULTING LLC				
12/17/2024	APA001996	CITYGREEN CONSULTING LLC	OWR1 CONSULTING SVCS #1/PW	150.00
			Vendor 05747 - CITYGREEN CONSULTING LLC Total:	**150.00**
Vendor: 01368 - CIVICPLUS				
12/17/2024	APA001997	CIVICPLUS	NOV'24 CC MTG CLOSED CAPTIONING/ADM	490.37
			Vendor 01368 - CIVICPLUS Total:	**490.37**
Vendor: 05706 - COLANTUONO HIGHSMITH & WHATLEY PC				
12/17/2024	APA001998	COLANTUONO HIGHSMITH &...	NOV'24 RETAINER	9,020.00
12/17/2024	APA001998	COLANTUONO HIGHSMITH &...	11/6-19 ATTY SVCS/PTCHESS- POLICE MATTERS	3,761.95

Payment Date	Payment Number	Vendor Name	Description (Item)	Amount
12/17/2024	APA001998	COLANTUONO HIGHSMITH &...	11/6-25 ATTY SVCS/PRA REQUESTS	2,574.80
12/17/2024	APA001998	COLANTUONO HIGHSMITH &...	10/29-11/25 ATTY SVCS/TELECOM MATTERS	393.90
12/17/2024	APA001998	COLANTUONO HIGHSMITH &...	11/19-20 ATTY SVCS/LITIGATION MATTERS	136.00
12/17/2024	APA001998	COLANTUONO HIGHSMITH &...	11/1-27 ATTY SVCS/PW & UTILITIES	5,657.60
12/17/2024	APA001998	COLANTUONO HIGHSMITH &...	11/20 ATTY SVCS/TERM LIMITS	54.40
12/17/2024	APA001998	COLANTUONO HIGHSMITH &...	11/5-21 ATTY SVCS/TATARIAN V CITY OF LA PALMA	455.00
			Vendor 05706 - COLANTUONO HIGHSMITH & WHATLEY PC Total:	**22,053.65**
Vendor: 04769 - CONAL MCNAMARA				
12/17/2024	2225	CONAL MCNAMARA	JUL'24-NOV'24 WELLNESS REIMB/CM	174.25
			Vendor 04769 - CONAL MCNAMARA Total:	**174.25**
Vendor: 04325 - CONVERGINT TECHNOLOGIES LLC				
12/17/2024	APA001999	CONVERGINT TECHNOLOGIES ...	11/5 SECURITY SYSTEM MAINT/CY	1,455.50
			Vendor 04325 - CONVERGINT TECHNOLOGIES LLC Total:	**1,455.50**
Vendor: 04388 - CROSSTOWN ELECTRICAL & DATA INC				
12/17/2024	APA002000	CROSSTOWN ELECTRICAL & D...	JUN'24 SIGNAL RPR/PW	12,515.60
12/17/2024	APA002000	CROSSTOWN ELECTRICAL & D...	SEP'24 SIGNAL RPR/PW	708.00
12/17/2024	APA002000	CROSSTOWN ELECTRICAL & D...	NOV'24 SIGNAL MAINT/PW	1,260.00
			Vendor 04388 - CROSSTOWN ELECTRICAL & DATA INC Total:	**14,483.60**
Vendor: 04387 - DOG WASTE DEPOT				
12/17/2024	APA002001	DOG WASTE DEPOT	11/22 (4)CASES DOG WASTE BAGS/PW	85.87
			Vendor 04387 - DOG WASTE DEPOT Total:	**85.87**
Vendor: 05624 - E&R CONSTRUCTION INC				
12/17/2024	APA002002	E&R CONSTRUCTION INC	10/21 EMERG WTR RPR/7152 RAMPART	6,177.28
			Vendor 05624 - E&R CONSTRUCTION INC Total:	**6,177.28**
Vendor: 05071 - FLEETCOR TECHNOLOGIES INC - ARCO				
12/04/2024	DFT0009428	FLEETCOR TECHNOLOGIES INC...	12/3 GASOLINE/PD	214.97
12/04/2024	DFT0009428	FLEETCOR TECHNOLOGIES INC...	12/3 GASOLINE/PW	407.46
12/04/2024	DFT0009428	FLEETCOR TECHNOLOGIES INC...	12/3 GASOLINE/REC	116.10
12/04/2024	DFT0009428	FLEETCOR TECHNOLOGIES INC...	12/3 GASOLINE/CD	122.32
			Vendor 05071 - FLEETCOR TECHNOLOGIES INC - ARCO Total:	**860.85**
Vendor: 01631 - FRANCHISE TAX BOARD				
12/12/2024	DFT0009418	FRANCHISE TAX BOARD	State Tax Withholding	12.32
12/12/2024	DFT0009424	FRANCHISE TAX BOARD	State Tax Withholding	79.86
12/12/2024	DFT0009442	FRANCHISE TAX BOARD	State Tax Withholding	55.86
12/12/2024	DFT0009458	FRANCHISE TAX BOARD	State Tax Withholding	9,708.86
			Vendor 01631 - FRANCHISE TAX BOARD Total:	**9,856.90**
Vendor: 01639 - G D C COMMUNICATIONS				
12/17/2024	APA002003	G D C COMMUNICATIONS	12/4 SOUND/TREE LIGHTING	375.00
			Vendor 01639 - G D C COMMUNICATIONS Total:	**375.00**
Vendor: 04276 - G M T				
12/17/2024	APA002004	G M T	10/17 REROUTE SCADA HDMI CABLE/CY	315.00
12/17/2024	APA002004	G M T	8/4 ETHERNET CABLE RUNS/PD	705.00
			Vendor 04276 - G M T Total:	**1,020.00**
Vendor: 01649 - GALLS - QUARTERMASTER				
12/17/2024	APA002005	GALLS - QUARTERMASTER	11/26 (7)VEST POUCH/PD	127.24
			Vendor 01649 - GALLS - QUARTERMASTER Total:	**127.24**

Payment Date	Payment Number	Vendor Name	Description (Item)	Amount
Vendor: 01679 - GOVERNMENTAL FINANCIAL SVCS				
12/17/2024	2223	GOVERNMENTAL FINANCIAL ...	NOV'24 ACCOUNTING SVCS/FIN	4,991.25
12/17/2024	2223	GOVERNMENTAL FINANCIAL ...	NOV'24 ACCOUNTING SVCS/FIN	3,176.25
12/17/2024	2223	GOVERNMENTAL FINANCIAL ...	NOV'24 ACCOUNTING SVCS/FIN	2,145.00
12/17/2024	2223	GOVERNMENTAL FINANCIAL ...	NOV'24 ACCOUNTING SVCS/FIN	907.50
			Vendor 01679 - GOVERNMENTAL FINANCIAL SVCS Total:	**11,220.00**
Vendor: 05303 - HEALTH AND HUMAN RESOURCES CENTER INC				
12/17/2024	APA002007	HEALTH AND HUMAN RESOU...	JAN'25 EAP	129.60
			Vendor 05303 - HEALTH AND HUMAN RESOURCES CENTER INC Total:	**129.60**
Vendor: 01727 - HINDERLITER DE LLAMAS & ASSOC				
12/17/2024	APA002008	HINDERLITER DE LLAMAS & A...	OCT-DEC'24 SALES TAX SVCS	1,367.76
			Vendor 01727 - HINDERLITER DE LLAMAS & ASSOC Total:	**1,367.76**
Vendor: 02642 - HOME DEPOT				
12/17/2024	APA002009	HOME DEPOT	11/21 SUPPLIES/WTR	47.35
12/17/2024	APA002009	HOME DEPOT	11/21 JANITORIAL SUPPLIES/PW	64.56
12/17/2024	APA002009	HOME DEPOT	11/20 BATTERY/LP-22	156.00
12/17/2024	APA002009	HOME DEPOT	11/20 SUPPLIES/PW	86.18
12/17/2024	APA002009	HOME DEPOT	11/20 BATTERY DEPOSIT RFD/LP-22	-15.00
12/17/2024	APA002009	HOME DEPOT	11/19 OFFICE SUPPLIES/PD	10.84
12/17/2024	APA002009	HOME DEPOT	11/19 OFFICE SUPPLIES/PD	68.83
12/17/2024	APA002009	HOME DEPOT	11/19 OFFICE SUPPLIES/PD	53.75
12/17/2024	APA002009	HOME DEPOT	11/27 SUPPLIES/TREE LIGHTING	232.93
12/17/2024	APA002009	HOME DEPOT	11/27 SUPPLIES/PW	45.52
12/17/2024	APA002009	HOME DEPOT	11/27 SUPPLIES/TREE LIGHTING	37.68
12/17/2024	APA002009	HOME DEPOT	11/27 SUPPLIES/TREE LIGHTING	132.18
12/17/2024	APA002009	HOME DEPOT	11/6 SUPPLIES/REC	26.87
12/17/2024	APA002009	HOME DEPOT	11/25 SUPPLIES/TREE LIGHTING	41.96
			Vendor 02642 - HOME DEPOT Total:	**989.65**
Vendor: 05649 - INFINITY TECHNOLOGIES				
12/17/2024	APA002011	INFINITY TECHNOLOGIES	NOV'24 IT SVCS	13,083.00
12/17/2024	APA002011	INFINITY TECHNOLOGIES	NOV'24 SENTINEL ONE	658.00
12/17/2024	APA002011	INFINITY TECHNOLOGIES	NOV'24 DUO	99.00
			Vendor 05649 - INFINITY TECHNOLOGIES Total:	**13,840.00**
Vendor: 01764 - INTERNAL REVENUE SERVICE				
12/12/2024	DFT0009417	INTERNAL REVENUE SERVICE	Federal Tax Withholding	22.40
12/12/2024	DFT0009419	INTERNAL REVENUE SERVICE	Medicare	5.88
12/12/2024	DFT0009423	INTERNAL REVENUE SERVICE	Federal Tax Withholding	175.74
12/12/2024	DFT0009425	INTERNAL REVENUE SERVICE	Medicare	25.84
12/12/2024	DFT0009441	INTERNAL REVENUE SERVICE	Federal Tax Withholding	120.11
12/12/2024	DFT0009443	INTERNAL REVENUE SERVICE	Medicare	17.48
12/12/2024	DFT0009457	INTERNAL REVENUE SERVICE	Federal Tax Withholding	25,892.43
12/12/2024	DFT0009459	INTERNAL REVENUE SERVICE	Medicare	6,405.93
			Vendor 01764 - INTERNAL REVENUE SERVICE Total:	**32,665.81**
Vendor: 01775 - IRON MOUNTAIN				
12/17/2024	APA002012	IRON MOUNTAIN	DEC'24 RECORDS STORAGE	317.00
			Vendor 01775 - IRON MOUNTAIN Total:	**317.00**

Payment Date	Payment Number	Vendor Name	Description (Item)	Amount
Vendor: 05140 - JACOB GREEN & ASSOCIATES INC				
12/17/2024	APA002006	JACOB GREEN & ASSOCIATES ...	11/19 & 11/21 EXECUTIVE COACHING SVCS/CS	500.00
			Vendor 05140 - JACOB GREEN & ASSOCIATES INC Total:	**500.00**
Vendor: 01832 - JANIS TAMAYO				
12/17/2024	APA002033	JANIS TAMAYO	11/23 PAVILION DEPOSIT RFD	200.00
			Vendor 01832 - JANIS TAMAYO Total:	**200.00**
Vendor: 05675 - JOHNNY ALLEN TENNIS ACADEMY				
12/17/2024	APA002013	JOHNNY ALLEN TENNIS ACAD...	11/7-11/21 INTRO TO PICKLEBALL	345.15
12/17/2024	APA002013	JOHNNY ALLEN TENNIS ACAD...	11/7-11/21 BIG BALLERS PICKLEBALL	57.85
			Vendor 05675 - JOHNNY ALLEN TENNIS ACADEMY Total:	**403.00**
Vendor: 04039 - JOSEPH CISNEROS				
12/17/2024	2222	JOSEPH CISNEROS	1/16-11/15/24 WELLNESS REIMB/ATCM	455.20
12/17/2024	2222	JOSEPH CISNEROS	NOV'24 WELLNESS REIMB/ATCM	44.80
			Vendor 04039 - JOSEPH CISNEROS Total:	**500.00**
Vendor: 05505 - JOSEPH L INDRAWAN				
12/17/2024	APA002010	JOSEPH L INDRAWAN	SEP'24 PROF ENG SVCS/PW	1,625.00
12/17/2024	APA002010	JOSEPH L INDRAWAN	OCT'24 PROF ENG SVCS/PW	1,437.50
			Vendor 05505 - JOSEPH L INDRAWAN Total:	**3,062.50**
Vendor: 05749 - JOYCE WANG				
12/17/2024	APA002038	JOYCE WANG	12942 LESS CANCELLATION FEE	-11.00
12/17/2024	APA002038	JOYCE WANG	12942 ZUMBA RFD	55.00
			Vendor 05749 - JOYCE WANG Total:	**44.00**
Vendor: 03684 - JUSTIN BRAASCH				
12/17/2024	2221	JUSTIN BRAASCH	11/19-21 CHEM AGENT TRNG/PD	184.38
			Vendor 03684 - JUSTIN BRAASCH Total:	**184.38**
Vendor: 05331 - KIDZ TALENT ACADEMY				
12/17/2024	APA002014	KIDZ TALENT ACADEMY	11/12-11/26 GYMNASTICS & TUMBLING	70.20
12/17/2024	APA002014	KIDZ TALENT ACADEMY	11/12-11/26 BASKETBALL SKILLS & DRILLS	383.50
			Vendor 05331 - KIDZ TALENT ACADEMY Total:	**453.70**
Vendor: 01957 - KONICA MINOLTA BUSINESS				
12/17/2024	APA002015	KONICA MINOLTA BUSINESS	SEP-NOV'24 FLEET AGGREGATE BASE	1,185.78
			Vendor 01957 - KONICA MINOLTA BUSINESS Total:	**1,185.78**
Vendor: 01959 - KONICA MINOLTA PREMIER				
12/17/2024	APA002016	KONICA MINOLTA PREMIER	11/15-12/14 COPIER RENTAL/CH,PD,REC	598.50
			Vendor 01959 - KONICA MINOLTA PREMIER Total:	**598.50**
Vendor: 01975 - L P G E A				
12/12/2024	39740	L P G E A	LPGEA Dues Withheld	198.00
			Vendor 01975 - L P G E A Total:	**198.00**
Vendor: 01988 - LA PALMA POLICE ASSN				
12/12/2024	39742	LA PALMA POLICE ASSN	LPPA Dues Withheld	1,256.11
			Vendor 01988 - LA PALMA POLICE ASSN Total:	**1,256.11**
Vendor: 04657 - LISA AMSELL				
12/17/2024	APA001991	LISA AMSELL	11/2-11/30 MARTIAL ARTS	32.50
			Vendor 04657 - LISA AMSELL Total:	**32.50**
Vendor: 01976 - LPPEA				
12/12/2024	39743	LPPEA	LPPEA Dues Withheld	75.00
			Vendor 01976 - LPPEA Total:	**75.00**

Payment Date	Payment Number	Vendor Name	Description (Item)	Amount
Vendor: 05072 - MASTERLUBE CYPRESS				
12/17/2024	APA002017	MASTERLUBE CYPRESS	12/3 OIL CHANGE/#740	60.32
			Vendor 05072 - MASTERLUBE CYPRESS Total:	**60.32**
Vendor: 03125 - MAY SPENCE				
12/17/2024	2226	MAY SPENCE	7/17-11/7 BANK MLGE REIMB/AT	20.90
			Vendor 03125 - MAY SPENCE Total:	**20.90**
Vendor: 02183 - MINUTEMAN PRESS				
12/17/2024	APA002020	MINUTEMAN PRESS	(855)WTR BILL INSERTS/WTR	297.67
			Vendor 02183 - MINUTEMAN PRESS Total:	**297.67**
Vendor: 01752 - MISSION SQUARE - PLAN 302549				
12/12/2024	APA001985	MISSION SQUARE - PLAN 302…	Deferred Comp	1,173.07
12/12/2024	APA001985	MISSION SQUARE - PLAN 302…	Deferred Comp	2,294.23
12/12/2024	APA001985	MISSION SQUARE - PLAN 302…	Deferred Comp	2,659.11
			Vendor 01752 - MISSION SQUARE - PLAN 302549 Total:	**6,126.41**
Vendor: 02227 - NEWS ENTERPRISE				
12/17/2024	APA002021	NEWS ENTERPRISE	11/20 LEGAL AD/MADDY ACT	250.00
			Vendor 02227 - NEWS ENTERPRISE Total:	**250.00**
Vendor: 02248 - OCCUPATIONAL HEALTH CENTERS OF CA				
12/17/2024	APA002022	OCCUPATIONAL HEALTH CEN…	9/6 EMPL PHYS (1) PD-FT	665.00
12/17/2024	APA002022	OCCUPATIONAL HEALTH CEN…	10/28 EMPL PHYS/(1)PW-FT	658.00
			Vendor 02248 - OCCUPATIONAL HEALTH CENTERS OF CA Total:	**1,323.00**
Vendor: 02290 - PACIFIC TELEMANAGEMENT SVCS				
12/17/2024	APA002023	PACIFIC TELEMANAGEMENT S…	12/1#739-9846 PAYPHONE/PD	78.00
			Vendor 02290 - PACIFIC TELEMANAGEMENT SVCS Total:	**78.00**
Vendor: 02277 - PARS				
12/17/2024	APA002024	PARS	OCT'24 PARS ADM SVCS	406.32
			Vendor 02277 - PARS Total:	**406.32**
Vendor: 02279 - PERS RETIREMENT				
12/12/2024	DFT0009414	PERS RETIREMENT	CalPERS Employee Contribution	15.68
12/12/2024	DFT0009415	PERS RETIREMENT	CalPERS Employer Contribution	15.93
12/12/2024	DFT0009420	PERS RETIREMENT	CalPERS Employee Contribution	92.16
12/12/2024	DFT0009421	PERS RETIREMENT	CalPERS Employer Contribution	91.91
12/12/2024	DFT0009438	PERS RETIREMENT	CalPERS Employee Contribution	57.45
12/12/2024	DFT0009439	PERS RETIREMENT	CalPERS Employer Contribution	57.31
12/12/2024	DFT0009444	PERS RETIREMENT	CalPERS Employee Contribution	1,938.17
12/12/2024	DFT0009445	PERS RETIREMENT	CalPERS Employer Contribution	3,881.18
12/12/2024	DFT0009446	PERS RETIREMENT	CalPERS Employee Contribution	1,690.69
12/12/2024	DFT0009447	PERS RETIREMENT	CalPERS Employer Contribution	2,451.50
12/12/2024	DFT0009448	PERS RETIREMENT	CalPERS Employee Contribution	3,530.69
12/12/2024	DFT0009449	PERS RETIREMENT	CalPERS Employer Contribution	3,585.35
12/12/2024	DFT0009450	PERS RETIREMENT	CalPERS Employee Contribution	1,811.53
12/12/2024	DFT0009451	PERS RETIREMENT	CalPERS Employer Contribution	5,897.55
12/12/2024	DFT0009452	PERS RETIREMENT	CalPERS Employee Contribution	416.83
12/12/2024	DFT0009453	PERS RETIREMENT	CalPERS Employer Contribution	1,077.20
12/12/2024	DFT0009454	PERS RETIREMENT	CalPERS Employee Contribution	7,483.13
12/12/2024	DFT0009455	PERS RETIREMENT	CalPERS Employer Contribution	7,464.03
12/12/2024	DFT0009456	PERS RETIREMENT	Employee Survivor Contribution Amount	45.57
			Vendor 02279 - PERS RETIREMENT Total:	**41,603.86**

Payment Date	Payment Number	Vendor Name	Description (Item)	Amount
Vendor: 02320 - PHOTO INK				
12/17/2024	APA002025	PHOTO INK	LOBBY PHOTO/CCMBR	696.00
			Vendor 02320 - PHOTO INK Total:	**696.00**
Vendor: 02354 - R C S INVESTIGATIONS AND CONSULTING LLC				
12/17/2024	APA002026	R C S INVESTIGATIONS AND C...	11/15 BACKGROUND INVEST/ (3)PD	5,700.00
			Vendor 02354 - R C S INVESTIGATIONS AND CONSULTING LLC Total:	**5,700.00**
Vendor: 05671 - RICHARD MIEIR				
12/17/2024	APA002019	RICHARD MIEIR	11/7-11/21 TAI CHI	64.35
			Vendor 05671 - RICHARD MIEIR Total:	**64.35**
Vendor: 03931 - RYAN HALLETT				
12/17/2024	2224	RYAN HALLETT	FY24/25 WELLNESS REIMB/ACM	299.99
12/17/2024	2224	RYAN HALLETT	11/13-15 MMASC Conf/ACM	1,455.80
12/17/2024	2224	RYAN HALLETT	12/5 Team Vision Lunch/Empl Recog	276.39
			Vendor 03931 - RYAN HALLETT Total:	**2,032.18**
Vendor: 02535 - SMART & FINAL				
12/17/2024	APA002027	SMART & FINAL	12/3 SUPPLIES/INSPOTEEN	51.53
12/17/2024	APA002027	SMART & FINAL	11/25 SUPPLIES/REC	26.90
			Vendor 02535 - SMART & FINAL Total:	**78.43**
Vendor: 02640 - SO CAL GAS COMPANY				
12/04/2024	DFT0009429	SO CAL GAS COMPANY	12/4 8415 MEADOWLARK/BOOSTER	16.27
12/04/2024	DFT0009430	SO CAL GAS COMPANY	12/4 8441 MOODY/CY	46.59
12/04/2024	DFT0009431	SO CAL GAS COMPANY	12/4 7821 WALKER/CC&CP	342.69
12/04/2024	DFT0009432	SO CAL GAS COMPANY	12/4 7821 WALKER/REAR GEN	29.47
12/04/2024	DFT0009433	SO CAL GAS COMPANY	12/4 7792 WALKER/PD	1,371.11
12/12/2024	DFT0009469	SO CAL GAS COMPANY	12/6 6800 WALKER/WW	50.82
			Vendor 02640 - SO CAL GAS COMPANY Total:	**1,856.95**
Vendor: 02556 - SOUTHERN CALIFORNIA EDISON				
12/04/2024	DFT0009434	SOUTHERN CALIFORNIA EDIS...	12/2 7792 WALKER/PD	5,232.69
12/04/2024	DFT0009434	SOUTHERN CALIFORNIA EDIS...	12/2 LAURELWOOD/SCE LAMPS	30.56
12/04/2024	DFT0009434	SOUTHERN CALIFORNIA EDIS...	12/2 7821 WALKER/CC&CP	2,712.27
12/04/2024	DFT0009434	SOUTHERN CALIFORNIA EDIS...	12/2 7711 MDY/ORGTHRPE SPRNKLR	38.76
12/04/2024	DFT0009434	SOUTHERN CALIFORNIA EDIS...	12/2 LP/COMSTOCK SPRINKLER	14.63
12/04/2024	DFT0009434	SOUTHERN CALIFORNIA EDIS...	12/2 7872-1/2 DENNI SPRINKLER	13.98
12/04/2024	DFT0009434	SOUTHERN CALIFORNIA EDIS...	12/2 6750 WALKER SPRINKLER	13.79
12/04/2024	DFT0009434	SOUTHERN CALIFORNIA EDIS...	12/2 7711 FURMAN RD POLE	99.48
12/04/2024	DFT0009434	SOUTHERN CALIFORNIA EDIS...	12/2 BYRNE/WALKER LAMPS	112.25
12/04/2024	DFT0009434	SOUTHERN CALIFORNIA EDIS...	12/2 6800 WALKER/PUMP	7,927.20
12/04/2024	DFT0009435	SOUTHERN CALIFORNIA EDIS...	11/26 8415 MEADOWLARK/BSTR	10,292.80
12/04/2024	DFT0009436	SOUTHERN CALIFORNIA EDIS...	12/2 LS-2 8231-1/2 WALKER	17.95
12/04/2024	DFT0009436	SOUTHERN CALIFORNIA EDIS...	12/2 LS-1/ALL NIGHT	13,909.56
12/04/2024	DFT0009436	SOUTHERN CALIFORNIA EDIS...	12/2 LS-2/8172 MOODY	35.92
12/04/2024	DFT0009436	SOUTHERN CALIFORNIA EDIS...	12/2 LS-1/ALL NIGHT ADD'L LAMPS	49.43
12/04/2024	DFT0009436	SOUTHERN CALIFORNIA EDIS...	12/2 LS-2/METERED	440.06
12/04/2024	DFT0009436	SOUTHERN CALIFORNIA EDIS...	12/2 WALKER/91 FWY LAMPS	125.87
12/12/2024	DFT0009467	SOUTHERN CALIFORNIA EDIS...	12/9 5872 LA PALMA/MEDIAN	25.42
12/12/2024	DFT0009467	SOUTHERN CALIFORNIA EDIS...	12/9 7502 WALKER/HOUSTON TC1	79.48
12/12/2024	DFT0009467	SOUTHERN CALIFORNIA EDIS...	12/9 8172 MOODY/WINDSONG TC1	144.18
12/12/2024	DFT0009468	SOUTHERN CALIFORNIA EDIS...	12/6 LP/MOODY SIGNAL	99.41
12/12/2024	DFT0009468	SOUTHERN CALIFORNIA EDIS...	12/6 LP/DENNI SIGNAL	105.00

Payment Date	Payment Number	Vendor Name	Description (Item)	Amount
12/12/2024	DFT0009468	SOUTHERN CALIFORNIA EDIS…	12/6 7701 WALKER/HOSPITAL SIGNAL	106.88
12/12/2024	DFT0009468	SOUTHERN CALIFORNIA EDIS…	12/6 E/S VV/ORANGETHORPE SGNL	106.88
12/12/2024	DFT0009468	SOUTHERN CALIFORNIA EDIS…	12/6 5001 CRESCENT SIGNAL	107.58
12/12/2024	DFT0009468	SOUTHERN CALIFORNIA EDIS…	12/6 MOODY/SHARON SIGNAL	85.86
12/12/2024	DFT0009468	SOUTHERN CALIFORNIA EDIS…	12/6 LP/REDFORD SIGNAL	84.47
12/12/2024	DFT0009468	SOUTHERN CALIFORNIA EDIS…	12/6 8171 WALKER/LA LUNA SIGNAL	80.48
12/12/2024	DFT0009468	SOUTHERN CALIFORNIA EDIS…	12/6 8231-1/2 WALKER	69.52
12/12/2024	DFT0009468	SOUTHERN CALIFORNIA EDIS…	12/6 WALKER/183RD SIGNAL	75.82
12/12/2024	DFT0009468	SOUTHERN CALIFORNIA EDIS…	12/6 5498 LA PALMA TC1	113.88
12/12/2024	DFT0009468	SOUTHERN CALIFORNIA EDIS…	12/6 7903 WALKER/REC SIGNAL	68.58
12/12/2024	DFT0009468	SOUTHERN CALIFORNIA EDIS…	12/6 LP/WALKER SIGNAL	55.03
12/12/2024	DFT0009468	SOUTHERN CALIFORNIA EDIS…	12/6 5002 HOUSTON	98.70
12/12/2024	DFT0009468	SOUTHERN CALIFORNIA EDIS…	12/6 MOODY/LA LUNA SIGNAL	32.84
12/12/2024	DFT0009468	SOUTHERN CALIFORNIA EDIS…	12/6 S/S ORANGETHORPE/VV SIGNAL	90.29
12/12/2024	DFT0009470	SOUTHERN CALIFORNIA EDIS…	12/11 6998 WALKER TC1	90.50
			Vendor 02556 - SOUTHERN CALIFORNIA EDISON Total:	**42,788.00**
Vendor: 02568 - STAPLES BUSINESS ADVANTAGE				
12/17/2024	APA002029	STAPLES BUSINESS ADVANTA…	11/26 OFFICE SUPPLIES/REC	160.50
12/17/2024	APA002029	STAPLES BUSINESS ADVANTA…	11/27 KITCHEN SUPPLIES/PD	72.65
12/17/2024	APA002029	STAPLES BUSINESS ADVANTA…	11/30 OFFICE SUPPLIES/PD	13.89
			Vendor 02568 - STAPLES BUSINESS ADVANTAGE Total:	**247.04**
Vendor: 02576 - STEP SAVER INC				
12/17/2024	APA002030	STEP SAVER INC	11/25 WTR TREATMENT SUPPLIES/CY	123.19
12/17/2024	APA002030	STEP SAVER INC	11/25 WTR TREATMENT SUPPLIES/WW	157.18
			Vendor 02576 - STEP SAVER INC Total:	**280.37**
Vendor: 01620 - STEVE A. FILARSKY ATTORNEY AT LAW				
12/17/2024	APA002031	STEVE A. FILARSKY ATTORNEY…	11/4-11/13 LABOR ATTY SVCS	540.00
			Vendor 01620 - STEVE A. FILARSKY ATTORNEY AT LAW Total:	**540.00**
Vendor: 02590 - SUN BADGE COMPANY				
12/17/2024	APA002032	SUN BADGE COMPANY	RPR BADGE/PD	91.48
			Vendor 02590 - SUN BADGE COMPANY Total:	**91.48**
Vendor: 02459 - SWRCB FEES				
12/17/2024	39755	SWRCB FEES	7'24-6'25 STORM WATER FEES/PW	10,920.00
			Vendor 02459 - SWRCB FEES Total:	**10,920.00**
Vendor: 02654 - THE STANDARD				
12/17/2024	APA002028	THE STANDARD	SEP'24 LIFE INS PREM/ALL EMPL	777.53
12/17/2024	APA002028	THE STANDARD	SEP'24 LTD INS PREM/ALL EMPL	890.01
			Vendor 02654 - THE STANDARD Total:	**1,667.54**
Vendor: 05525 - TOWNSEND PUBLIC AFFAIRS INC				
12/17/2024	APA002034	TOWNSEND PUBLIC AFFAIRS I…	DEC'24 GRANT WRITING&FUNDING ADVOCACY SVC	1,900.00
12/17/2024	APA002034	TOWNSEND PUBLIC AFFAIRS I…	DEC'24 GRANT WRITING&FUNDING ADVOCACY SVC	1,662.50
12/17/2024	APA002034	TOWNSEND PUBLIC AFFAIRS I…	DEC'24 GRANT WRITING&FUNDING ADVOCACY SVC	1,187.50
			Vendor 05525 - TOWNSEND PUBLIC AFFAIRS INC Total:	**4,750.00**

Payment Date	Payment Number	Vendor Name	Description (Item)	Amount
Vendor: 02700 - TYLER TECHNOLOGIES INC				
12/17/2024	APA002035	TYLER TECHNOLOGIES INC	10/24-25 ActRec GoLive Training	543.75
			Vendor 02700 - TYLER TECHNOLOGIES INC Total:	**543.75**
Vendor: 02706 - U S BANK INSTITUTIONAL TRUST-WESTERN REGION				
12/12/2024	APA001986	U S BANK INSTITUTIONAL TRU…	PARS Part Time Retirement Contributions	644.98
			Vendor 02706 - U S BANK INSTITUTIONAL TRUST-WESTERN REGION Total:	**644.98**
Vendor: 02712 - UNDERGROUND SERVICE ALERT				
12/17/2024	APA002036	UNDERGROUND SERVICE ALE…	(24)DIG-ALERT NOTICES/PW	27.20
12/17/2024	APA002036	UNDERGROUND SERVICE ALE…	(24)DIG-ALERT NOTICES/PW	27.20
			Vendor 02712 - UNDERGROUND SERVICE ALERT Total:	**54.40**
Vendor: 05555 - UNISPEC CONSTRUCTION INC.				
12/17/2024	2228	UNISPEC CONSTRUCTION INC.	LESS 5% RETENTION/ST-371	-12,622.45
12/17/2024	2228	UNISPEC CONSTRUCTION INC.	MEDIAN ISLANDS PROJ/ST-371	252,449.09
			Vendor 05555 - UNISPEC CONSTRUCTION INC. Total:	**239,826.64**
Vendor: 02742 - VERIZON WIRELESS				
12/17/2024	39756	VERIZON WIRELESS	11/16 CELL PHONES/REC	29.96
12/17/2024	39756	VERIZON WIRELESS	11/16 MACHINE TO MACHINE	150.18
12/17/2024	39756	VERIZON WIRELESS	11/17-12/16 SEDARU DATA PLAN/WTR	46.20
12/17/2024	39756	VERIZON WIRELESS	11/17-12/16 DATA ACCESS/WTR	140.14
			Vendor 02742 - VERIZON WIRELESS Total:	**366.48**
Vendor: 02763 - WEST COAST ARBORISTS INC				
12/17/2024	APA002039	WEST COAST ARBORISTS INC	11/1 TREE PRUNING/WALKER	1,940.00
			Vendor 02763 - WEST COAST ARBORISTS INC Total:	**1,940.00**
Vendor: 03987 - WEX HEALTH INC				
12/17/2024	APA002040	WEX HEALTH INC	NOV'24 FLEX ADM SVC	50.00
			Vendor 03987 - WEX HEALTH INC Total:	**50.00**
Vendor: 02788 - WRIGHT EXPRESS				
12/04/2024	DFT0009426	WRIGHT EXPRESS	10/31 GASOLINE/PD	4,684.41
12/04/2024	DFT0009426	WRIGHT EXPRESS	10/31 GASOLINE REBATE	-30.15
12/04/2024	DFT0009426	WRIGHT EXPRESS	10/31 GASOLINE/PW	327.94
12/04/2024	DFT0009426	WRIGHT EXPRESS	10/31 GASOLINE/WTR	1,385.72
12/04/2024	DFT0009427	WRIGHT EXPRESS	11/30 GASOLINE/PD	5,140.20
12/04/2024	DFT0009427	WRIGHT EXPRESS	11/30 GASOLINE/PW	165.08
12/04/2024	DFT0009427	WRIGHT EXPRESS	11/30 GASOLINE REBATE	-27.33
12/04/2024	DFT0009427	WRIGHT EXPRESS	11/30 GASOLINE/WTR	1,308.15
			Vendor 02788 - WRIGHT EXPRESS Total:	**12,954.02**
Vendor: 05733 - ZONES IT SOLUTIONS INC				
12/17/2024	APA002041	ZONES IT SOLUTIONS INC	11/26 Office 365 Subscription & Services	14,038.38
			Vendor 05733 - ZONES IT SOLUTIONS INC Total:	**14,038.38**
			Grand Total:	**553,557.36**

City of La Palma

Warrant Register

By Vendor Name

Post Dates 12/18/2024 - 1/7/2025

Approval

Reviewed by

Ryan Hallett - Assistant City Manager

Conal McNamara - City Manager

Payment Date	Payment Number	Vendor Name	Description (Item)	Amount
Vendor: 01037 - ADMIRAL PEST CONTROL INC				
01/07/2025	APA002044	ADMIRAL PEST CONTROL INC	12/13 PEST CONTROL/5410 LA PALMA	53.00
01/07/2025	APA002044	ADMIRAL PEST CONTROL INC	12/13 PEST CONTROL/WW	105.00
01/07/2025	APA002044	ADMIRAL PEST CONTROL INC	12/13 PEST CONTROL/CY	175.00
01/07/2025	APA002044	ADMIRAL PEST CONTROL INC	12/13 PEST CONTROL.CH	164.00
01/07/2025	APA002044	ADMIRAL PEST CONTROL INC	12/13 PEST CONTROL/CP	152.00
01/07/2025	APA002044	ADMIRAL PEST CONTROL INC	12/13 PEST CONTROL/EROW	195.00
			Vendor 01037 - ADMIRAL PEST CONTROL INC Total:	**844.00**
Vendor: 01042 - AETNA US HEALTHCARE				
01/07/2025	APA002045	AETNA US HEALTHCARE	JAN'25 DENTAL PREMIUM	5,296.40
			Vendor 01042 - AETNA US HEALTHCARE Total:	**5,296.40**
Vendor: 01046 - AFFORDABLE GENERATOR SVCS INC				
01/07/2025	APA002046	AFFORDABLE GENERATOR SV...	12/3 GENERATOR SVC/WW	1,518.39
01/07/2025	APA002046	AFFORDABLE GENERATOR SV...	12/3 GENERATOR SVC/CY	1,309.93
			Vendor 01046 - AFFORDABLE GENERATOR SVCS INC Total:	**2,828.32**
Vendor: 01047 - AFLAC				
01/07/2025	APA002047	AFLAC	Dec '24 AFLAC/PD	384.88
			Vendor 01047 - AFLAC Total:	**384.88**
Vendor: 01064 - ALL CITY MANAGEMENT SVC INC				
01/07/2025	APA002048	ALL CITY MANAGEMENT SVC I...	11/10-23 CROSSING GUARD SVC/PD	6,732.97
01/07/2025	APA002048	ALL CITY MANAGEMENT SVC I...	11/24-12/7 CROSSING GUARD SVC/PD	3,741.17
			Vendor 01064 - ALL CITY MANAGEMENT SVC INC Total:	**10,474.14**
Vendor: 05731 - ALL TRAFFIC SOLUTIONS INC				
01/07/2025	APA002049	ALL TRAFFIC SOLUTIONS INC	11/26 ELECTRONIC MESSAGE BOARDS, TRAILER & SVCS/PD	60,180.31
			Vendor 05731 - ALL TRAFFIC SOLUTIONS INC Total:	**60,180.31**
Vendor: 01016 - AT&T MOBILITY				
12/18/2024	DFT0009496	AT&T MOBILITY	12/8 Cell Phone BillS/PD&PW	49.27
12/18/2024	DFT0009496	AT&T MOBILITY	12/8 Cell Phone BillS/PD&PW	36.08
12/18/2024	DFT0009496	AT&T MOBILITY	12/8 Cell Phone BillS/PD&PW	679.10
12/18/2024	DFT0009496	AT&T MOBILITY	12/8 Cell Phone BillS/PD&PW	124.76
12/18/2024	DFT0009496	AT&T MOBILITY	12/8 Cell Phone BillS/PD&PW	583.42
12/18/2024	DFT0009496	AT&T MOBILITY	12/8 Cell Phone BillS/PD&PW	36.24
12/18/2024	DFT0009496	AT&T MOBILITY	12/8 Cell Phone BillS/PD&PW	44.34
12/18/2024	DFT0009496	AT&T MOBILITY	12/8 Cell Phone BillS/PD&PW	36.06
			Vendor 01016 - AT&T MOBILITY Total:	**1,589.27**
Vendor: 01183 - BEACON DAY SCHOOL				
01/07/2025	APA002051	BEACON DAY SCHOOL	12/12 PAVILION DEPOSIT RFD	200.00
			Vendor 01183 - BEACON DAY SCHOOL Total:	**200.00**
Vendor: 05474 - BG TAXFORMS				
01/07/2025	APA002052	BG TAXFORMS	2024 1095C TAX FORMS&ENVELOPES/FIN	106.01
			Vendor 05474 - BG TAXFORMS Total:	**106.01**
Vendor: 01208 - BLUE RIBBON TROPHY CO				
01/07/2025	APA002053	BLUE RIBBON TROPHY CO	OUTGOING MYR GAVEL/CC	198.04
01/07/2025	APA002053	BLUE RIBBON TROPHY CO	CHAMBER PLATES & BADGE/CCMBR	46.00
01/07/2025	APA002053	BLUE RIBBON TROPHY CO	(2)ENGRAVING EMPL RECOG/CS	249.29
01/07/2025	APA002053	BLUE RIBBON TROPHY CO	LOBBY NAMEPLATE PHOTO/CCMBR	34.18
			Vendor 01208 - BLUE RIBBON TROPHY CO Total:	**527.51**
Vendor: 01252 - C F P INC				
01/07/2025	APA002054	C F P INC	(1)NOV'24 BLOOD TEST/PD	147.50
			Vendor 01252 - C F P INC Total:	**147.50**

Payment Date	Payment Number	Vendor Name	Description (Item)	Amount
Vendor: 04615 - CA AUTO AND BRAKE INC				
01/07/2025	APA002055	CA AUTO AND BRAKE INC	12/5 VEH RPRS/LP-32	258.21
			Vendor 04615 - CA AUTO AND BRAKE INC Total:	**258.21**
Vendor: 05610 - CAMILLE VALLEY				
01/07/2025	APA002096	CAMILLE VALLEY	12/2-12/16 BALLET & TAP	117.00
			Vendor 05610 - CAMILLE VALLEY Total:	**117.00**
Vendor: 02669 - CHARTER COMMUNICATIONS				
12/18/2024	DFT0009485	CHARTER COMMUNICATIONS	12/11-1/10 Internet SVC/CH-ACCT NO.188679701	425.10
			Vendor 02669 - CHARTER COMMUNICATIONS Total:	**425.10**
Vendor: 05455 - CHARTER COMMUNICATIONS				
12/18/2024	DFT0009486	CHARTER COMMUNICATIONS	12/11-1/10 INTERNET SVC/CY&CH-ACCT NO.188679101	1,132.47
12/18/2024	DFT0009486	CHARTER COMMUNICATIONS	12/11-1/10 INTERNET SVC/CY&CH-ACCT NO.188679101	485.34
			Vendor 05455 - CHARTER COMMUNICATIONS Total:	**1,617.81**
Vendor: 05456 - CHARTER COMMUNICATIONS				
12/18/2024	DFT0009487	CHARTER COMMUNICATIONS	12/11-1/10 INTERNET SVC/WW-ACCT NO. 188678801	719.00
			Vendor 05456 - CHARTER COMMUNICATIONS Total:	**719.00**
Vendor: 03283 - CITY NATIONAL BANK				
12/18/2024	DFT0009460	CITY NATIONAL BANK	12/3 CATERING/EMPL RECOG	543.58
12/18/2024	DFT0009460	CITY NATIONAL BANK	11/15 SUPPLIES/EMPL RECOG	160.37
12/18/2024	DFT0009460	CITY NATIONAL BANK	11/14 SUPPLIES/EMPL RECOG	43.48
12/18/2024	DFT0009460	CITY NATIONAL BANK	11/4 POSTERS/HR	117.65
12/18/2024	DFT0009460	CITY NATIONAL BANK	2025 DROPBOX SUBSCRP/IT	199.00
12/18/2024	DFT0009460	CITY NATIONAL BANK	1 YR SSL CERTIFICATE/IT	99.99
12/18/2024	DFT0009483	CITY NATIONAL BANK	12/3 SUPPLIES/EMPL RECOG	69.62
12/18/2024	DFT0009483	CITY NATIONAL BANK	11/14 MTG SUPPLIES/PD	141.28
12/18/2024	DFT0009483	CITY NATIONAL BANK	11/14 OFFICE SUPPLIES/PD	35.21
12/18/2024	DFT0009483	CITY NATIONAL BANK	11/28 OFFICE SUPPLIES/PD	29.34
12/18/2024	DFT0009483	CITY NATIONAL BANK	11/27 OFFICE SUPPLIES/PD	28.26
12/18/2024	DFT0009483	CITY NATIONAL BANK	11/4 OFFICE SUPPLIES/PD	72.84
12/18/2024	DFT0009483	CITY NATIONAL BANK	11/13 KITCHEN SUPPLIES/PD	108.37
12/18/2024	DFT0009483	CITY NATIONAL BANK	11/4 OFFICE SUPPLIES/PD	49.99
12/18/2024	DFT0009483	CITY NATIONAL BANK	11/20 PARTIAL RFND SUPPLIES/PD	-271.10
12/18/2024	DFT0009483	CITY NATIONAL BANK	11/27 OFFICE SUPPLIES/PD	184.77
12/18/2024	DFT0009483	CITY NATIONAL BANK	11/26 OFFICE SUPPLIES/PD	35.85
12/18/2024	DFT0009483	CITY NATIONAL BANK	11/6 OFFICE SUPPLIES/PD	39.13
12/18/2024	DFT0009483	CITY NATIONAL BANK	11/5 OFFICE SUPPLIES/PD	32.44
12/18/2024	DFT0009483	CITY NATIONAL BANK	11/25 OFFICE SUPPLIES/PD	42.39
12/18/2024	DFT0009483	CITY NATIONAL BANK	11/26 RPL BATTERY/#746	353.63
12/18/2024	DFT0009483	CITY NATIONAL BANK	11/14 VEH MAINT SUPPLIES/PD	20.46
12/18/2024	DFT0009483	CITY NATIONAL BANK	11/13 SUPPLIES/PD	157.38
12/18/2024	DFT0009483	CITY NATIONAL BANK	11/13 SUPPLIES/PD	78.70
12/18/2024	DFT0009483	CITY NATIONAL BANK	1/14-1/15 LEAC AR15/M4/M16 ARMORER COURSE/PD (2)	450.00
12/18/2024	DFT0009483	CITY NATIONAL BANK	1/17 LEAC GLOCK ARMORER COURSE/(2)PD	195.00
12/18/2024	DFT0009483	CITY NATIONAL BANK	1/16 LEAC REMINGTON 870 ARMORER COURSE/PD (2)	195.00
12/18/2024	DFT0009483	CITY NATIONAL BANK	3/3-3/5 FTO UPDATE TRNG/PD	198.79
12/18/2024	DFT0009483	CITY NATIONAL BANK	6/15 (13)GAS MASKS/PD	2,544.04
12/18/2024	DFT0009483	CITY NATIONAL BANK	11/26 PATROL SUPPLIES/PD	430.59
12/18/2024	DFT0009483	CITY NATIONAL BANK	11/5 PATROL SUPPLIES/PD	25.71

Payment Date	Payment Number	Vendor Name	Description (Item)	Amount
12/18/2024	DFT0009483	CITY NATIONAL BANK	11/19 NIGHT-SIGHT INSTALL/PD	875.00
12/18/2024	DFT0009483	CITY NATIONAL BANK	1/17 LEAC GLOCK ARMORER COURSE/(2)PD	195.00
12/18/2024	DFT0009483	CITY NATIONAL BANK	1/16 LEAC REMINGTON 870 ARMORER COURSE/PD (2)	195.00
12/18/2024	DFT0009483	CITY NATIONAL BANK	1/14-1/15 LEAC AR15/M4/M16 ARMORER COURSE/PD (2)	450.00
12/18/2024	DFT0009488	CITY NATIONAL BANK	12/6 AAPI CONF/CCMBR	268.61
12/18/2024	DFT0009489	CITY NATIONAL BANK	11/5 MTG SUPPLIES/GG	155.67
12/18/2024	DFT0009490	CITY NATIONAL BANK	11/12 LOCC LA DIV CONF/MYR	75.00
12/18/2024	DFT0009491	CITY NATIONAL BANK	12/3 KITCHEN SUPPLIES/CH	35.00
12/18/2024	DFT0009492	CITY NATIONAL BANK	11/13-15 MMASC CONF HOTEL/PM	739.24
12/18/2024	DFT0009495	CITY NATIONAL BANK	11/6 INVITATIONS/EMPL RECOG	57.50
12/18/2024	DFT0009495	CITY NATIONAL BANK	11/20 OFFICE SUPPLIES/CS	32.61
12/18/2024	DFT0009495	CITY NATIONAL BANK	11/20 OFFICE SUPPLIES/CS	25.00
12/18/2024	DFT0009495	CITY NATIONAL BANK	11/20 OFFICE SUPPLIES/CS	8.67
12/18/2024	DFT0009495	CITY NATIONAL BANK	11/14 HOME SPOTLIGHT AWARD/CAB	38.79
12/18/2024	DFT0009495	CITY NATIONAL BANK	11/12 TREE LIGHTING SUPPLIES/CAB	16.16
12/18/2024	DFT0009495	CITY NATIONAL BANK	11/20 TREE LIGHTING SUPPLIES/CAB	19.56
12/18/2024	DFT0009495	CITY NATIONAL BANK	11/19 TREE LIGHTING SUPPLIES/CAB	28.26
12/18/2024	DFT0009495	CITY NATIONAL BANK	11/19 TREE LIGHTING SUPPLIES/CAB	30.44
12/18/2024	DFT0009495	CITY NATIONAL BANK	11/12 TREE LIGHTING SUPPLIES/CAB	73.91
12/18/2024	DFT0009495	CITY NATIONAL BANK	11/19 TREE LIGHTING SUPPLIES/CAB	50.56
12/18/2024	DFT0009495	CITY NATIONAL BANK	11/25 TREE LIGHTING SUPPLIES/CAB	15.30
12/18/2024	DFT0009495	CITY NATIONAL BANK	11/25 TREE LIGHTING SUPPLIES/CAB	13.62
12/18/2024	DFT0009495	CITY NATIONAL BANK	11/27 TREE LIGHTING SUPPLIES/CAB	49.55
12/18/2024	DFT0009495	CITY NATIONAL BANK	11/4 TREE LIGHTING SUPPLIES/CAB	16.14
12/18/2024	DFT0009495	CITY NATIONAL BANK	11/20 TREE LIGHTING SUPPLIES/CAB	30.44
12/18/2024	DFT0009495	CITY NATIONAL BANK	11/20 TREE LIGHTING SUPPLIES/CAB	101.80
12/18/2024	DFT0009495	CITY NATIONAL BANK	11/20 TREE LIGHTING SUPPLIES/CAB	43.04
12/18/2024	DFT0009495	CITY NATIONAL BANK	11/19 TREE LIGHTING SUPPLIES/CAB	105.27
12/18/2024	DFT0009495	CITY NATIONAL BANK	11/19 TREE LIGHTING SUPPLIES/CAB	41.30
12/18/2024	DFT0009495	CITY NATIONAL BANK	11/12 TREE LIGHTING SUPPLIES/CAB	128.04
12/18/2024	DFT0009495	CITY NATIONAL BANK	11/20 TREE LIGHTING SUPPLIES/CAB	195.69
12/18/2024	DFT0009495	CITY NATIONAL BANK	11/19 SUPPLIES/INSPOTEEN	19.56
12/18/2024	DFT0009495	CITY NATIONAL BANK	11/12 SUPPLIES/INSPOTEEN	18.32
12/18/2024	DFT0009495	CITY NATIONAL BANK	11/4 SUPPLIES/INSPOTEEN	33.42
12/18/2024	DFT0009495	CITY NATIONAL BANK	11/13 SPX TECHNOLOGIES/WTR	2,598.41
12/18/2024	DFT0009495	CITY NATIONAL BANK	DEC'24 KORE TELEMATICS SVC/WW	514.25
12/18/2024	DFT0009499	CITY NATIONAL BANK	CREATOR LITE GRAPHIC DESIGN SFTWR/GG	29.00

Payment Date	Payment Number	Vendor Name	Description (Item)	Amount
12/18/2024	DFT0009499	CITY NATIONAL BANK	DELL SERVER SUPPORT RNWL/IT	1,192.95
12/18/2024	DFT0009499	CITY NATIONAL BANK	APPLE MOBILE DEVICE MGMT PLAN/PD	62.79
12/18/2024	DFT0009499	CITY NATIONAL BANK	12/11 IPAD EXCEL WTR MTR READS APP/WTR	4.99
12/18/2024	DFT0009499	CITY NATIONAL BANK	12/11 IPAD EXCEL WTR MTR READS APP/WTR	4.99
			Vendor 03283 - CITY NATIONAL BANK Total:	**15,000.61**
Vendor: 01356 - CITY OF LA PALMA FLEXIBLE				
01/07/2025	39764	CITY OF LA PALMA FLEXIBLE	Flexible Spending Contributions - Medical	-46.15
01/07/2025	39764	CITY OF LA PALMA FLEXIBLE	Flexible Spending Contributions - Medical	144.22
			Vendor 01356 - CITY OF LA PALMA FLEXIBLE Total:	**98.07**
Vendor: 01357 - CITY OF LA PALMA PETTY CASH				
01/07/2025	39765	CITY OF LA PALMA PETTY CASH	12/9 EMPL RECOG CONTRIBUTIONS	400.00
			Vendor 01357 - CITY OF LA PALMA PETTY CASH Total:	**400.00**
Vendor: 04769 - CONAL MCNAMARA				
01/07/2025	2232	CONAL MCNAMARA	DEC'24 WELLNESS REIMB/CM	25.05
			Vendor 04769 - CONAL MCNAMARA Total:	**25.05**
Vendor: 01395 - COUNTY OF ORANGE				
01/07/2025	39768	COUNTY OF ORANGE	SEP'24 PARKING CITATIONS/PD	1,152.50
01/07/2025	39768	COUNTY OF ORANGE	NOV'24 OCATS/CLETS PHONE SVC/PD	1,104.51
01/07/2025	39768	COUNTY OF ORANGE	NOV'24 AFIS FEE/PD	458.00
			Vendor 01395 - COUNTY OF ORANGE Total:	**2,715.01**
Vendor: 04388 - CROSSTOWN ELECTRICAL & DATA INC				
01/07/2025	APA002056	CROSSTOWN ELECTRICAL & D…	NOV'24 SIGNAL RPR/PW	1,217.63
			Vendor 04388 - CROSSTOWN ELECTRICAL & DATA INC Total:	**1,217.63**
Vendor: 02815 - DANITA HERNANDEZ				
01/07/2025	2230	DANITA HERNANDEZ	2024 EMPLOYEE OF THE YEAR	500.00
			Vendor 02815 - DANITA HERNANDEZ Total:	**500.00**
Vendor: 04768 - DEBORAH BAKER				
01/07/2025	2229	DEBORAH BAKER	12/4-6 CALCITIES LEAGUE LDRS WRKSHP/CCMBR	795.17
			Vendor 04768 - DEBORAH BAKER Total:	**795.17**
Vendor: 01472 - DEPT OF JUSTICE				
01/07/2025	APA002074	DEPT OF JUSTICE	Nov '24 FINGERPRINT/PD PT	32.00
01/07/2025	APA002074	DEPT OF JUSTICE	Nov '24 FINGERPRINT/PD VOL	32.00
01/07/2025	APA002074	DEPT OF JUSTICE	Nov '24 FINGERPRINT/PW FT	32.00
01/07/2025	APA002074	DEPT OF JUSTICE	Nov '24 FINGERPRINT/PD FT	32.00
01/07/2025	APA002074	DEPT OF JUSTICE	Nov '24 FINGERPRINT/REC INST	32.00
			Vendor 01472 - DEPT OF JUSTICE Total:	**160.00**
Vendor: 01499 - DISCOUNT TIRE AND SERVICE CENTERS				
01/07/2025	APA002058	DISCOUNT TIRE AND SERVICE …	12/3 (1)TIRE/LP-61	263.73
			Vendor 01499 - DISCOUNT TIRE AND SERVICE CENTERS Total:	**263.73**
Vendor: 04193 - DOUG MARTIN CONTRACTING CO INC				
01/07/2025	APA002059	DOUG MARTIN CONTRACTING…	LESS 5% RETENTION/ST-373	-7,690.30
01/07/2025	APA002059	DOUG MARTIN CONTRACTING…	ZONE 7 SLURRY SEAL IMPRV/ST-373	153,805.90
			Vendor 04193 - DOUG MARTIN CONTRACTING CO INC Total:	**146,115.60**
Vendor: 05624 - E&R CONSTRUCTION INC				
01/07/2025	APA002060	E&R CONSTRUCTION INC	10/18 EMERG WTR RPR/7362 DOUGLAS	2,642.58
			Vendor 05624 - E&R CONSTRUCTION INC Total:	**2,642.58**

Payment Date	Payment Number	Vendor Name	Description (Item)	Amount
Vendor: 04787 - ENTERPRISE FM TRUST				
01/07/2025	APA002061	ENTERPRISE FM TRUST	DEC'24 LEASE PMT/LP-57	8,145.20
			Vendor 04787 - ENTERPRISE FM TRUST Total:	**8,145.20**
Vendor: 01611 - FEDERAL EXPRESS CORPORATION				
01/07/2025	APA002062	FEDERAL EXPRESS CORPORAT…	12/5 PRIORITY MAIL/PD	13.81
			Vendor 01611 - FEDERAL EXPRESS CORPORATION Total:	**13.81**
Vendor: 05272 - FLEETCOR TECHNOLOGIES INC - VP RACING				
12/18/2024	DFT0009493	FLEETCOR TECHNOLOGIES INC…	12/15 GASOLINE/PD	577.90
12/18/2024	DFT0009493	FLEETCOR TECHNOLOGIES INC…	12/15 VOLUME DISCOUNT	-7.61
12/18/2024	DFT0009493	FLEETCOR TECHNOLOGIES INC…	12/15 GASOLINE/PW	482.32
			Vendor 05272 - FLEETCOR TECHNOLOGIES INC - VP RACING Total:	**1,052.61**
Vendor: 01631 - FRANCHISE TAX BOARD				
12/26/2024	DFT0009465	FRANCHISE TAX BOARD	State Tax Withholding	4.38
12/26/2024	DFT0009475	FRANCHISE TAX BOARD	State Tax Withholding	50.04
12/26/2024	DFT0009481	FRANCHISE TAX BOARD	State Tax Withholding	8.65
12/26/2024	DFT0009506	FRANCHISE TAX BOARD	State Tax Withholding	65.12
12/26/2024	DFT0009522	FRANCHISE TAX BOARD	State Tax Withholding	11,337.11
			Vendor 01631 - FRANCHISE TAX BOARD Total:	**11,465.30**
Vendor: 01632 - FRANCISCA MONROY				
01/07/2025	APA002080	FRANCISCA MONROY	12/14 GAZEBO DEPOSIT RFD	100.00
			Vendor 01632 - FRANCISCA MONROY Total:	**100.00**
Vendor: 01641 - G M SAGER CONSTRUCTION CO				
01/07/2025	APA002063	G M SAGER CONSTRUCTION …	12/5 WTR LEAK ASPHALT RPR/WTR	28,727.00
			Vendor 01641 - G M SAGER CONSTRUCTION CO Total:	**28,727.00**
Vendor: 01657 - GENE DE LEON				
01/07/2025	APA002057	GENE DE LEON	12/8(12/7)PAVILION DEPOSIT RFD	200.00
			Vendor 01657 - GENE DE LEON Total:	**200.00**
Vendor: 01669 - GLOBALSTAR USA				
01/07/2025	APA002064	GLOBALSTAR USA	12/16 #254-241-0048&49/PD	176.33
			Vendor 01669 - GLOBALSTAR USA Total:	**176.33**
Vendor: 01684 - GRAINGER				
01/07/2025	APA002065	GRAINGER	12/12 PATROL SUPPLIES/PD	99.25
			Vendor 01684 - GRAINGER Total:	**99.25**
Vendor: 04597 - GREENTECH LANDSCAPE INC				
01/07/2025	APA002066	GREENTECH LANDSCAPE INC	MAR'24 MOWING, VINE TRIM, MEDIAN MAINT,SIDEWLK CLN	5,016.66
01/07/2025	APA002066	GREENTECH LANDSCAPE INC	MAR'24 MOWING, VINE TRIM, MEDIAN MAINT,SIDEWLK CLN	1,639.58
01/07/2025	APA002066	GREENTECH LANDSCAPE INC	MAR'24 MOWING, VINE TRIM, MEDIAN MAINT,SIDEWLK CLN	3,260.42
01/07/2025	APA002066	GREENTECH LANDSCAPE INC	APR'24 MOWING, VINE TRIM, MEDIAN MAINT,SIDEWLK CLN	5,016.66
01/07/2025	APA002066	GREENTECH LANDSCAPE INC	APR'24 MOWING, VINE TRIM, MEDIAN MAINT,SIDEWLK CLN	1,639.58
01/07/2025	APA002066	GREENTECH LANDSCAPE INC	APR'24 MOWING, VINE TRIM, MEDIAN MAINT,SIDEWLK CLN	3,260.42
01/07/2025	APA002066	GREENTECH LANDSCAPE INC	MAY'24 MOWING, VINE TRIM, MEDIAN MAINT,SIDEWLK CLN	5,016.66
01/07/2025	APA002066	GREENTECH LANDSCAPE INC	MAY'24 MOWING, VINE TRIM, MEDIAN MAINT,SIDEWLK CLN	1,639.58
01/07/2025	APA002066	GREENTECH LANDSCAPE INC	MAY'24 MOWING, VINE TRIM, MEDIAN MAINT,SIDEWLK CLN	3,260.42
01/07/2025	APA002066	GREENTECH LANDSCAPE INC	JUN'24 MOWING, VINE TRIM, MEDIAN MAINT,SIDEWLK CLN	5,016.66
01/07/2025	APA002066	GREENTECH LANDSCAPE INC	JUN'24 MOWING, VINE TRIM, MEDIAN MAINT,SIDEWLK CLN	1,639.58

Payment Date	Payment Number	Vendor Name	Description (Item)	Amount
01/07/2025	APA002066	GREENTECH LANDSCAPE INC	JUN'24 MOWING, VINE TRIM, MEDIAN MAINT,SIDEWLK CLN	3,260.42
01/07/2025	APA002066	GREENTECH LANDSCAPE INC	JUL'24 MOWING, VINE TRIM, MEDIAN MAINT,SIDEWLK CLN	5,016.66
01/07/2025	APA002066	GREENTECH LANDSCAPE INC	JUL'24 MOWING, VINE TRIM, MEDIAN MAINT,SIDEWLK CLN	1,639.58
01/07/2025	APA002066	GREENTECH LANDSCAPE INC	JUL'24 MOWING, VINE TRIM, MEDIAN MAINT,SIDEWLK CLN	3,260.42
01/07/2025	APA002066	GREENTECH LANDSCAPE INC	AUG'24 MOWING, VINE TRIM, MEDIAN MAINT,SIDEWLK CLN	5,016.66
01/07/2025	APA002066	GREENTECH LANDSCAPE INC	AUG'24 MOWING, VINE TRIM, MEDIAN MAINT,SIDEWLK CLN	1,639.58
01/07/2025	APA002066	GREENTECH LANDSCAPE INC	AUG'24 MOWING, VINE TRIM, MEDIAN MAINT,SIDEWLK CLN	3,260.42
01/07/2025	APA002066	GREENTECH LANDSCAPE INC	SEP'24 MOWING, VINE TRIM, MEDIAN MAINT,SIDEWLK CLN	5,016.66
01/07/2025	APA002066	GREENTECH LANDSCAPE INC	SEP'24 MOWING, VINE TRIM, MEDIAN MAINT,SIDEWLK CLN	1,639.58
01/07/2025	APA002066	GREENTECH LANDSCAPE INC	SEP'24 MOWING, VINE TRIM, MEDIAN MAINT,SIDEWLK CLN	3,260.42
			Vendor 04597 - GREENTECH LANDSCAPE INC Total:	**69,416.62**
Vendor: 05303 - HEALTH AND HUMAN RESOURCES CENTER INC				
01/07/2025	APA002069	HEALTH AND HUMAN RESOU...	NOV'24 EAP	129.60
			Vendor 05303 - HEALTH AND HUMAN RESOURCES CENTER INC Total:	**129.60**
Vendor: 05754 - HERNAN FIGUERO				
01/07/2025	APA002070	HERNAN FIGUERO	12/7 COMM CTR DEPOSIT RFD	300.00
			Vendor 05754 - HERNAN FIGUERO Total:	**300.00**
Vendor: 02829 - HIMAL THEBE				
01/07/2025	APA002094	HIMAL THEBE	12/15 PAVILION DEPOSIT RFD	200.00
			Vendor 02829 - HIMAL THEBE Total:	**200.00**
Vendor: 02642 - HOME DEPOT				
01/07/2025	APA002072	HOME DEPOT	12/10 SUPPLIES/PD	9.63
01/07/2025	APA002072	HOME DEPOT	11/24 SUPPLIES/PW	27.28
01/07/2025	APA002072	HOME DEPOT	12/4 TREE LIGHTING SUPPLIES/CAB	59.64
01/07/2025	APA002072	HOME DEPOT	12/4 SUPPLIES/REC	91.79
			Vendor 02642 - HOME DEPOT Total:	**188.34**
Vendor: 01764 - INTERNAL REVENUE SERVICE				
12/26/2024	DFT0009464	INTERNAL REVENUE SERVICE	Federal Tax Withholding	9.41
12/26/2024	DFT0009466	INTERNAL REVENUE SERVICE	Medicare	-12.71
12/26/2024	DFT0009474	INTERNAL REVENUE SERVICE	Federal Tax Withholding	116.33
12/26/2024	DFT0009476	INTERNAL REVENUE SERVICE	Medicare	15.52
12/26/2024	DFT0009480	INTERNAL REVENUE SERVICE	Federal Tax Withholding	13.96
12/26/2024	DFT0009482	INTERNAL REVENUE SERVICE	Medicare	4.38
12/26/2024	DFT0009505	INTERNAL REVENUE SERVICE	Federal Tax Withholding	152.75
12/26/2024	DFT0009507	INTERNAL REVENUE SERVICE	Medicare	20.30
12/26/2024	DFT0009521	INTERNAL REVENUE SERVICE	Federal Tax Withholding	28,808.47
12/26/2024	DFT0009523	INTERNAL REVENUE SERVICE	Medicare	7,329.39
12/31/2024	DFT0009529	INTERNAL REVENUE SERVICE	Medicare	2.10
			Vendor 01764 - INTERNAL REVENUE SERVICE Total:	**36,459.90**
Vendor: 04983 - IVON GUITRON				
01/07/2025	APA002068	IVON GUITRON	12/8 PAVILION DEPOSIT RFD	200.00
			Vendor 04983 - IVON GUITRON Total:	**200.00**
Vendor: 05481 - JASON HONG				
01/07/2025	2231	JASON HONG	2024 SUPERVISOR OF THE YEAR	500.00
			Vendor 05481 - JASON HONG Total:	**500.00**

Payment Date	Payment Number	Vendor Name	Description (Item)	Amount
Vendor: 01801 - JHM SUPPLY INC				
01/07/2025	APA002073	JHM SUPPLY INC	12/2 SUPPLIES/WTR	502.70
			Vendor 01801 - JHM SUPPLY INC Total:	**502.70**
Vendor: 05753 - KATHERINE TESSLER				
01/07/2025	APA002075	KATHERINE TESSLER	12/14 COMM CTR DEPOSIT RFD	500.00
			Vendor 05753 - KATHERINE TESSLER Total:	**500.00**
Vendor: 01932 - KATHY PHELPS				
01/07/2025	APA002086	KATHY PHELPS	9/16-12/14 AEROBICS FULL QUARTER	499.20
01/07/2025	APA002086	KATHY PHELPS	9/16-12/11 AEROBICS	390.00
01/07/2025	APA002086	KATHY PHELPS	9/21-12/14 AEROBICS	46.80
			Vendor 01932 - KATHY PHELPS Total:	**936.00**
Vendor: 05331 - KIDZ TALENT ACADEMY				
01/07/2025	APA002076	KIDZ TALENT ACADEMY	12/3-12/17 GYMNASTICS & TUMBLING	70.20
01/07/2025	APA002076	KIDZ TALENT ACADEMY	12/3-12/17 BASKETBALL SKILLS & DRILLS	230.10
			Vendor 05331 - KIDZ TALENT ACADEMY Total:	**300.30**
Vendor: 01975 - L P G E A				
01/07/2025	39763	L P G E A	LPGEA Dues Withheld	-18.00
01/07/2025	39763	L P G E A	LPGEA Dues Withheld	216.00
			Vendor 01975 - L P G E A Total:	**198.00**
Vendor: 01980 - LA PALMA CAR WASH				
01/07/2025	APA002077	LA PALMA CAR WASH	11/4-11/27 CAR WASH/PD	694.00
01/07/2025	APA002077	LA PALMA CAR WASH	11/13 CAR WASH/REC	32.00
01/07/2025	APA002077	LA PALMA CAR WASH	11/5 CAR WASH/CEO	16.00
			Vendor 01980 - LA PALMA CAR WASH Total:	**742.00**
Vendor: 01984 - LA PALMA INTERCOMMUNITY HOSPITAL				
01/07/2025	APA002078	LA PALMA INTERCOMMUNITY…	NOV '24 MEALS ON WHEELS	492.00
			Vendor 01984 - LA PALMA INTERCOMMUNITY HOSPITAL Total:	**492.00**
Vendor: 01988 - LA PALMA POLICE ASSN				
12/26/2024	39759	LA PALMA POLICE ASSN	LPPA Dues Withheld	1,252.20
			Vendor 01988 - LA PALMA POLICE ASSN Total:	**1,252.20**
Vendor: 04657 - LISA AMSELL				
01/07/2025	APA002050	LISA AMSELL	11/2-11/30 MARTIAL ARTS	32.50
			Vendor 04657 - LISA AMSELL Total:	**32.50**
Vendor: 01976 - LPPEA				
12/26/2024	39760	LPPEA	LPPEA Dues Withheld	75.00
			Vendor 01976 - LPPEA Total:	**75.00**
Vendor: 01752 - MISSION SQUARE - PLAN 302549				
01/07/2025	39766	MISSION SQUARE - PLAN 302…	Deferred Comp	-300.00
01/07/2025	39766	MISSION SQUARE - PLAN 302…	Deferred Comp	1,173.07
01/07/2025	39766	MISSION SQUARE - PLAN 302…	Deferred Comp	2,294.23
01/07/2025	39766	MISSION SQUARE - PLAN 302…	Deferred Comp	2,934.11
			Vendor 01752 - MISSION SQUARE - PLAN 302549 Total:	**6,101.41**
Vendor: 04985 - MOSS LEVY & HARTZHEIM				
01/07/2025	APA002081	MOSS LEVY & HARTZHEIM	FY24 CITY AUDIT/FIN	9,715.00
			Vendor 04985 - MOSS LEVY & HARTZHEIM Total:	**9,715.00**
Vendor: 02201 - MUNICIPAL WATER DISTRICT OF				
01/07/2025	39767	MUNICIPAL WATER DISTRICT …	NOV'24 WATER RTS CHARGE	264.50
01/07/2025	39767	MUNICIPAL WATER DISTRICT …	NOV'24 CAPACITY CHARGE/WTR	500.72
			Vendor 02201 - MUNICIPAL WATER DISTRICT OF Total:	**765.22**

Payment Date	Payment Number	Vendor Name	Description (Item)	Amount
Vendor: 02203 - MYERS STEVENS & TOOHEY &CO INC				
01/07/2025	APA002082	MYERS STEVENS & TOOHEY &…	DEC'24 LTD/PD	650.30
			Vendor 02203 - MYERS STEVENS & TOOHEY &CO INC Total:	**650.30**
Vendor: 03084 - NOE ROSALES				
01/07/2025	APA002088	NOE ROSALES	12/7 GAZEBO DEPOSIT RFD	100.00
			Vendor 03084 - NOE ROSALES Total:	**100.00**
Vendor: 02248 - OCCUPATIONAL HEALTH CENTERS OF CA				
01/07/2025	APA002085	OCCUPATIONAL HEALTH CEN…	11/1 EMPL PHYS/(2)PD VIP	308.00
01/07/2025	APA002085	OCCUPATIONAL HEALTH CEN…	12/04 EMP PHYS/(1)PD-PT	658.00
			Vendor 02248 - OCCUPATIONAL HEALTH CENTERS OF CA Total:	**966.00**
Vendor: 02255 - ONOFRE LU				
01/07/2025	APA002079	ONOFRE LU	12/15 GAZEBO DEPOSIT RFD	100.00
			Vendor 02255 - ONOFRE LU Total:	**100.00**
Vendor: 02280 - PERS - MEDICAL				
01/02/2025	DFT0009498	PERS - MEDICAL	Jan '25 Health Plan Premium Adm Fee/FT	112.30
01/02/2025	DFT0009498	PERS - MEDICAL	Jan '25 Health Plan Premium/RET	11,629.92
01/02/2025	DFT0009498	PERS - MEDICAL	Jan '25 Health Plan Premium Adm Fee/RET	66.15
01/02/2025	DFT0009498	PERS - MEDICAL	Jan '25 Health Plan Premium/FT	46,791.23
			Vendor 02280 - PERS - MEDICAL Total:	**58,599.60**
Vendor: 02279 - PERS RETIREMENT				
12/26/2024	DFT0009461	PERS RETIREMENT	CalPERS Employee Contribution	-42.78
12/26/2024	DFT0009462	PERS RETIREMENT	CalPERS Employer Contribution	-43.44
12/26/2024	DFT0009471	PERS RETIREMENT	CalPERS Employee Contribution	45.77
12/26/2024	DFT0009472	PERS RETIREMENT	CalPERS Employer Contribution	45.67
12/26/2024	DFT0009477	PERS RETIREMENT	CalPERS Employee Contribution	11.74
12/26/2024	DFT0009478	PERS RETIREMENT	CalPERS Employer Contribution	11.93
12/26/2024	DFT0009502	PERS RETIREMENT	CalPERS Employee Contribution	64.14
12/26/2024	DFT0009503	PERS RETIREMENT	CalPERS Employer Contribution	63.97
12/26/2024	DFT0009508	PERS RETIREMENT	CalPERS Employee Contribution	1,938.17
12/26/2024	DFT0009509	PERS RETIREMENT	CalPERS Employer Contribution	3,881.18
12/26/2024	DFT0009510	PERS RETIREMENT	CalPERS Employee Contribution	1,557.32
12/26/2024	DFT0009511	PERS RETIREMENT	CalPERS Employer Contribution	2,258.13
12/26/2024	DFT0009512	PERS RETIREMENT	CalPERS Employee Contribution	3,045.74
12/26/2024	DFT0009513	PERS RETIREMENT	CalPERS Employer Contribution	3,092.90
12/26/2024	DFT0009514	PERS RETIREMENT	CalPERS Employee Contribution	1,737.32
12/26/2024	DFT0009515	PERS RETIREMENT	CalPERS Employer Contribution	5,655.97
12/26/2024	DFT0009516	PERS RETIREMENT	CalPERS Employee Contribution	416.83
12/26/2024	DFT0009517	PERS RETIREMENT	CalPERS Employer Contribution	1,077.20
12/26/2024	DFT0009518	PERS RETIREMENT	CalPERS Employee Contribution	7,139.30
12/26/2024	DFT0009519	PERS RETIREMENT	CalPERS Employer Contribution	7,121.07
12/26/2024	DFT0009520	PERS RETIREMENT	Employee Survivor Contribution Amount	46.50
12/31/2024	DFT0009528	PERS RETIREMENT	Employee Survivor Contribution Amount	-0.93
			Vendor 02279 - PERS RETIREMENT Total:	**39,123.70**

Payment Date	Payment Number	Vendor Name	Description (Item)	Amount
Vendor: 02281 - PERS				
01/02/2025	DFT0009497	PERS	2025 REPL BENEFIT CHARGE/RETIREE	3,902.16
			Vendor 02281 - PERS Total:	**3,902.16**
Vendor: 02343 - PRO FORCE LAW ENFORCEMENT				
01/07/2025	APA002087	PRO FORCE LAW ENFORCEME...	12/13 TASER SUPPLIES/PD	996.42
01/07/2025	APA002087	PRO FORCE LAW ENFORCEME...	12/13 TASER SUPPLIES/PD	1,883.55
			Vendor 02343 - PRO FORCE LAW ENFORCEMENT Total:	**2,879.97**
Vendor: 04831 - RAY HIDALGO				
01/07/2025	APA002071	RAY HIDALGO	10/6-12/15 COMM CTR DEPOSIT RFD	800.00
			Vendor 04831 - RAY HIDALGO Total:	**800.00**
Vendor: 04886 - SETH GUARDADO				
01/07/2025	APA002067	SETH GUARDADO	12/14 PAVILION DEPOSIT RFD	100.00
			Vendor 04886 - SETH GUARDADO Total:	**100.00**
Vendor: 02876 - SHRED-IT				
01/07/2025	APA002089	SHRED-IT	11/5&11/6 SHREDDING SVC/CH&PD	34.77
01/07/2025	APA002089	SHRED-IT	11/5&11/6 SHREDDING SVC/CH&PD	216.05
			Vendor 02876 - SHRED-IT Total:	**250.82**
Vendor: 05204 - SKYHAWKS SPORTS ACADEMY LLC				
01/07/2025	APA002090	SKYHAWKS SPORTS ACADEMY...	11/8-12/13 SOCCER	442.00
01/07/2025	APA002090	SKYHAWKS SPORTS ACADEMY...	11/8-12/13 SOCCER TOTS	607.75
			Vendor 05204 - SKYHAWKS SPORTS ACADEMY LLC Total:	**1,049.75**
Vendor: 02535 - SMART & FINAL				
01/07/2025	APA002091	SMART & FINAL	12/9 KITCHEN SUPPLIES/PD	5.91
01/07/2025	APA002091	SMART & FINAL	12/4 SUPPLIES/EMPL RECOG	70.18
01/07/2025	APA002091	SMART & FINAL	12/13 KITCHEN SUPPLIES/PD	67.31
01/07/2025	APA002091	SMART & FINAL	12/10 KITCHEN SUPPLIES/PD	99.69
			Vendor 02535 - SMART & FINAL Total:	**243.09**
Vendor: 02556 - SOUTHERN CALIFORNIA EDISON				
12/19/2024	DFT0009500	SOUTHERN CALIFORNIA EDIS...	12/13 7701 BARBI/PED	22.73
12/19/2024	DFT0009501	SOUTHERN CALIFORNIA EDIS...	12/17 7831 WALKER/CP	264.98
12/29/2024	DFT0009530	SOUTHERN CALIFORNIA EDIS...	12/27 8415 MEADOWLARK/BSTR	10,177.98
12/29/2024	DFT0009531	SOUTHERN CALIFORNIA EDIS...	12/24 5712 LA PALMA TC1	74.99
			Vendor 02556 - SOUTHERN CALIFORNIA EDISON Total:	**10,540.68**
Vendor: 02568 - STAPLES BUSINESS ADVANTAGE				
01/07/2025	APA002092	STAPLES BUSINESS ADVANTA...	12/5 KITCHEN SUPPLIES/CH	8.22
01/07/2025	APA002092	STAPLES BUSINESS ADVANTA...	12/10 OFFICE SUPPLIES/REC	53.32
01/07/2025	APA002092	STAPLES BUSINESS ADVANTA...	12/12 PATROL SUPPLIES/PD	72.14
01/07/2025	APA002092	STAPLES BUSINESS ADVANTA...	12/12 PATROL SUPPLIES/PD	83.17
01/07/2025	APA002092	STAPLES BUSINESS ADVANTA...	12/12 KITCHEN SUPPLIES/CH	235.04
			Vendor 02568 - STAPLES BUSINESS ADVANTAGE Total:	**451.89**
Vendor: 02576 - STEP SAVER INC				
01/07/2025	APA002093	STEP SAVER INC	12/10 WTR TREATMENT SUPPLIES/CY	137.00
01/07/2025	APA002093	STEP SAVER INC	12/10 WTR TREATMENT SUPPLIES/WW	141.25
			Vendor 02576 - STEP SAVER INC Total:	**278.25**
Vendor: 02459 - SWRCB FEES				
01/07/2025	39769	SWRCB FEES	7'24-6'25 WASTE DISCHARGE FEE/PW	823.00
			Vendor 02459 - SWRCB FEES Total:	**823.00**
Vendor: 04122 - TAN NGUYEN OR WEST GROVE VOLLEYBALL LLC				
01/07/2025	APA002083	TAN NGUYEN OR WEST GROVE..	10/6-10/27 INT VOLLEYBALL	63.70
01/07/2025	APA002083	TAN NGUYEN OR WEST GROVE..	11/24-12/15 INT VOLLEYBALL	48.10

Payment Date	Payment Number	Vendor Name	Description (Item)	Amount
01/07/2025	APA002083	TAN NGUYEN OR WEST GROVE..	11/24-12/15 ADV VOLLEYBALL	48.10
			Vendor 04122 - TAN NGUYEN OR WEST GROVE VOLLEYBALL LLC Total:	**159.90**
Vendor: 02700 - TYLER TECHNOLOGIES INC				
01/07/2025	APA002095	TYLER TECHNOLOGIES INC	1/25-4/25 Incode AR Access Saas Fees/FIN	500.00
			Vendor 02700 - TYLER TECHNOLOGIES INC Total:	**500.00**
Vendor: 02706 - U S BANK INSTITUTIONAL TRUST-WESTERN REGION				
12/26/2024	APA002043	U S BANK INSTITUTIONAL TRU...	PARS Part Time Retirement Contributions	860.64
			Vendor 02706 - U S BANK INSTITUTIONAL TRUST-WESTERN REGION Total:	**860.64**
Vendor: 02709 - U S POSTMASTER				
01/07/2025	39770	U S POSTMASTER	POSTAGE MACHINE REIMB	5,000.00
			Vendor 02709 - U S POSTMASTER Total:	**5,000.00**
Vendor: 05144 - WILLIAM NOVAK				
01/07/2025	APA002084	WILLIAM NOVAK	12/11 COMM CTR DEPOSIT RFD	300.00
			Vendor 05144 - WILLIAM NOVAK Total:	**300.00**
			Grand Total:	**562,314.95**

City of La Palma
Agenda Item No. 4

MEETING DATE:	January 14, 2025
TO:	City Council
FROM:	City Manager
SUBMITTED BY:	Ryan Hallett, Assistant City Manager
AGENDA TITLE:	Annual Comprehensive Financial Report (ACFR) for the Fiscal Year Ending June 30, 2024

RECOMMENDED ACTION:

It is recommended that the City Council receive and file the Annual Comprehensive Financial Report (ACFR) of the City of La Palma for the Fiscal Year ending June 30, 2024.

SUMMARY:

The attached ACFR describes in detail the financial position and financial activity of the City of La Palma for the fiscal year ended June 30, 2024. The City's financial statements were audited and found to be in conformance with Generally Accepted Accounting Principles (GAAP). As a result, city staff has every reason to expect that this year's ACFR will receive the Government Finance Officers Association of the United States and Canada's Certificate of Achievement for Excellence in Financial Reporting. The City Manager's letter of Transmittal and the Management Discussion and Analysis contained in the ACFR highlight the report's contents.

FISCAL IMPACT:

None.

ATTACHMENTS:

1. FY 2023-24 Annual Comprehensive Financial Report

City of La Palma, California

Annual Comprehensive Financial Report

Year Ended June 30, 2024

CITY OF LA PALMA, CALIFORNIA

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2024

Prepared by: Administrative Services Department

CITY OF LA PALMA

Annual Comprehensive Financial Report

June 30, 2024

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CITY OF LA PALMA

Annual Comprehensive Financial Report

June 30, 2024

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CITY OF LA PALMA

Annual Comprehensive Financial Report

June 30, 2024

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December 10, 2024

To the Members of the City Council and Residents of the City of La Palma:

We are pleased to present the Annual Comprehensive Financial Report of the City of La Palma for the fiscal year ended June 30, 2024. The purpose of this report is to provide the City Council, residents, general public, and other interested parties a broad financial outlook of the City as well as to comply with state law.

The Annual Comprehensive Financial Report is prepared in accordance with Generally Accepted Accounting Principles (GAAP) using the guidelines set forth by the Government Accounting Standards Board, and it has been audited by Moss, Levy & Hartzheim, LLP, a certified public accounting firm. For the year ended June 30, 2024, these financial statements received an unmodified opinion by Moss, Levy & Hartzheim, LLP. The independent auditor's report is presented at the beginning of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report from the independent auditors.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

As a recipient of Federal, State, and County financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management. Under the Office of Management and Budget *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (commonly called "Uniform Guidance"), the City is not required to have a single audit for the fiscal year ended June 30, 2024.

www.cityoflapalma.org

7822 Walker Street
La Palma, CA 90623-1771

PHONE
714 690 3300
FAX
714 523 2141

Profile of the Government

The City, incorporated in 1955, is located in the northwest corner of Orange County. The City currently occupies a land area of approximately two square miles and serves a population of 15,071. The City is empowered to levy a property tax on both real and personal properties located within its boundaries.

The City has operated under the council-manager form of government since 1955. Policy making and legislative authority are vested in a City Council consisting of the Mayor and four other Council Members. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the department directors. The City Council is elected on a non-partisan basis. Councilmembers serve four-year staggered terms. The Mayor serves a one-year term and is selected for the position annually by the City Council as a whole.

The City provides a full range of services, including police protection; the construction and maintenance of highways, streets, and other infrastructure; recreational and cultural activities; water and sewer services; building and safety, land use planning, and zoning control services. In addition, there are the standard internal support services such as payroll, accounts payable, human resources, risk management, budget and financial reporting, and general accounting which are essential to the success of the City's overall operations.

Budgeting and Financial Planning

As a general law city within the State of California, the City of La Palma is required to adopt a budget. The annual budget serves as the foundation for the City's financial planning and control. The budget development process generally begins in January, guided by annual goals established by the City Council as well as the current and long-term fiscal prognosis of the City. Budget development proceeds through the spring with budget adoption typically in June.

The City Manager utilizes the City Council goals and the strategic planning process as the starting point for developing a proposed budget for the subsequent fiscal year. All departments of the City are required to submit requests for appropriations to the City Manager each year. After a series of study sessions and public meetings with the community and the City Council, the City Manager formally presents the proposed budget to the City Council. The City Council holds a public hearing on the proposed budget and adopts a final budget prior to July 1, the beginning of the City's fiscal year.

The appropriated budget is prepared by fund (e.g., General Fund, Gas Tax Fund) and department (e.g., Police, Community Services), with further demarcation of appropriations by program (e.g., Code Enforcement, City Clerk). Department directors may make transfers of appropriations within a department, within the same fund. Transfers of appropriations between departments, however, require the approval of the City Manager. At no time can any budget adjustments increase total appropriations without prior City Council approval.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund and the Housing Special Revenue Fund this comparison is presented as part of the required supplementary information section in the accompanying financial statements. For all other governmental funds that have appropriated annual budgets, this comparison is presented in the supplementary section of the accompanying financial statements.

Factors Affecting the City's Financial Condition

As a vibrant City, La Palma's economic outlook is influenced by various factors, including local businesses, employment opportunities, industry trends, and government initiatives. La Palma's economy thrives on diverse industries, including technology, healthcare, retail, and professional services. This diversity helps to mitigate the risks associated with reliance on a single sector and promotes resilience in the face of economic fluctuations. The City maintains a prudent philosophy regarding its spending, which has led to healthy reserves. Lessons from prior years indicate that the economy can fluctuate from growth to recession and back again.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the City for its annual comprehensive financial report for the year ended June 30, 2023. This was the twenty-fifth year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of only one year. We believe that our current annual comprehensive financial report (for the year ended June 30, 2024) continues to meet the Certificate of Achievement Program's requirements.

The preparation of this report would not have been possible without the dedicated services of the staff of the Administrative Services Department. Their dedicated efforts in the preparation of the final financial documents are reflected in the quality of this report. We would also like to thank our independent auditing firm, Moss, Levy & Hartzheim, LLP, for their expertise and advice in the preparation of this year's financial report.

In closing, a thank you is also due to our City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

Conal McNamara
City Manager

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CITY OF LA PALMA

City Officials

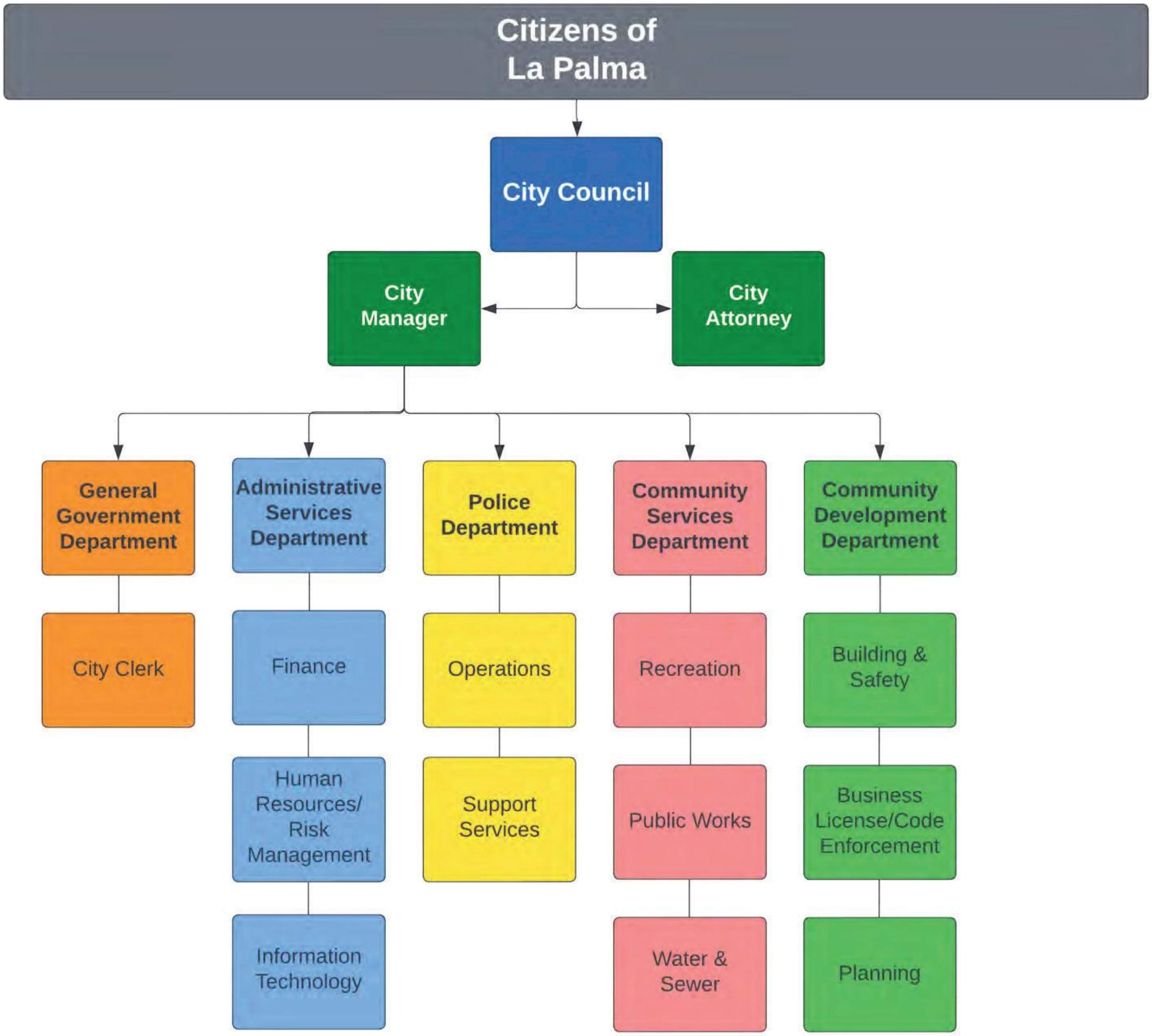
City Council

Marshall Goodman	Mayor
Mark Waldman	Mayor Pro Tem
Janet Keo Conklin	Council Member
Nitesh Patel	Council Member
Debbie Baker	Council Member

Administrative Officials

Conal McNamara	City Manager
Ryan Hallett	Assistant City Manager
Joe Guerrero	Police Chief
Andy Ramirez	Public Works/Community Services Director

CITY OF LA PALMA
ORGANIZATIONAL CHART



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of La Palma California

For its Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

MOSS, LEVY & HARTZHEIM LLP
CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS
CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA
ALEXANDER C HOM, CPA
ADAM V GUISE, CPA
TRAVIS J HOLE, CPA
WILSON LAM, CPA

COMMERCIAL ACCOUNTING & TAX SERVICES
8383 WILSHIRE BLVD., SUITE 800
BEVERLY HILLS, CA 90211
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

GOVERNMENTAL AUDIT SERVICES
5800 HANNUM AVE., SUITE E
CULVER CITY, CA 90230
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

Independent Auditor's Report

To the Honorable Mayor and Members of the City Council
of the City of La Palma
La Palma, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of La Palma, California (City) as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above 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, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal 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 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 these 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 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.

OFFICES: BEVERLY HILLS · CULVER CITY · SANTA MARIA

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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14, the Schedule of the Proportionate Share of the Net Pension Liability – CalPERS Miscellaneous Pension Plan, Schedule of Pension Contributions – Miscellaneous Cost Sharing Plan, Schedule of the Proportionate Share of the Net Pension Liability – CalPERS Safety Pension Plan, Schedule of Pension Contributions – Safety Cost Sharing Plan, the Schedule of Changes in the Net OPEB Liability and Related Ratios, Schedule of Plan Contributions – Other Postemployment Benefit Plan, Budgetary Comparison Schedule for the General Fund, and the Budgetary Comparison Schedule for the Housing Special Revenue Fund on pages 88 through 103 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 an opinion on the financial statements that collectively comprise the City's basic financial statements. The Combining Balance Sheet, Combining Statement of Revenues, Expenditures, and Changes in Fund Balance, and the individual Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual of the Major Capital Project Fund, Non-major Governmental Funds, the Combining Statement of Net Position, the Combining Statement of Revenues, Expenses, and Changes in Fund Net Position, and Combining Statement of Cash Flows – Internal Service Funds listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 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 Combining Balance Sheet, Combining Statement of Revenues, Expenditures, and Changes in Fund Balance, and the individual Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual of the Major Capital Project Fund, Non-major Governmental Funds; the Combining Statement of Net Position, the Combining Statement of Revenues, Expenses, and Changes in Fund Net Position, and Combining Statement of Cash Flows – Internal Service Funds are fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the information, and we do not express an opinion or provide 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 10, 2024, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

Moss, Levy & Hartzheim, LLP
Culver City, California
December 10, 2024

As management of the City of La Palma (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal and the City's basic financial statements.

This Annual Comprehensive Financial Report consists of the following sections:

- Introductory Section – contains the City's transmittal letter and organizational information about the City.
- Financial Section – contains the independent auditors' report, Management's Discussion & Analysis, Basic Financial Statements, Notes to the Basic Financial Statements, Required Supplementary Information, and Other Supplementary Schedules.
- Statistical Section – contains information on the financial health of the City including schedules pertaining to financial trends, revenue capacity, debt capacity, demographic, economic, and operating information.

The discussion and analysis presented herein is intended to serve as an introduction to the City's basic financial statements. The comparisons in the discussion and analysis are between FY 2022-23 and FY 2023-24. All increases and decreases are expressed relative to FY 2022-23 amounts.

FINANCIAL HIGHLIGHTS

Government-wide Statements:

- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of the fiscal year ended June 30, 2024, by $61.7 million (net position). Of this amount, $27.0 million is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors. The City's total net position increased by $1.8 million over the prior fiscal year.

Fund Statements:

Governmental Funds

- As of June 30, 2024, the City's governmental funds reported a combined ending fund balance of $34.9 million. Of this amount, $8.9 million is unassigned and is available for spending at the City's discretion. Fund balance increased by $2.7 million over the prior fiscal year.
- As of June 30, 2024, the General fund reported an ending fund balance of $18.4 million. Of this amount, $8.9 million is unassigned and is available for spending at the City's discretion. Fund balance increased by $2.9 million over the prior fiscal year.

Proprietary Funds

- As of June 30, 2024, the Water and Sewer Enterprise funds reported ending net position of $13.4 million. Of this amount, $8.3 million is unrestricted and is available for spending at the City's discretion on enterprise activities. Net position decreased by $0.4 million from the prior fiscal year.
- As of June 30, 2024, the Internal Service funds reported ending net position of $5.0 million. Of this amount, $4.7 million is unrestricted and is available for spending at the City's discretion. Net position increased by $0.6 million over the prior fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

Basic Financial Statements: The City's *Basic Financial Statements* are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also includes required supplementary information and other supplementary information. The following table summarizes the major features of the City's basic financial statements, including the portion of the City government they cover and the types of information they contain.

Major Features of the City's Government-wide and Fund Financial Statements

	Government-wide Statements	*Fund Statements* Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary funds) and the component units	The activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private businesses	Where the City is the trustee or agent for the private purpose trust
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenues, expenditures, and changes in fund balances	• Statement of fund net position • Statement of revenues, expenses, and changes in net position • Statement of cash flows	• Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/ liability information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources: both financial and capital and short-term and long-term	Only assets that are available to be used and liabilities that come due during the year or soon thereafter; includes deferred inflows of resources which reflect unavailable revenues; no capital assets or long-term debt included	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources: both financial and capital and short-term and long-term	All assets and liabilities, both short-term and long-term; although allowed, the City's fiduciary funds do not currently contain capital assets
Type of inflow/ outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Government-wide Financial Statements - Reporting the City as a Whole

The accompanying government-wide financial statements include two statements that present financial data for the City as a whole. One of the most important questions about the City's finances is, "How is the City as a whole doing financially when compared with the prior fiscal year?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that help answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting* whereby all of the current fiscal year's revenues and expenses are taken into account regardless of when cash is received or paid. Since the January 2012 dissolution of redevelopment agencies, the financial activities and position of the Successor Agency are reported within the fiduciary fund statements and not within the government-wide statements.

These two statements report the City's net position and the changes in them. The City's net position – assets and deferred outflows of resources less liabilities and deferred inflows of resources – is one way to measure the City's financial health, or *financial position*. Over time, increases and decreases in the City's net position can be an indicator of whether its *financial health* is improving or deteriorating. However, other nonfinancial factors such as legislation passed by the State affecting the treatment of revenue and the City's ability to retain assets, changes in the City's property tax base, or the condition of the City's infrastructure, should be considered in order to truly assess the *overall health* of the City.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities)*. The governmental activities of the City include general government, public safety, public works, recreation, and community development. The City's business-type activities are comprised of water and sewer functions.

The government-wide financial statements are in this report's financial section immediately following the Management's Discussion and Analysis.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of La Palma, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at year-end. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Fund balance is categorized into a hierarchy of five classifications: non-spendable, restricted, committed, assigned, and unassigned. These categories facilitate analysis of the City's commitment of financial resources.

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 fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are part of the basic financial statements and immediately follow the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances.

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Successor Housing Fund, and the Capital Outlay Reserve Fund, all of which are considered to be major funds. Data from all other governmental funds are combined into a single, aggregated column that is titled, "Nonmajor Governmental Funds." Individual fund data for each of these non-major governmental funds is provided in the optional supplementary information section of this report.

The City adopts an annual appropriated budget for the General Fund and generally for each of the Special Revenue Funds. No annual budget is adopted for the Capital Outlay Reserve Fund. A budgetary comparison statement has been provided for the General Fund and each major Special Revenue fund to demonstrate compliance with the budget. These budgetary comparison statements are found within the Required Supplementary Information Section.

The basic governmental fund financial statements can be found in the financial section of this report immediately following the government-wide financial statements.

Proprietary Funds consist of both enterprise and internal service funds. When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows, for the proprietary funds. Internal service funds (the other component of proprietary funds) are used to report activities that primarily provide supplies and services for the City's other programs and activities.

The City has two enterprise funds – the Water Fund and the Sewer Fund. The internal service funds are for Risk Management, Employee Benefits, Facility Maintenance, Vehicle Replacement, and Technology Replacement. The basic proprietary fund financial statements are found immediately following the governmental fund financial statements.

Fiduciary Funds are used to account for resources held for, and under the control of, other organizations and individuals. The City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The fiduciary fund financial statements are found immediately following the proprietary fund financial statements.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are found immediately following the fiduciary fund financial statements.

Other Information

This report presents certain required supplementary information such as the comparison of budget to actual results for the general and major special revenue funds. Required supplementary information is found immediately following the notes to the basic financial statements.

Optional supplementary information is also presented in this report. This supplementary information consists of combining and individual fund statements for non-major governmental funds and for the internal service funds. This information is found immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A summary of the government-wide *Statement of Net Position* as of June 30, 2024, and June 30, 2023, is as follows:

Condensed Statement of Net Position
(In Millions)

	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
	June 30, 2024			June 30, 2023		
Current and other assets	$ 52.0	$ 10.1	$ 62.1	$ 48.0	$ 10.8	$ 58.8
Capital assets	20.4	5.0	25.4	20.0	4.6	24.6
Total Assets	72.4	15.1	87.5	68.0	15.4	83.4
Deferred Outflows	9.3	0.7	10.0	10.5	0.9	11.4
Long-term debt outstanding	23.0	1.7	24.7	21.2	1.6	22.8
Other liabilities	7.6	0.5	8.1	7.7	0.7	8.4
Total Liabilities	30.6	2.2	32.8	28.9	2.3	31.2
Deferred Inflows	2.8	0.2	3.0	3.5	0.2	3.7
Net Position:						
Net investment in capital assets	19.9	5.0	24.9	19.8	4.7	24.5
Restricted	9.8	0.1	9.9	9.1	-	9.1
Unrestricted	18.6	8.3	26.9	17.2	9.1	26.3
Total Net Position	$ 48.3	$ 13.4	$ 61.7	$ 46.1	$ 13.8	$ 59.9

Over time, net position may serve as a useful indicator of a City's financial position. At June 30, 2024, the City's assets and deferred outflows exceeded liabilities and deferred inflows by $61.7 million.

A large portion of the City's net position ($24.9 million or 40.7%) is its investment in capital assets (e.g. land, infrastructure, buildings, and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. An additional portion of the City's net position ($9.9 million or 16.0%) represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted net position ($26.9 million or 43.3%) which may be used to meet the City's ongoing obligations to citizens and creditors.

A summary of the government-wide *Statement of Activities* for the fiscal years ending June 30, 2024, and June 30, 2023, is as follows:

Condensed Statement of Activities
(In Millions)

	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
	June 30, 2024			June 30, 2023		
Revenues:						
Program revenues:						
Charges for services	$ 1.1	$ 4.0	$ 5.1	$ 1.4	$ 3.8	$ 5.2
Operating contributions and grants	1.6	-	1.6	1.3	-	1.3
Capital contributions and grants	0.4	-	0.4	0.6	-	0.6
General revenues:						
Property taxes	5.1	-	5.1	4.9	-	4.9
Sales taxes	4.7	-	4.7	4.1	-	4.1
Utility users taxes	1.2	-	1.2	1.3	-	1.3
Other taxes	1.1	-	1.1	1.0	-	1.0
Other general revenues	2.9	0.3	3.2	1.7	0.1	1.8
Total Revenues	18.1	4.3	22.4	16.3	3.9	20.2
Expenses:						
Program expenses:						
General government	4.8	-	4.8	4.6	-	4.6
Public safety	6.6	-	6.6	5.6	-	5.6
Public works	2.6	-	2.6	2.5	-	2.5
Recreation	1.6	-	1.6	1.4	-	1.4
Community development	1.1	-	1.1	0.9	-	0.9
Water	-	3.3	3.3	-	3.1	3.1
Sewer	-	0.6	0.6	-	0.3	0.3
Total Expenses	16.7	3.9	20.6	15.0	3.4	18.4
Excess before transfers	1.4	0.4	1.8	1.3	0.5	1.8
Transfers	0.8	(0.8)	-	1.0	(1.0)	-
Change in net position	2.2	(0.4)	1.8	2.3	(0.5)	1.8
Beginning net position	46.1	13.8	59.9	43.8	14.3	58.1
Ending net position	$ 48.3	$ 13.4	$ 61.7	$ 46.1	$ 13.8	$ 59.9

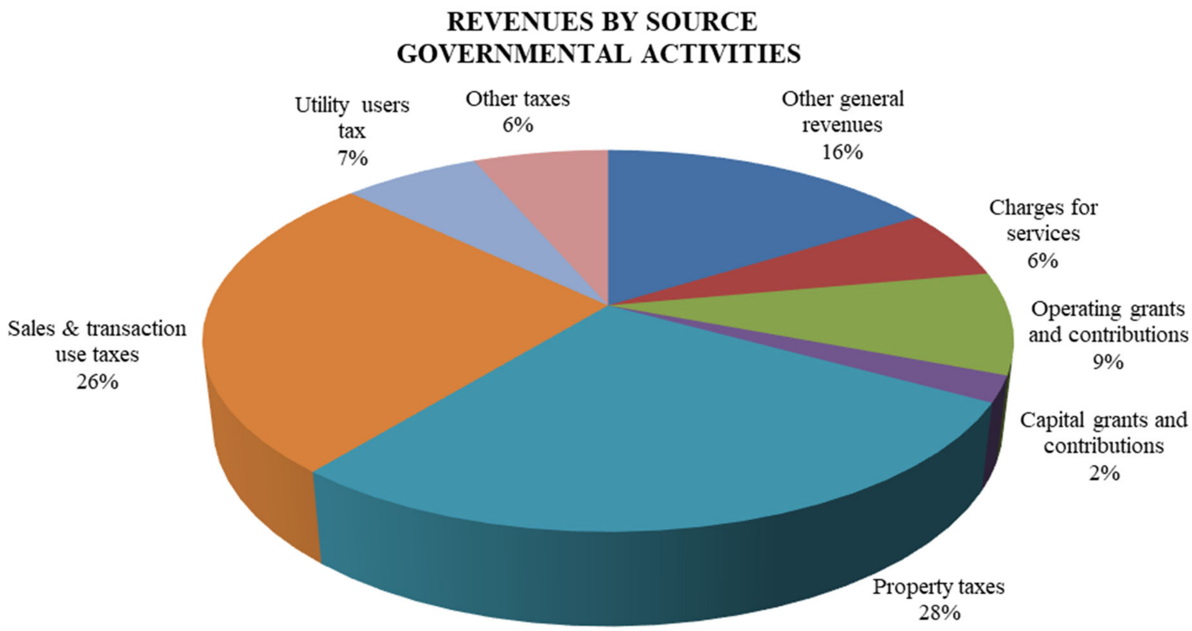
Governmental Activities

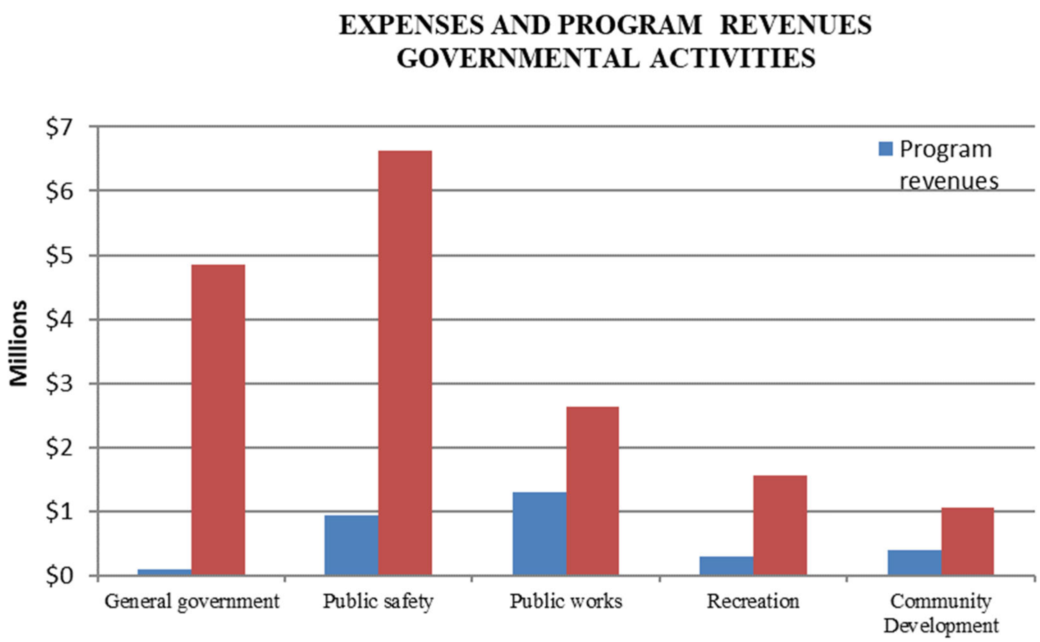
Governmental Activities increased the City's net position by $2.2 million in contrast to the prior fiscal year's increase of $2.3 million. Key elements of this net decrease of $0.1 million include the following:

- Overall revenues were $1.8 million higher when compared with the previous fiscal year. Sales Tax increased by $0.6 million primarily due to some 22/23 taxes in the amount of $230 thousand that were received in 23/24. In 23/24, there were no similarly delayed payments. Interest income increased by $1.2 million when compared to fiscal year 22/23.
- Expenses increased by $1.7 million when compared to the previous fiscal year. The main reason for the difference was in the pension adjustments due to GASB Stmt No. 68. For fiscal year 22/23, the pension adjustments increased expenses by $333 thousand primarily because CalPERS earned a negative 6.1% during the measurement period ending June 30, 2022 (reflected in the City's 22/23 ACFR), but larger adjustments

(also resulting from the poor CalPERS investment performance in 21/22) caused expenses in 23/24 to increase by $1.7 million including $1.0 million in public safety expenses.

The following two charts illustrate the revenues by source and expenses by function of the City's Governmental Activities.



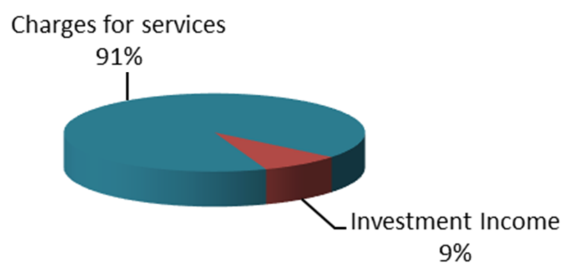


General revenues such as property tax, utility users tax, and sales and transaction use taxes are not shown by program since they are effectively used to support program activities citywide. Program revenues mainly consist of charges for services and program-related grants and contributions. Without regard for program, taxes are the largest single source of governmental revenue for the City (67.0% of total revenue), followed by grants and contributions (10.9% of total revenue), other general revenue (16.2% of total revenue), and charges for services (5.9% of total revenue).

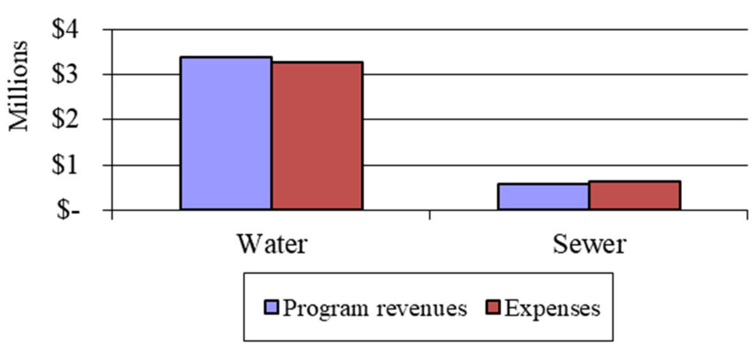
Business-type Activities

Business-type activities are financed primarily by fees charged to external parties for goods and services. Business-type activities decreased the City's net position by $368,000 in FY 2023-24; in comparison, the prior fiscal year's activities decreased net position by $515,000. In the prior fiscal year, program expenses for water and sewer activities totaled $3.4 million and were able to be fully funded by program revenue of $3.8 million and general revenues of $0.1 million. Also, $1.0 million was transferred to governmental activities. In the current fiscal year, program expenses for water and sewer activities totaled $3.9 million and were able to be fully funded by program revenue of $4.0 million and general revenues of $0.4 million. Current fiscal year transfers to governmental activities totaled $0.8 million.

REVENUES BY SOURCE
BUSINESS-TYPE ACTIVITIES



EXPENSES AND PROGRAM REVENUES
BUSINESS-TYPE ACTIVITIES



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City uses fund accounting to provide proper financial management of the City's resources and to demonstrate compliance with finance-related legal requirements (i.e., accounting for the receipt and expenditure of restricted funds). At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $34.9 million, an increase of $2.7 million over the fiscal prior year's ending fund balance of $32.2 million. Revenues of $17.6 million exceeded expenditures of $16.0 million. Net transfers in from proprietary funds for administration costs totaled $0.8 million.

Major Governmental Funds – The **General Fund** is the chief operating fund of the City and comprises approximately 80% of the current fiscal year's total governmental expenditures. At the end of the current fiscal year, the "spendable" portion of the General Fund's fund balance (i.e., Committed, Assigned, and Unassigned fund balance) was $18.4 million. As a measure of the General Fund's liquidity, it may be useful to compare this "spendable" portion of fund balance to total General Fund expenditures. Using this metric, total General Fund "spendable" fund balance represents 141.9% of the fiscal year's total General Fund expenditures. The General Fund's Unassigned fund balance was $8.9 million at June 30, 2024, and represents 68.9% of total General Fund expenditures.

The City's General Fund had a net increase to fund balance of $2.8 million in FY 2023-24 in comparison to a net increase of $1.6 million in FY 2022-23. The primary reasons for the net $1.2 million year-to-year change is as follows:

- Tax revenues were $1.0 million higher than in the prior fiscal year. Sales tax was up $670 thousand primarily because $230 thousand of sales tax from late 2022 was misallocated to other cities. The sales tax revenues were received by the City in October 2023, so they were recorded in 23/24. There was no similar misallocation missing from 23/24, so the misallocation resulted in a $460 thousand increase from the prior fiscal year. Property taxes were up $200 thousand, and transient occupancy tax was up $100 thousand.

- Investment income increased by $780,000 due to stabilizing interest rates. The fair market value of investments were lower at the end of the prior fiscal year because the Federal Government was raising interest rates. This reduction in fair value was significantly higher in the prior fiscal year.

- Prior year miscellaneous revenue included $268,000 received for a PCB settlement in June 2023.
- Overall expenditures increased by $0.5 million. The main increases were the $480 thousand increase in capital outlay and principal payments for SBITAs (Subscription Based Information Technology Arrangements).

The **Housing Fund** was created as part of the dissolution of redevelopment during the 2011-12 fiscal year. This fund is used to record the non-cash assets formerly held by the former Community Development Commission's Low and Moderate Income Housing Fund as well as the proceeds from the operation of a senior apartment complex per a 1998 agreement. This fund ended the fiscal year with a fund balance of $4.7 million, which is $120 thousand lower than the prior fiscal year's ending balance. All of this fund's fund balance is restricted for housing activities.

The **Capital Outlay Reserve Fund** is used to account for the financial resources segregated for City capital improvement projects. This fund ended the fiscal year with a fund balance of $8.1 million, which is all assigned for capital projects.

Major Enterprise Funds. At the end of the fiscal year, unrestricted fund net position of the **Water Fund** totaled $3.4 million and the **Sewer Fund** totaled $5.0 million. The combined decrease in fund net position from operations and transfers was $370,000 in FY 2023-24, as explained previously in the Business Activities of the Government-wide section of this analysis.

GENERAL FUND BUDGETARY HIGHLIGHTS

In preparing its budgets, the City attempts to estimate its revenues using realistic, but conservative, methods so as to budget its expenditure appropriations and activities in a prudent manner. As a result, the City Council adopted General Fund budget adjustments during the course of the fiscal year to reflect both changed priorities and availability of additional revenues. Revenue budget adjustments totaled a net decrease of $119 thousand as revenue trends were re-evaluated. Expenditure budget adjustments were minor and totaled a net increase of $202,000.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets (Net of Accumulated Depreciation)
(In Millions)

	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
	June 30, 2024			June 30, 2023		
Land	$ 8.0	$ 0.8	$ 8.8	$ 8.0	$ 0.8	$ 8.8
Construction in process	0.7	-	0.7	0.7	-	0.7
Buildings and improvements	5.8	0.8	6.6	5.4	0.8	6.2
Equipment	1.7	1.5	3.2	1.9	1.0	2.9
Vehicles	0.6	-	0.6	0.3	-	0.3
Intangible right-to-use	0.2	-	0.2	-	-	-
Infrastructure	3.4	1.9	5.3	3.7	2.0	5.7
Total Capital Assets	$ 20.4	$ 5.0	$ 25.4	$ 20.0	$ 4.6	$ 24.6

The City's investment in capital assets for its *Governmental* and *Business-type Activities* as of June 30, 2024, totaled $24.9 million (net of accumulated depreciation and net of capital related debt (direct borrowings)). This investment in capital assets includes land, buildings and improvements, equipment, vehicles, furniture and fixtures, and infrastructure. Additional information on the City's capital assets can be found in Note 6 of the Notes to the Basic Financial Statements.

Long-term Liabilities
(In Millions)

	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
	June 30, 2024			June 30, 2023		
Direct Borrowings	$ 0.3	$ -	$ 0.3	$ 0.1	$ -	$ 0.1
SBITAs	0.2	-	0.2	-	-	-
Net pension liability	21.9	1.7	23.6	20.5	1.6	22.1
Compensated absences	0.6	-	0.6	0.6	-	0.6
Total Long-term Liabilities	$ 23.0	$ 1.7	$ 24.7	$ 21.2	$ 1.6	$ 22.8

The amount of general obligation debt a City may issue is limited by state statutes to a maximum of 15% of the City’s total assessed value. The City currently has no general obligation debt, and, therefore, has no debt that is applicable to the limit. Additional information on the City's long-term liabilities can be found in Notes 7, 8, and 10 of the Notes to the Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The City of La Palma has achieved consistent economic growth while fostering a conducive environment for its residents. This has been accomplished through actively promoting business development, strategic infrastructure investments, and staying abreast of industry trends. As these measures persist, they will further augment prosperity and elevate the overall quality of life within the community.

Since the pandemic, the economy has recovered rather quickly, but with the unprecedented Federal spending, inflation has reached levels unseen in the past 40 years. Strong job numbers and low unemployment rates allowed consumption spending to stay solid. However, bank closures have tested the stock market, and as a result, investors and consumers are nervous about the security and accessibility of their funds. One of the most vulnerable segments includes discretionary spending as consumers closely monitor their finances. We continue to closely monitor fluctuating key indicators that have led many experts to draw mixed conclusions regarding the fluid economic outlook. The City was able to handle the economic volatility we because the City had strong reserves. For the FY 2024-25 budget, the City Council directed that core services remain without adding unnecessary ongoing costs.

As a vibrant City, La Palma's economic outlook is influenced by various factors, including local businesses, employment opportunities, industry trends, and government initiatives. La Palma's economy thrives on diverse industries, including technology, healthcare, retail, and professional services. This diversity helps to mitigate the risks associated with reliance on a single sector and promotes resilience in the face of economic fluctuations. The City maintains a prudent philosophy regarding its spending, which has led to healthy reserves. Lessons from prior fiscal years indicate that the economy can fluctuate from growth to recession and back again.

REQUESTS FOR INFORMATION

This financial report is designed to provide the City's citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Administrative Services Department, City of La Palma, 7822 Walker Street, La Palma, California 90623, 714-690-3300. This report can also be found on the City's website at http://www.cityoflapalma.org/.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF LA PALMA
Statement of Net Position
June 30, 2024

Assets	Governmental Activities	Business-Type Activities	Total
Cash and investments	$ 40,117,663	$ 7,868,157	$ 47,985,820
Receivables			
Accounts	369,949	702,557	1,072,506
Interest	461,422	-	461,422
Loans	2,641,019	-	2,641,019
Due from other governmental units	1,175,852	-	1,175,852
Prepaid items	45,922	-	45,922
Net OPEB asset	604,627	75,493	680,120
Due from redevelopment successor agency	5,730,589	1,419,774	7,150,363
Leases receivable	853,219	-	853,219
Capital assets:			
Not being depreciated	8,704,571	754,000	9,458,571
Being depreciated, Net	11,718,446	4,236,438	15,954,884
Total assets	72,423,279	15,056,419	87,479,698
Deferred outflows of resources			
OPEB related	410,070	51,201	461,271
Pension related	8,899,936	712,826	9,612,762
Total deferred outflows of resources	9,310,006	764,027	10,074,033
Liabilities			
Accounts payable	828,918	501,388	1,330,306
Unearned revenue	5,662,623	-	5,662,623
Other accrued liabilities	1,060,985	-	1,060,985
Noncurrent liabilities:			
Due within one year	608,703	-	608,703
Due in more than one year	454,361	-	454,361
Net pension liability	21,941,063	1,704,914	23,645,977
Total liabilities	30,556,653	2,206,302	32,762,955
Deferred inflows of resources			
OPEB related	453,464	56,619	510,083
Pension related	1,543,900	135,950	1,679,850
Leases	853,219	-	853,219
Total deferred inflows of resources	2,850,583	192,569	3,043,152
Net position			
Net investment in capital assets	19,906,510	4,990,438	24,896,948
Restricted for:			
Public information	386,645	-	386,645
Capital projects	2,462,481	-	2,462,481
Public safety	828,125	-	828,125
Affordable housing	5,514,551	-	5,514,551
OPEB	604,627	75,493	680,120
Unrestricted	18,623,110	8,355,644	26,978,754
Total net position	$ 48,326,049	$ 13,421,575	$ 61,747,624

The notes to the financial statements are an integral part of this statement.

CITY OF LA PALMA
Statement of Activities
Fiscal Year Ended June 30, 2024

Functions/Programs	Expenses	Program revenues: Charges for services	Program revenues: Operating grants and contributions	Program revenues: Capital grants and contributions
Governmental activities:				
General government	$ 4,830,621	$ 24,631	$ 77,718	$ -
Public safety	6,622,915	264,549	676,183	-
Public works	2,655,690	91,071	814,822	402,162
Recreation	1,544,570	293,653	-	-
Community development	1,054,337	402,157	-	-
Interest on long term debt	6,201	-	-	-
Total governmental activities	16,714,334	1,076,061	1,568,723	402,162
Business-type activities				
Water	3,266,366	3,387,972	-	-
Sewer	632,357	562,916	-	-
Total Business-type activities	3,898,723	3,950,888	-	-
Total	$ 20,613,057	$ 5,026,949	$ 1,568,723	$ 402,162

(Continued)

The notes to the financial statements are an integral part of this statement.

Functions/Programs	Net (expense) revenue and changes in net position: Governmental Activities	Net (expense) revenue and changes in net position: Business-Type Activities	Total
Governmental activities:			
General government	$ (4,728,272)	$ -	$ (4,728,272)
Public safety	(5,682,183)	-	(5,682,183)
Public works	(1,347,635)	-	(1,347,635)
Recreation	(1,250,917)	-	(1,250,917)
Community development	(652,180)	-	(652,180)
Interest	(6,201)	-	(6,201)
Total governmental activities	(13,667,388)	-	(13,667,388)
Business-type activities			
Water	-	121,606	121,606
Sewer	-	(69,441)	(69,441)
Total Business-type activities	-	52,165	52,165
Total	(13,667,388)	52,165	(13,615,223)
General revenues-unrestricted:			
Taxes:			
Property taxes	5,070,169	-	5,070,169
Sales taxes	4,736,950	-	4,736,950
Utility users tax	1,183,337	-	1,183,337
Franchise tax	524,795	-	524,795
Transient occupancy tax	646,108	-	646,108
Investment earnings	1,998,836	366,964	2,365,800
Other revenue	942,928	-	942,928
Transfers	787,347	(787,347)	-
Total general revenues and transfers	15,890,470	(420,383)	15,470,087
Change in net position	2,223,082	(368,218)	1,854,864
Net position - beginning of fiscal year	46,102,967	13,789,793	59,892,760
Net position - end of fiscal year	$ 48,326,049	$ 13,421,575	$ 61,747,624

The notes to the financial statements are an integral part of this statement.

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FUND FINANCIAL STATEMENTS

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General Fund

The general fund has been classified as a major fund and is used to account for all of the general revenues of the City not specifically levied or collected for other City funds and for expenditures related to the rendering of general services by the City. The general fund is used to account for all resources not required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenues that are restricted or committed to expenditures for specified purposes. The following has been classified as a major special revenue fund:

> Housing Fund – Used to account for the restricted housing assets of the former Community Development Commission (CDC), which were transferred to the Successor Agency Private Purpose Trust Fund and then transferred to the Housing Fund upon acceptance of the Housing Successor role by the City.

Capital Project Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

> Capital Outlay Reserve Fund – Used to account for the financial resources of the City, segregated for City capital improvement projects.

Nonmajor Governmental Funds

Nonmajor governmental funds include all special revenue funds except for the housing fund, and the capital outlay reserve fund- capital projects fund. Assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures of these funds do not exceed 10% of total governmental funds and 5% of total governmental and enterprise funds and thus, do not meet the criteria to be classified as major funds.

CITY OF LA PALMA
Balance Sheet
Governmental Funds
June 30, 2024

		Special Revenue	Capital Project
Assets	**General Fund**	**Housing Fund**	**Capital Outlay Reserve Fund**
Cash and investments	$ 23,508,815	$ 1,523,868	$ 6,494,389
Receivables:			
Accounts	337,889	31,526	-
Interest	461,422	-	-
Loans	1,643	2,639,376	-
Due from other governments	735,913	-	247,627
Prepaid items	45,922	-	-
Lease receivable	853,219	-	-
Due from other funds	9,015	-	-
Due from Redevelopment Successor Agency	-	1,430,073	4,300,516
Total assets	$ 25,953,838	$ 5,624,843	$ 11,042,532
Liabilities, Deferred Inflow of Resources, and Fund Balances			
Liabilities:			
Accounts payable	$ 319,358	$ 98,923	$ 375,355
Other accrued liabilities	1,060,985	-	-
Due to other funds	-	-	-
Unearned revenue	5,287,089	11,369	-
Total liabilities	6,667,432	110,292	375,355
Deferred inflow of resources:			
Lease revenue	853,219	-	-
Unavailable revenue	-	774,088	2,575,465
Total deferred inflow of resources	853,219	774,088	2,575,465
Fund balances:			
Nonspendable	47,565	-	-
Restricted	-	4,740,463	-
Committed	7,953,982	-	-
Assigned	1,500,000	-	8,091,712
Unassigned	8,931,640	-	-
Total fund balances	18,433,187	4,740,463	8,091,712
Total liabilities, deferred inflow of resources, and fund balances	$ 25,953,838	$ 5,624,843	$ 11,042,532

The notes to the financial statements are an integral part of this statement.

Nonmajor Governmental Funds	Total Governmental Funds
$ 3,881,506	$ 35,408,578
534	369,949
-	461,422
-	2,641,019
192,312	1,175,852
-	45,922
-	853,219
-	9,015
-	5,730,589
$ 4,074,352	$ 46,695,565
$ 23,921	$ 817,557
-	1,060,985
9,015	9,015
364,165	5,662,623
397,101	7,550,180
-	853,219
-	3,349,553
-	4,202,772
-	47,565
3,677,251	8,417,714
-	7,953,982
-	9,591,712
-	8,931,640
3,677,251	34,942,613
$ 4,074,352	$ 46,695,565

The notes to the financial statements are an integral part of this statement.

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CITY OF LA PALMA
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2024

Fund balances for governmental funds	$	34,942,613
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements. This amount does not include $611,864 of internal service funds net capital assets included below.		
Capital assets		35,611,351
Accumulated depreciation		(15,800,198)
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position. Balances at the end of the fiscal year are:		
Subscriptions payable		(218,268)
Compensated absences		(569,345)
Pension related debt and other postemployment benefit debt applicable to the City governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pensions and OPEB are only reported in the statement of net position as the changes in these amounts effects only the government-wide statements for governmental activities.		
Deferred outflows of resources for pensions		8,899,936
Deferred outflows of resources for OPEB		410,070
Deferred inflows of resources for pensions		(1,543,900)
Deferred inflows of resources for OPEB		(453,464)
Pension liability		(21,941,063)
Net OPEB asset		604,627
Unavailable revenue - resource inflows that do not qualify for recognition as revenue in governmental funds because they are not yet considered available.		3,349,553
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position:		
Net position of internal service funds		5,034,137
Net position of governmental activities	$	48,326,049

The notes to the financial statements are an integral part of this statement.

CITY OF LA PALMA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2024

		Special Revenue	Capital Project
	General Fund	Housing Fund	Capital Outlay Reserve Fund
Revenues:			
Taxes	$ 12,142,109	$ -	$ -
Intergovernmental	45,113	-	-
Licenses and permits	518,965	-	-
Fines and forfeitures	142,148	-	-
Investment income	1,010,624	244,806	289,921
Charges for services	571,328	-	-
Rental income	570,000	-	-
Miscellaneous	125,081	-	24,915
Total revenues	15,125,368	244,806	314,836
Expenditures:			
Current:			
General government	4,295,286	-	-
Public safety	5,258,011	-	-
Public works	1,040,572	-	-
Recreation	1,251,784	-	-
Community development	612,803	366,549	-
Capital outlay	362,199	-	1,342,660
Debt service			
Principal	131,033	-	-
Interest and fiscal charges	6,201	-	-
Total expenditures	12,957,889	366,549	1,342,660
Excess (deficiency) of revenues over (under) expenditures	2,167,479	(121,743)	(1,027,824)
Other financing sources (uses):			
Proceeds from debt issuance	349,301	-	-
Transfers in	782,900	-	404,447
Transfers out	(429,372)	-	-
Total other financing sources (uses)	702,829	-	404,447
Net change in fund balances	2,870,308	(121,743)	(623,377)
Fund balance - beginning of fiscal year	15,562,879	4,862,206	8,715,089
Fund balance - end of fiscal year	$ 18,433,187	$ 4,740,463	$ 8,091,712

The notes to the financial statements are an integral part of this statement.

Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ 12,142,109
1,747,786	1,792,899
-	518,965
-	142,148
159,252	1,704,603
-	571,328
-	570,000
16,161	166,157
1,923,199	17,608,209
-	4,295,286
501,412	5,759,423
420,618	1,461,190
-	1,251,784
-	979,352
458,588	2,163,447
-	131,033
-	6,201
1,380,618	16,047,716
542,581	1,560,493
-	349,301
29,372	1,216,719
-	(429,372)
29,372	1,136,648
571,953	2,697,141
3,105,298	32,245,472
$ 3,677,251	$ 34,942,613

The notes to the financial statements are an integral part of this statement.

CITY OF LA PALMA
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities
Fiscal Year Ended June 30, 2024

Net changes in fund balances for governmental funds	$ 2,697,141
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures, However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as a depreciation expense. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decreases by the amount of depreciation expense charged for the fiscal year.	
Capital outlay	2,163,447
Capital outlays deemed repairs and maintenance	(1,043,860)
Depreciation expense (not including ISF depreciation of $117,989)	(787,449)
Loss on asset disposal	(7,167)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Change in net pension liability	(1,717,505)
Change in compensated absences	46,352
Change in OPEB obligation	183,426
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	352,773
The amounts below, included in the Statement of Activities do not provide current financial resources and, therefore, are not report as revenue.	
Debt proceeds	(349,301)
Repayment of principal	131,033
Internal service funds are used by management to charge the costs to certain activities to individual funds. The changes in net position of the internal service funds are reported with the governmental activities	554,192
Change in net position of governmental activities	$ 2,223,082

The notes to the financial statements are an integral part of this statement.

Enterprise Funds

Enterprise funds are used for operations that are financed and operated in a manner similar to private business enterprise – where the intent of the governing body is that the costs of providing goods or services to the general public be financed or recovered primarily through user charges. The following have been classified as major enterprise funds:

> Water Fund – To account for revenues and expenses for the operations for the City's water utility. All activities necessary to provide this service are accounted for in this fund, including administration, operations, maintenance, billing collection, and depreciation.

> Sewer Fund – To account for the revenues and expenses for the maintenance, repair, and depreciation of the sewers within the City.

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency of the City to other departments or agencies on a cost reimbursement basis.

CITY OF LA PALMA
Statement of Fund Net Position
Proprietary Funds
June 30, 2024

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Total	Internal Service Funds
Assets				
Current assets:				
Cash and investments	$ 3,559,334	$ 4,308,823	$ 7,868,157	$ 4,709,085
Accounts receivables	585,081	117,476	702,557	-
Total current assets	4,144,415	4,426,299	8,570,714	4,709,085
Noncurrent assets:				
Capital assets				
Capital assets not being depreciated	754,000	-	754,000	-
Capital assets being depreciated, net of depreciation	3,291,540	944,898	4,236,438	611,864
Due from Redevelopment Successor Agency	709,887	709,887	1,419,774	-
Net OPEB asset	64,951	10,542	75,493	-
Total noncurrent assets	4,820,378	1,665,327	6,485,705	611,864
Total assets	8,964,793	6,091,626	15,056,419	5,320,949
Deferred outflows of resources				
Related to OPEB	44,051	7,150	51,201	-
Related to pensions	637,791	75,035	712,826	-
Total deferred outflows of resources	681,842	82,185	764,027	-
Liabilities				
Current liabilities:				
Accounts payable	486,376	15,012	501,388	11,361
Enterprise leases payable	-	-	-	45,858
Total current liabilities	486,376	15,012	501,388	57,219
Noncurrent liabilities:				
Enterprise leases payable	-	-	-	229,593
Net pension liability	1,525,449	179,465	1,704,914	-
Total noncurrent liabilities	1,525,449	179,465	1,704,914	229,593
Total liabilities	2,011,825	194,477	2,206,302	286,812
Deferred inflows of resources				
Related to OPEB	48,713	7,906	56,619	-
Related to pensions	121,639	14,311	135,950	-
Total deferred inflows of resources	170,352	22,217	192,569	-
Net position				
Net investment in capital assets	4,045,540	944,898	4,990,438	336,413
Restricted for OPEB	64,951	10,542	75,493	-
Unrestricted	3,353,967	5,001,677	8,355,644	4,697,724
Total net position	$ 7,464,458	$ 5,957,117	$ 13,421,575	$ 5,034,137

The notes to the financial statements are an integral part of this statement.

CITY OF LA PALMA
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Fiscal Year Ended June 30, 2024

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Total	Internal Service Funds
Operating revenues				
Charges for services	$ 3,387,972	$ 562,916	$ 3,950,888	$ 1,456,635
Miscellaneous	-	-	-	9,719
Total operating revenue	3,387,972	562,916	3,950,888	1,466,354
Operating expenses				
Personnel services	701,804	91,478	793,282	-
Maintenance and operations	2,052,943	410,422	2,463,365	111,259
Contractual services	208,340	73,428	281,768	-
Depreciation	193,161	44,596	237,757	117,989
Settlement claims and insurance	40,600	5,200	45,800	872,001
Administration	69,518	7,233	76,751	-
Total operating expenses	3,266,366	632,357	3,898,723	1,101,249
Operating income (loss)	121,606	(69,441)	52,165	365,105
Nonoperating revenues (expenses)				
Investment income	169,821	197,143	366,964	189,087
Total nonoperating revenues (expenses)	169,821	197,143	366,964	189,087
Income before transfers	291,427	127,702	419,129	554,192
Transfers				
Transfers out	(686,688)	(100,659)	(787,347)	-
Change in net position	(395,261)	27,043	(368,218)	554,192
Net position - beginning of fiscal year	7,859,719	5,930,074	13,789,793	4,479,945
Net position - end of fiscal year	$ 7,464,458	$ 5,957,117	$ 13,421,575	$ 5,034,137

The notes to the financial statements are an integral part of this statement.

CITY OF LA PALMA
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2024

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Total	Internal Service Funds
Cash flows from operating activities				
Receipts from customers and user departments	$ 3,454,897	$ 565,177	$ 4,020,074	$ -
Receipts from internal users	-	-	-	1,456,635
Payments to suppliers for goods and services	(2,556,473)	(555,052)	(3,111,525)	(984,743)
Payments to employees for salaries and benefits	(575,126)	(77,456)	(652,582)	-
Miscellaneous receipts	-	-	-	9,719
Net cash provided (used) by operating activities	323,298	(67,331)	255,967	481,611
Cash flows from noncapital financing activities				
Cash paid to other funds	(686,688)	(100,659)	(787,347)	-
Cash flows from capital and related financing activities				
Proceeds of lease payable	-	-	-	185,976
Payments of principal	-	-	-	(31,651)
Acquisition of capital assets	(573,877)	-	(573,877)	(254,370)
Net cash used by capital and related financing activities	(573,877)	-	(573,877)	(100,045)
Cash flows from investing activities				
Interest received	211,956	239,277	451,233	189,087
Net cash provided by investing activities	211,956	239,277	451,233	189,087
Net increase (decrease) in cash and cash equivalents	(725,311)	71,287	(654,024)	570,653
Cash and cash equivalents - beginning of fiscal year	4,284,645	4,237,536	8,522,181	4,138,432
Cash and cash equivalents - end of fiscal year	$ 3,559,334	$ 4,308,823	$ 7,868,157	$ 4,709,085
Reconciliation of cash and cash equivalents to the proprietary fund statement of net position				
Cash and investments	$ 3,559,334	$ 4,308,823	$ 7,868,157	$ 4,709,085

The notes to the financial statements are an integral part of this statement.

CITY OF LA PALMA
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2024

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	$ 121,606	$ (69,441)	$ 52,165	$ 365,105
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	193,161	44,596	237,757	117,989
(Increase) decrease in operating assets and deferred outflows of resources:				
Accounts receivable	66,925	2,261	69,186	-
Deferred outflows of resources-OPEB	14,777	2,398	17,175	-
Deferred outflows of resources-pension related	65,552	7,711	73,263	-
Increase (decrease) in operating liabilities and deferred inflows of resources:				
Accounts payable and accrued liabilities	(185,072)	(58,769)	(243,841)	(1,483)
Net OPEB liability	(65,527)	(10,636)	(76,163)	-
Net pension liability	111,418	13,108	124,526	-
Deferred inflows of resources-OPEB	31,047	5,039	36,086	-
Deferred inflows of resources-pension related	(30,589)	(3,598)	(34,187)	-
Total adjustments	201,692	2,110	203,802	116,506
Net cash provided (used) by operating activities	$ 323,298	$ (67,331)	$ 255,967	$ 481,611

The notes to the financial statements are an integral part of this statement.

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Redevelopment Successor Agency Private-Purpose Trust Fund

This fund accounts for the assets, liabilities, and activities of the former Community Development Commission (CDC) of the City in a trustee capacity to pay enforceable obligations of the former Commission. On February 1, 2012, in accordance with Assembly Bill (AB 1X 26 and 1484), all redevelopment agencies in the state of California were dissolved. All assets and liabilities were transferred to the Successor Agency Private-Purpose Trust Fund which is used to account for assets held by the City of La Palma's former CDC.

CITY OF LA PALMA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

		Redevelopment Successor Agency Private-Purpose Trust Fund
Assets		
Cash and investments	$	1,547,355
Total assets		1,547,355
Liabilities		
Advances from City of La Palma		7,150,363
Total liabilities		7,150,363
Net position		
Held in trust for other governments	$	(5,603,008)

The notes to the financial statements are an integral part of this statement.

CITY OF LA PALMA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Fiscal Year Ended June 30, 2024

		Redevelopment Successor Agency Private-Purpose Trust Fund
Additions		
Taxes	$	713,614
Interest income		48,996
Total additions		762,610
Deductions		
Program expenses		10,000
Interest and fiscal expenses		131,196
Total deductions		141,196
Change in net position		621,414
Net position - beginning of fiscal year		(6,224,422)
Net position - end of fiscal year	$	(5,603,008)

The notes to the financial statements are an integral part of this statement.

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NOTES TO BASIC FINANCIAL STATEMENTS

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the City of La Palma, California (the City) have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant City accounting policies are described below.

A. Description of Reporting Entity

The City was incorporated on October 26, 1955, under the general laws of the State of California. The City operates under an elected Council/City Manager form of government. The City has no component units for which it is financially accountable.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The City's *basic financial statements* are composed of the following:

- Government-Wide Financial Statements
- Fund Financial Statements
- Notes to the Basic Financial Statements

<u>Government-Wide Financial Statements</u>

While separate government-wide and fund financial statements are presented, they are interrelated. In the government-wide financial statements, the governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds.

The government-wide financial statements are reported using the *economic resources measurement focus* and *the accrual basis of accounting*. Under the economic resources' measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. *Accrual basis of accounting* refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues from property taxes are recognized as revenues in the fiscal year that the tax is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Special assessments are recorded as revenues when earned. Unbilled receivables are recorded as revenue when services are provided.

The statements of activities demonstrate the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The types of transactions reported as program revenues for the City are reported in three categories:

- Charges for Services
- Operating Grants and Contributions
- Capital Grants and Contributions

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Government-Wide Financial Statements (Continued)

Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Grants and contributions include revenues restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenses. Proceeds of long-term debt are recorded as a liability in the government-wide financial statement, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, interfund services provided and used are not eliminated in the process of consolidation.

Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and the nonmajor funds in the aggregate for governmental and enterprise funds. Fiduciary fund statements include financial information for fiduciary funds. Fiduciary funds for the City represent assets held by the private-purpose trust fund for the successor agency of the former Community Development Commission (CDC).

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at fiscal year-end are reported as due to/from other funds and advances to/from other funds.

Further, certain activity occurs during the fiscal year involving transfers of resources between funds. In fund financial statements, these are reported at gross amounts as transfers in/out.

Governmental Funds

In the fund financial statements, governmental funds are presented using the *modified-accrual basis of accounting*. Under the modified-accrual basis of accounting, revenues are recognized when they become both *measurable* and *available*. Revenues are considered to be available when they are collected within 60

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Sales taxes, property taxes, and utility user taxes are all considered to be susceptible to accrual and have been recognized as revenues in the current fiscal period to the extent normally collected within the availability period (within 60 days of fiscal year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met and the amount is received during the period or within the availability period for this revenue source (within six months of fiscal year-end). Other revenue items are considered to be measurable and available when cash is received by the government.

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus.* This means that only current assets, deferred outflows of resources, liabilities, and deferred inflows of resources are generally included on their balance sheets. The reported fund balance is considered to be a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Noncurrent portions of long-term receivables between governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered "available spendable resources," since they do not represent available resources. Noncurrent portions of long-term receivables in the general fund are offset by nonspendable fund balance.

<u>Proprietary Funds</u>

Proprietary fund types are accounted for using the *economic resources measurement focus* and *accrual basis of accounting*. This means that all assets, deferred outflows or resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with the activity are included on the statement of net position. Their reported fund equity presents total net position. The operating statement of the proprietary fund presents increases (revenues) and decreases (expenses) in total net position. Revenues are recognized when they are earned and expenses are recognized when the liability is incurred.

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 City's water and sewer funds are charges to customers for sales and services. Operating expenses for proprietary funds include all costs of sales and services, administrative expenses, and depreciation on capital

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Proprietary Funds (Continued)

assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Amounts paid to acquire capital assets are capitalized as assets in the proprietary funds' financial statements, rather than reported as expenses. Proceeds of long-term debt are recorded as a liability in the proprietary funds' financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the proprietary funds are reported as a reduction of the related liability, rather than as an expense.

Fiduciary Funds

Fiduciary fund financial statements include a statement of fiduciary net position and a statement of changes in fiduciary net position. The City's fiduciary private-purpose trust fund is accounted for using the economic resources measurement focus and accrual basis of accounting. The private-purpose trust fund accounts for the assets held by the City for the Successor Agency to the La Palma Community Development Commission. Because this fund is not available for use by the City, it is not included in the government-wide statements.

C. Fund Classifications

The City reports the following major governmental funds:

- *General Fund* – This fund is used to account for all of the general revenues of the City not specifically levied or collected for other City funds and for expenditures related to the rendering of general services by the City, except those required to be accounted for in another fund
- *Housing Special Revenue Fund* – This fund is used to account for the restricted housing assets of the City. Revenues are from housing activities and are restricted for housing purposes.
- *Capital Outlay Reserve Capital Projects Fund* – This fund accounts for the financial resources of the City segregated for city capital improvement projects other than those financed by proprietary funds.

The City reports the following major enterprise funds:

- *Water Fund* – This fund is used to account for revenues and expenses of the operations for the City's water utility. All activities necessary to provide this service are accounted for in this fund, including administration, operations, maintenance, billing, collection, and depreciation.
- *Sewer Fund* – This fund is used to account for the revenues and expenses for the maintenance, repair, and depreciation of the sewers within the City.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Classifications (Continued)

Additionally, the City reports the following fund types:

- *Special Revenue Funds* are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes.
- *Internal Service Funds* are used to account for the financing of goods or services provided by one department of the City to other departments on a cost-reimbursement basis. The City's internal service funds account for risk management activity, costs of the City's employee benefit plans, and workers' compensation insurance, as well as maintenance and replacement costs of City facilities, vehicles, and technology items.
- *Private-Purpose Trust Fund* accounts for the activities of the Successor Agency of the former La Palma Community Development Commission in a trustee capacity to pay enforceable obligations.

D. Implementation of New Accounting Pronouncements

No GASB statements which were newly effective for the fiscal year had any significant impact for the City.

E. Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements.

The provisions of Statement Number 101 "Compensated Absences" are effective for fiscal years beginning after December 15, 2023.

The provisions of Statement Number 102 "Certain Risk Disclosures" are effective for fiscal years beginning after June 15, 2024.

The provisions of Statement Number 103 "Financial Reporting Model Improvements" are effective for fiscal years beginning after June 15, 2025.

F. Cash and Investments

Investments are reported in the accompanying basic financial statements at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. Investments in external pools are valued based on the stated fair value represented by the external pool.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Investments (Continued)

Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year, which may result in negative investment earnings in the accompanying financial statements. Investment income includes interest earning, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments. The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as *cash and investments*.

Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance.

G. Cash Equivalents

For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates and have an original maturity date of three months or less. Cash equivalents represent the proprietary funds' share in the cash and investment pool of the City.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The consumption method is used by the City to report prepaids.

I. Leases Receivable

The City's lease receivables are measured at the present value of payments expected to be received during the lease term. Under the lease agreements, the City receives variable lease payments as each lease has an annual increase in payment of 3% or $500 per month.

J. Right to Use Lease Assets

Right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use lease assets are amortized on a straight-line basis over the life of the related lease. The City has no right to use lease assets as of June 30, 2024.

K. Intangible Right to Use Subscription Asset

Intangible right to use assets are initially measured as an amount equal to the initial measurement of the related software subscription liability plus any software subscription payments made prior to the software subscription term, less software subscription incentives, and plus ancillary charges necessary to place the software subscription into service. The intangible right to use software subscription assets are amortized over the life of the related software subscription liability. See notes 6 and 7 for more details regarding the City's intangible right to use subscription assets and associated debt.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Capital Assets

Acquisitions of capital assets (including infrastructure) are recorded at historical cost at the time of purchase. Donated capital assets are recorded at acquisition value at the time received. Generally, capital asset acquisitions in excess of $5,000 (general capital assets) and $25,000 (infrastructure) are capitalized if they have an expected useful life of one year or more. Capital assets include intangible right-to-use lease and subscription assets and public domain (infrastructure), capital assets consisting of certain improvements, including streets (pavement, medians, curbs/gutters, sidewalks, traffic signals, monument signs, and bridges), storm drains, and water/sewer systems and improvements.

Capital assets used in operations are depreciated in the government-wide financial statements and in the fund financial statements of the proprietary funds. Depreciation of such assets is computed using the straight-line method over the estimated useful lives noted below and charged to operations:

Nonpolice vehicles	12 years
Police patrol vehicles	4 years
Police unmarked vehicles	8 years
Trucks and utility vehicles	12 years
Specialty vehicles	12 years
Furniture and fixtures	10 to 15 years
IT machinery and equipment	5 years
NonIT machinery and equipment	10 years
Building and building improvements	50 years
Sewer system and other improvements	75 years
Water system and other improvements	75 years
Infrastructure - street network	30 to 80 years
Infrastructure - storm drains	75 years

M. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report 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 future periods and will not be recognized as an outflow of resources (expense/expenditures) until that time. This City has the following items that qualify for reporting in this category:

- Deferred outflows related to pension and OPEB plans equal to employer contributions made after the measurement date of the net pension and OPEB liabilities.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Deferred Outflows and Inflows of Resources (Continued)

- Deferred outflows related to pension and OPEB plans for differences between actual and expected experiences, and changes in employer's proportion and differences between employer's contributions and the employer's proportionate share of contributions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions and OPEB benefits through the plans.
- Deferred outflows related to pension and OPEB plans resulting from the net differences between projected and actual earnings on the plan investments. These amounts are amortized over five years.

In addition to liabilities, the statement of net position and the governmental funds balance sheet will sometimes report 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 future periods and will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

- Deferred inflows from unavailable revenues, which are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: grants and accrued, unpaid interest on long-term loans and advances. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Deferred inflows related to pension and OPEB plans for differences between actual and expected experiences, changes of assumptions, and changes in employer's proportion and differences between employer's contributions and the employer's proportionate share of contributions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions and OPEB benefits through the plan.
- Deferred inflows related to leases. These amounts are deferred and recognized as an inflow in the period that the amount becomes available.

N. Compensated Absences

A liability is recorded for compensated absences (unpaid vacation, sick leave, and compensatory time) since the employees' entitlement to these balances is attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement. Compensated absences are primarily liquidated in the City's general fund.

O. Property Taxes

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool and are then allocated to the cities based on complex formulas.

Accordingly, the City accrues only those taxes that are received from the County of Orange (County) within 60 days after fiscal year-end:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Property Taxes (Continued)

Lien Date:	January 1
Levy Date:	July 1
Due Dates:	November 1 - 1st Installment
	February 1 - 2nd Installment
Collection Dates:	December 10 - 1st Installment
	April 10 - 2nd Installment

The City participates in a program called the "Teeter Plan," whereby the County distributes 100% of the City's portion of the secured tax levy during each fiscal year. In exchange, the City waives the right to collect interest and penalties on any delinquent tax collections received by the County on the secured rolls in future years.

P. Claims and Judgments

The City records a liability for litigation, judgments, and claims when it is probable that an asset has been impaired or a liability (including incurred but not reported) has been incurred prior to fiscal year-end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. In the fund financial statements, these liabilities are recorded in the Internal Service Funds that account for the City's insurance activities.

Q. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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 and internal service fund are charges to customers for sales and services. Operating expenses for proprietary 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.

R. Net Position

The government-wide financial statements, proprietary fund statements, and fiduciary fund statements utilize a net position presentation. Net position is classified in the following categories:

- *Net Investment in Capital Asset* – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.
- *Restricted Net Position* – This amount is restricted by enabling legislation (such as external creditors, grantors, contributors, or laws or regulations of other governments).
- *Unrestricted Net Position* – This amount is all net position that does not meet the definition of "net investment in capital assets" or "restricted net position".

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Net Position (Continued)

The government-wide statement of net position reports $8,361,062 of business-type unrestricted net position, of which $5,365,205 has been designated, in accordance with City Code. The designation is for emergency replacement of utility fixed assets within the Water fund in the amount of $2,275,532 (5% of the replacement value of certain capital assets) and within the Sewer fund in the amount of $3,089,673 (10% of the replacement value of certain capital assets).

S. Net Position Flow Assumptions

Sometimes the City will fund outlays for a particular purpose for both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's practice to consider restricted net position to have been depleted before unrestricted net position is applied, unless otherwise directed by the City Council.

T. Fund Balances

Fund balances are reported in the fund statements in the following classifications:

- Nonspendable Fund Balance – This includes amounts that cannot be spent because they are either not spendable in form (such as inventory) or legally or contractually required to be maintained intact (such as endowments). Noncurrent portions of long-term receivables in the General Fund are offset by nonspendable fund balance.
- Restricted Fund Balance – This includes amounts that can be spent only for specific purposes stipulated by legal requirements imposed by other governments, external resource providers, or creditors as imposed by law through constitutional provisions or enabling legislation. City Council imposed restrictions do not create a restricted fund balance, unless the legal document that initially authorized the revenue (associated with that portion of fund balance) also included language that specified the limited use for which the authorized revenues were to be expended.
- Committed Fund Balance – This includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (for example, resolution, ordinance, minutes action, etc.) that it employed to previously commit those amounts. If the City Council action that limits the use of funds was separate from the action that initially created the revenues that form the basis for the fund balance then the resultant fund balance is considered to be committed, not restricted. The City considers both an ordinance or resolution to constitute the highest formal action of the City Council for the purpose of establishing committed fund balance.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. Fund Balances (Continued)

- The City has established two commitments within the General Fund. The Economic Development commitment was initially set at $250,000 to be used for economic development projects, including assistance with attracting, growing, and retaining businesses, which promote the City's economic vitality and strengthen or diversify its tax base. Appropriations for the Economic Development commitment can only be made by formal action of the City Council. At June 30, 2024, the commitment totaled $187,134. The Emergency Reserve policy establishes a commitment for a minimum of 50% of General Fund expenditures as of the beginning of each fiscal year. This commitment may be used in emergency situations and appropriations can only be made by formal City Council action, with the exception of interest earnings, which will be transferred to the General Fund. At June 30, 2024, the commitment totaled $7,767,700.

- Assigned Fund Balance – This includes amounts that are intended to be used for specific purposes as indicated by the City Council or by persons to whom City Council has delegated the authority to assign amounts for specific purposes. The City Council has by resolution authorized the Administrative Services Director the authority to assign unassigned fund balance amounts where the City's intent is for those amounts to be used for specific purposes. This delegation of authority is for the sole purpose of reporting these amounts in the annual financial statements. The City's fund balance policy established an assigned fund balance in the General Fund of $1,500,000 for cash flow. This amount is not intended to vary from year to year.

  The City's fund balance policy establishes an assignment for unprogrammed/unfunded capital and infrastructure projects. It is the City's intent that the fund balances for the Capital Outlay Reserve and the Civic Center Rehabilitation Reserve (components of the Capital Outlay Reserve Fund) be considered to be assigned for the purpose of the fund.

  Unassigned Fund Balance – This includes the remaining spendable amounts that are not included in one of the other classifications. Only the General Fund shows a positive unassigned fund balance. In other funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

  It is the City's policy that restricted resources will be applied first, followed by (in order of application) committed, assigned and unassigned resources, in absence of a formal policy adopted by the Council.

U. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) Plans (Plans) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General Fund has typically been used in prior fiscal years to liquidate pension liabilities.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

V. Other Postemployment Benefits

For purposes of measuring the net OPEB liability and deferred outflows/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 Plans' fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the City's OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General Fund has typically been used in prior fiscal years to liquidate OPEB liabilities.

W. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows or resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2: CASH AND INVESTMENTS

Cash and investments as of June 30, 2024 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	$ 47,985,820
Statement of Fiduciary Net Position:	
Cash and investments	1,547,355
Total Cash and Investments	$ 49,533,175
Cash on hand	$ 7,425
Deposits with financial institutions	4,691,242
Investments	44,834,508
Total Cash and Investments	$ 49,533,175

Investments Authorized by the California Government Code and the City's Investment Policy

The following table identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that addresses interest rate risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee 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. The City has no investments held by bond trustees at June 30, 2024.

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments Authorized by the California Government Code and the City's Investment Policy (Continued)

Investment Types Authorized by State Law	Authorized by Investment Policy	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment in One Issuer
Local Agency Bonds	Yes	5 Years	None	None
U.S. Treasury Obligations	Yes	5 Years	None	None
State of California Obligations	Yes	5 Years	None	None
Other 49 State Obligations	Yes	5 Years	None	None
CA Local Agency Obligations	Yes	5 Years	None	None
U.S. Government Agency Securities	Yes	5 Years	None	None
Banker's Acceptance	Yes	180 Days	40%	30%
Commercial Papers	Yes	270 Days	25%	10%
Negotiable Certificates of Deposit	Yes	5 Years	30%	5%
Repurchase Agreements	Yes	1 Year	None	None
Reverse Repurchase Agreements	Yes	92 Days	20% Base Value	None
Supranationals	Yes	5 Years	30%	None
Medium-Term Corporate Notes	Yes	5 Years	30%	5%
Mutual Funds	Yes	N/A	20%	10%
Money Market Mutual Funds	Yes	N/A	20%	None
Asset-Backed Securities	Yes	5 Years	20%	None
County Pooled Investment Funds	No	N/A	None	None
Local Agency Investment Fund (LAIF)	Yes	N/A	None	$75 million
Joint Powers Authority (JPA) Pools	Yes	N/A	None	None

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.

Information about the sensitivity of the fair values of the City's investments (including investments held by the bond trustee) to market rate fluctuations is provided by the following table that shows the distribution of the City's investment by maturity:

NOTE 2: CASH AND INVESTMENTS (Continued)

Interest Rate Risk (Continued)

Investment Types	Remaining Maturity (in Months) 12 Months or Less	13-24 Months	25-60 Months	More than 60 Months	Total
Investments held by the City:					
U.S. Treasury Notes	$ -	$ 655,416	$ 14,689,048	$ -	$ 15,344,464
Municipal Notes	48,845	62,385	-	-	111,230
Corporate Notes	-	725,439	9,041,821	-	9,767,260
Foreign Notes	-	960,463	-	-	960,463
LAIF	18,643,102	-	-	-	18,643,102
Money Market Mutual Funds	7,989	-	-	-	7,989
Total	$ 18,699,936	$ 2,403,703	$ 23,730,869	$ -	$ 44,834,508

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. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating from S&P or Moody's Rating where applicable as of fiscal year-end for each investment type.

Investment Types	Minimum Legal Rating	Total as of June 30, 2024	Ratings as of Fiscal-Year End AAA	More than AA+	Other*	Not Rated	Exempt
Investments held by the City:							
U.S. Treasury Notes	None	$ 15,344,464	$ -	$ -	$ -	$ -	$ 15,344,464
Municipal Notes	A	111,230			111,230	-	-
Corporate Notes	A	9,767,260	3,913,802	-	5,421,937	431,521	-
Foreign Notes	A	960,463	-	960,463	-	-	-
LAIF	None	18,643,102	-	-	-	18,643,102	-
Money Market Mutual Funds	A	7,989	-	-	-	7,989	-
Total		$ 44,834,508	$ 3,913,802	$ 960,463	$ 5,533,167	$ 19,082,612	$ 15,344,464

*Other Ratings	AA	AA-	A+	A	A-	Total
Corporate Notes	$ -	$ 925,663	$ 1,464,778	$ 1,158,769	$ 1,872,727	$5,421,937
Municipal Notes	62,385	48,845	-	-	-	111,230
Total	$ 62,385	$ 974,508	$ 1,464,778	$ 1,158,769	$ 1,872,727	$5,533,167

NOTE 2: CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk

The investment policy of the City contains limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than U.S. treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2024, the City's deposits (bank balances) were insured by the Federal Deposit Insurance Corporation or collateralized as required under California Law.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF. The balance available for withdrawal is based on the accounting records maintained by LAIF. LAIF is not rated.

Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. These principles recognize a three-tiered fair value hierarchy. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 are significant unobservable inputs.

NOTE 2: CASH AND INVESTMENTS (Continued)

Fair Value Measurement (Continued)

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
Investments held by the City:				
U.S. Treasury Notes	$ -	$ 15,344,464	$ -	$ 15,344,464
Municipal Notes	-	111,230	-	111,230
Corporate Notes	-	9,767,260	-	9,767,260
Foreign Notes	-	960,463	-	960,463
Total Leveled Investments	$ -	$ 26,183,417	$ -	26,183,417
LAIF*				18,643,102
Money Market Mutual Funds*				7,989
Total Investment Portfolio				$ 44,834,508

*Not subject to fair value measurement hierarchy

NOTE 3: DUE FROM SUCCESSOR AGENCY

At June 30, 2024, long-term amounts due from the Successor Agency are as follows:

A. On October 20, 1999, the City authorized a $4,933,000 loan to the former CDC for the purpose of assisting the CDC in the construction of a senior citizens affordable rental housing project. As more fully explained in Note 17, all redevelopment agencies in the state of California were dissolved in fiscal year 2011-12, and all assets and liabilities of the former CDC were transferred to the Successor Agency Private-Purpose Trust Fund, including this loan. The City expects to receive payments from the Successor Agency's residual property tax revenue, with full payment expected by fiscal year 2032-33. The outstanding balance as of June 30, 2024, is $7,150,363.

Since 20% of all loan repayments are required to go toward affordable housing, 20% of the loan balance including accrued interest is reported in the Housing Special Revenue Fund. The remainder of the loan balance including accrued interest is reported in the Capital Outlay Reserve Capital Projects Fund (as assigned by City Council for the civic center rehabilitation reserve (see Note 15), and the Water and Sewer Funds.

NOTE 4: LEASES RECEIVABLE

The City has 2 cell tower leases and 1 building lease in place as of June 30, 2024. Revenue recognition is in accordance with GASB Statement No. 87. The City recognized $99,429 in lease revenue during the fiscal year ended June 30, 2024. Leases receivable at June 30, 2024 was $853,219. Summarized information for each lease is as follows:

NOTE 4: LEASES RECEIVABLE (Continued)

American Cell Tower Lease

In May 1996, the City entered into a lease with American Tower to allow a portion of the City's property to be utilized for a cellular tower. The original lease term was for 5 years and includes five additional optional 5-year terms. If all options to extend were utilized the original lease would end in 2026. The City and American Tower signed a lease amendment in May 2018 for five additional 5-year terms. If all extensions are utilized the lease would end in May 2051. Monthly rent increases annually by 3%. Options to renew are automatically exercised unless the lessee notifies the City in writing prior to any commencement period of an option. Rent for the fiscal year ended June 30, 2024, totaled $30,252.

Crown Castle Cell Tower Lease

In May 1998, the City entered into a lease with Crown Castle to allow a portion of the City's property to be utilized for a cellular tower. The original lease term was for 5 years and includes five additional optional 5-year terms. The lease automatically renews on each renewal date unless the lessee notifies the City in writing not to extend at least 90 days prior to the expiration of the current lease term. If all options to extend are utilized the lease would end in May 2028. Monthly rent increases annually by 3%. Rent for the fiscal year ended June 30, 2024, totaled $37,783.

Elite Taekwondo Building Lease

In February 2015, the City entered into a lease with Elite Taekwondo Center Inc. to rent real property. The City and the lessee have entered into 4 lease amendments to the original lease. The 4th amendment set the monthly rent starting December 2021 at $5,000 a month with an annual increase every December of $500 per month. The lease ends in May 2025. Rent for the fiscal year ended June 30, 2024, totaled $69,500.

At fiscal year-end, the future minimum lease payments due to the City are as follows:

Fiscal Year Ending June 30,	Lease	Present Value Amortization	Total Payments
2025	$ 66,790	$ 33,287	$ 100,077
2026	40,721	31,457	72,178
2027	44,516	29,828	74,344
2028	27,346	28,048	55,394
2029	8,117	26,954	35,071
2030-2034	63,038	128,744	191,782
2035-2039	109,708	112,620	222,328
2040-2044	171,748	85,992	257,740
2045-2049	253,324	45,467	298,791
2050-2052	67,911	2,932	70,843
Totals	$ 853,219	$ 525,329	$ 1,378,548

NOTE 5: LOANS RECEIVABLE

Loans receivable consists of the following at June 30, 2024:

	Balances at June 30, 2023	Additions	Deletions	Balances at June 30, 2024
Loan receivable - Rental Housing Project	$ 2,690,289	$ 166,393	$ (228,675)	$ 2,628,007
Loan receivable - Housing Loans	11,369	-	-	11,369
Computer Loan Program	1,740	1,033	(1,130)	1,643
Total governmental activities – long–term liabilities	$ 2,703,398	$ 167,426	$ (229,805)	$ 2,641,019

Rental Housing Project Loan

During the fiscal year ended June 30, 2001, the former CDC loaned $4,933,000 to a developer for the construction of a senior citizens affordable rental housing project. Interest on the loan accrues at a rate equal to the rate of return on City investments in LAIF plus 2.375%. The senior housing operator makes monthly payments to the City based on its operating income. During the fiscal year, the Housing Special Revenue Fund accrued $166,393 in interest and received $228,675 from the operator. The balance of this loan at June 30, 2024 was $2,628,007.

Housing Loans

The former CDC provided second mortgages of $5,000 for the Denni Street Affordable Housing project. These mortgages had no payment for a period of 10 years from the date of the original buyer's purchase. The loans accrue a 3% simple interest until it is repaid in full. There were a total of 62 initial loans for the Denni Street Affordable Housing project. The former CDC accepted full payment of some loans on or after the 10-year anniversary date. These loans were transferred from the Successor Agency to the Housing fund during the 2011-12 fiscal year as a result of the dissolution of the former CDC. As of June 30, 2024, there were five remaining loans outstanding with a total balance of $11,369.

Computer Loan Program

Employee computer loan programs have been used by employers in all fields to increase computer literacy amongst employees and, thereby, improve the productivity of the workforce. They generally offer no- or low-interest loans that are provided by the employer to purchase qualifying computers and accessories. The loans are repaid over time through payroll deductions. If employees separate prior to repayment of the loan, the balance is deducted from the final paycheck. The balance of these loans at June 30, 2024 was $1,643.

NOTE 6: CAPITAL ASSETS

A summary of capital asset activity for the fiscal year ended June 30, 2024, is as follows:

Governmental Activities	Balances at June 30, 2023	Additions	Deletions	Transfers	Balances at June 30, 2024
Capital assets, not being depreciated:					
Land	$ 2,940,392	$ -	$ -	$ -	$ 2,940,392
Land rights related to streets	5,104,472	-	-	-	5,104,472
Construction in progress	699,130	625,478	-	(664,901)	659,707
Total capital assets, not being depreciated	8,743,994	625,478	-	(664,901)	8,704,571
Capital assets, being depreciated:					
Buildings and improvements	9,847,784	88,700	(22,890)	498,561	10,412,155
Equipment	3,594,941	69,152	(37,052)	11,119	3,638,160
Vehicles	2,077,279	241,326	(171,844)	155,221	2,301,982
Furniture and fixtures	128,458	-	-	-	128,458
Infrastructure - Street network	11,133,099	-	-	-	11,133,099
Infrastructure - Storm Drains	676,184	-	-	-	676,184
Total capital assets, being depreciated	27,457,745	399,178	(231,786)	664,901	28,290,038
Less accumulated depreciation for:					
Buildings and improvements	(4,414,591)	(220,300)	15,723	-	(4,619,168)
Equipment	(1,690,719)	(262,624)	37,052	-	(1,916,291)
Vehicles	(1,781,890)	(104,172)	171,844	-	(1,714,218)
Furniture and fixtures	(108,287)	(6,347)	-	-	(114,634)
Infrastructure - Street network	(7,783,861)	(171,946)	-	-	(7,955,807)
Infrastructure - Storm Drains	(460,726)	(9,016)	-	-	(469,742)
Total accumulated depreciation	(16,240,074)	(774,405)	224,619	-	(16,789,860)
Total capital assets, being depreciated, net	11,217,671	(375,227)	(7,167)	664,901	11,500,178
Capital assets, being amortized:					
Intangible right-to-use	-	349,301	-	-	349,301
Total capital assets, being amortized	-	349,301	-	-	349,301
Less accumulated amortization for:					
Intangible right-to-use	-	(131,033)	-	-	(131,033)
Total accumulated amortization	-	(131,033)	-	-	(131,033)
Total capital assets, being amortized, net	-	218,268	-	-	218,268
Governmental activities capital assets, net	$ 19,961,665	$ 468,519	$ (7,167)	$ -	$ 20,423,017

NOTE 6: CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions for the fiscal year ended June 30, 2024, as follows:

Governmental Activities:	
General government	$ 310,124
Public safety	179,221
Public works	215,149
Recreation	192,230
Community Development	8,714
Total depreciation expense- governmental activities	$ 905,438

A summary of capital asset activity for the fiscal year ended June 30, 2024, is as follows:

Business-Type Activities	Balances at June 30, 2023	Additions	Deletions	Transfers	Balances at June 30, 2024
Capital assets, not being depreciated:					
Land	$ 754,000	$ -	$ -	$ -	$ 754,000
Construction in progress	24,500	573,877	-	(598,377)	-
Total capital assets, not being depreciated	778,500	573,877	-	(598,377)	754,000
Capital assets, being depreciated:					
Buildings and improvements	7,839,662	-	-	-	7,839,662
Vehicles	15,118	-	-	-	15,118
Machinery and equipment	4,198,098	-	(238,939)	598,377	4,557,536
Water system and other improvements	3,008,913	-	-	-	3,008,913
Sewer system and other improvements	3,211,542	-	-	-	3,211,542
Total capital assets, being depreciated	18,273,333	-	(238,939)	598,377	18,632,771
Less accumulated depreciation for:					
Buildings and improvements	(6,911,792)	(39,811)	-	-	(6,951,603)
Vehicles	(15,118)	-	-	-	(15,118)
Machinery and equipment	(3,256,680)	(115,020)	238,939	-	(3,132,761)
Water system and other improvements	(1,990,083)	(40,124)	-	-	(2,030,207)
Sewer system and other improvements	(2,223,842)	(42,802)	-	-	(2,266,644)
Total accumulated depreciation	(14,397,515)	(237,757)	238,939	-	(14,396,333)
Total capital assets, being depreciated, net	3,875,818	(237,757)	-	598,377	4,236,438
Business-type activities capital assets, net	$ 4,654,318	$ 336,120	$ -	$ -	$ 4,990,438

NOTE 6: CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions for the fiscal year ended June 30, 2024, as follows:

Business-Type Activities:	
Water	$ 193,161
Sewer	44,596
Total depreciation expense- business-type activities	$ 237,757

NOTE 7: LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the fiscal year ended June 30, 2024, is as follows:

Governmental activities	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year
Direct Borrowings:					
Enterprise Finance Purchase F150	$ 33,075	$ -	$ (6,630)	$ 26,445	$ 7,315
Enterprise Financed Purchase 2 F150s	58,003	-	(9,614)	48,389	10,961
Enterprise Financed Purchase 3 F350s	-	185,976	(11,789)	174,187	23,214
Enterprise Financed Purchase Nissan	30,048	-	(3,618)	26,430	4,368
Total Financed Purchase Obligations	121,126	185,976	(31,651)	275,451	45,858
Other Long Term Liabilities					
SBITAs	-	349,301	(131,033)	218,268	117,004
Compensated Absences	615,697	415,178	(461,530)	569,345	445,841
	$ 736,823	$ 950,455	$ (624,214)	$ 1,063,064	$ 608,703

Compensated absences are generally liquidated by the General Fund.

Debt service requirements on long-term debt at June 30, 2024, are as follows:

Enterprise Finance Purchases

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	$ 45,858	$ 33,918	$ 79,776
2026	53,253	26,523	79,776
2027	74,561	15,464	90,025
2028	48,132	8,819	56,951
2029	53,647	-	53,647
	$ 275,451	$ 84,724	$ 360,175

SBITAs

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	$ 117,004	$ 10,660	$ 127,664
2026	101,264	5,063	106,327
	$ 218,268	$ 15,723	$ 233,991

NOTE 7: LONG-TERM LIABILITIES (Continued)

Enterprise Finance Purchase F150

In October 2021, the City entered into a finance purchase agreement for 60 months with Enterprise to acquire one Ford F150 truck for a total cost of $57,871. The City paid $15,136 at the start of the lease. Monthly payments are $815 through the maturity of the agreement in October 2026. The outstanding balance at June 30, 2024, was $26,445.

Enterprise Finance Purchase 2 F150s

In May 2022, the City entered into two finance purchase agreements for 60 months with Enterprise to acquire two Ford F-150 trucks for a total cost of $67,765. Monthly payments are $1,352 through the maturity of the agreements in May 2027. The outstanding balance at June 30, 2024 was $48,389.

Enterprise Finance Purchase Nissan

In June 2023, the City entered into a finance purchase agreement for 58 months with Enterprise to acquire a Nissan Rogue for a total cost of $30,835. Monthly payments are $658 through the maturity of the agreement at the end of March 2028. The outstanding balance at June 30, 2024 was $26,430.

Enterprise Finance Purchase 3 F350s

During the fiscal year ended June 30, 2024, the City entered into three finance purchase agreements for 60 months with Enterprise to acquire three Ford F-350 trucks for a total cost of $185,976. Monthly payments range from $1,220 to $ 1,376 through the maturity of the agreements during the fiscal year ended June 30, 2029. The total outstanding balance at June 30, 2024 was $174,187.

Subscription Based Information Technology Arrangements

During fiscal year ended June 30, 2023, the City implemented the provisions of GASB Statement No.96, Subscription-Based information Technology Arrangements (SBITAs), which required the City to record an intangible right-to-use subscription asset. As of June 30, 2024, the City has an intangible right-to-use asset amounting to $349,301 with accumulated amortization of $131,033. The subscription asset is offset with a subscription liability as discussed in Note 1. A summary of subscription-based technology arranges for the fiscal year ended June 30, 2024, are as follows:

Subscription Liabilities	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year
ClearGov	$ -	$ 49,793	$ (24,408)	$ 25,385	$ 25,385
CivicPlus	-	54,451	(22,253)	32,198	15,294
OpenGov Cartegraph	-	112,907	(61,060)	51,847	24,627
OpenGov Permit	-	132,150	(23,312)	108,838	51,698
	$ -	$ 349,301	$ (131,033)	$ 218,268	$ 117,004

NOTE 8: DEFINED BENEFIT PENSION PLANS (PERS)

A. General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police and fire) and Miscellaneous (all other) Employee Pension Plans, which are cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees Retirement System (CalPERS). 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 plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website.

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 to 62 with statutorily reduced benefits. For employees hired into a plan with the 2.7% at 55 formula, eligibility for service retirement is age 55 with at least five years of services. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 52 with at least five years of service. All members are eligible for non-duty disability benefits after five 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. Safety members can receive a special death benefit if the member dies while actively employed and the death is job-related. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

Benefits Provided

The Plan's provisions and benefits in effect for the fiscal year ended June 30, 2024, are summarized as follows:

	City Safety Plan		
	Tier I	Tier II	Tier III- PEPRA
Hire date	June 30, 2011 and Prior	On or after July 1, 2011	On or After January 1, 2013
Benefit formula	3% @ 50	2% @ 55	2% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	55	55	57
Monthly benefits, as a % of eligible compensation	3.00%	2.00%	2.00%
Required employee contribution rates	8.99%	6.98%	11.75%
Required employer normal cost contribution rates	29.09%	17.99%	11.52%
Unfunded actuarial liability payment	$ 1,006,958	$ 460	$ 9,061

NOTE 8: DEFINED BENEFIT PENSION PLANS (PERS) (Continued)

A. General Information about the Pension Plans (Continued)

	City Miscellaneous Plan		
	Tier I	Tier II	Tier III- PEPRA
Hire date	June 30, 2011 and Prior	On or after July 1, 2011	On or After January 1, 2013
Benefit formula	2.7% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	55	60	62
Monthly benefits, as a % of eligible compensation	2.70%	2.00%	2.00%
Required employee contribution rates	7.96%	6.93%	7.75%
Required employer normal cost contribution rates	15.95%	10.10%	7.68%
Unfunded actuarial liability payment	$ 620,773	$ -	$ -

<u>Contributions</u>

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employees be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the fiscal 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. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms, as plan member contributions requirements are classified as plan member contributions. For the fiscal year ended June 30, 2024, the City made contributions totaling $2,215,905 ($856,780 Miscellaneous plan and $1,359,125 Safety plan).

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2023, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022, with update procedures used to roll forward the total pension liability to June 30, 2023. The City's proportionate share of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

NOTE 8: DEFINED BENEFIT PENSION PLANS (PERS) (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

As of June 30, 2024, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	$ 8,973,230
Safety	14,672,747
Total Net Pension Liability	$ 23,645,977

The City's proportionate share of the net pension liability for each Plan as of the measurement date ended June 30, 2022 and 2023, was as follows:

	Miscellaneous	Safety
Proportion - June 30, 2022	0.17776%	0.19958%
Proportion - June 30, 2023	0.17945%	0.19629%
Changes - Increase (Decrease)	0.00169%	-0.00329%

For the fiscal year ended June 30, 2024, the City recognized pension expense of $2,246,861 ($879,705 for the Miscellaneous Plan and $1,367,156 for the Safety Plan). At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 387,292	$ -
Changes in assumptions	541,754	-
Net differences between projected and actual earnings on plan investments	1,452,847	-
Ddifferences between employer's contributions and the employer's proprtionate share of contributions	-	715,524
Change in employer's proportion	513,039	-
Pension contributions subsequent to measurement date	856,780	-
Total	$ 3,751,712	$ 715,524

NOTE 8: DEFINED BENEFIT PENSION PLANS (PERS) (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

	Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 985,026	$ -
Changes in assumptions	856,321	-
Net differences between projected and actual earnings on plan investments	2,007,962	-
Differences between employer's contributions and the employer's proportionate share of contributions	-	964,326
Change in employer's proportion	652,616	-
Pension contributions subsequent to measurement date	1,359,125	-
Total	$ 5,861,050	$ 964,326

Amounts reported as deferred outflows of resources related to pension contributions subsequent to the measurement date for the Miscellaneous and Safety Plans, respectively, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2025.

Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30	Miscellaneous	Safety
2025	$ 658,717	$ 1,127,915
2026	447,339	794,155
2027	1,031,662	1,559,484
2028	41,690	56,045
Total	$ 2,179,408	$ 3,537,599

NOTE 8: DEFINED BENEFIT PENSION PLANS (PERS) (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Actuarial Methods and Assumptions

The collective total pension liability for the June 30, 2023 measurement period was determined by an actuarial calculation as of June 30, 2022, with update procedures used to roll forward the total pension liability to June 30, 2023. The June 30, 2023 (measurement date) total pension liability was based on the following actuarial methods and assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2022	June 30, 2022
Measurement Date	June 30, 2023	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation Rate	2.30%	2.30%
Salary Increases	(1)	(1)
Mortality Rate Table	(2)	(2)
Post Retirement Benefit Increase	(3)	(3)

(1) Varies by entry age and service.

(2) The mortality table used was developed based on CalPERS'-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS' website.

(3) The less of contract COLA or 2.30% until Purchasing Power Protection Allowance Plan on purchasing power applies, 2.30% thereafter.

Discount Rate

The discount rate used to measure the total pension liability 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.

NOTE 8: DEFINED BENEFIT PENSION PLANS (PERS) (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Long-Term Expected Rate of Return

In determining the long-term expected rate of return, CalPERS took into account both 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.

The expected real rates of return by asset class are as followed:

Asset class	Assumed Asset Allocation	Real Return Years 1 - 10 [1 2]
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	100.00%	

1 – An expected inflation of 2.30% used for this period.

2 – Figures are based on the 2021-22 asset liability management study.

NOTE 8: DEFINED BENEFIT PENSION PLANS (PERS) (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 6.90 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

	Miscellaneous	Safety	Total
1% Decrease	5.90%	5.90%	5.90%
Net Pension Liability	$ 14,254,971	$ 21,917,318	$ 36,172,289
Current Discount Rate	6.90%	6.90%	6.90%
Net Pension Liability	$ 8,973,230	$ 14,672,747	$ 23,645,977
1% Increase	7.90%	7.90%	7.90%
Net Pension Liability (Asset)	$ 4,625,903	$ 8,749,795	$ 13,375,698

Pension Plans Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS' financial reports.

C. Payable to the Pension Plan

At June 30, 2024, the City had no outstanding amount of contributions to the pension plans required for the fiscal year ended June 30, 2024.

NOTE 9: PUBLIC AGENCY RETIREMENT SYSTEM (PARS)

PARS is a defined contribution pension plan. On April 18, 2000, the City Council authorized the City to become a member of the Public Agency Retirement System (PARS) trust, effective July 1, 2000, for its eligible part-time, seasonal, and temporary employees. The City Manager is the Plan Administrator and has the authority for establishing or amending the plan's provision. This is an alternative retirement system for those not covered by a CalPERS retirement plan. Under PARS, the City and the employee each contribute 3.75% of compensation for a total annual contribution of 7.5%. For the fiscal year ended June 30, 2024, the amount contributed by the City was $5,683. Employees are fully vested at all times. The City has entered into an agreement with Phase II Systems to provide trust administrator services.

NOTE 10: OTHER POSTEMPLOYMENT RETIREMENT BENEFITS

Plan Description

The City provides postemployment benefits to retired employees in the form of a contribution toward their medical premiums under the CalPERS' health plan, which provides medical insurance benefits to eligible retirees in accordance with various labor agreements. The City participates in the California Employer's Retiree Benefit Trust Program (CERBT). CERBT is administered by CalPERS and is an agent multiple-employer plan. The minimum required retiree contributions are established by CalPERS. Survivor benefits are not provided. Copies of the CalPERS' annual financial report may be obtained from the CalPERS' Executive Office – 400 P Street, Sacramento, CA 95814.

Employees are eligible for retiree health benefits if they retire from the City on or after age 50 (unless disabled), with five years of service and are eligible for a defined benefit pension plan (PERS) pension and are enrolled in a CalPERS retiree health plan. The benefits are available only to employees who retire from the City.

Eligibility

As of measurement date June 30, 2023, the following current and former employees were covered by the benefit terms under the Plan:

Inactive employees or beneficiaries currently receiving benefits	32
Inactive employees entitled to, but not yet receiving benefits	27
Active employees	45
Total	104

Contributions

The benefit provisions and contribution requirements of plan members and the City are established and may be amended through agreements and memorandums of understanding between the City, its employees, and unions representing the City's employees. Administrative costs of OPEB plan are financed through investment earnings. The contribution required to be made under City Council and labor agreements is based on a pay-as-you-go basis (i.e., as medical insurance premiums become due). For the fiscal year ended June 30, 2024, the City contributed $236,902 ($68,202 to the CERBT Trust, $133,802 for current premiums, $898 for administrative costs, and the estimated implied subsidy was $34,000) to the OPEB plan. The contributions to the OPEB plan are generally made from the General Fund.

The CERBT is a GASB Statement Number 75 compliant trust in that the contributions are irrevocable, the plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms, and the OPEB plan assets are legally protected from the creditors of the City, OPEB plan administrator, and plan members. The CERBT costs are shared with other members of the CERBT.

NOTE 10: OTHER POSTEMPLOYMENT RETIREMENT BENEFITS (Continued)

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2022. A summary of the principal assumptions and methods used to determine the total OPEB liability are shown below.

Actuarial Assumptions

The total OPEB liability actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll
Actuarial Assumptions	
Discount Rate	6.25%
Long-Term Expected Rate of Return on Investments	6.25% (same as discount rate- City projected to pass GASB 75 asset test)
Inflation	2.50% annually
Mortality, Retirement, Disability, Termination	CalPERS' 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational Scale MP-2021
Salary Increases	Aggregate - 2.75% annually Merit - CalPERS' 2000-2019 Experience Study
Medical Trend	Non-Medicare - 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 Medicare - 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076
PEMHCA Minimum Increases	3.50% annually

The long-term expected rate of return is an estimate and is presented as geometric means developed over a 20-year period. The long-term expected real rates of return for each major asset class included in the OPEB plan's target asset allocation as of the June 30, 2023, measurement date, are summarized below:

NOTE 10: OTHER POSTEMPLOYMENT RETIREMENT BENEFITS (Continued)

Actuarial Assumptions (Continued)

Assets Class	Target Allocation	Expected Real Rate of Return
Global Equity	49%	4.56%
Fixed Income	23%	1.56%
Treasury Inflation-Protected Securities	5%	-0.08%
Commodities	3%	1.22%
Real Estate Investment Trusts	20%	4.06%

Discount Rate

The discount rate used to measure the total OPEB liability was 6.25 percent. The projection of cash flows used to determine the discount rate assumed that the 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.

Changes in the Net OPEB Liability (Asset)

The changes in net OPEB liability are as follows:

Changes in Net OPEB Liability as of June 30, 2024

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2023			
(6/30/22 measurement date)	$ 2,831,221	$ 2,825,187	$ 6,034
Changes for the fiscal year			
Service Cost	78,560	-	78,560
Interest	176,149	-	176,149
Actual vs. expected experience	(417,048)	-	(417,048)
Assumption changes	(7,553)	-	(7,553)
Contributions - employer	-	333,679	(333,679)
Net investment income	-	184,296	(184,296)
Benefit Payments	(182,795)	(182,795)	-
Administrative Expense	-	(1,713)	1,713
Net Change	(352,687)	333,467	(686,154)
Balance at June 30, 2024			
(6/30/23 measurement date)	$ 2,478,534	$ 3,158,654	$ (680,120)

NOTE 10: OTHER POSTEMPLOYMENT RETIREMENT BENEFITS (Continued)

A. Change of Assumptions

The discount rate was updated based on newer capital market assumptions. There were decreases in inflation, discount rate, medical trend, and salary increases.

B. Change of Benefit Terms

There were no changes of benefit terms.

C. Subsequent Events

There were no subsequent events that would materially affect the results presented in the disclosure.

D. Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability (asset) of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ending June 30, 2023:

	1% Decrease 5.25%	Current Discount Rate 6.25%	1% Increase 7.25%
Net OPEB Liability (Asset)	$ (426,201)	$ (680,120)	$ (896,733)

E. Sensitivity of the Net OPEB Liability (Asset) to Changes in Medical Trend Rates

The following presents the net OPEB liability (asset) of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for the measurement period ending June 30, 2023:

	1% Decrease	Valuation Current Trend	1% Increase
Net OPEB Liability (Asset)	$ (806,299)	$ (680,120)	$ (525,053)

F. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2024, the City recognized OPEB expense of $71,502. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NOTE 10: OTHER POSTEMPLOYMENT RETIREMENT BENEFITS (Continued)

F. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 9,529	$ 500,463
Change in assumptions	34,712	9,620
Net difference between projected and actual earnings on investments	180,128	-
Employer contributions made subsequent to the measurement date	236,902	-
Total	$ 461,271	$ 510,083

The differences between projected and actual earnings on plan investments is amortized over five years. $236,902 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ended June 30, 2025. Other amounts reported as deferred inflows and outflows of resources will be recognized in the OPEB expense as follows:

For the Fiscal Year Ending June 30,	Recognized Net Deferred Outflows (Inflows) of Resources
2025	$ (49,506)
2026	(62,639)
2027	30,411
2028	(90,963)
2029	(68,654)
Thereafter	(44,363)
Total	$ (285,714)

G. Payable to the OPEB Plan

At June 30, 2024, the City had no outstanding amount of contributions to the OPEB plan required for the fiscal year ended June 30, 2024.

NOTE 11: LIABILITY, PROPERTY, AND WORKERS' COMPENSATION PROTECTION

A. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City of La Palma is a member of the California Joint Powers Insurance Authority (JPIA or Authority). The Authority is composed of 124 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchases excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors (Board). The Board operates through a nine-member Executive Committee.

B. Primary Self-Insurance Programs of the Authority

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history relative to other members of the risk-sharing pool.

Primary Liability Program:

Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to $100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from $100,000 to $500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from $500,000 to $50 million, are distributed based on the outcome of cost allocation within the first and second layers.

The overall coverage limit for each member including, all layers of coverage, is $50 million per occurrence. Subsidence losses have $50 million per occurrence limit. Subsidence losses also have a $50 million per occurrence. The coverage structure includes retained risk that is pooled among members, reinsurance, and excess insurance. More detailed information about the various layers of coverage is available on the following website: https://cjpia.org/coverage/risk-sharing-pools/.

Primary Worker's Compensation Program:

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to $75,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from $75,000 to $200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess from

NOTE 11: LIABILITY, PROPERTY, AND WORKERS' COMPENSATION PROTECTION (Continued)

B. Primary Self-Insurance Programs of the Authority (Continued)

$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2023-24 the Authority's pooled retention is $1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to $1 million. Coverage from $1 million to $5 million is purchased through reinsurance policies, and Employer's Liability losses from $5 million to $10 million are pooled among members.

C. Purchased Insurance

Pollution Legal Liability Insurance

The City participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City. Coverage is on a claims-made basis. There is a $250,000 deductible. The Authority has an aggregate limit of $20 million.

Property Insurance

The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. The City's property is currently insured according to a schedule of covered property submitted by the City to the Authority. The City's property currently has all-risk property insurance protection in the amount of $28,840,928. There is a $10,000 deductible per occurrence except for non-emergency vehicle insurance which has a $2,500 deductible.

Earthquake and Flood Insurance

The City purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. The City's property currently has earthquake protection in the amount of $23,229,786. There is a deductible of 5% per unit of value with a minimum deductible of $100,000.

Crime Insurance

The City purchases crime insurance coverage in the amount of $1,000,000 with a $2,500 deductible. The fidelity coverage is provided through the Authority.

D. Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceed pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in FY 2023-24.

NOTE 12: LITIGATION

The City is presently involved in other matters of litigation that have arisen in the normal course of the City's businesses. City management believes, based upon consultation with the City Attorney, that these cases, in the aggregate, are not expected to have a material adverse financial impact on the City. Additionally, City management believes that sufficient reserves are available to the City to cover any potential losses, should an unfavorable outcome materialize.

NOTE 13: JOINTLY GOVERNED ENTITIES- ORANGE COUNTY FIRE AUTHORITY

The City entered into a joint powers agreement with 17 other cities and the County of Orange in January 1995, and subsequently amended on September 23, 1999, to create the Orange County Fire Authority (the Fire Authority). Since 1995, other cities within the County have also joined the Fire Authority to bring the total members in the Fire Authority to 22. The purpose of the Fire Authority is to provide for mutual fire protection, prevention, and suppression services, and related and incidental services including, but not limited to, emergency medical and transport services and hazardous materials regulation, as well as providing facilities and personnel for such services. The effective date of formation was March 1, 1995.

The Fire Authority's governing board consists of one representative from each city and two from the County. The operations of the Fire Authority are funded with structural fire fees collected by the County through either the property tax roll or with cash contributions based on the Fire Authority's annual budget. The County pays all structural fire fees it collects to the Fire Authority.

No determination has been made as to each participant's proportionate share of fund equity as of June 30, 2024. Upon dissolution of the Fire Authority, all surplus money and property of the Fire Authority will be conveyed or distributed to each member in proportion to all funds provided to the Fire Authority by that member or by the County on behalf of that member during its membership. Separate audited financial statements may be obtained from the Fire Authority at 1 Fire Authority Road, Irvine, CA 92602.

NOTE 14: INTERFUND TRANSFERS

Interfund transfers for the fiscal year ended June 30, 2023, are as follows:

Transfers In	Transfers Out	Amount
General Fund	Water (a)	$ 682,900
General Fund	Sewer (a)	100,000
Capital Outlay Reserve	Water (d)	3,788
Capital Outlay Reserve	Sewer (d)	659
Nonmajor Funds	General Fund (c)	29,372
Capital Outlay Reserve	General Fund (b)	400,000
	Total Interfund Transfers	$ 1,216,719

Purpose of Interfund Transfers

a. The Water and Sewer funds transferred $682,900 and $100,000, respectively, to the General Fund to fund various administrative costs.

NOTE 14: INTERFUND TRANSFERS (Continued)

Purpose of Interfund Transfers (Continued)

b. The General Fund transferred $400,000 to the Capital Outlay Reserve Fund to fund various capital projects.

c. The General Fund transferred $29,372 to the Nonmajor Funds to fund the community foundation public safety program.

d. The Water and Sewer funds transferred $659 and $3,788, respectively, to the Capital Outlay Reserve Fund to fund various capital projects.

NOTE 15: FUND BALANCES

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned. A detailed schedule of fund balances at June 30, 2024 is as follows:

	Major Governmental Funds				
	General Fund	Housing Fund	Capital Outlay Reserve Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable					
Loans receivable	$ 1,643	$ -	$ -	$ -	$ 1,643
Prepaid items	45,922	-	-	-	45,922
Total nonspendable fund balances	47,565	-	-	-	47,565
Restricted for:					
Public information	-	-	-	386,645	386,645
Capital projects	-	-	-	2,462,481	2,462,481
Public safety	-	-	-	828,125	828,125
Affordable housing	-	4,740,463	-	-	4,740,463
Total restricted fund balances	-	4,740,463	-	3,677,251	8,417,714
Committed for:					
Economic uncertainty	7,767,700	-	-	-	7,767,700
Economic development	186,282	-	-	-	186,282
Total committed fund balances	7,953,982	-	-	-	7,953,982
Assigned for:					
Cash flow	1,500,000	-	-	-	1,500,000
Capital projects	-	-	4,163,910	-	4,163,910
Civic center	-	-	3,927,802	-	3,927,802
Total assigned fund balances	1,500,000	-	8,091,712	-	9,591,712
Unassigned	8,931,640	-	-	-	8,931,640
Total fund balances	$ 18,433,187	$ 4,740,463	$ 8,091,712	$ 3,677,251	$ 34,942,613

NOTE 16: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABLITY

The budget of the City's capital projects are primarily "long-term" budgets, which emphasize major programs and capital outlay plans extending over a number of fiscal periods. Therefore, no budget-to-actual schedules are presented for the Capital Projects Funds.

NOTE 17: SUCCESSOR AGENCY TRUST FOR ASSETS AND LIABILITIES FOR FORMER REDEVELOPMENT AGENCY

A. General Discussion

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (the Bill) that provides for the dissolution of all redevelopment agencies in the state of California. This action impacted the reporting entity of the City that previously had reported a redevelopment agency, the Community Development Commission, within the reporting entity of the City as a blended component unit. On January 17, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City Resolution 2012-09. Subject to the control of an Oversight Board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments). On April 18, 2013 the City received a Finding of Completion from the State of California Department of Finance (DOF). The Finding of Completion allows the Successor Agency Oversight Board to approve the advances from the City to the former CDC (see Note 3) on the Recognized Obligation Payment Schedule (ROPS) beginning on July 1, 2014. The Finding of Completion also allows the Successor Agency to utilize proceeds derived from bonds issued prior to January 1, 2011, in a manner consistent with the original bond covenants, per HSC Section 34191.4(c). The Oversight Board has approved the advances on all ROPS submitted to the Department of Finance.

B. Successor Agency Long-Term Debt

A summary of changes in long-term debt held on by the Successor Agency of the City for the fiscal year ended June 30, 2024, is as follows:

Governmental activities	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year
Other Long-Term Liabilities:					
Advances from the City of					
La Palma	$ 7,574,764	$ 131,196	$ (555,597)	$ 7,150,363	$ -
	$ 7,574,764	$ 131,196	$ (555,597)	$ 7,150,363	$ -

Advances from the City of La Palma

The former redevelopment agency (CDC) borrowed funds from the City (See Note 3) for the purpose of assisting a third-party business operation to rehabilitate its property, per the scope and guidelines of redevelopment law in force at the time of the loan (1999) and to make a loan to a developer for the construction of a senior citizens affordable rental housing project (2001). The annual payments to the City

NOTE 17: SUCCESSOR AGENCY TRUST FOR ASSETS AND LIABILITIES FOR FORMER REDEVELOPMENT AGENCY (Continued)

B. Successor Agency Long-Term Debt (Continued)

on the advances is limited to 50% of the residual earnings of the Successor Agency after all other enforceable obligations and payments to affected taxing agencies have been paid. The amount of interest that can be charged is 3% per annum in accordance with the requirements of California Health & Safety Code Section 34191.4(b)(3). The balance of the advance reported in the Redevelopment Successor Agency Private-Purpose Trust Fund at June 30, 2024 was $7,150,363.

NOTE 18: COMMITMENTS

A. Operating Covenant Agreement

The City entered into an Operating Covenant Agreement in February 2013 with a business enterprise whereby the City shall rebate to the business enterprise a portion of the sales tax received by the City from the sale of the business enterprise's products within the City's limits. The term of the Operating Covenant shall be for 20 years and shall automatically renew for an additional 10 years thereafter unless the business enterprises provide written notice not less than 90 days before the expiration date. The business enterprise may terminate the agreement at any time upon 180 days with prior written notice to the City. Rebate payments to the business enterprise shall be made in quarterly installments by the City after receipt of sales tax revenue. Disclosure of the rebate amount is statutorily prohibited.

B. North Service Planning Area

The North Service Planning Area (North SPA) is a regional subsection of the County of Orange's Continuum of Care system to address homelessness and is comprised of the cities of Brea, Buena Park, Cypress, Fullerton, La Habra, La Palma, Los Alamitos, Orange, Placentia, Stanton, Villa Park, and Yorba Linda. The concept of the SPA allows for greater regional coordination while reducing the span of control regarding working with the County of Orange and other stakeholders. The North SPA completed both low barrier homeless shelters during fiscal year 2019-20. The shelters are located in Buena Park and Placentia. The Memorandum of Understanding assigned funding responsibilities to the City of La Palma for 1.98% of the construction cost and 2.28% of the operating costs borne by the North SPA. The construction costs were primarily funded through State Homeless Emergency Aid Program grants, and the City paid $23,652 in FY 19-20 for the City's share of the construction costs. Most of the operating costs (96.3% of the operating costs) will be paid by State SB2 funds and the County of Orange, and the North SPA members pay the remaining 3.7% of the operating costs. The City of La Palma pays 2.28% of the 3.7% of operating costs. The City's FY 2023-24 share of operating costs was $151,142.

REQUIRED SUPPLEMENTARY INFORMATION

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General Fund

The general fund has been classified as a major fund and is used to account for all of the general revenues of the City not specifically levied or collected for other City funds and for expenditures related to the rendering of general services by the City. The general fund is used to account for all resources not required to be account for in another fund. The budget to actual comparison for this fund has been presented in the accompanying financial statements as required supplementary information.

Special Revenue Funds

Housing Fund – This fund is used to account for the restricted housing assets of the City. Revenues are from housing activities and are restricted for housing purposes. The budget to actual comparison for this fund has been presented in the accompanying financial statements as required supplementary information.

City of La Palma
Schedule of The Proportionate Share of The Net Pension Liability
CalPERS Miscellaneous Pension Plan
Last Ten Years
Fiscal Year Ended June 30, 2024

Fiscal Year Ended	06/30/24	06/30/23	06/30/22
Measurement Period	06/30/23	06/30/22	06/30/21
Plan's Proportion of the Net Pension Liability	0.17945%	0.17776%	0.15361%
Plan's Proportion Share of the Net Pension Liability	$ 8,973,230	$ 8,317,827	$ 2,916,733
Plan's Covered Payroll	$ 2,382,233	$ 2,216,206	$ 2,345,721
Plan's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	376.67%	375.32%	124.34%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	77.02%	78.19%	90.49%
Plan's Proportionate Share of Aggregate Employer Contributions	$ 1,250,465	$ 1,508,072	$ 1,279,001

Notes to Schedule:

Benefit Changes:
There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016
GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expenses.

From fiscal year June 30, 2016 to June 30, 2017:
There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:
The discount rate was reduced from 7.65% to 7.15%

From fiscal year June 30, 2018 to June 30 2019:
Demographic assumptions and inflation rate were changed in accordance with the CalPERS Experience Study and review Actuarial Assumptions December 2017. There were no changes in discount rate.

From fiscal year June 30, 2019 to June 30, 2022:
There were no changes in assumptions.

From fiscal year July 1, 2022 to June 30, 2023:
The discount rate was reduced to 6.90%.

06/30/21	06/30/20	06/30/19	06/30/18	06/30/17	06/30/16	06/30/15
06/30/20	06/30/19	06/30/18	06/30/17	06/30/16	06/30/15	06/30/14
0.16347%	0.15803%	0.15225%	0.18307%	0.21449%	0.21293%	0.20821%
$ 6,895,468	$ 6,328,260	$ 5,737,906	$ 7,216,572	$ 7,451,054	$ 5,841,534	$ 4,425,663
$ 2,281,540	$ 2,221,382	$ 2,148,249	$ 2,162,365	$ 2,183,555	$ 2,292,759	$ 2,304,751
302.23%	284.88%	267.10%	333.74%	341.24%	254.78%	192.02%
79.91%	75.26%	75.26%	73.31%	74.06%	78.40%	79.82%
$ 1,225,309	$ 1,099,324	$ 979,451	$ 893,335	$ 757,183	$ 720,130	$ 585,498

City of La Palma
Schedule of Pension Contributions - Miscellaneous Cost Sharing Plan
CalPERS Miscellaneous Pension Plan
Last Ten Years
Fiscal Year Ended June 30, 2024

Fiscal Year Ended	06/30/24	06/30/23	06/30/22
Contractually Required Contribution (Actuarially Determined)	$ 856,780	$ 879,705	$ 795,766
Contributions in Relation to the Actuarially Required Contributions	(856,780)	(879,705)	(795,766)
Contribution Deficiency (Excess)	$ -	$ -	$ -
Covered Payroll	$ 2,770,224	$ 2,382,233	$ 2,216,206
Contributions as a Percentage of Covered Payroll	30.93%	36.93%	35.91%

Notes to Schedule:

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method	Entry age for all periods.
Amortization Cost Method	Level percentage of payroll, closed for all periods.
Asset Valuation Method	Market Value for all periods except 6/30/15. 15 year Smooth Market Method for 6/30/15.
Inflation	2.75% for 6/30/15, 6/30/16, 6/30/17, 6/30/18, and 6/30/19. 2.625% for 6/30/20. 2.50% for 6/30/21 and 6/30/22. 2.30% for 6/30/23.
Salary Increases	Depending on age, service, and type of employment.
Investment Rate of Return	Net of pension plan expense, including inflation. 7.50% for 6/30/15, 6/30/16, 6/30/17, 6/30/18. 7.375% for 6/30/19. 7.25% for 6/30/20. 7.00% for 6/30/21 and 6/30/22. 6.90% for 6/30/23.
Retirement Age	50 for all plans with the exception of 52 for the Miscellaneous PEPRA 2%@62.
Mortality	Mortality assumptions are based on mortality rates from the most recent CalPERS Experience Study adopted by the CalPERS Board.

06/30/21	06/30/20	06/30/19	06/30/18	06/30/17	06/30/16	06/30/15
$ 759,329	$ 701,327	$ 641,146	$ 574,297	$ 550,045	$ 507,201	$ 366,951
(759,329)	(701,327)	(641,146)	(1,824,297)	(1,800,045)	(507,201)	(366,951)
$ -	$ -	$ -	$ (1,250,000)	$ (1,250,000)	$ -	$ -
$ 2,345,721	$ 2,281,540	$ 2,221,382	$ 2,148,249	$ 2,162,365	$ 2,183,555	$ 2,292,759
32.37%	30.74%	28.86%	26.73%	25.44%	23.23%	16.00%

City of La Palma
Schedule of The Proportionate Share of The Net Pension Liability
CalPERS Safety Pension Plan
Last Ten Years
Fiscal Year Ended June 30, 2024

Fiscal Year Ended	06/30/24	06/30/23	06/30/22
Measurement Period	06/30/23	06/30/22	06/30/21
Plan's Proportion of the Net Pension Liability	0.19629%	0.19958%	0.18400%
Plan's Proportion Share of the Net Pension Liability	$ 14,672,747	$ 13,714,413	$ 6,453,300
Plan's Covered Payroll	$ 2,249,142	$ 2,067,409	$ 1,963,800
Plan's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	652.37%	663.36%	328.61%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	72.22%	75.53%	86.61%
Plan's Proportionate Share of Aggregate Employer Contributions	$ 1,519,759	$ 2,532,686	$ 2,249,142

Notes to Schedule:

Benefit Changes:
There were no changes in benefits

Changes in Assumptions:
From fiscal year June 30, 2015 to June 30, 2016:
GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement is without reduction of pension plan administrative expenses.

From fiscal year June 30, 2016 to June 30, 2017:
There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:
The discount rate was reduced from 7.65% to 7.15%

From fiscal year June 30, 2018 to June 30 2019:
Demographic assumptions and inflation rate were changed in accordance with the CalPERS Experience Study and Review Actuarial Assumptions December 2017. There were no changes in discount rate.

From fiscal years from June 30, 2019 to June 30, 2022:
There were no changes in assumptions

From fiscal year July 1, 2022 to June 30, 2023:
The discount rate was reduced to 6.90%.

06/30/21	06/30/20	06/30/19	06/30/18	06/30/17	06/30/16	06/30/15
06/30/20	06/30/19	06/30/18	06/30/17	06/30/16	06/30/15	06/30/14
0.17578%	0.17022%	0.16634%	0.18284%	0.20779%	0.20261%	0.19678%
$ 11,711,246	$ 10,625,925	$ 9,760,274	$ 10,924,835	$ 10,761,879	$ 8,348,587	$ 7,058,038
$ 1,981,915	$ 1,948,016	$ 1,654,829	$ 1,619,369	$ 1,781,319	$ 1,950,732	$ 2,134,713
590.91%	545.47%	589.81%	674.64%	604.15%	427.97%	330.63%
79.91%	75.26%	75.26%	73.31%	74.06%	78.40%	79.82%
$ 1,841,971	$ 1,551,061	$ 1,462,571	$ 1,102,394	$ 1,009,040	$ 820,164	$ 875,565

City of La Palma
Schedule of Pension Contributions - CalPERS Safety Cost Sharing Plan
Last Ten Years
Fiscal Year Ended June 30, 2024

Fiscal Year Ended	06/30/24	06/30/23	06/30/22
Contractually Required Contribution (Actuarially Determined)	$ 1,359,125	$ 1,367,156	$ 1,258,279
Contributions in Relation to the Actuarially Determined Contributions	(1,359,125)	(1,367,156)	(1,258,279)
Contribution Deficiency (Excess)	$ -	$ -	$ -
Covered Payroll	$ 2,412,455	$ 2,249,142	$ 2,067,409
Contributions as a Percentage of Covered Payroll	56.34%	60.79%	60.86%

Notes to Schedule:

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method	Entry age for all periods.
Amortization Cost Method	Level percentage of payroll, closed for all periods.
Asset Valuation Method	Market Value for all periods except 6/30/15. 15 year Smooth Market Method for 6/30/15.
Inflation	2.75% for 6/30/15, 6/30/16, 6/30/17, 6/30/18, and 6/30/19. 2.625% 6/30/20. 2.50% for 6/30/21 and 6/30/22.
Salary Increases	Depending on age, service, and type of employment.
Investment Rate of Return	Net of pension plan expense, including inflation. 7.50% for 6/30/15, 6/30/16, 6/30/17, 6/30/18. 7.375% for 6/30/19. 7.25% for 6/30/20. 7.00% for 6/30/21 and 6/30/22. 6.90% for 6/30/23.
Retirement Age	50 for all plans with the exception of 52 for the Miscellaneous PEPRA 2%@62.
Mortality	Mortality assumptions are based on mortality rates from the most recent CalPERS Experience Study adopted by the CalPERS Board.

06/30/21	06/30/20	06/30/19	06/30/18	06/30/17	06/30/16	06/30/15
$ 1,136,669	$ 1,048,306	$ 910,074	$ 765,691	$ 689,310	$ 685,402	$ 589,871
(1,136,669)	(1,048,306)	(910,074)	(2,015,691)	(1,939,310)	(685,402)	(589,871)
$ -	$ -	$ -	$ (1,250,000)	$ (1,250,000)	$ -	$ -
$ 1,963,800	$ 1,981,915	$ 1,948,016	$ 1,654,829	$ 1,619,369	$ 1,781,319	$ 1,950,732
57.88%	52.89%	46.72%	46.27%	42.57%	38.48%	30.24%

City of La Palma
Schedule of Changes in The Net OPEB Liability and Related Ratios
Last Ten Years*
Fiscal Year Ended June 30, 2024

Fiscal Year Ended	06/30/24	06/30/23	06/30/22	06/30/21
Measurement Period	06/30/23	06/30/22	06/30/21	06/30/20
Total OPEB Liability:				
Service Cost	$ 78,560	$ 76,457	$ 84,095	$ 81,646
Interest on Total OPEB Liability	176,149	172,385	194,165	189,360
Changes in Assumptions	(7,553)	-	59,504	-
Differences Between Expected and Actual Experience	(417,048)	-	(249,704)	-
Benefit Payments, including refunds and the Implied Subsidy Benefit Payments	(182,795)	(198,624)	(198,974)	(205,562)
Net Change in Total OPEB Liability	(352,687)	50,218	(110,914)	65,444
Total OPEB Liability - Beginning of Fiscal Year	2,831,221	2,781,003	2,891,917	2,826,473
Total OPEB Liability - End of Fiscal Year (a)	2,478,534	2,831,221	2,781,003	2,891,917
Plan Fiduciary Net Position:				
Contributions - Employer	333,679	507,627	199,781	353,815
Net Investment Income	184,296	(411,687)	631,885	74,889
Administrative Expenses	(1,713)	(1,530)	(1,677)	(1,859)
Benefit Payments, Including Refunds and the Implied Subsidy Benefit Payments	(182,795)	(198,624)	(198,974)	(205,562)
Net Change in Plan Fiduciary Net Position	333,467	(104,214)	631,015	221,283
Plan Fiduciary Net Position - Beginning of Fiscal Year	2,825,187	2,929,401	2,298,386	2,077,103
Plan Fiduciary Net Position - End of Fiscal Year (b)	3,158,654	2,825,187	2,929,401	2,298,386
Net OPEB Liability (Asset) - Ending (a) - (b)	$ (680,120)	$ 6,034	$ (148,398)	$ 593,531

* Fiscal year 2018 was the first year of implementation; therefore, only seven years are shown.

City of La Palma
Schedule of Changes in The Net OPEB Liability and Related Ratios
Last Ten Years*
Fiscal Year Ended June 30, 2024

Fiscal Year Ended	06/30/20	06/30/19	06/30/18
Measurement Period	06/30/19	06/30/18	06/30/17
Total OPEB Liability:			
Service Cost	$ 78,046	$ 75,773	$ 74,000
Interest on Total OPEB Liability	183,773	180,149	177,000
Changes in Assumptions	(10,449)	-	-
Differences Between Expected and Actual Experience	31,179	-	-
Benefit Payments, including refunds and the Implied Subsidy Benefit Payments	(201,169)	(207,829)	(198,000)
Net Change in Total OPEB Liability	81,380	48,093	53,000
Total OPEB Liability - Beginning of Fiscal Year	2,745,093	2,697,000	2,644,000
Total OPEB Liability - End of Fiscal Year (a)	2,826,473	2,745,093	2,697,000
Plan Fiduciary Net Position:			
Contributions - Employer	374,824	376,687	150,000
Net Investment Income	110,954	120,339	149,000
Administrative Expenses	(2,040)	(4,663)	(2,000)
Benefit Payments, Including Refunds and the Implied Subsidy Benefit Payments	(201,169)	(207,829)	(198,000)
Net Change in Plan Fiduciary Net Position	282,569	284,534	99,000
Plan Fiduciary Net Position - Beginning of Fiscal Year	1,794,534	1,510,000	1,411,000
Plan Fiduciary Net Position - End of Fiscal Year (b)	2,077,103	1,794,534	1,510,000
Net OPEB Liability (Asset) - Ending (a) - (b)	$ 749,370	$ 950,559	$ 1,187,000

City of La Palma
Schedule of Changes in The Net OPEB Liability and Related Ratios
Last Ten Years*
Fiscal Year Ended June 30, 2024

Fiscal Year Ended	06/30/24	06/30/23	06/30/22	06/30/21
Measurement Period	06/30/23	06/30/22	06/30/21	06/30/20
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	127.44%	99.79%	105.34%	79.48%
Covered - Employee Payroll	$ 4,559,070	$ 4,283,615	$ 5,215,770	$ 4,823,377
Net OPEB Liability as a Percentage of Covered-Employee Payroll	-14.92%	0.14%	-2.85%	12.31%

Notes to Schedule:

Benefit Changes:
There were no changes in benefits.

Changes in Assumptions:
There were no changes in assumptions for measurement periods ended June 30, 2017, 2018, and 2020. For measurement period ended June 30, 2019: Demographic assumptions updated, PEMCHA waived retiree re-election change, and mortality improvement scale updated.

* Fiscal year 2018 was the first year of implementation; therefore, only seven years are shown.

City of La Palma
Schedule of Changes in The Net OPEB Liability and Related Ratios
Last Ten Years*
Fiscal Year Ended June 30, 2024

Fiscal Year Ended	06/30/20	06/30/19	06/30/18
Measurement Period	06/30/19	06/30/18	06/30/17
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	73.49%	65.37%	55.99%
Covered - Employee Payroll	$ 4,892,914	$ 4,536,000	$ 4,482,000
Net OPEB Liability as a Percentage of Covered-Employee Payroll	15.32%	20.96%	26.48%

Notes to Schedule:

Benefit Changes:
There were no changes in benefits.

Changes in Assumptions:
There were no changes in assumptions for measurement periods ended June 30, 2017, 2018, and 2020. For measurement period ended June 30, 2019: Demographic assumptions updated, PEMCHA waived retiree re-election change, and mortality improvement scale updated.

City of La Palma
Schedule of Plan Contributions - Other Postemployment Benefit Plan
Last Ten Years*
Fiscal Year Ended June 30, 2024

Fiscal Year Ended	06/30/24	06/30/23	06/30/22	06/30/21
Actuarially Determined Contribution	$ 68,202	$ 66,360	$ 156,409	$ 151,843
Contributions in Relation to the Actuarially Determined Contributions	(236,902)	(333,679)	(507,627)	(351,624)
Contribution Deficiency (Excess)	$ (168,700)	$ (267,319)	$ (351,218)	$ (199,781)
Covered - Employee Payroll	$ 4,621,811	$ 4,559,070	$ 4,283,615	$ 5,215,770
Contributions as a Percentage of Covered-employee Payroll	5.13%	7.32%	11.85%	6.74%
Notes to Schedule:				
Valuation Date	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Methods and Assumptions Used to Determine Contribution Rates:				
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	a	a	a	a
Amortization Period	13 Years	14 Years	17 Years	17 Years
Asset Valuation Method	(2)	(2)	(2)	(2)
Discount Rate	6.25%	6.25%	6.75%	6.75%
Inflation	2.50%	2.50%	2.75%	2.75%
Medical Trend - c				
Non-Medicare	6.50% - 3.75%	6.50% - 3.75%	7.25% - 4.0%	7.25% - 4.0%
Medicare	5.65% - 3.75%	4.6% - 3.75%	6.3% - 4.0%	6.3% - 4.0%
Mortality	f	f	e	e

a Level percentage of pay.
b Investment gains and losses spread over 5-year rolling period.
c Rate decreasing to an ultimate rate in 2076 and later years.
d CalPERS 1997-2011 experience study. Mortality projected fully generational Scale MP-2016.
e CalPERS 1997-2015 experience study. Mortality projected fully generational Scale MP-2018.
f CalPERS 1997-2015 experience study. Mortality projected fully generational Scale MP-2021.

* Fiscal year 2018 was the first year of implementation; therefore, only seven years are shown.

City of La Palma
Schedule of Plan Contributions - Other Postemployment Benefit Plan (Continued)
Last Ten Years*
Fiscal Year Ended June 30, 2024

Fiscal Year Ended	06/30/20	06/30/19	06/30/18
Actuarially Determined Contribution	$ 147,412	$ 116,000	$ 167,000
Contributions in Relation to the Actuarially Determined Contributions	(358,815)	(374,824)	(376,687)
Contribution Deficiency (Excess)	$ (211,403)	$ (258,824)	$ (209,687)
Covered - Employee Payroll	$ 4,823,377	$ 4,892,914	$ 4,536,000
Contributions as a Percentage of Covered-employee Payroll	7.44%	7.66%	8.30%
Notes to Schedule:			
Valuation Date	6/30/2017	6/30/2016	6/30/2015
Methods and Assumptions Used to Determine Contribution Rates:			
Actuarial Cost Method	Entry Age	Entry Age	Entry Age
Amortization Method	a	a	a
Amortization Period	17 Years	18 Years	19 Years
Asset Valuation Method	(2)	(2)	(2)
Discount Rate	6.75%	6.75%	6.75%
Inflation	2.75%	2.75%	2.75%
Medical Trend - c			
Non-Medicare	7.25% - 4.0%	7.5% - 4.0%	7.5% - 4.0%
Medicare	6.3% - 4.0%	6.5% - 4.0%	6.5% - 4.0%
Mortality	e	d	d

a Level percentage of pay.
b Investment gains and losses spread over 5-year rolling period.
c Rate decreasing to an ultimate rate in 2076 and later years.
d CalPERS 1997-2011 experience study. Mortality projected fully generational Scale MP-2016.
e CalPERS 1997-2015 experience study. Mortality projected fully generational Scale MP-2018.
f CalPERS 1997-2015 experience study. Mortality projected fully generational Scale MP-2021.

CITY OF LA PALMA
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2024

	Budgeted amounts			Variance With Final Budget - Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Taxes	$ 11,037,400	$ 10,917,700	$ 12,142,109	$ 1,224,409
Intergovernmental	8,500	8,500	45,113	36,613
Licenses and permits	429,100	429,100	518,965	89,865
Fines and forfeitures	100,100	100,100	142,148	42,048
Investment income	190,000	190,000	1,010,624	820,624
Charges for services	550,200	550,200	571,328	21,128
Rental income	602,200	602,200	570,000	(32,200)
Miscellaneous	57,500	57,500	125,081	67,581
Total revenues	12,975,000	12,855,300	15,125,368	2,270,068
Expenditures:				
Current:				
General government	4,553,000	4,601,500	4,295,286	306,214
Public safety	5,896,400	5,901,400	5,258,011	643,389
Public works	1,109,500	1,129,500	1,040,572	88,928
Recreation	1,381,900	1,439,100	1,251,784	187,316
Community development	689,900	761,300	612,803	148,497
Capital outlay	12,500	12,500	362,199	(349,699)
Debt service				
Principal	-	-	131,033	(131,033)
Interest and fiscal charges	-	-	6,201	(6,201)
Total expenditures	13,643,200	13,845,300	12,957,889	887,411
Excess (deficiency) of revenues over (under) expenditures	(668,200)	(990,000)	2,167,479	3,157,479
Other financing sources (uses):				
Proceeds from debt issuance	-	-	349,301	349,301
Transfers in	783,000	783,000	782,900	(100)
Transfers out	(400,000)	(400,000)	(429,372)	(29,372)
Total other financing sources (uses)	383,000	383,000	702,829	319,829
Net change in fund balance	(285,200)	(607,000)	2,870,308	3,477,308
Fund balance - beginning of fiscal year	15,562,879	15,562,879	15,562,879	-
Fund balance - end of fiscal year	$ 15,277,679	$ 14,955,879	$ 18,433,187	$ 3,477,308

See notes to Required Supplemetary Information

CITY OF LA PALMA
Budgetary Comparison Schedule
Housing Special Revenue Fund
Fiscal Year Ended June 30, 2024

	Budgeted amounts			Variance With Final Budget - Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Investment income	$ 63,000	$ 63,000	$ 244,806	$ 181,806
Miscellaneous	500	500	-	(500)
Total revenues	63,500	63,500	244,806	181,306
Expenditures:				
Current:				
Community development	247,200	299,600	366,549	(66,949)
Total expenditures	247,200	299,600	366,549	(66,949)
Net change in fund balance	(183,700)	(236,100)	(121,743)	114,357
Fund balance - beginning of fiscal year	4,862,206	4,862,206	4,862,206	-
Fund balance - end of fiscal year	$ 4,678,506	$ 4,626,106	$ 4,740,463	$ 114,357

See notes to Required Supplemetary Information

NOTE 1: BUDGETARY CONTROL AND ACCOUNTING

The City adheres to the following general procedure in establishing its annual budget, which is reflected in the accompanying schedules.

- Budgets are legally adopted and formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds. No annual budget is adopted for the Capital Outlay Reserve Capital Projects Fund. Budgets are presented in this report for comparison to actual amounts and are presented in accordance with accounting principles generally accepted in the United States of America. From the effective date of the budget, the amounts stated therein as proposed expenditures become appropriations to the various City departments.

- Reported budget amounts represent the original legally adopted budget as amended. Individual amendments were not material in relation to the original adopted budget amounts. The City Council may amend the budget to increase appropriations only by a duly adopted minute resolution during a regular meeting, providing that sufficient monies are available and that expenditures of proceeds of taxes will not be increased beyond the constitutional appropriation limit as imposed by Article XIIIB of the State Constitution. Management can transfer, without City Council approval, budgeted amounts provided that they do not increase or decrease total fund appropriations adopted by the City Council.

- Unexpended budgeted amounts lapse at the end of the budget year. Spending control for the funds is established by the amount of expenditures budgeted for the fund, but management control is exercised at budgetary line-item levels.

- Expenditures may not legally exceed overall budgeted appropriations.

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SUPPLEMENTARY INFORMATION

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CITY OF LA PALMA

Nonmajor Special Revenue

Fiscal Year Ended June 30, 2024

Streets – To account for monies appropriated under the Streets and Highway Code Sections 2105, 2106, 2107, and 2107.5 of the State of California. The funds are restricted for expenditures that are used for the maintenance, rehabilitation, and improvements of public streets.

Measure M – To account for money appropriated under Measure M of the County of Orange. The funds are restricted for expenditures that are used for maintaining and improving public transportation projects.

Park Development – To account for monies restricted to the development and renovation of City parks.

Air Quality Improvement – To account for monies for motor vehicle registration fees collected in accordance with California Assembly Bill 2766. This fee was levied to fund programs to reduce air pollution from mobile sources such as cars, trucks, and buses.

Supplemental Law Enforcement Service – To account for state monies received in accordance with California Assembly Bill 329 to be used as a supplement for law enforcement systems.

Public Safety Augmentation – To account for special tax augmentation funds generated by a ½ cent sales tax under Proposition 172 of the State of California. These funds are restricted for public safety programs.

Abandoned Vehicles – To account for monies received as vehicle abatement for abandoned vehicles. The monies are restricted for public safety.

Asset Seizure – To account for monies received from the Regional Narcotics Suppression Program (RNSP) that are restricted to be used for law enforcement related expenditures.

PEG Fund – To account for public education and governmental fees, which are restricted for use in providing information to the public through bulletins and public service announcements.

BSCC Local Law Enforcement Grant – To account for monies received and expended by the City as a participant in the Board of State and Community Corrections grant program.

Road Maintenance and Rehabilitation Account – To account for the City’s share of monies apportioned under the State Road Maintenance and Rehabilitation Account which are restricted for the purpose of construction, reconstruction, maintenance, and right-of-way acquisition related to streets and highways.

North Orange County Public Safety Task Force – To account for monies received from the North Orange County Public Safety Task Force, which was created through $20 million in state budget funding. The Task Force, which includes ten cities in the north Orange County region (Anaheim, Brea, Buena Park, Cypress, Fullerton, La Habra, La Palma, Placentia, Stanton, and Yorba Linda), is a multi-jurisdictional four-year pilot program specifically geared to developing new and more effective interdisciplinary approaches to gang prevention and homelessness outreach and intervention in North Orange County.

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CITY OF LA PALMA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds					
	Streets	**Measure M**	**Park Development**	**Air Quality Improvement**	**Supplemental Law Enforcement Service**	**Public Safety Augmentation**
Assets:						
Cash and investments	$ 240,013	$ 931,882	$ 5	$ 269,651	$ 325,620	$ 365,915
Accounts receivable	-	-	-	-	-	-
Due from other governments	37,255	52,151	-	5,158	-	18,345
Total assets	$ 277,268	$ 984,033	$ 5	$ 274,809	$ 325,620	$ 384,260
Liabilities and fund balances						
Liabilities:						
Accounts payable	$ 23,621	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	364,165	-	-	-	-
Total liabilities	23,621	364,165	-	-	-	-
Fund balances:						
Restricted	253,647	619,868	5	274,809	325,620	384,260
Total fund balances	253,647	619,868	5	274,809	325,620	384,260
Total liabilities and fund balances	$ 277,268	$ 984,033	$ 5	$ 274,809	$ 325,620	$ 384,260

Special Revenue Funds						
Abandoned Vehicle	Asset Seizure	PEG	BSCC Local Law Enforcement Grant	Road Maintenance and Rehabilitation Account	North OC Public Safety Task Force Grant	Total
$ 29,086	$ 37,868	$ 386,111	$ 51,291	$ 1,244,064	$ -	$ 3,881,506
-	-	534	-	-	-	534
-	-	-	-	70,088	9,315	192,312
$ 29,086	$ 37,868	$ 386,645	$ 51,291	$ 1,314,152	$ 9,315	$ 4,074,352
$ -	$ -	$ -	$ -	$ -	$ 300	$ 23,921
-	-	-	-	-	9,015	9,015
-	-	-	-	-	-	364,165
-	-	-	-	-	9,315	397,101
29,086	37,868	386,645	51,291	1,314,152	-	3,677,251
29,086	37,868	386,645	51,291	1,314,152	-	3,677,251
$ 29,086	$ 37,868	$ 386,645	$ 51,291	$ 1,314,152	$ 9,315	$ 4,074,352

CITY OF LA PALMA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended June 30, 2024

	Special Revenue Funds					
	Streets	**Measure M**	**Park Development**	**Air Quality Improvement**	**Supplemental Law Enforcement Service**	**Public Safety Augmentation**
Revenues:						
Intergovernmental	$ 433,286	$ 360,913	$ -	$ 20,623	$ 186,159	$ 237,677
Investment income	10,143	37,607	19	11,119	14,487	15,723
Miscellaneous	-	-	-	-	-	-
Total revenues	443,429	398,520	19	31,742	200,646	253,400
Expenditures:						
Current:						
Public safety	-	-	-	-	131,970	231,777
Public works	420,618	-	-	-	-	-
Capital outlay	-	352,727	2,271	-	-	-
Total expenditures	420,618	352,727	2,271	-	131,970	231,777
Excess (deficiency) of revenues over (under) expenditures	22,811	45,793	(2,252)	31,742	68,676	21,623
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	22,811	45,793	(2,252)	31,742	68,676	21,623
Fund balances - beginning of fiscal year	230,836	574,075	2,257	243,067	256,944	362,637
Fund balances - end of fiscal year	$ 253,647	$ 619,868	$ 5	$ 274,809	$ 325,620	$ 384,260

Abandoned Vehicles	Asset Seizure	PEG	BSCC Local Law Enforcement Grant	Road Maintenance and Rehabilitation Account	North OC Public Safety Task Force Grant	Total
		Special Revenue Funds				
$ -	$ -	$ -	$ -	$ 402,162	$ 106,966	$ 1,747,786
1,227	1,597	16,158	2,164	49,008	-	159,252
-	-	16,161	-	-	-	16,161
1,227	1,597	32,319	2,164	451,170	106,966	1,923,199
-	1,327	-	-	-	136,338	501,412
-	-	-	-	-	-	420,618
-	-	15,155	-	88,435	-	458,588
-	1,327	15,155	-	88,435	136,338	1,380,618
1,227	270	17,164	2,164	362,735	(29,372)	542,581
-	-	-	-	-	29,372	29,372
-	-	-	-	-	29,372	29,372
1,227	270	17,164	2,164	362,735	-	571,953
27,859	37,598	369,481	49,127	951,417	-	3,105,298
$ 29,086	$ 37,868	$ 386,645	$ 51,291	$ 1,314,152	$ -	$ 3,677,251

CITY OF LA PALMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Streets – Special Revenue Fund
Fiscal Year Ended June 30, 2024

	Budgeted Amounts			Variance With Final Budget - Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Intergovernmental	$ 451,600	$ 430,300	$ 433,286	$ 2,986
Investment income	1,000	1,000	10,143	9,143
Total revenues	452,600	431,300	443,429	12,129
Expenditures:				
Current:				
Public works	422,500	422,500	420,618	1,882
Capital Outlay	100,000	100,000	-	100,000
Total expenditures	522,500	522,500	420,618	101,882
Net change in fund balance	(69,900)	(91,200)	22,811	114,011
Fund balances - beginning of fiscal year	230,836	230,836	230,836	-
Fund balance - end of fiscal year	$ 160,936	$ 139,636	$ 253,647	$ 114,011

CITY OF LA PALMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Measure M – Special Revenue Fund
Fiscal Year Ended June 30, 2024

	Budgeted Amounts			Variance With Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Intergovernmental	$ 945,800	$ 949,400	$ 360,913	$ (588,487)
Investment income	5,000	5,000	37,607	32,607
Total revenues	950,800	954,400	398,520	(555,880)
Expenditures:				
Capital outlay	1,367,000	1,403,000	352,727	1,050,273
Total expenditures	1,367,000	1,403,000	352,727	1,050,273
Net change in fund balance	(416,200)	(448,600)	45,793	494,393
Fund balance - beginning of fiscal year	574,075	574,075	574,075	-
Fund balance - end of fiscal year	$ 157,875	$ 125,475	$ 619,868	$ 494,393

CITY OF LA PALMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Park Development – Special Revenue Fund
Fiscal Year Ended June 30, 2024

	Budgeted Amounts			Variance With Final Budget - Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Investment income	$ -	$ -	$ 19	$ 19
Total revenues	-	-	19	19
Expenditures:				
Capital Outlay	2,300	2,300	2,271	29
Total Expenditures	2,300	2,300	2,271	29
Net change in fund balance	(2,300)	(2,300)	(2,252)	48
Fund balance - beginning of fiscal year	2,257	2,257	2,257	-
Fund balance - end of fiscal year	$ (43)	$ (43)	$ 5	$ 48

CITY OF LA PALMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Air Quality Improvement – Special Revenue Fund
Fiscal Year Ended June 30, 2024

	Budgeted Amounts			Variance With Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Intergovernmental	$ 20,000	$ 20,000	$ 20,623	$ 623
Investment income	2,000	2,000	11,119	9,119
Total revenues	22,000	22,000	31,742	9,742
Expenditures:				
Capital outlay	210,000	210,000	-	210,000
Total expenditures	210,000	210,000	-	210,000
Net change in fund balance	(188,000)	(188,000)	31,742	219,742
Fund balance - beginning of fiscal year	243,067	243,067	243,067	-
Fund balance - end of fiscal year	$ 55,067	$ 55,067	$ 274,809	$ 219,742

CITY OF LA PALMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Supplemental Law Enforcement Service – Special Revenue Fund
Fiscal Year Ended June 30, 2024

	Budgeted Amounts			Variance With Final Budget - Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Intergovernmental	$ 164,500	$ 164,500	$ 186,159	$ 21,659
Investment income	3,000	3,000	14,487	11,487
Total revenues	167,500	167,500	200,646	33,146
Expenditures:				
Current:				
Public safety	156,100	156,100	131,970	24,130
Total expenditures	156,100	156,100	131,970	24,130
Net change in fund balance	11,400	11,400	68,676	57,276
Fund balance - beginning of fiscal year	256,944	256,944	256,944	-
Fund balance - end of fiscal year	$ 268,344	$ 268,344	$ 325,620	$ 57,276

CITY OF LA PALMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Public Safety Augmentation – Special Revenue Fund
Fiscal Year Ended June 30, 2024

	Budgeted Amounts			Variance With Final Budget - Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Intergovernmental	$ 239,200	$ 239,200	$ 237,677	$ (1,523)
Investment income	3,000	3,000	15,723	12,723
Total revenues	242,200	242,200	253,400	11,200
Expenditures:				
Current:				
Public safety	215,500	235,000	231,777	3,223
Total expenditures	215,500	235,000	231,777	3,223
Net change in fund balance	26,700	7,200	21,623	14,423
Fund balance - beginning of fiscal year	362,637	362,637	362,637	-
Fund balance - end of fiscal year	$ 389,337	$ 369,837	$ 384,260	$ 14,423

CITY OF LA PALMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Abandoned Vehicles – Special Revenue Fund
Fiscal Year Ended June 30, 2024

	Budgeted Amounts			Variance With Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Investment income	$ 300	$ 300	$ 1,227	$ 927
Net change in fund balance	300	300	1,227	927
Fund balance - beginning of fiscal year	27,859	27,859	27,859	-
Fund balance - end of fiscal year	$ 28,159	$ 28,159	$ 29,086	$ 927

CITY OF LA PALMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Asset Seizure – Special Revenue Fund
Fiscal Year Ended June 30, 2024

	Budgeted Amounts			Variance With Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Investment income	$ 100	$ 100	$ 1,597	$ 1,497
Total revenues	100	100	1,597	1,497
Expenditures:				
Current:				
Public safety	24,700	24,700	1,327	23,373
Total expenditures	24,700	24,700	1,327	23,373
Net change in fund balance	(24,600)	(24,600)	270	24,870
Fund balance - beginning of fiscal year	37,598	37,598	37,598	-
Fund balance - end of fiscal year	$ 12,998	$ 12,998	$ 37,868	$ 24,870

CITY OF LA PALMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
PEG – Special Revenue Fund
Fiscal Year Ended June 30, 2024

	Budgeted Amounts			Variance With Final Budget - Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Investment income	$ 4,000	$ 4,000	$ 16,158	$ 12,158
Miscellaneous	25,000	25,000	16,161	(8,839)
Total revenues	29,000	29,000	32,319	3,319
Expenditures:				
Capital outlay	-	16,000	15,155	845
Total expenditures	-	16,000	15,155	845
Net change in fund balance	29,000	13,000	17,164	4,164
Fund balance - beginning of fiscal year	369,481	369,481	369,481	-
Fund balance - end of fiscal year	$ 398,481	$ 382,481	$ 386,645	$ 4,164

CITY OF LA PALMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
BSCC Local Law Enforcement Grant – Special Revenue Fund
Fiscal Year Ended June 30, 2024

	Budgeted Amounts			Variance With Final Budget - Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Investment income	$ 100	$ 100	$ 2,164	$ 2,064
Total revenues	100	100	2,164	2,064
Expenditures:				
Current:				
Public safety	12,500	12,500	-	12,500
Total expenditures	12,500	12,500	-	12,500
Net change in fund balance	(12,400)	(12,400)	2,164	14,564
Fund balance - beginning of fiscal year	49,127	49,127	49,127	-
Fund balance - end of fiscal year	$ 36,727	$ 36,727	$ 51,291	$ 14,564

CITY OF LA PALMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Road Maintenance and Rehabilitation Account (RMRA) – Special Revenue Fund
Fiscal Year Ended June 30, 2024

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	$ 385,100	$ 373,100	$ 402,162	$ 29,062
Investment income	8,000	8,000	49,008	41,008
Total revenues	393,100	381,100	451,170	70,070
Expenditures:				
Capital outlay	878,000	878,000	88,435	789,565
Total expenditures	878,000	878,000	88,435	789,565
Net change in fund balance	(484,900)	(496,900)	362,735	859,635
Fund balance - beginning of fiscal year	951,417	951,417	951,417	-
Fund balance - end of fiscal year	$ 466,517	$ 454,517	$ 1,314,152	$ 859,635

CITY OF LA PALMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
North OC Public Safety Task Force Grant – Special Revenue Fund
Fiscal Year Ended June 30, 2024

	Budgeted Amounts			Variance With Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Intergovernmental	$ 180,000	$ 180,000	$ 106,966	$ (73,034)
Investment income	1,000	1,000	-	(1,000)
Total Revenues	181,000	181,000	106,966	(74,034)
Expenditures:				
Current:				
Public safety	162,800	162,800	136,338	26,462
Total expenditures	162,800	162,800	136,338	26,462
Excess (deficiency) of revenues over (under) expenditures	18,200	18,200	(29,372)	(47,572)
Other financing sources (uses):				
Transfers in	51,600	-	29,372	29,372
Total other financing sources (uses)	51,600	-	29,372	29,372
Net change in fund balance	69,800	18,200	-	(18,200)
Fund balance - beginning of fiscal year	-	-	-	-
Fund balance - end of fiscal year	$ 69,800	$ 18,200	$ -	$ (18,200)

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CITY OF LA PALMA

Internal Service Funds

Fiscal Year Ended June 30, 2024

The City of La Palma has five Internal Service Funds:

Risk Management – To account for certain risk management activities of the City including general liability claims, workers' compensation claims, and other expenses.

Employee Benefits – To account for costs of the City's employee benefit plan.

Facilities Maintenance – To account for and manage costs associated with the City's facilities maintenance program.

Vehicle Replacement – To account for accumulation of monies to be used for vehicle replacements.

Technology Replacement – To account for accumulation of monies to be used for replacements of computers owned and utilized by the City.

CITY OF LA PALMA
Combining Statement of Net Position
Internal Service Funds
June 30, 2024

	Risk Management	Employee Benefits	Facilities Maintenance
Assets:			
Current assets:			
Cash and cash equivalents	$ 1,231,315	$ 325,345	$ 57,483
Total current assets	1,231,315	325,345	57,483
Noncurrent assets:			
Capital assets:			
Capital assets being depreciated, net of accumulated depreciation	-	-	-
Total noncurrent assets	-	-	-
Total assets	$ 1,231,315	$ 325,345	$ 57,483
Liabilities:			
Current liabilities:			
Accounts payable	$ 2,386	$ -	$ -
Enterprise leases payable	-	-	-
Total current liabilities	2,386	-	-
Noncurrent liabilities:			
Enterprise leases payable	-	-	-
Total noncurrent liabilities	-	-	-
Total liabilities	2,386	-	-
Net position:			
Net investment in capital assets	-	-	-
Unrestricted	1,228,929	325,345	57,483
Total net position	1,228,929	325,345	57,483
Total liabilities and net position	$ 1,231,315	$ 325,345	$ 57,483

Vehicle Replacement	Technology Replacement	Total
$ 1,933,136	$ 1,161,806	$ 4,709,085
1,933,136	1,161,806	4,709,085
587,764	24,100	611,864
587,764	24,100	611,864
$ 2,520,900	$ 1,185,906	$ 5,320,949
$ 6,748	$ 2,227	$ 11,361
45,858	-	45,858
52,606	2,227	57,219
229,593	-	229,593
229,593	-	229,593
282,199	2,227	286,812
312,313	24,100	336,413
1,926,388	1,159,579	4,697,724
2,238,701	1,183,679	5,034,137
$ 2,520,900	$ 1,185,906	$ 5,320,949

CITY OF LA PALMA
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
Fiscal Year Ended June 30, 2024

	Risk Management	Employee Benefits	Facilities Maintenance
Operating revenues			
Charges for services	$ 867,734	$ -	$ -
Miscellaneous	-	19	-
Total operating revenues	867,734	19	-
Operating expenses			
Maintenance and operations	-	-	-
Depreciation	-	-	-
Settlement, claims, and insurance	872,001	-	-
Total operating expenses	872,001	-	-
Operating income (loss)	(4,267)	19	-
Nonoperating revenues (expenses)			
Investment income	44,232	13,718	2,424
Total nonoperating revenues	44,232	13,718	2,424
Changes in net position	39,965	13,737	2,424
Total net position - beginning of fiscal year	1,188,964	311,608	55,059
Total net position - end of fiscal year	$ 1,228,929	$ 325,345	$ 57,483

Vehicle Replacement	Technology Replacement	Total
$ 397,000	$ 191,901	$ 1,456,635
9,700	-	9,719
406,700	191,901	1,466,354
74,097	37,162	111,259
104,172	13,817	117,989
-	-	872,001
178,269	50,979	1,101,249
228,431	140,922	365,105
80,696	48,017	189,087
80,696	48,017	189,087
309,127	188,939	554,192
1,929,574	994,740	4,479,945
$ 2,238,701	$ 1,183,679	$ 5,034,137

CITY OF LA PALMA
Combining Statement of Cash Flows
Internal Service Funds
Fiscal Year Ended June 30, 2024

	Risk Management	Employee Benefits	Facilities Maintenance
Cash flows from operating activities			
Cash received from internal users	$ 867,734	$ -	$ -
Cash payments to suppliers for goods and services	(874,832)	-	-
Miscellaneous receipts	-	19	-
Net cash provided (used) by operating activities	(7,098)	19	-
Cash flows from capital and related financing activities			
Proceeds of lease payable	-	-	-
Payments of lease principal	-	-	-
Acquisition of capital assets	-	-	-
Net cash used by capital and related financing activities	-	-	-
Cash flows from investing activities			
Interest received	44,232	13,718	2,424
Net cash provided by investing activities	44,232	13,718	2,424
Net increase in cash and cash equivalents	37,134	13,737	2,424
Cash and equivalents - beginning of fiscal year	1,194,181	311,608	55,059
Cash and cash equivalents - end of fiscal year	$ 1,231,315	$ 325,345	$ 57,483
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	$ (4,267)	$ 19	$ -
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	-	-	-
Increase (decrease) in operating liabilities:			
Accounts payable	(2,831)	-	-
Total adjustments	(2,831)	-	-
Net cash provided (used) by operating activities	$ (7,098)	$ 19	$ -

Vehicle Replacement	Technology Replacement	Total
$ 397,000	$ 191,901	$ 1,456,635
(73,748)	(36,163)	(984,743)
9,700	-	9,719
332,952	155,738	481,611
185,976	-	185,976
(31,651)	-	(31,651)
(241,326)	(13,044)	(254,370)
(87,001)	(13,044)	(100,045)
80,696	48,017	189,087
80,696	48,017	189,087
326,647	190,711	570,653
1,606,489	971,095	4,138,432
$ 1,933,136	$ 1,161,806	$ 4,709,085
$ 228,431	$ 140,922	$ 365,105
104,172	13,817	117,989
349	999	(1,483)
104,521	14,816	116,506
$ 332,952	$ 155,738	$ 481,611

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STATISTICAL SECTION

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CITY OF LA PALMA
OVERVIEW OF THE STATISTICAL SECTION
JUNE 30, 2024

The Statistical Section provides a context for understanding information in the financial statements, note disclosures, and required supplementary information and how that information relates to the City of La Palma's overall financial health. The detailed schedules presented in the Statistical Section are grouped into five sections pertaining to financial trends, revenue capacity, debt capacity, operating, demographic, and economic information.

Contents

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.

Revenue Capacity
These schedules contain information to help the reader assess the City's most significant local revenue source of property taxes.

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.

Operating Information
These schedules contain service and infrastructure data to help the reader understand how the information in the City's basic financial statements relates to the services the City provides and the activities it performs.

Demographic and Economic Information
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

CITY OF LA PALMA
Net Position by Component
Last Ten Fiscal Years
June 30, 2024
(Accrual Basis of Accounting)

	Fiscal year				
	2024	2023	2022	2021	2020
Governmental activities					
Net investment in capital assets	$ 19,906,510	$ 19,821,435	$ 19,275,340	$ 19,560,150	$ 18,421,608
Restricted	9,796,429	9,093,160	7,636,318	7,383,488	8,196,168
Unrestricted	18,623,110	17,188,372	16,896,171	11,448,218	10,202,124
Total governmental activities	$ 48,326,049	$ 46,102,967	$ 43,807,829	$ 38,391,856	$ 36,819,900
Business-type activities					
Net investment in capital assets	$ 4,990,438	$ 4,654,318	$ 4,983,901	$ 4,852,155	$ 5,197,335
Restricted	75,493	47,173	-	-	-
Unrestricted	8,355,644	9,088,302	9,321,436	9,701,087	9,054,853
Total business-type activities	$ 13,421,575	$ 13,789,793	$ 14,305,337	$ 14,553,242	$ 14,252,188
Primary government					
Net investment in capital assets	$ 24,896,948	$ 24,475,753	$ 24,259,241	$ 24,412,305	$ 23,618,943
Restricted	9,871,922	9,140,333	7,636,318	7,383,488	8,196,168
Unrestricted	26,978,754	26,276,674	26,217,607	21,149,305	19,256,977
Total primary government	$ 61,747,624	$ 59,892,760	$ 58,113,166	$ 52,945,098	$ 51,072,088

Source: City of La Palma Finance Department

Fiscal year				
2019	2018	2017	2016	2015
$ 18,570,542	$ 18,835,137	$ 17,263,715	$ 18,144,119	$ 18,842,381
6,246,416	1,813,446	1,434,947	1,522,074	1,054,006
9,422,851	7,672,517	9,051,807	9,193,830	8,673,833
$ 34,239,809	$ 28,321,100	$ 27,750,469	$ 28,860,023	$ 28,570,220
$ 5,416,763	$ 5,540,929	$ 5,946,985	$ 6,322,101	$ 6,748,176
-	-	-	-	-
8,513,685	8,271,049	7,937,380	8,429,008	8,837,552
$ 13,930,448	$ 13,811,978	$ 13,884,365	$ 14,751,109	$ 15,585,728
$ 23,987,305	$ 24,376,066	$ 23,210,700	$ 24,466,220	$ 25,590,557
6,246,416	1,813,446	1,434,947	1,522,074	1,054,006
17,936,536	15,943,566	16,989,187	17,622,838	17,511,385
$ 48,170,257	$ 42,133,078	$ 41,634,834	$ 43,611,132	$ 44,155,948

CITY OF LA PALMA
Changes in Net Position
Last Ten Fiscal Years
Fiscal Year Ended June 30, 2024
(Accrual Basis of Accounting)

	Fiscal Year				
	2024	2023	2022	2021	2020
Expenses:					
Governmental activities:					
General government	$ 4,830,621	$ 4,593,055	$ 3,672,474	$ 5,186,198	$ 5,160,027
Public safety	6,622,915	5,654,582	4,031,132	5,305,101	5,206,824
Public works	2,655,690	2,502,582	2,115,815	2,770,258	1,876,023
Recreation	1,544,570	1,413,544	890,265	1,007,607	1,106,288
Community development	1,054,337	866,161	641,152	1,295,438	683,314
Interest on long-term debt	6,201	-	4,284	-	-
Total governmental activities	16,714,334	15,029,924	11,355,122	15,564,602	14,032,476
Business-type activities:					
Water	3,266,366	3,089,164	3,136,213	3,052,955	3,009,191
Sewer	632,357	352,626	393,659	456,844	501,119
Total business-type activities	3,898,723	3,441,790	3,529,872	3,509,799	3,510,310
Total primary government expenses	20,613,057	18,471,714	14,884,994	19,074,401	17,542,786
Program revenues:					
Governmental activities:					
Charges for services:					
General government	24,631	63,821	139,738	240,633	232,254
Public safety	264,549	228,797	235,121	77,579	90,546
Public works	91,071	169,109	69,679	21,018	18,067
Recreation	293,653	395,518	354,726	64,369	214,343
Community development	402,157	509,469	305,025	301,826	301,979
Operating grants and contributions	1,568,723	1,359,762	3,288,555	3,818,909	1,770,316
Capital grants and contributions	402,162	637,493	341,050	600,589	296,210
Total governmental activities	3,046,946	3,363,969	4,733,894	5,124,923	2,923,715
Business-type activities:					
Charges for services:					
Water	3,387,972	3,300,306	3,525,225	3,610,009	3,380,625
Sewer	562,916	546,560	597,106	638,001	549,006
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities	3,950,888	3,846,866	4,122,331	4,248,010	3,929,631
Total primary government program revenues	6,997,834	7,210,835	8,856,225	9,372,933	6,853,346

Fiscal Year				
2019	2018	2017	2016	2015
$ 4,207,716	$ 4,593,316	$ 4,701,496	$ 2,767,437	$ 1,398,116
5,161,678	4,773,427	4,354,431	4,794,910	5,384,720
2,313,356	2,069,594	3,334,559	1,757,806	2,699,308
1,284,377	1,205,139	1,167,249	1,267,799	1,560,849
577,308	631,853	683,872	684,085	781,853
126,779	-	-	-	-
13,671,214	13,273,329	14,241,607	11,272,037	11,824,846
2,817,376	2,607,440	2,851,600	2,499,269	2,564,265
336,628	137,736	487,771	494,741	409,108
3,154,004	2,745,176	3,339,371	2,994,010	2,973,373
16,825,218	16,018,505	17,580,978	14,266,047	14,798,219
236,459	227,005	233,455	236,341	233,730
90,587	100,250	104,188	156,106	150,869
26,640	23,196	38,271	84,200	47,625
352,048	371,470	351,705	388,129	404,737
239,166	212,926	444,223	257,717	196,172
1,487,731	1,406,794	1,351,153	1,109,238	1,231,719
563,718	478,190	865,150	-	21,352
2,996,349	2,819,831	3,388,145	2,231,731	2,286,204
3,087,184	3,005,364	2,720,115	2,422,653	2,573,038
440,879	353,046	272,544	204,800	212,518
-	-	-	-	-
-	-	-	-	-
3,528,063	3,358,410	2,992,659	2,627,453	2,785,556
6,524,412	6,178,241	6,380,804	4,859,184	5,071,760

(Continued)

CITY OF LA PALMA
Changes in Net Position
Last Ten Fiscal Years
Fiscal Year Ended June 30, 2024
(Accrual Basis of Accounting) (Continued)

	Fiscal Year				
	2024	2023	2022	2021	2020
Net revenues (expenses):					
Governmental activities	$ (13,667,388)	$ (11,665,955)	$ (6,621,228)	$ (10,439,679)	$ (11,108,761)
Business-type activities	52,165	405,076	592,459	738,211	419,321
Total primary government net revenues (expenses)	(13,615,223)	(11,260,879)	(6,028,769)	(9,701,468)	(10,689,440)
General revenues and other changes in net assets:					
Governmental activities:					
Taxes:					
Property Tax	$ 5,070,169	$ 4,862,955	$ 4,626,399	$ 4,377,315	$ 4,248,987
Sales Tax	4,736,950	4,064,012	4,635,157	3,983,660	3,382,369
Utility Users' Tax	1,183,337	1,293,029	1,037,550	957,702	918,256
Franchise Tax	524,795	448,751	428,401	397,503	417,835
Transient Occupancy Tax	646,108	510,704	392,423	160,948	297,709
Intergovernmental - unrestricted	-	-	-	-	-
Investment income	1,998,836	632,232	(585,796)	934,885	1,046,459
Other general revenues	942,928	1,108,335	843,667	553,022	489,925
Gain (Loss) on asset disposal	-	-	-	-	-
Transfers	787,347	1,041,075	659,400	646,600	852,658
Contributions from Successor Agency	-	-	-	-	-
Extraordinary Gain (Loss)	-	-	-	-	-
Total governmental activities	15,890,470	13,961,093	12,037,201	12,011,635	11,654,198
Business-type activities:					
Investment income	366,964	120,455	(180,964)	209,443	326,853
Other general revenues	-	-	-	-	30,856
Transfers	(787,347)	(1,041,075)	(659,400)	(646,600)	(852,658)
Extraordinary Gain (Loss)	-	-	-	-	-
Total business-type activities	(420,383)	(920,620)	(840,364)	(437,157)	(494,949)
Total primary government general revenues and other changes in net assets	15,470,087	13,040,473	11,196,837	11,574,478	11,159,249
Changes in net position:					
Governmental activities	2,223,082	2,295,138	5,415,973	1,571,956	545,437
Business-type activities	(368,218)	(515,544)	(247,905)	301,054	(75,628)
Total primary government changes in net position	$ 1,854,864	$ 1,779,594	$ 5,168,068	$ 1,873,010	$ 469,809

Source: City of La Palma Finance Department

Fiscal Year				
2019	2018	2017	2016	2015
$ (10,578,086)	$ (10,453,498)	$ (10,853,462)	$ (9,040,306)	$ (9,538,642)
374,059	613,234	(346,712)	(366,557)	(187,817)
(10,204,027)	(9,840,264)	(11,200,174)	(9,406,863)	(9,726,459)
$ 4,019,824	$ 3,879,065	$ 3,828,141	$ 3,566,153	$ 3,387,323
4,198,742	4,456,828	3,402,360	2,341,421	2,560,938
951,388	992,221	1,024,147	1,078,903	1,126,749
437,747	377,450	379,625	394,345	407,115
398,343	391,991	377,595	390,823	346,077
-	-	-	-	-
902,426	194,162	172,803	325,062	205,581
482,085	454,119	384,997	645,702	676,257
-	-	-	-	(35,491)
587,700	587,700	567,190	587,700	283,100
-	-	-	-	-
-	-	-	-	-
11,978,255	11,333,536	10,136,858	9,330,109	8,957,649
267,593	22,401	31,027	114,352	67,828
1,228	-	16,131	5,286	1,916
(587,700)	(587,700)	(567,190)	(587,700)	(283,100)
-	-	-	-	-
(318,879)	(565,299)	(520,032)	(468,062)	(213,356)
11,659,376	10,768,237	9,616,826	8,862,047	8,744,293
1,400,169	880,038	(716,604)	289,803	(580,993)
55,180	47,935	(866,744)	(834,619)	(401,173)
$ 1,455,349	$ 927,973	$ (1,583,348)	$ (544,816)	$ (982,166)

CITY OF LA PALMA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
June 30, 2024
(Modified Accrual Basis of Accounting)

	Fiscal Year				
	2024	2023	2022	2021	2020
General Fund:					
Nonspendable	$ 47,565	$ 24,873	$ 17,151	$ 32,012	$ 52,310
Committed	7,953,982	7,954,834	6,248,205	6,155,769	6,117,468
Assigned	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Unassigned	8,931,640	6,083,172	6,230,765	3,325,005	1,488,985
Total General Fund	$ 18,433,187	$ 15,562,879	$ 13,996,121	$ 11,012,786	$ 9,158,763
All Other Governmental:					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted	8,417,714	7,967,504	7,571,047	7,383,488	7,581,049
Assigned	8,091,712	8,715,089	8,647,192	9,221,379	10,288,908
Unassigned	-	-	-	-	-
Total All Other Governmental Funds	$ 16,509,426	$ 16,682,593	$ 16,218,239	$ 16,604,867	$ 17,869,957

Source: City of La Palma Finance Department

Fiscal Year				
2019	2018	2017	2016	2015
$ 735,699	$ 823,266	$ 868,516	$ 945,685	$ 1,068,724
5,669,364	5,301,863	5,213,714	10,228,814	10,246,885
250,000	250,000	250,000	250,000	250,000
3,355,285	2,097,144	4,894,542	988,583	673,140
$ 10,010,348	$ 8,472,273	$ 11,226,772	$ 12,413,082	$ 12,238,749
$ -	$ -	$ -	$ -	$ -
5,836,999	1,796,825	1,412,516	1,522,074	1,054,006
6,661,163	6,381,098	6,008,589	6,535,427	5,882,836
-	-	-	-	-
$ 12,498,162	$ 8,177,923	$ 7,421,105	$ 8,057,501	$ 6,936,842

CITY OF LA PALMA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
Fiscal Year Ended June 30, 2024
(Modified Accrual Basis of Accounting)

	Fiscal Year				
	2024	2023	2022	2021	2020
Revenues:					
Taxes	$ 12,142,109	$ 11,163,477	$ 11,101,945	$ 9,877,128	$ 9,265,156
Intergovernmental	1,792,899	2,214,441	3,784,738	4,242,282	1,687,759
Licenses and permits	518,965	464,984	392,109	407,482	410,233
Fines and forfeitures	142,148	161,878	101,574	73,819	91,382
Investment income	1,704,603	1,015,295	(613,117)	163,876	904,257
Charges for services	571,328	682,444	467,026	224,124	355,616
Rental income	570,000	547,338	505,630	482,788	428,492
Developer contributions	-	-	-	-	-
Miscellaneous	166,157	380,286	92,327	244,078	368,782
Total revenues	17,608,209	16,630,143	15,832,232	15,715,577	13,511,677
Expenditures:					
Current:					
General government	4,295,286	4,267,663	3,563,834	3,871,663	3,610,483
Public safety	5,759,423	5,693,502	5,507,510	5,331,743	5,356,176
Public works	1,461,190	1,485,991	1,559,430	1,363,484	1,151,060
Recreation	1,251,784	1,210,297	1,103,534	851,738	971,741
Community development	979,352	855,273	768,455	1,298,461	693,807
Capital outlay	2,163,447	2,127,380	1,392,162	3,056,155	936,431
Debt service:					
Principal	131,033	-	-	-	-
Interest	6,201	-	-	-	-
Total expenditures	16,047,716	15,640,106	13,894,925	15,773,244	12,719,698
Excess (deficiency) of revenues over (under) expenditures	1,560,493	990,037	1,937,307	(57,667)	791,979
Other financing sources (uses):					
Proceeds from debt issuance	349,301	-	-	-	-
Transfers in	1,216,719	1,461,010	1,059,400	1,696,600	5,659,938
Transfers out	(429,372)	(419,935)	(400,000)	(1,050,000)	(2,325,938)
Total other financing sources (uses)	1,136,648	1,041,075	659,400	646,600	3,334,000
Net change in fund balances	$ 2,697,141	$ 2,031,112	$ 2,596,707	$ 588,933	$ 4,125,979
Debt service as a percentage of noncapital expenditures	0.9%	0.0%	0.0%	0.0%	0.0%

Source: City of La Palma Finance Department

	Fiscal Year			
2019	2018	2017	2016	2015
$ 10,013,699	$ 10,105,969	$ 9,019,061	$ 7,771,645	$ 7,828,202
1,704,439	1,580,135	1,870,109	1,019,793	1,199,085
366,063	340,730	492,885	373,165	357,911
83,110	92,271	94,945	148,689	144,972
737,327	191,762	170,351	346,903	214,417
495,742	501,869	584,070	607,852	560,932
453,990	313,674	223,946	221,162	162,640
-	-	55,380	-	-
320,303	439,584	446,264	500,684	539,168
14,174,673	13,565,994	12,957,011	10,989,893	11,007,327
3,573,688	6,107,362	5,821,722	2,908,327	1,427,946
5,113,435	4,661,073	4,528,390	4,554,392	5,217,677
1,842,876	1,468,497	1,778,180	1,058,134	892,162
1,115,168	1,007,642	994,227	1,060,438	1,327,032
578,632	632,501	699,040	674,607	781,261
346,738	2,274,300	1,545,858	445,185	2,022,652
-	-	-	-	-
126,779	-	-	-	-
12,697,316	16,151,375	15,367,417	10,701,083	11,668,730
1,477,357	(2,585,381)	(2,410,406)	288,810	(661,403)
-	-	-	-	-
1,009,932	1,490,318	960,022	1,615,182	1,628,287
(422,232)	(902,618)	(372,322)	(609,000)	(1,870,613)
587,700	587,700	587,700	1,006,182	(242,326)
$ 2,065,057	$ (1,997,681)	$ (1,822,706)	$ 1,294,992	$ (903,729)
1.0%	0.0%	0.0%	0.0%	0.0%

CITY OF LA PALMA
Net Taxable Assessed Value of Taxable Property
Last Ten Fiscal Years
Fiscal Year Ended June 30, 2024

Fiscal Year	Secured Value	Public Utility	Unsecured Value	Total Assessed Value	Direct Rate
2015	$ 1,763,629,394		$ 64,749,862	$ 1,828,379,256	0.11949%
2016	1,839,351,962		64,949,347	1,904,301,309	0.11949%
2017	1,916,024,438		81,204,198	1,997,228,636	0.11948%
2018	1,974,960,893		70,525,095	2,045,485,988	0.11950%
2019	2,075,873,988	370,260	65,386,582	2,141,630,830	0.12385%
2020	2,152,829,525	370,260	64,706,960	2,217,906,745	0.12369%
2021	2,241,588,642	370,260	55,880,793	2,297,839,695	0.12362%
2022	2,316,211,863	370,260	69,843,345	2,386,425,468	0.12343%
2023	2,427,275,063	333,234	65,079,242	2,492,687,539	0.12344%
2024	2,538,418,455	333,234	81,958,454	2,620,710,143	0.12344%

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 reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed 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 Orange Assessor's Office, Combined Tax Roll, as reported in the "HDL 2022-23 ACFR Statistical Reports," Assessed Value of Taxable Property tables.

CITY OF LA PALMA
Direct and Overlapping Property Tax Rates
(Per $100 of Assessed Valuation)
Last Ten Fiscal Years
Fiscal Year Ended June 30, 2024

		Overlapping Rates (Note 2)								
Fiscal Year	Basic Levy (Note 1)	Anaheim Union High School District Bonds	Buena Park School District Bonds	Centralia School District Bonds	Cypress School District Bonds	Fullerton High School District Bonds	Metropolitan Water District Bonds	North O.C. Joint Community College District Bonds	Total Direct and Overlapping Tax Rates	Total Direct Rate (Note 3)
2015	1.00000	0.02412	0.04793	0.02486	0.02303	0.01338	0.00350	0.01704	1.15386	0.1195%
2016	1.00000	0.04948	0.01628	0.02319	0.02461	0.01232	0.00350	0.03043	1.15981	0.1195%
2017	1.00000	0.04259	0.03570	0.02665	0.02360	0.02819	0.00350	0.02885	1.18908	0.1195%
2018	1.00000	0.02211	0.03455	0.04651	0.03082	0.02994	0.00350	0.02927	1.19670	0.1195%
2019	1.00000	0.04244	0.03034	0.04208	0.02951	0.02901	0.00350	0.02829	1.20517	0.1239%
2020	1.00000	0.03968	0.03593	0.04771	0.02957	0.02779	0.00350	0.02409	1.20827	0.1237%
2021	1.00000	0.03971	0.03396	0.04801	0.03321	0.02856	0.00350	0.03198	1.21893	0.1236%
2022	1.00000	0.03804	0.04206	0.04733	0.03045	0.02599	0.00350	0.02877	1.21614	0.1234%
2023	1.00000	0.03016	0.02907	0.05011	0.03202	0.02589	0.00350	0.02778	1.19853	0.1234%
2024	1.00000	0.03164	0.03605	0.04974	0.03085	0.02442	0.00350	0.01715	1.19335	0.1234%

Notes

Note 1: In 1978, the voters of the State of California passed Proposition 13 which set the property tax rate at a 1% fixed amount. This 1% is shared by all taxing agencies for which the subject property resides within. In addition to the 1% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds. The City receives only a portion of this basic 1% levy.

Note 2: Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

Note 3: Because basic and overlapping rates vary by tax rate area, individual rates cannot be summed. The Total Direct Rate is the weighted average of all individual direct rates applied by the City.

Source: County of Orange Assessor's Office, Tax Rate Table, as reported in "HDL ACFR Statistical Reports," Direct and Overlapping Property Tax Rates table.

CITY OF LA PALMA
Top Ten Property Tax Payers
Current Year and Ten Years Ago
Fiscal Year Ended June 30, 2024

	2024			2015		
Property Owner's Name	Assessed Value	Rank	Percentage of Net AV	Assessed Value	Rank	Percentage of Net AV
73 LPCP6 Owner LLC	$ 107,438,013	1	4.10%			
Casa La Veta Associates	32,873,762	2	1.25%	$ 13,552,465	9	0.74%
ADP Inc	26,403,695	3	1.01%	19,963,986	5	1.09%
Falcon SoCal LLC	26,140,046	4	1.00%			
La Palma Paper	24,831,962	5	0.95%	21,075,081	4	1.15%
Aishan La Palma LLC	23,551,843	6	0.90%			
LRF2 Los Angeles Logistics	15,126,804	7	0.58%			
Rexford Industrial 5593 Fresca LLC	15,010,827	8	0.57%			
Precision Cutting Tools	13,727,193	9	0.52%			
183rd La Palma Investors	12,880,593	10	0.49%			
Realty Associates Fund IX				86,602,244	1	4.74%
Kaiser Foundation Health Plan Inc				29,804,041	2	1.63%
Prime Healthcare La Palma LLC				24,542,454	3	1.34%
Bre LQ Properties				19,733,747	6	1.08%
Dexus SoCal LLC				18,836,822	7	1.03%
Huntington-Humboldt				14,347,759	8	0.78%
AL US LaPalma II Senior Hsg				12,980,986	10	0.71%
	$ 297,984,738		11.37%	$ 261,439,585		14.29%

The amounts shown above include assessed value data for both the City of La Palma and the Successor Agency to the dissolved La Palma Community Development Commission.

Source: County of Orange Assessor's Office, Combined Tax Rolls and the SBE Non-Unitary Tax Roll, as reported in the "HDL ACFR Statistical Reports," Top Ten Property Taxpayers table.

CITY OF LA PALMA
Property Tax Levies and Collections
Last Ten Fiscal Years
Fiscal Year Ended June 30, 2024

Fiscal Year	Tax Levy	Amount Collected [1]
2015	$ 3,609,060	$ 3,609,060
2016	3,756,941	3,756,941
2017	3,533,955	3,533,955
2018	3,642,572	3,642,572
2019	3,798,552	3,798,552
2020	3,922,946	3,922,946
2021	4,070,172	4,070,172
2022	4,209,618	4,209,618
2023	4,481,396	4,481,396
2024	4,657,510	4,657,510

The amounts presented before the January 2012 dissolution of the Redevelopment Agency include City property taxes and the Community Development Commissions tax increment. This schedule also includes amounts collected and passed-through to other agencies.

2016 includes the final payment of the triple-flip.

(1) Through an agreement with the County of Orange, effective for the fiscal years beginning in 1994, the City of La Palma will receive 100% of its property tax levy in the current fiscal year. This is known as being on the "Teeter Plan" for property tax apportionments.

Source: County of Orange Auditor-Controller

CITY OF LA PALMA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Fiscal Year Ended June 30, 2024

Fiscal Year	Bonded Debt	Population	Debt Per Capita	Bonded Debt Per Capita	Bonded Debt as a Percentage of Personal Income
2014	$ -	15,890	$ -	$ -	-
2015	-	16,057	-	-	-
2016	-	15,984	-	-	-
2017	-	15,948	-	-	-
2018	-	15,820	-	-	-
2019	-	15,492	-	-	-
2020	-	15,442	-	-	-
2021	-	15,332	-	-	-
2022	-	15,332	-	-	-
2023	-	15,071	-	-	-

Sources: State of California Finance Department (population information), as reported in the "HDL ACFR Statistical Reports", Demographic and Economic Statistics and City of La Palma Finance Department (long-term amortization table, outstanding debt)

CITY OF LA PALMA
Direct Govermental and Overlapping Bonded Debt
As of June 30, 2024

2023-24 Assessed Valuation: $ 2,620,710,143

	Total Debt 6/30/2024	% Applicable (1)	City's Share of Debt 06/30/24
Direct Debt:			
City of La Palma Financed Purchase Obligations	$ 275,451	100.000%	$ 275,451
Total Direct Debt			275,451
Overlapping Tax and Assessment Debt			
Metropolitan Water District	18,210,000	0.068%	$ 12,383
North Orange County Joint Community College District	291,560,678	1.533%	4,469,625
Anaheim Union High School District	229,078,955	3.001%	6,874,659
Fullerton Joint Union High School District	177,700,000	1.802%	3,202,154
Buena Park School District	61,297,460	8.801%	5,394,789
Centralia School District	43,507,443	16.292%	6,783,874
Cypress School District	31,789,042	7.642%	2,429,319
Total Overlapping Tax and Assessment Debt			$ 29,166,803
Overlapping General Fund Debt:			
Orange County General Fund Obligations	440,385,000	0.341%	$ 1,501,713
Orange County Pension Obligation Bonds	10,030,000	0.341%	34,202
North Orange County ROP Certificates of Participation	7,350,000	1.576%	115,836
Anaheim Union High School District Certificates of Participation	28,320,000	3.001%	849,883
Fullerton Joint Union High School District Certificates of Participation	14,940,000	1.802%	269,219
Cypress School District Certificates of Participation	2,726,000	7.642%	208,321
Total Overlapping Debt			$ 2,979,174
Total Direct Debt			$ 275,451
Total Overlapping Debt			32,145,977
Combined Total Debt			$ 32,421,428 (2)

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, and non-bonded capital lease obligations. Qualified Academy Bonds are included based on principal due at maturity.

Ratios to 2023-24 Assessed Valuation:	
Direct Debt	0.01%
Total Direct and Overlapping Tax and Assessment Debt	1.11%
Combined Total Debt	1.23%

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule shows the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of La Palma. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and therefore responsible for repaying the debt of each overlapping government.

Source: California Municipal Statistics, Inc.

CITY OF LA PALMA
Legal Debt Margin Information
Last Ten Fiscal Years
Fiscal Year Ended June 30, 2024

Fiscal Year	Assessed Value	Debt Limit Percentage	Debt Limit	Total Debt Applicable to Debt Limit	Legal Debt Margin
2015	$ 1,828,379,256	3.750%	$ 68,564,222		$ 68,564,222
2016	1,904,301,309	3.750%	71,411,299		71,411,299
2017	1,997,228,636	3.750%	74,896,074		74,896,074
2018	2,045,485,988	3.750%	76,705,725		76,705,725
2019	2,141,630,830	3.750%	80,311,156		80,311,156
2020	2,217,906,745	3.750%	83,171,503		83,171,503
2021	2,297,839,695	3.750%	86,168,989		86,168,989
2022	2,386,425,468	3.750%	89,490,955		89,490,955
2023	2,492,687,539	3.750%	93,475,783		93,475,783
2024	2,620,710,143	3.750%	98,276,630		98,276,630

Sources: County of Orange Assessor's Office, Combined Tax Roll, as reported in the "HDL ACFR Statistical Reports," Assessed Value of Taxable Property tables.

CITY OF LA PALMA
Demographic and Economic Statistics
Last Ten Calendar Years
Fiscal Year Ended June 30, 2024

Calendar Year	Population	City of La Palma Personal Income (In Thousands)	City of La Palma Per Capita Personal Income	City of La Palma Unemployment Rate
2014	15,890	$ 547,585	$ 34,461	4.1%
2015	16,057	529,385	32,969	3.4%
2016	15,984	546,311	34,178	3.0%
2017	15,948	548,101	34,368	3.3%
2018	15,820	595,442	37,638	2.4%
2019	15,492	627,772	40,522	2.7%
2020	15,442	639,388	41,405	7.8%
2021	15,332	646,793	42,185	3.4%
2022	15,332	654,928	42,716	2.2%
2023	15,071	781,299	51,841	2.5%

Sources: "HDL ACFR Statistical Reports," Demographic and Economic Statistics table.

CITY OF LA PALMA
Operating Indicators by Function
Last Ten Fiscal Years
Fiscal Year Ended June 30, 2024

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Function:										
Public safety:										
Calls for service	14,626	14,525	15,430	15,418	18,643	21,504	19,471	19,344	15,829	13,613
Crime reports	782	869	917	828	885	1,104	1,218	1,409	1,337	968
Arrests	285	314	380	329	406	445	379	420	511	266
Traffic citations	643	789	902	470	955	1,163	636	922	803	898
Parking citations	572	1,645	1,668	1,380	1,026	1,127	1,480	1,506	2,434	1,979
Other citations	-	-	-	-	-	-	-	-	-	24
Public works:										
Traffic signals maintained	21	21	21	21	21	21	21	21	21	21
Infrastructure improvement projects administered	8	12	2	2	5	-	6	5	7	1
Private development plans reviewed	2	6	4	4	10	-	5	5	-	-
Graffiti removal (square feet)	999	344	239	253	237	150	268	453	53	781
Street sweeping (miles/week)	62	62	62	62	62	62	62	62	59	59
Trees pruned	579	419	656	99	314	510	565	633	406	361
Recreation:										
Recreation classes	419	623	720	441	1,098	1,171	1,126	1,100	629	463
Recreation classes enrollment	2,126	3,170	2,738	448	2,308	4,205	4,254	3,600	4,237	3,720
Indoor facility rentals	125	98	50	-	109	146	72	107	92	71
Indoor facility rental hours	521	454	223	-	521	700	628	424	413	380
Outdoor facility rentals	347	322	412	62	225	514	192	251	376	498
Outdoor facility rental hours	989	966	1,165	133	677	2,260	972	741	971	1,242
Community Development:										
Planning entitlements processed	6	183	201	24	24	30	50	24	164	111
Building permits issued	281	443	483	456	405	489	406	485	497	491
Estimated valuation of building permits (millions)	$ 14	$8.996	$7.368	$7.387	$11.432	$6.546	$4.200	$17.029	$7.500	$7.670
Code enforcement cases	224	137	76	111	117	424	430	533	174	249
Water:										
Average monthly consumption per household (cubic feet)**	1,365	1,679	1,623	1,735	1,665	987	992	1,862	908	1,800
Customer accounts	4,473	4,370	4,369	4,368	4,371	4,369	4,138	4,133	4,337	4,331
Water samples taken	620	2,596	1,938	2,265	2,446	2,125	3,060	2,299	2,924	2,448

** State-mandated Stage 2 drought restrictions for 2016. Residential Consumption based on average 4,150 single family residential accounts. Multi-family and high-density accounts are not reflected in calculation due to limited data availability in billing software used.

Source: City of La Palma, respective Departments

CITY OF LA PALMA
Capital Assets Statistics by Function
Last Ten Fiscal Years
Fiscal Year Ended June 30, 2024

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Function:										
Public safety:										
Police stations	1	1	1	1	1	1	1	1	1	1
Public works:										
Streets (miles)	31	31	31	31	31	31	31	31	31	31
Streetlights	972	972	972	972	972	972	972	972	972	972
Traffic signals	18.5	18.5	18.5	18.5	18.5	18.5	18.5	18.5	18.5	18.5
Recreation:										
Community centers	1	1	1	1	1	1	1	1	1	1
Parks	2	2	2	2	2	2	2	2	2	2
Water:										
Water mains (miles)	38	38	38	38	38	38	38	38	38	38
Maximum daily capacity (millions of gallons)	2.65	2.65	2.65	2.65	2.65	2.65	2.65	2.65	2.65	2.65
Fire hydrants	343	343	343	343	343	343	343	343	343	343
Water wells	2	2	2	2	2	2	2	2	2	2
Storage capacity (millions of gallons)	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Reservoirs	2	2	2	2	2	2	2	2	2	2
Wastewater:										
Sanitary sewers (miles)	28	28	28	28	28	28	28	28	28	28
Storm drains (miles)	5	5	5	5	5	5	5	5	5	5
Manholes	631	631	631	631	631	631	631	631	631	631

Source: City of La Palma, respective Departments

CITY OF LA PALMA
Principal Employers
Current Year and Ten Years Ago
Fiscal Year Ended June 30, 2024

	2024		2015	
Employer	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
ADP Inc.	527	13.37%	600	8.21%
La Palma Intercommunity Community Hospital	395	10.02%	360	4.93%
Applecare Medical Group	278	7.05%		
Arcadia	179	4.54%	150	2.05%
Beacon Day School	147	3.73%		
Walmart Stores	95	2.41%		
Quiet Logistics	87	2.21%		
Sunrise Assisted Living	78	1.98%		
C J Foods USA	75	1.90%		
Lotte Chemical California, Inc	73	1.85%		
C and D Zodiac			415	5.68%
Performance Machine Inc.			178	2.44%
Anahiem Union High School District			157	2.15%
Kaiser Healthplan			155	2.12%
Unisource Worlwide			152	2.08%
Kellogg's Snacks			110	1.51%
Tesoro			90	1.23%
	1,934	49.06%	2,367	32.4%

Source: City of La Palma Business Licenses

CITY OF LA PALMA
Full-time Budgeted Positions by Function
Last Ten Fiscal Years
Fiscal Year Ended June 30, 2024

Fiscal Year	General Government/ Administrative Services	Public Safety	Public Works	Recreation	Community Development	Water	Total
2015	6.50	29.00	5.00	4.30	3.00	7.20	55.00
2016	7.60	27.00	4.15	4.25	3.00	6.03	52.03
2017	8.00	27.00	2.40	4.30	3.00	7.30	52.00
2018	6.55	28.00	4.30	3.50	3.23	7.43	53.01
2019	8.00	29.00	3.92	3.50	2.00	6.58	53.00
2020	6.65	29.00	4.30	3.50	2.00	7.43	52.88
2021	8.00	29.00	3.60	4.00	2.00	6.40	53.00
2022	8.00	29.00	3.60	4.00	2.00	6.40	53.00
2023	8.00	29.00	3.60	4.00	2.00	6.40	53.00
2024	8.00	29.00	3.60	4.00	2.00	6.40	53.00

Source: City of La Palma Finance Department

City of La Palma
Agenda Item No. 5

MEETING DATE:	January 14, 2025
TO:	City Council
FROM:	City Manager
SUBMITTED BY:	Ryan Hallett, Assistant City Manager
AGENDA TITLE:	First Quarter Operating Report, Fiscal Year 2024-25

RECOMMENDED ACTION:

It is recommended that the City Council receive and file the First Quarter Operating Report, Fiscal Year 2024-25.

BACKGROUND:

Staff is presenting a report to Council and the public on the state of the City's finances. This report provides the following information:

1. A snapshot of the City's spendable fund balances at September 30, 2024, as well as the fiscal year-to-date change in spendable fund balances.

2. A review of the General Fund's revenue and expenditures through the first quarter of the fiscal year (25% of the year as of September 30, 2024).

For the quarterly report, no quarter-end accruals are recorded. Except at fiscal year-end when accruals are recorded in accordance with accounting standards, revenue is essentially reported when cash is received and expenditures are essentially reported when cash payments are made. Many revenue and expenditure transactions do not occur at uniform times or at equal intervals throughout the year. Consequently, although transactions through the first quarter represent 25% of the fiscal year, not all line items will be at 25% of the budget as of the end of the quarter.

Making sense of the information presented herein requires consideration of the cash flow factors of major revenues and expenditures. For instance, while expenditure outflows for normal operations tend to be relatively even, the cash flow timing of capital expenditures and major revenues such as property taxes are not distributed as evenly.

SUMMARY:

The intent of this financial summary is to provide an understanding of the changes in spendable fund balance. Spendable fund balance is calculated as cash, investments, and other current assets, less current liabilities. Attached for review are the following summary schedules through the end of the quarter:

- Schedule of General Fund Revenues by Type
- Schedule of General Fund Expenditures by Department
- Schedule of General Fund Expenditures by Category
- Schedule of Spendable Fund Balances by Fund

The City's overall spendable fund balance has decreased by $3.4 million from the beginning of the fiscal year from $42.5 million to $39.1 million at September 30, 2024. As explained further in the following section, this reduction in spendable fund balance is consistently reported in the first quarter of each fiscal year and is essentially a result of cash flow timing for major revenue sources and a few expenditures. This net decrease is accounted for as follows:

- General Fund decreased by $3.0 million
- Special Revenue Funds increased by $0.1 million
- Internal Service Funds decreased by $0.5 million

The Capital Projects, Water, and Sewer Funds had only nominal changes.

The remainder of the financial review will discuss the General Fund's revenues and expenditures and then will report on the activity in the other funds.

General Fund

As shown in the attached charts, General Fund revenues totaled $1.7 million (12% of the budget) while expenditures totaled $4.3 million (30% of the budget) through September 30, 2024. This results in a net shortfall of revenues under expenditures of $2.6 million, which accounts for the majority of the reduction in spendable fund balance. The remaining difference is due to transferring $0.4 million to other funds, as budgeted. Similarly, the prior year had a net revenue shortfall of $2.5 million, where revenues totaled $1.5 million (9% of the year's total revenue) and expenditures totaled $4.0 million (31% of the year's expenditures).

<u>Revenues</u>
Total General Fund revenues are at 12% of the budget through the end of the first quarter. This is not unusual since the largest component of General Fund revenues is property taxes, and the first major distribution of property tax receipts is scheduled during the second quarter. Following is a discussion of the four largest General Fund revenue sources: property tax, sales tax, transaction and use tax, and utility users tax. Together, these four revenues account for approximately 70% of the General Fund's revenue budget.

- <u>Property Tax</u>: The General Fund's largest revenue source, property tax, has $58,000 of revenue recorded through September 30 (1% of the $4.8 million budget). This is similar to the prior year's receipt pattern – by the end of the first quarter of FY 2023-24, the City had received $51,000. The property tax line item includes secured and unsecured property taxes (budgeted at $2.9 million) as well as the property tax in lieu of vehicle license fees (budgeted at $1.9 million). Secured property tax payments are distributed in four main payments with estimated distributions of 40% in November/December during the second quarter, 10% in January/March during the third quarter, 40% in April/May during the fourth quarter, and the final cleanup distribution at the end of the fiscal year. Property tax payments in lieu of vehicle license fees are received in two installments: 50% is distributed in January during the third quarter and the remaining 50% is distributed in May during the fourth quarter.

- Transaction & Use Tax: The transaction and use tax is the second largest budgeted revenue source. There is revenue of $176,000 recorded through September 30 (8% of the $2.3 million budget). These receipts follow the same payment track as sales tax. Receipts lag by two to three months, and much of the transaction and use tax payments received during this first quarter were recorded as prior year revenue. Current year revenues are higher than in the prior year where the revenue recorded through the end of the first quarter was $38,000, which was 2% of the total fiscal year's revenue.

- Sales Tax: The third largest budgeted revenue source, sales tax, has $206,000 recorded through September 30 (11% of the $1.8 million budget). Sales tax receipts always lag by two to three months, and consequently, much of the actual sales tax payments received during the quarter were recorded as prior year revenue. Current year revenues are slightly higher than at the end of the prior year's first quarter, where the revenue recorded was $118,000 which was 5% of the total fiscal year's revenue.

- Utility Users Tax: The fourth largest budgeted revenue source is utility users tax. Payments received through September 30 total 24% of budget at $263,000. This is higher than the $208,000 revenue that was reported through the first quarter of the prior year, which was 18% of the total fiscal year's revenue.

Other notable revenues are as follows:

- Residual Property Tax: This represents money distributed to the City from the County as a result of the State's dissolution of redevelopment agencies in 2011. Minimal revenue has been recorded through September 30. The main distributions typically occur in December and June each year.

- Transient Occupancy Tax: No revenue has been recorded through September 30 as this payment is received on a quarterly basis in the month following the quarter's end. The payment for the first quarter is received during the second quarter each year.

- Licenses and Permits: Through September 30, $203,000 has been collected, which is 46% of the budget. The City collects approximately 80% of its business license revenue during the first half of the fiscal year, accounting for the proportionately high actual versus budgeted percentage in this category.

- Use of Money and Property: Total revenue recorded through September is $365,000 (52% of the $699,000 budget). This category is comprised of the senior housing lease, miscellaneous rental income, and investment income. Most of the first quarter's revenue is from the $219,000 annual payment received on the senior housing lease. Miscellaneous rental income totals $36,000 and investment income totals $110,000 through September 30.

Until investments are sold, any difference between market and book value is an unrealized gain or loss; only at year-end are the unrealized gains or losses recorded as part of interest revenue. At June 30, 2024, the City recorded an unrealized loss of $168,000, a net change of $867,000 from the unrealized loss of $1.035 million at June 30, 2023. At September 30, 2024, the unrecorded, unrealized gain on investments for the actively managed investment portfolio was $378,000.

Expenditures

The General Fund's expenditures total $4.3 million through September 30 (30% of the $14.2 million budget). In comparison, the prior year's expenditures totaled $4.0 million (31% of the $13.0 million annual expenditures) through the end of the first quarter. Following is a general discussion of each General Fund department:

- The Management Services Department is comprised of the divisions for City Council, City Manager, Legal Services, and City Clerk. The budget for this department totals $1.2 million, and expenditures through the first quarter total $197,000, 17% of the budget. In comparison, the prior year's first-quarter expenditures totaled $190,000 which were 18% of the year's total expenditures.

- The Administrative Services Department is comprised of the divisions for Administration, Fiscal Services, Human Resources, and Technology and Communications. The budget for this department totals $3.8 million, and expenditures through the first quarter total $2.3 million. Expenditures are at 62% of the budget which is similar to the prior year's first-quarter expenditures of $2.0 million which were 57% of the year's total expenditures. The costs are proportionately high through the end of the first quarter due to making the required annual payment for the City's unfunded pension obligation early in the year.

- The Police Department has an expenditure budget of $6.1 million. As of September 30, expenditures totaled $1.2 million, which is 19% of the budget. In comparison, the prior year's first-quarter expenditures totaled $1.1 million which were 21% of the year's total expenditures.

- The Public Works & Community Services Department covers a wide range of services that are provided to the citizens including Health & Wellness, Recreation Facility Operations, Special Events, Youth and Family Services, Citywide Maintenance, Engineering, Parks & Medians, and Street Maintenance divisions. This department has a budget of $2.5 million, and expenditures through the first quarter total $469,000 which is 19% of the budget. In comparison, the prior year's first-quarter expenditures totaled $544,000 which were 23% of the year's total expenditures.

- The Community Development Department accounts for the Building and Safety, Code Enforcement, and Planning divisions. This department has a budget of $648,000, and expenditures through the first quarter total $120,000 which is 18% of the budget. In comparison, the prior year's first-quarter expenditures of $106,000 were 17% of the year's total expenditures.

Special Revenue Funds

The Special Revenue Funds consist of funds with revenue sources that are restricted by outside parties to specific types of expenditures. The revenues consist of remittances of state gas taxes, County Measure M taxes, grants, South Coast Air Quality funding, park development fees, housing-related sources, and other similar remittances.

The spendable fund balance increased by a net of $111,000 mainly due to payments received from state and county street-related funding sources in advance of work being done. These increases are offset by pending reimbursement of law enforcement grant expenditures.

Capital Outlay Reserve Fund

The City's capital improvement program is for multi-year projects that improve City facilities, buildings, grounds, streets, parks, and roads. The Capital Outlay Reserve Fund accumulates monies for funding of projects that are not able to be funded by other sources such as gas tax, Measure M, RMRA, or park development funds. Through the end of the first quarter, the City has charged $834,000 to capital projects, with the majority being spent on median rehabilitation and park projects. Increases to spendable fund balance offset these expenditures and are mainly due to receiving a payment on the long-term advance made to other funds as well as receiving budgeted transfers from the General Fund. The spendable fund balance increased by a net of $28,000.

Water & Sewer Funds

The Water Fund began the year with a spendable fund balance of $3.6 million which has been reduced by $139,000 to $3.5 million at September 30. Due to the timing of recording revenues and expenses, revenues lag by one to two months during the year. The water fund's revenues are at 7% of the budget while expenditures are at 8% of the budget through September 30. Consequently, the spendable fund balance has decreased nominally during the first quarter.

The Sewer Fund had an increase of $90,000 in spendable fund balance, with an ending spendable fund balance of $4.5 million at September 30. The sewer fund follows the same pattern as the Water Fund for the timing of recording revenues and expenses. The sewer fund's revenues are at 11% of the budget while expenditures are at 5% of the budget through September 30. Consequently, the spendable fund balance has increased nominally during the first quarter.

Internal Service Funds

The Internal Service Funds began the year with a spendable fund balance of $4.7 million which decreased to $4.2 million at September 30. The majority of the activity in the Internal Service Funds occurs in the Risk Management/Insurance Fund, and the reduction in the spendable fund balance is mainly due to the annual insurance payments for workers' compensation, property, and general liability coverage which are due at the beginning of the fiscal year.

FISCAL IMPACT:

None.

ATTACHMENTS:

1. General Fund Revenues by Type
2. General Fund Expenditures by Department
3. General Fund Expenditures by Category
4. Spendable Fund Balance by Fund

Attachment 1

FIRST QUARTER FINANCIAL REPORT, FISCAL YEAR 2024-25
GENERAL FUND REVENUES BY TYPE
QUARTER ENDING SEPTEMBER 30, 2024

	FY 2024-25				FY 2023-24			Q1 Variance FY 2024-25 to FY 2023-24 Increase / <Decrease>
Revenue Type	**Adopted Budget**	**Amended Budget**	**Year-to-Date Actual through 9/30/2024 (25% of FY)**	**Q1 Actual as a % of Budget**	**Prior Year Actual Annual Revenue**	**Prior YTD Actual through 9/30/2023 (25% of FY)**	**Q1 Actual as a % of Annual Revenue**	
Property Tax	$ 4,807,000	$ 4,807,000	$ 58,387	1%	$ 4,724,473	$ 50,786	1%	$ 7,601
Sales Tax	1,834,300	1,834,300	205,654	11%	2,506,151	118,154	5%	87,500
Transaction & Use Tax	2,293,800	2,293,800	175,632	8%	2,230,800	38,212	2%	137,420
Utility Users Tax	1,100,000	1,100,000	262,896	24%	1,183,337	207,598	18%	55,298
Residual Property Tax	331,000	331,000	31	0%	326,446	-	0%	31
Franchise Fees	439,000	439,000	26,888	6%	524,795	45,567	9%	(18,679)
Transient Occupancy Tax	600,000	600,000	-	0%	646,108	-	0%	-
Licenses and Permits	438,500	438,500	202,873	46%	518,965	231,748	45%	(28,875)
Intergovernmental	15,000	15,000	1,671	11%	45,113	16,212	36%	(14,541)
Charges for Services	554,400	554,400	145,959	26%	571,328	152,279	27%	(6,320)
Fines and Forfeitures (Note 2)	100,100	100,100	10,159	10%	142,148	88,289	62%	(78,130)
Use of Money and Property (Note 1)	699,000	699,000	365,347	52%	1,220,478	277,571	23%	87,776
Other Revenue	244,200	244,200	68,095	28%	684,198	81,037	12%	(12,942)
Interfund Charges	783,000	783,000	195,725	25%	782,900	195,725	25%	-
Total Revenues	**$ 14,239,300**	**$ 14,239,300**	**$ 1,719,317**	**12%**	**$ 16,107,240**	**$ 1,503,178**	**9%**	**$ 216,139**

Note 1: The City typically holds investments rather than realizing gains or losses by selling before maturity; at year-end, the unrealized gain or loss is recorded against interest revenue. For fiscal year 2023-24, the City recorded an unrealized loss of $167,954, a net change of $867,563 from the unrealized loss at 6/30/23 of $1,035,517. At September 30, 2024, the unrealized gain on investments for the actively managed investment portfolio was $377,885.

Note 2: In Sept 2023, the City received an unusually large distribution from the County due to an arrestee's bond forfeiture.

Attachment 2

FIRST QUARTER FINANCIAL REPORT, FISCAL YEAR 2024-25
GENERAL FUND EXPENDITURES BY DEPARTMENT
QUARTER ENDING SEPTEMBER 30, 2024

	FY 2024-25				FY 2023-24			Q1 Variance
Department	Adopted Budget	Amended Budget	Year-to-Date Actual through 9/30/2024 (25% of FY)	Q1 Actual as a % of Amended Budget	Prior Year Actual Annual Expenditures	Prior YTD Actual through 9/30/2023 (25% of FY)	Q1 Actual as a % of Annual Expenditures	FY 2024-25 to FY 2023-24 Increase / <Decrease>
General Government	$ 1,184,100	$ 1,184,100	$ 197,365	17%	$ 1,081,522	$ 189,922	18%	$ 7,443
Administrative Services	3,760,700	3,760,700	2,347,491	62%	3,613,078	2,044,967	57%	302,524
Police	6,135,600	6,135,600	1,154,048	19%	5,258,011	1,084,135	21%	69,913
Community Services	2,515,200	2,515,200	468,878	19%	2,368,667	544,422	23%	(75,544)
Community Development	648,000	648,000	119,826	18%	635,760	106,187	17%	13,639
Total	**$ 14,243,600**	**$ 14,243,600**	**$ 4,287,608**	**30%**	**$ 12,957,038**	**$ 3,969,633**	**31%**	**$ 317,975**

Attachment 3

FIRST QUARTER FINANCIAL REPORT, FISCAL YEAR 2024-25
GENERAL FUND EXPENDITURES BY CATEGORY
QUARTER ENDING SEPTEMBER 30, 2024

	FY 2024-25				FY 2023-24			Q1 Variance
Expenditure Type	Adopted Budget	Amended Budget	Year-to-Date Actual through 9/30/2024 (25% of FY)	Q1 Actual as a % of Amended Budget	Prior Year Actual Annual Expenditures	Prior YTD Actual through 9/30/2023 (25% of FY)	Q1 Actual as a % of Annual Expenditures	FY 2024-25 to FY 2023-24 Increase / <Decrease>
Personnel Services	$ 9,190,200	$ 9,190,200	$ 3,410,369	37%	$ 7,996,439	$ 3,015,181	38%	$ 395,188
Maintenance and Operations	5,042,400	5,042,400	876,275	17%	4,598,400	951,993	21%	(75,718)
Capital Outlay/Improvements	11,000	11,000	964	9%	362,199	2,459	1%	(1,495)
Total	**$ 14,243,600**	**$ 14,243,600**	**$ 4,287,608**	**30%**	**$ 12,957,038**	**$ 3,969,633**	**31%**	**$ 317,975**

Attachment 4

FIRST QUARTER FINANCIAL REPORT, FISCAL YEAR 2024-25
SPENDABLE FUND BALANCE - FISCAL YEAR CHANGE
THROUGH THE QUARTER ENDING SEPTEMBER 30, 2024

Fund #	Fund Title	Balance 6/30/2024	Balance 9/30/2024	FY Change through 9/30/2024
1	General Fund	$ 6,913,922	$ 3,945,632	$ (2,968,290)
3	Emergency Reserve Fund	7,767,700	7,767,700	-
5	Economic Development Fund	186,282	186,282	-
17	General Fund Budget Reserves	3,565,284	3,587,294	22,010
	Subtotal General Funds	**18,433,188**	**15,486,908**	**(2,946,280)**
10	Road Maintenance & Rehabilitation Account (RMRA)	$ 1,314,152	$ 1,357,429	43,277
11	Streets Fund	253,647	283,705	30,058
12	Measure M2	619,868	679,924	60,056
15	Air Quality Fund	274,809	276,484	1,675
16	PEG Fund	386,645	393,491	6,846
20	Asset Seizure Fund	37,868	35,514	(2,354)
21	Public Safety Augmentation Fund	384,260	375,526	(8,734)
22	Supplemental Law Enforcement Fund	325,620	304,656	(20,964)
23	SVC Authority for Abandoned Vehicles	29,086	29,265	179
24	BSCC Local Law Enforcement Grant	51,291	51,607	316
25	Community Foundation Public Safety Grant	-	(8,609)	(8,609)
33	Park Development Fund	5	5	-
38	SA Housing Entity Fund	1,456,471	1,465,545	9,074
	Subtotal Special Revenue Funds	**5,133,722**	**5,244,542**	**110,820**
35	Capital Outlay Reserve Fund	4,163,911	3,703,834	(460,077)
37	Civic Center Rehabilitation Reserve Fund	1,955,124	2,442,989	487,865
	Subtotal Capital Projects Funds	**6,119,035**	**6,146,823**	**27,788**
50	Water Fund	814,921	405,623	(409,298)
55	Water Capital reserve Fund	2,843,118	3,113,055	269,937
	Subtotal Water Related Funds	**3,658,039**	**3,518,678**	**(139,361)**
52	Sewer Fund	2,051,899	1,954,247	(97,652)
56	Sewer Capital Reserve Fund	2,359,387	2,546,638	187,251
	Subtotal Sewer Related Funds	**4,411,286**	**4,500,885**	**89,599**
60	Risk Management/Insurance	1,228,929	569,947	(658,982)
61	Employee Benefits Fund	325,345	327,353	2,008
62	Building Maintenance & Replacement Fund	57,483	57,838	355
63	Vehicle Replacement Fund	1,926,388	2,020,339	93,951
64	Technology Replacement Fund	1,159,579	1,215,752	56,173
	Subtotal Internal Service Funds Funds	**4,697,724**	**4,191,229**	**(506,495)**
	Total All Funds	**$ 42,452,994**	**$ 39,089,065**	**$ (3,363,929)**

Note: Spendable Fund Balance is defined as cash and current assets less current liabilities.

City of La Palma

Agenda Item No. 6

MEETING DATE:	January 14, 2025
TO:	City Council
FROM:	City Manager
SUBMITTED BY:	Ryan Hallett, Assistant City Manager
AGENDA TITLE:	Resolution Amending the Salary for Part-Time Employees

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RECOMMENDED ACTION:

It is recommended that the City Council adopt the attached Resolution amending salaries for certain part-time positions.

SUMMARY:

The City Council adopted Resolution 2023-43 on December 12, 2023, amending the salary and benefits for part-time employees. Effective January 1, 2025, California's minimum wage increased from $16.00 to $16.50 per hour. As a result, certain part-time positions require salary adjustments to meet the new state minimum wage. The attached Resolution updates the salaries for the affected positions to $16.50 per hour.

FISCAL IMPACT:

At this time, none of the affected positions are currently filled. Therefore, there is no immediate fiscal impact to the City's budget. However, should any of these positions be filled in the future, the salary adjustments outlined in the attached Resolution will ensure compliance with state law.

ATTACHMENTS:

1. Resolution

RESOLUTION NO. 2025-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA PALMA, CALIFORNIA, AMENDING RESOLUTION 2023-43 TO UPDATE THE SALARY SCHEDULE FOR PART-TIME EMPLOYEES IN COMPLIANCE WITH THE STATE MINIMUM WAGE INCREASE

WHEREAS, on December 12, 2023, the La Palma City Council adopted Resolution 2023-43 approving of salary and benefits for part-time employees and rescinding Resolution 2012-49; and

WHEREAS, On August 6, 2024, the La Palma City Council adopted Resolution 2024-29 amending salaries for the Per Diem Dispatcher and Reserve Police Officer positions; and

WHEREAS, effective January 1, 2025, California's minimum wage increased from $16.00 to $16.50 per hour; and

WHEREAS, as a result, certain part-time positions require salary adjustments to meet the new state minimum wage.

NOW, THEREFORE, BE IT RESOLVED that Attachment A to Resolution 2023-43 is hereby replaced with Attachment A to this Resolution, effective January 1, 2025.

APPROVED AND ADOPTED by the City Council of La Palma at a regular meeting on the 14th day of January, 2025.

____
Mark Waldman
Mayor

ATTEST:

____
Kimberly Kenney, CMC
City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS.
CITY OF LA PALMA)

I, KIMBERLY KENNEY, City Clerk of the City of La Palma, California, DO HEREBY CERTIFY that the foregoing Resolution was adopted by the City Council of said City at a regular meeting of said City Council held on the 14th day of January, 2025, and that it was so adopted by called vote as follows:

AYES:

NOES:

____
Kimberly Kenney, CMC
City Clerk

ATTACHMENT A

SALARY SCHEDULE

Effective January 1, 2025							
Title	Step A	Step B	Step C	Step D	Step E	Step F	Step G
Intern	$16.50						
Cashier/Office Aide	$16.50	$17.33	$18.19	$19.10	$20.06		
Code Enforcement Officer	$23.57	$24.74	$25.98	$27.28	$28.65	$30.08	$31.58
Community Liaison Officer	$20.89	$21.93	$23.03	$24.18	$25.39	$26.66	
Information Technologies Technician	$16.50	$17.33	$18.19	$19.10	$20.06		
Park Ranger	$16.50						
Per Diem Dispatcher	$29.91	$31.40	$32.97	$34.62	$36.35	$38.17	
Police Services Aide	$17.00						
Recreation Leader	$16.50	$17.33	$18.19	$19.10	$20.06		
Recreation Specialist	$19.61	$20.59	$21.62	$22.70	$23.84	$25.03	$26.28
Reserve Police Officer	$29.00						
Senior Recreation Leader	$17.83	$18.72	$19.66	$20.64	$21.67		

City of La Palma

Agenda Item No. 7

MEETING DATE: January 14, 2025

TO: City Council

FROM: City Manager

SUBMITTED BY: Andy Ramirez, Public Works & Community Services Director

AGENDA TITLE: Award a Professional Services Agreement to Willdan Financial Services to Prepare a Water and Sewer Rate Study

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RECOMMENDED ACTION:

It is recommended that the City Council:

1. Award a professional services agreement in an amount not to exceed $43,000 to Willdan Financial Services to prepare a Water and Sewer Rate Study;

2. Authorize a 15% contingency for unforeseen needs; and

3. Authorize the City Manager or his designee to execute all required documents.

BACKGROUND:

A water and sewer rate study is a comprehensive analysis to assess operating revenues and ensure that rates cover each utility's operational expenses, capital projects, maintenance, debt services, and financial stability. Other key elements include:

- Regulatory Compliance with local, state, or federal regulations that govern the City's water and sewer systems. This includes but is not limited to increased water quality tests, nearly a dozen detailed monthly water quality reports, quarterly reports, annual reports, consumer confidence reports, adherence to new maximum contaminant levels, and ensuring operators have required certifications to operate, treat, and maintain each utility.

- A Rate Structure to identify the most efficient and effective structure, such as fixed charges and volumetric rates.

- Long-term planning to anticipate adjustments for cost of living and cost of material increases.

- Staffing and compensation for adequate administration and operational coverage 24 hours a day, 7 days a week

In recent years, the cost of operating and maintaining the City's water and sewer systems has risen due to a variety of factors, including increased competition for skilled personnel as other agencies and water districts offer higher salaries and compensation packages. This competitive environment has led to staffing challenges, impacting key operational roles. To ensure the sustainability and reliability of these essential services, the City issued a Request for Proposals (RFP) in the fall of 2024 to conduct a comprehensive water and sewer rate study.

On September 30, 2024, staff posted an RFP for a water and sewer rate study on the City's procurement website, OpenGov. Although a mandatory pre-proposal meeting was scheduled for October 15, no proposers attended, prompting staff to extend the proposal deadline and remove the meeting requirement. Eleven firms reviewed the proposal, and two downloaded the project documents, but only Willdan Financial Services of Temecula, CA, submitted a proposal by the October 24 deadline. Staff reviewed and confirmed Willdan's qualifications and scope of work met the RFP requirements. As the firm conducted the City's last rate study in 2021, their familiarity with the City's operations added value. In compliance with State law for professional service selection, Willdan was determined to be the most qualified firm, with a proposed fee of $42,880. References were positive, supporting the selection decision.

SUMMARY:

The study will encompass the development of a five-year rate schedule for water and sewer services, community outreach efforts, participation in Proposition 218 protest hearings, and presentations to the City Council. This rate study aligns with the City Council's adopted goals to ensure utility fund sustainability and promote water conservation. As part of this process, City staff will also conduct a salary survey and collaborate with Willdan Consulting to integrate its findings into the proposed rates. The scope of work for the water and sewer rate study includes:

1. Develop water and sewer rate structures that will allow the City to meet its financial obligations and ensure long-term stability for the respective Enterprise Funds.

2. Evaluate the results of the salary survey and provide recommendations for staff positions and requirements for funding within the new rate study.

3. Identify and analyze various direct costs as included in the adopted budget for each enterprise fund including overhead costs, personnel, administrative, and operational costs to ensure that all costs of service for each Enterprise Fund are being fully accounted for and are allocated among all customer classes in a fair and equitable manner, consistent with State law.

4. Assess current rate structure performance and cost-of-service allocations as a baseline for recommending changes. Include an assessment of historical revenue, existing customer classifications, and cost of service distribution to existing classifications. Recommend changes that comply with Proposition 218 provisions and all federal, state, and local rules and regulations.

4. Assess current revenue, estimate future revenue, the ability to meet projected revenue requirements based on historical and current budgets, current operational expenses, future system requirements, expected operational changes, and Capital Improvement Plan projects. These projects include the construction of a water treatment plant for iron, manganese, and arsenic; construction of a recycled water infrastructure for City facilities; potential new water well at City Yard; evaluation of long-term maintenance of reservoirs; evaluation of water service replacement and pipeline replacement programs; and possible costs related to additional Orange County Sanitation District costs for wastewater treatment. Inflation, debt

service repayment, reserve balance level increases, and other cash obligations should also be considered.

5. Analyze the effects of increased water conservation on the recommended rate structure and potential impacts on the ability to fund operational and Capital Improvement Plan projects. Analyze how 20% reduction in consumption will impact the revenue and costs of both Enterprise Funds.

6. Develop and propose a new five-year rate structure that includes all fixed costs for service, commodity costs, capital improvement and replacement costs, energy commodity costs, reserve fund appropriations and any proposed classification, tier structure, and alternative rate structures. Any proposed rate structure must be easy to understand and implement.

7. The study shall include the preparation of draft and final reports, presentations to the City Council and up to three (3) community workshops, preparation, and participation in Proposition 218 hearings.

FISCAL IMPACT:

The FY 2024-25 Capital Improvement Plan includes a budget of $100,000 allocated for the water and sewer rate study (055-900-9161-00000). The proposed fee of $42,880 from Willdan Financial Services falls well within the budgeted amount, leaving a remaining balance of $57,120. This ensures sufficient funds are available for any additional contingencies that may arise during the study process.

ATTACHMENTS:

1. Willdan Professional Services Agreement & Fee Schedule- Water Rate Study

AGREEMENT FOR CONSULTANT SERVICES
WILLDAN FINANCIAL SERVICES

THIS AGREEMENT FOR CONSULTANT SERVICES (hereinafter, the "Agreement"), is entered into as of **14th day of January 2025**, by and between the CITY OF LA PALMA, a municipal corporation (hereinafter, the "City"), and **WILLDAN FINANCIAL SERVICES,** (hereinafter, the "Consultant"). The Consultant and the City are hereafter together referred to as the "Parties" and each individually as a "Party."

RECITALS

A. The City requires the services of, and desires to retain, a consultant to perform the services set forth and described in the Scope of Work attached hereto as Exhibit "A" and incorporated herein by this reference (hereinafter, the "Consultant Services").

B. By virtue of the Consultant's expertise, experience, and background, the Consultant is qualified to perform the Consultant Services for and on behalf of the City.

C. The City and the Consultant mutually desire to enter into this Agreement for the provision of the Consultant Services by the Consultant for and on behalf of the City, in accordance with the terms and conditions set forth herein.

EXECUTORY AGREEMENTS

NOW, THEREFORE, in consideration of the facts recited above and the covenants, conditions, and promises contained herein, the City and the Consultant mutually agree as follows:

1. RETENTION AND DUTIES OF CONSULTANT

1.1 Retention of Consultant. The City hereby retains the Consultant, and the Consultant accepts this retention from the City, to perform the Consultant Services as set forth in the Scope of Work attached hereto as Exhibit "A".

1.2 Time. Time is of the essence for this Agreement. The Consultant shall perform all Consultant Services, and each component thereof, within the time periods set forth in the Scope of Work.

1.3 Standard of Performance. The Parties mutually acknowledge that the City has retained the Consultant to perform the Consultant Services based upon the special skills, expertise, and experience of the Consultant. Accordingly, in performing the Consultant Services, the Consultant shall use the skill and care that a highly specialized professional with significant expertise in the field, would use under similar circumstances. To the extent that the Consultant retains sub-consultants or subcontractors to perform any portion of any of the Consultant Services, to the extent permitted hereunder, the Consultant has a duty to the City to ensure that the tasks and services performed by such sub-consultants and subcontractors meet the same highly specialized professional level, skill, and expertise expected of the Consultant.

1.4 Licenses, Permits, Fees, and Approvals. The Consultant shall obtain at its sole cost and expense such licenses, permits, and approvals as may be required by law for the performance of the Consultant Services prior to commencing work. The Consultant and its employees, agents, and sub-consultants or subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required for the performance of the Consultant Services. The Consultant shall have the sole obligation to pay for any fees, assessments, and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Consultant's performance of the Consultant Services, and shall indemnify, defend and hold harmless the City and City Personnel against any such fees, assessments, taxes, penalties or interest levied, assessed, or imposed against the City hereunder.

1.5 Personnel. The Consultant shall at all times allocate sufficient qualified personnel as required to perform the Consultant Services. The Consultant represents that the Consultant Services will be performed by the Consultant or under its direct supervision, and that all personnel engaged in such work shall be fully qualified and shall be authorized and permitted under applicable Federal, State and local law to perform such tasks and services. The Consultant shall pay all wages, salaries, and other amounts due to such personnel in connection with their performance of the Consultant Services and as required by law.

1.6 Materials. The Consultant shall equip itself with all necessary goods, materials, equipment and personal property to perform the services specified in this Agreement. The Consultant shall at all times ensure that all goods, materials, equipment and personal property included within the Consultant Services shall be of good quality, fit for the purpose intended.

1.7 Warranty. By executing this Agreement, the Consultant warrants that the Consultant (i) has thoroughly investigated and considered the Consultant Services to be performed, (ii) has carefully considered how the Consultant Services should be performed, and (iii) fully understands the facilities, difficulties, and restrictions attending performance of the Consultant Services.

1.8 Coordination With City. In the performance of the Consultant Services, the Consultant shall report to and receive instructions from the PUBLIC WORKS/COMMUNITY SERVICES DIRECTOR of the City or his or her designee ("Contract Administrator"). Tasks or services other than those specifically described in the Scope of Work shall not be performed by the Consultant or any sub-consultant or subcontractor without the prior written approval of the Contract Administrator pursuant to Section 1.11 herein.

1.9 Subcontracting Prohibited. The Consultant shall not subcontract the performance of any of the Consultant Services without the prior written approval of the Contract Administrator.

1.10 Project Manager. The Consultant agrees that the following person shall be the project manager on behalf of the Consultant under this Agreement, and shall be principally responsible for performing the Consultant Services:

CHRIS FISHER – VICE PRESIDENT / DIRECTOR

Notwithstanding the foregoing, the Parties acknowledge that persons other than the above-designated project manager of the Consultant may perform tasks or services under this Agreement if the performance of such tasks or services is under the supervision and control of the Consultant's project manager. The Consultant shall not alter the assignment of the above-designated project manager without the prior written approval of the Contract Administrator.

1.11 Additional Services. If the City changes the scope of the Consultant Services to be performed by the Consultant, or if the Consultant is requested to perform services not specifically described in the Scope of Work ("Additional Services"), the Consultant shall perform such services as are necessary to complete the work, and compensation for the work performed shall be paid by the City in accordance with the Budget and Fee Schedule attached hereto as Exhibit "B" and incorporated herein by this reference, or as otherwise may be agreed in writing by the City and the Consultant. It is expressly understood by the Consultant that the provisions of this Section 1.11 shall not apply to services specifically set forth in the Scope of Work or reasonably contemplated therein. The Consultant hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than the Consultant anticipates and that the Consultant shall not be entitled to additional compensation therefor. Unless contradictory of this Section 1.11, all provisions in this Agreement applicable to the Consultant's performance of the Consultant Services shall also apply to the Additional Services.

2. COMPENSATION TO CONSULTANT

2.1 Payment by the City. The City shall pay to the Consultant for the performance of the Consultant Services compensation in accordance with the Budget and Fee Schedule attached hereto as Exhibit "B".

2.2 Invoices. The Consultant shall invoice the City on a monthly basis for all work performed by the Consultant under this Agreement. Invoices shall include billings for all charges, including authorized direct costs incurred by the Consultant during the month covered by the invoice. All charges for labor or professional services shall describe with specificity the services rendered and shall set forth the number of hours worked and hourly rates in accordance with the Budget and Fee Schedule. Within thirty (30) days of receipt of an invoice, and upon determination by the City that the invoice is in order and that the Consultant has performed all requested or required services in a timely and competent manner, the City shall pay such invoice.

2.3 Record of Payment. The Consultant shall maintain records on all services for and charges to the City under this Agreement for a period of not less than twenty-four (24) months, or for any longer period required by law, after the termination of this Agreement, and make such records available for review and audit if requested by the City at any time during the term, or within twenty-four (24) months, or for any longer period required by law, after the termination of this Agreement. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible.

3. LEGAL RESPONSIBILITIES

3.1 Compliance with Law. The Consultant shall keep fully informed of all Federal and State laws and regional, county, and municipal ordinances and regulations which may in any manner affect those employed by the Consultant or the performance by the Consultant of any tasks or services for or on behalf of the City. The Consultant shall at all times observe and comply with all such laws, ordinances, and regulations, and shall be responsible for the compliance therewith of all work and services performed by the Consultant by or on behalf of the City.

3.2 Independent Contractor. The Consultant is retained as an independent contractor only, for the sole purpose of rendering the Consultant Services, and is not an employee of the City. The City shall have the right to control the Consultant only as to results of the Consultant's services rendered pursuant to this Agreement, and the City shall not have the right to control the means by which the Consultant accomplishes the services performed under this Agreement.

3.3 Non-Discrimination. The Consultant shall not discriminate against any employee or applicant for employment because of any impermissible classification pursuant to Federal or State law, including, but not limited to, race, color, religion, national origin, gender, physical or mental disability, age, military status, sexual orientation, gender identity, gender expression, or marital or familial status. The Consultant shall incorporate the foregoing provisions in all subcontracts.

3.4 Proprietary Information. All proprietary information developed by the Consultant in connection with, or resulting from, this Agreement, including but not limited to inventions, discoveries, improvements, copyrights, patents, maps, reports, textual material, or software programs, shall be the sole and exclusive property of the City, without restriction or limitation upon their use. The Consultant agrees that the compensation to be paid pursuant to this Agreement includes adequate and sufficient compensation for any proprietary information developed in connection with or resulting from the performance of the Consultant Services under this Agreement. The Consultant further understands and agrees that full disclosure of all proprietary information developed in connection with, or resulting from, the performance of services by the Consultant under this Agreement shall be made to the City, and that the Consultant shall do all things necessary and proper to perfect and maintain ownership of such proprietary information by the City. The Consultant hereby agrees to deliver such proprietary information to the City upon the expiration or termination of this Agreement. It is understood and agreed that the proprietary information prepared pursuant to this Agreement is prepared specifically for the City and is not necessarily suitable for any future or other use. The Parties agree that, until final approval by the City, all data, plans, specifications, reports, and other documents are confidential and will not be released to third parties without prior written consent of both Parties unless required by law.

3.5 Patented and Copyright Materials. The Consultant shall assume all costs arising from the use of patented or copyrighted materials, including but not limited to equipment, devices, processes, and software programs, used or incorporated in the services or work performed by the Consultant under this Agreement. Pursuant to Section 3.7 herein, the Consultant shall indemnify, defend (with legal counsel acceptable to the City), and hold the City and its elected and appointed boards, members, officials, officers, agents, representatives, employees, and volunteers ("City Personnel") harmless from any and all suits, actions, or proceedings of every nature for or on account of the use of any patented or copyrighted materials.

3.6 Prevailing Wages. The Parties have determined that prevailing wage laws do not apply to this Agreement because the Consultant Services do not include construction, alteration, demolition, installation, or repair work or other otherwise exempt under California's prevailing wage laws (Lab. Code, § 1720 *et seq*.). Notwithstanding the foregoing, it is agreed by the Parties that, in connection with performance of the Consultant Services, including, without limitation, any and all public works (as defined by applicable law), the Consultant shall bear all risks of payment or non-payment of prevailing wages under California law and/or the implementation of Labor Code Section 1781, as the same may be amended from time to time, and/or any other similar law. Pursuant to Section 3.7 herein, the Consultant shall indemnify, defend (with legal counsel acceptable to the City), and hold the City and City Personnel harmless from and against any liability, loss, damage, cost or expenses (including but not limited to reasonable attorneys' fees, expert witness fees, court costs, and costs incurred related to any inquiries or proceedings) arising from or related to (i) the noncompliance by the Consultant or any party performing the Consultant Services of any applicable local, state, and/or federal law, including, without limitation, any applicable federal and/or state labor laws (including, without limitation, the requirement to pay state prevailing wages and hire apprentices); (ii) the implementation of Section 1781 of the Labor Code, as the same may be amended from time to time, or any other similar law; and/or (iii) failure by the Consultant or any party performing the Consultant Services on the Consultant's behalf to provide any required disclosure or identification as required by Labor Code Section 1781, as the same may be amended from time to time, or any other similar law.

3.7 Indemnification.

3.7.1 Indemnification of the City. Except as set forth in subdivision 3.7.2, the Consultant shall indemnify, defend (with legal counsel acceptable to the City), and hold harmless the City and City Personnel from and against any and all actions, suits, claims, demands, judgments, attorneys fees, costs, damages to persons or property, losses penalties, obligations, expenses, or liabilities ("Claims") that may be asserted or claimed by any person or entity arising out of the Consultant's performance of any tasks or services for or on behalf of the City, whether or not there is concurrent active or passive negligence on the part of the City and/or any City Personnel, but excluding any Claims arising from the sole negligence or willful misconduct of the City or any City Personnel. The Consultant shall defend any action or actions filed in connection with any such claims or liabilities, and shall pay all costs and expenses, including attorney's fees incurred in connection therewith. The Consultant shall promptly pay any judgment rendered against the City or any City Personnel for any such claims or liabilities. In the event the City and/or any City Personnel is made a party to any action or proceeding filed or prosecuted for any such Claims arising out of or in connection with the work being performed or services being provided under this Agreement, the Consultant shall pay to the City any and all costs and expenses incurred by the City or City Personnel in such action or proceeding, together with reasonable attorney's fees and expert witness fees.

3.7.2 Design Professionals. The provisions of this subdivision 3.7.2 apply only in the event that the Consultant is a "design professional" within the meaning of the California Civil Code Section 2782.8(c). If the Consultant is a "design professional" within the meaning of Section 2782.8(c), then notwithstanding subdivision 3.7.1 above, to the fullest extent permitted by law (including, without limitation, Civil Code Sections 2782 and 2782.6), the Consultant shall defend (with legal counsel reasonably acceptable to the City), indemnify, and hold harmless the City and City Personnel from and against any Claim that arises out of, pertains to, or relates to, directly or indirectly, in whole or in part, the negligence, recklessness, or willful misconduct of the Consultant, any sub-consultant, subcontractor, or any other person directly or indirectly employed by them, or any person that any of them control, arising out of the Consultant's performance of any task or service for or on behalf of the City under this Agreement. Such obligations to defend, hold harmless, and indemnify the City or any City Personnel, shall not apply to the extent that such Claims are caused in part by the sole negligence or willful misconduct of the City or such City Personnel. The Consultant's cost to defend the City and/or City Personnel against any such Claim shall not exceed the Consultant's proportionate percentage of fault with respect to that Claim; however, pursuant to Civil Code section 2782.8(a), in the event that one or more defendants is unable to pay its share of defense costs due to bankruptcy or dissolution of the business, the Consultant shall meet and confer with the City (and, if applicable, other parties) regarding any unpaid defense costs. To the extent the Consultant has a duty to indemnify the City or any City Personnel under this subdivision (b), the Consultant shall be responsible for all incidental and consequential damages resulting directly or indirectly, in whole or in part, from the Consultant's negligence, recklessness, or willful misconduct.

3.8 Retention of Funds. The Consultant hereby authorizes the City to deduct from any amount payable to the Consultant (whether arising out of this Agreement or otherwise) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate the City for any losses, costs, liabilities, or damages suffered by the City, and all amounts for which the City may be liable to third parties, by reason of the Consultant's negligent acts, errors, or omissions, or willful misconduct, in performing or failing to perform the Consultant's obligations under this Agreement. The City in its sole and absolute discretion, may withhold from any payment due to the Consultant, without liability for interest, an amount sufficient to cover such claim. The failure of the City to exercise such right to deduct or withhold shall not act as a waiver of the Consultant's obligation to pay the City any sums the Consultant owes the City.

3.9 Insurance. The Consultant shall not commence the performance of any work or services under this Agreement until the Consultant has obtained all insurance required hereunder, nor shall the Consultant allow any sub-consultant or subcontractor to commence services until all such insurance has been obtained by the sub-consultant or subcontractor. Current certification of insurance shall be kept on file with the City at all times during the term of this Agreement. The City reserves the right to require complete, certified copies of all required insurance policies, at any time. All insurance policies shall be issued by an insurance company currently authorized by the California Department of Insurance to transact business of insurance or is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VI (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the

City's Risk Manager. The Consultant shall take out and maintain at all times during the performance of this Agreement the following policies of insurance:

3.9.1 Workers Compensation Insurance to cover the Consultant's employees as required by law; and the Consultant shall require all subcontractors to provide such compensation insurance for all of the latter's employees. Each such policy of worker compensation insurance shall carry the following endorsements:

(a) "The insurer waives all rights of subrogation against THE CITY OF LA PALMA, its officers, officials, agents, employees, and representatives."

(b) "This insurance policy shall not be canceled, limited or nonrenewed by the insurer until thirty (30) days after receipt by THE CITY OF LA PALMA of a written notice of such cancellation, limitation, or reduction of coverage."

3.9.2 Comprehensive General Liability Insurance for bodily injury, death, and property damage which may arise from the negligent performance of the Consultant, its employees, agents representatives, successors, and assigns while performing work or services under this Agreement, in an amount not less than $1,000,000 per occurrence, $2,000,000 general aggregate. Each such policy of insurance shall be in a form satisfactory to the City and shall contain the following endorsements:

(a) "THE CITY OF LA PALMA, its officers, officials, employees, and representatives, are hereby declared to be additional insureds under the terms of this policy with respect to the operations and activities of the named insured at or from the premises of THE CITY OF LA PALMA described above."

(b) "This insurance policy shall not be canceled, limited, or not renewed until thirty (30) days after receipt by THE CITY OF LA PALMA of a written notice of such cancellation, limitation, or reduction of coverage."

(c) "This insurance policy is primary insurance and no insurance held or owned by the designated additional insureds shall be called upon or looked to cover a loss under said policy; THE CITY OF LA PALMA shall not be liable for the payment of premiums or assessments on this policy."

3.9.3 Comprehensive Automobile Liability Insurance, including owned, non-owned, and hired automobiles, in a minimum Combined Single Limit of $1,000,000 per occurrence for bodily injury, death, and property damage. Each such policy of insurance shall be in a form satisfactory to the City and shall contain the following endorsements:

(a) "THE CITY OF LA PALMA, its officers, officials, employees, and representatives, are hereby declared to be additional insureds under the terms of this policy with respect to the operations and activities of the named insured at or from the premises of THE CITY OF LA PALMA described above."

(b) "This insurance policy shall not be canceled, limited, or not renewed until thirty (30) days after receipt by THE CITY OF LA PALMA of a written notice of such cancellation, limitation, or reduction of coverage."

(c) "This insurance policy is primary insurance and no insurance held or owned by the designated additional insureds shall be called upon or looked to cover a loss under said policy; THE CITY OF LA PALMA shall not be liable for the payment of premiums or assessments on this policy."

3.9.4 Professional Liability Insurance to protect the City from the Consultant's negligent acts, errors, and omissions of a professional nature, with coverage in a minimum amount of $1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this Agreement and the Consultant agrees to maintain continuous coverage through a period no less than three (3) years after completion of the services required by this Agreement.

3.9.5 Renewal of Insurance. At least thirty (30) days prior to the expiration of any policy of insurance required under Paragraph 3.9.1, 3.9.2, 3.9.3 or 3.9.4, a signed complete certificate of insurance, with all endorsements provided herein, showing that such insurance coverage has been renewed or extended, shall be filed with the City.

3.9.6 Prohibited Insurance Provisions. Insurance policies required under Paragraph 3.9.1, 3.9.2, 3.9.3 or 3.9.4, shall not include any limiting provision or endorsement that has not been submitted to the City for approval. By way of example, additional insured endorsements shall not be limited to "ongoing operations," exclude contractual liability, restrict coverage to the "sole" liability of the Consultant, or contain any other limitation contrary to this Agreement.

3.9.7 Variations to Insurance Requirements. The City may, but is not required to, approve in writing a variation in the foregoing insurance requirements, upon a determination that the coverage, scope, limits, and forms of such insurance are either not commercially available, or that the City's interests are otherwise fully protected.

3.10 Conflicts of Interest.

3.10.1 City Personnel. No City Personnel shall have any financial interest, direct or indirect, in this Agreement, or participate in any decision relating to this Agreement that affects his or her financial interest or the financial interest of any corporation, partnership, association or other entity in which he or she is interested, in violation of any federal, state or city statute, ordinance or regulation. The Consultant shall not employ any such person while this Agreement is in effect.

3.10.2 Consultant. The Consultant represents, warrants and covenants that he, she or it presently has no interest, direct or indirect, which would interfere with or impair in any manner or degree the performance of the Consultant's obligations and responsibilities under this Agreement. The Consultant further agrees that while this Agreement is in effect, the Consultant shall not acquire or otherwise obtain any interest, direct or indirect, that would interfere with or impair in any manner or degree the performance of the Consultant's obligations and responsibilities under this Agreement. The Consultant acknowledges that pursuant to the provisions of the Political Reform Act (Government Code section 87100 *et seq*.), the City may determine the Consultant to be a "consultant" as that term is defined by the Act. In the event the City makes such a determination, the Consultant agrees to complete and file a "Statement of Economic Interest" with the City Clerk to disclose such financial interests as required by the City. In such event, the Consultant further agrees to require any other person doing work under this Agreement to complete and file a "Statement of Economic Interest" to disclose such other person's financial interests as required by the City.

3.11 No Undue Influence. The Consultant declares and warrants that no undue influence or pressure is used against or in concert with any officer or employee of the City in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the City shall receive compensation, directly or indirectly, from the Consultant, or from any officer, employee, or agent of the Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. The Consultant further warrants that it has not employed or retained any company or person other than a bona fide employee working for the Consultant, to solicit or secure this Agreement and that it has not paid or agreed to pay any company or person any fee, commission, percentage, brokerage fee, gift, or any other consideration contingent upon, or resulting from, the award or making of this Agreement. For breach or violation of this warranty, the City shall have the right to annul this Agreement without liability or, in its discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

3.12 No Benefit to Arise to City Employees. No member, officer, or employee of the City, or their designees or agents, and no public official who exercises authority over or has responsibilities with respect to this Agreement during his/her tenure or for one (1) year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for the Consultant Services to be performed under this Agreement.

4. RIGHTS AND REMEDIES

4.1 Termination By the City. The City reserves and has the right and privileges, at its sole discretion and with or without cause at any time during the term of this Agreement, of suspending, canceling or terminating this Agreement or any work in connection with this Agreement with or without any breach or failure to perform of the Consultant. Upon receipt of any notice of termination from the City, the Consultant shall immediately cease all services hereunder except such as may be specifically approved in writing by the Contract Administrator. In the event of termination under this Section 4.1, all finished or unfinished data, studies, maps, reports, and other items prepared by the Consultant shall become the property of the City, and the Consultant shall promptly deliver such items to the City. In the event of termination under this Section 4.1, the City shall pay the Consultant for all authorized services performed and for all authorized and invoiced expenses incurred up to the date of termination of this Agreement, on a time and materials basis in accordance with the Budget and Fee Schedule attached hereto as Exhibit "B".

4.2 Performance to the City's Satisfaction. The Consultant agrees to perform all work to the reasonable satisfaction of the City. If the services performed under this Agreement are not satisfactory, according to the professional Standards of Performance as described in Section 1.3 supra, the City has the right to take appropriate action, including but not limited to: (i) meeting with the Consultant, its agents or subcontractors to review the quality of the work and resolve matters of concern; (ii) requiring the Consultant to have the work repeated at no additional fee until it is satisfactory; (iii) withholding payment of the City's compensation to the Consultant for any unsatisfactory work performed; (iv) suspending delivery of work to the Consultant for an indefinite time; and/or (v) terminating this Agreement.

4.3 Default, Remedies.

4.3.1 Default of Insurance Requirements. In addition to any other remedies at law or equity the City may have if the Consultant fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time required by Section 3.9 herein, the City may, at its sole option, exercise any of the following remedies, which are alternatives to other remedies the City may have and are not the exclusive remedy for the Consultant's breach:

(a) Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under this Agreement;

(b) Order the Consultant to stop work under this Agreement or withhold any payment that becomes due to the Consultant hereunder, or both, until the Consultant demonstrates compliance with the insurance requirements herein; and/or

(c) Immediately terminate this Agreement.

4.3.2 Other Defaults. In addition to any other remedies at law or equity the City may have, if the Consultant materially breaches any of the terms of this Agreement, the City's remedies shall include, but not be limited to, any or all of the following:

(a) Immediately terminate this Agreement; and/or

(b) Take over the work and prosecute the same to completion by contract with another consultant or otherwise, and the Consultant shall be liable to the extent that the total cost for completion of the services required hereunder, including costs incurred by the City in retaining a replacement consultant and similar expenses, exceeds the Budget contained in Exhibit "B".

4.4 Force Majeure. Any time period specified in this Agreement for performance of services shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the City or the Consultant, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the delaying Party shall within ten (10) days of the commencement of such delay notify the other Party in writing of the causes of the delay ("Force Majeure Event"). If the Consultant is the delaying Party, the City shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the City such delay is justified. The City's determination shall be final and conclusive upon the parties to this Agreement. In no event shall the Consultant be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused. The Consultant's sole remedy shall be extension of this Agreement pursuant to this section. For the avoidance of doubt, Force Majeure shall not include (a) financial distress nor the inability of either party to make a profit or avoid a financial loss, (b) changes in the market prices or conditions, or (c) a party's financial inability to perform its obligations hereunder. The current events related to the COVID-19 pandemic are known and shall not constitute Force Majeure Event, future impacts of the COVID-19 pandemic may be considered a Force Majeure Event to the extent that they prevent the performance of a Party's obligations under this Agreement.

5. MISCELLANEOUS

5.1 Notices. All notices, invoices or other instruments required or permitted to be given under this Agreement shall be served by personal delivery or deposited in a United States mail depository, postage prepaid, and addressed as follows:

If to the City:	CITY OF LA PALMA 7822 Walker Street La Palma, CA 90623 Attn: PUBLIC WORKS & COMMUNITY SERVICES DIRECTOR
If to the Consultant:	WILLDAN FINANCIAL SERVICES 27368 VIA INDUSTRIA Suite 200 TEMCULA, CA 92590

or such other address or person as either Party may indicate to the other in writing. Service of any instrument by mail shall be deemed effective forty-eight (48) hours after deposit in a United States mail depository, postage prepaid, and addressed as set forth above.

5.2 Integration. This Agreement represents the entire understanding of the City and the Consultant as to those matters contained herein, and no prior oral or written understanding shall be of any force or effect with regard to those matters covered by this Agreement. This Agreement may not be modified, altered, or amended except in writing signed by both the City and the Consultant. The Contract Administrator is hereby authorized to approve and effectuate amendments to this Agreement to the extent permitted by applicable law.

5.3 Construction, Venue. This Agreement shall be construed in accordance with the laws of the State of California and as if drafted by both parties hereto. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either Party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply. Legal actions concerning any dispute, claim, or matter arising out of or in relation to this Agreement shall be instituted and maintained in the Superior Courts of the State of California in the County of Orange, or in any other appropriate court with jurisdiction in such County, and the Consultant agrees to submit to the personal jurisdiction of such court.

5.4 Rights and Remedies are Cumulative. Except as may be expressly set forth in this Agreement, the rights and remedies of the Parties are cumulative and the exercise by either Party of one or more of such rights or remedies or other rights or remedies as may be permitted by law or in equity shall not preclude the exercise by such Party, at the same or different times, of any other rights or remedies to which such Party may be entitled.

5.5 Severability. If any term or provision of this Agreement is found by a court of competent jurisdiction to be invalid, illegal or unenforceable in any jurisdiction, the invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable term or provision in any other jurisdiction. Upon a determination that any term or provision is invalid, illegal or unenforceable, the Parties shall negotiate in good faith to modify this Agreement to effect the original intent of the Parties as closely as possible in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

5.6 Assignment. The Consultant shall not assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the City; and any such assignment or other transfer without such consent shall be void.

5.7 Consultant not a City Agent. Except as the City may specify in writing, the Consultant shall have no authority, express or implied, to act on behalf of the City in any capacity whatsoever as an agent. This Agreement does not grant to the Consultant any authority, express or implied, to bind the City to any obligation whatsoever.

5.8 Attorney's Fees. In the event any action is commenced by one Party to this Agreement against the other to enforce any of the rights or obligations arising from this Agreement, the prevailing Party in such action, in addition to any other relief and recovery ordered by the court, shall be entitled to recover all statutory costs, together with reasonable attorney's fees.

5.9 Successors and Assigns. Subject to the provisions of Paragraphs 1.9 and 5.6 hereinabove, this Agreement, and all of the covenants, terms, and conditions hereof, shall be binding upon, and inure to the benefit of, the City, the Consultant, and their respective successors and assigns.

5.10 Authority of Signatories. The persons executing this Agreement on behalf of the Parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said Parties and that by so executing this Agreement the Parties are formally bound to the provisions of this Agreement.

5.11 No Waiver. No waiver by either Party of any of the provisions of this Agreement shall be effective unless explicitly set forth in writing and signed by the Party so waiving. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

5.12 No Third-Party Beneficiaries. This Agreement benefits solely the Parties to this Agreement and their respective permitted successors and assigns and nothing in this Agreement, express or implied, confers on any other person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

5.13 Non-Liability of City Personnel. No City Personnel shall be personally liable to the Consultant, or any successor in interest, in the event of any default or breach by the City, or for any amount which may become due to the Consultant or its successor, or for breach of any obligation of the terms of this Agreement.

5.14 Execution. The persons executing this Agreement on behalf of each of the Parties hereto represent and warrant that (i) such Party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said Party, (iii) by so executing this Agreement, such Party is formally bound to the provisions of this Agreement, and (iv) that entering into this Agreement does not violate any provision of any other Agreement to which said Party is bound. This Agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the Parties.

5.15 Survival. The terms, provisions, representations and certification contained in this Agreement, or inferable therefrom, shall survive the termination of this Agreement and the payment of the compensation hereinabove provided.

5.16 Section Headings and Subheadings. The section headings and subheadings contained in this Agreement are included for convenience only and shall not limit or otherwise affect the terms of this Agreement.

5.17 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Agreement has been executed as of the date first written above.

CITY OF LA PALMA

By:________________________________
Conal McNamara
City Manager

ATTEST:

____
Kimberly Kenney, CMC
City Clerk

WILLDAN FINANCIAL SERVICES

Signed by:

By:________________________________
1EC90C000B214CF...
Chris Fisher
Vice President/Director

APPROVED AS TO FORM:

RUTAN & TUCKER

By:________________________________
City Attorney, City of La Palma

EXHIBIT A

Scope of Work

[See attached]

City of La Palma, CA

Proposal

Water and Sewer Rate Study

WILLDAN
FINANCIAL SERVICES

Table of Contents

1. Cover Letter

October 24, 2024

Ms. Julie Herrera
Management Analyst
City of La Palma
7821 Walker Street
La Palma, CA 90623

Re: Technical Proposal to Conduct a Water and Sewer Rate for the City of La Palma

Dear Ms. Herrera:

Based on the request for proposal, Willdan Financial Services ("Willdan") is pleased to submit the following proposal to conduct a Water and Sewer Rate Study on behalf of the City of La Palma ("City").

Willdan's interactive approach will result in a customized Excel financial model, that the City will retain, as well as a focused and tailored analysis of the City's current rates, revenues, capital project and operational expenditures, debt commitments, reserve funding, and other financial data. The culmination of our analysis will be a comprehensive financial management plan that develops projected system operating results for the next ten (10) fiscal years, and suggested rates for up to five (5) years. We will employ our proven interactive approach, supported with advanced financial modeling techniques, to develop a sophisticated and flexible financial model to help us guide the City through operating and financial scenarios, while evaluating the impact of policy assumptions, and performing sensitivity analysis on utility rates and financial strategies.

Our ability to focus on the financial aspects of operating publicly owned utility systems is coupled with recognized leadership in strategic planning and operations and enables us to bring unmatched value to our clients. Our team brings a set of nationally recognized qualifications and experts that sets us apart. These qualifications include:

Direct Experience with the City of La Palma — Willdan successfully partnered with the City on the two previous Water and Sewer Rate Studies in 2016 and 2022. ***We maintain models from these previous projects, and all the data; both of which will provide us continuity in approach, a head start in beginning the work, as well as critical insight and basis for comparison.*** Through this engagement we developed relationships with key City Staff. Our team will bring this same level of professionalism and expertise, understanding of the community of La Palma, and our knowledge of the City's staff and systems to this proposed engagement. ***Where possible, we will leverage our knowledge of your operations and relationships with key staff to facilitate and expedite our data gathering and work, focusing less time on data gathering and more on analysis. This allows us to provide meaningful analysis and insight that other firms are unable to match, and our understanding of the City reduces questions and streamlines the process, allowing City Staff to focus their time on direct City operations.***

Our team will bring the same level of professionalism and expertise the City has come to expect to this engagement, along with our knowledge of the City's organization, systems, and the local community. ***Where possible, we will leverage our understanding of the City's operations and key staff to gather information and facilitate this study in a cost effective and seamless manner, focusing less time on data gathering, and more on analysis, for a lower project cost and higher value.***

Unique Approach — Our approach to the development of utility rates has been carefully honed over the years. We will ***work collaboratively with City staff to carefully assess and understand the City's unique utility system concerns and issues, clarify goals and objectives for the study, and develop a tailored approach that will best serve your needs***. We do not use a "cookie-cutter" approach, but rather bring a combination of planning and financial expertise providing a thorough understanding of utility operations and management.

A key to our approach is the use of a sophisticated and dynamic model and dashboard that allows us to quickly evaluate alternatives resulting from changes in assumptions and input variables, to address different policy and financial objectives. This allows us to work collaboratively and transparently, to provide comprehensive business solutions. Our objective is to educate and inform throughout the process, not just at the completion of the project.

Recent Experience with Cities and Projects with Same Objectives as La Palma — Willdan has worked recently with numerous cities on utility rate studies with objectives that closely mirror those outlined in the City's RFP and discussed above – analyzing the current financial plan for the utility, understanding the impact of capital projects and changing operations, and ensuring sufficient and stable funding for ongoing and projected needs.

We recently completed successful comprehensive studies for the Cities of Dinuba, Farmersville, Fillmore, Lomita, Lakeport, Arvin, Grover Beach, McFarland, the McKinleyville Community Services District, and are currently working with the Cities of Vacaville, Buellton, Hemet, and Seaside with objectives and experience that relate closely to the goals of the City's proposed study.

Unmatched Experience Developing and Implementing Utility Rates — Willdan is nationally recognized for its expertise in developing and implementing utility system financial planning, rate, and impact fee studies, and has extensive experience in California implementing **Proposition 218** compliant rate structures.

Communicating the Results — Sound technical analysis is only one element of this process. It will be equally important to effectively communicate results and implications of the proposed rate structure to City staff, City Council, key stakeholders, and ***ultimately to those that will be subject to new rates.***

Most of our projects incorporate significant community and/or stakeholder involvement and education efforts, and our experienced consultants are able to communicate complicated technical analysis in a manner that is easy to follow and understand.

The intuitive setup of our financial models allows Willdan to discuss and present critical information in a way that maximizes engagement and facilitates outreach. Our reports and presentations provide a solid understanding of the project and the rationale behind the development of the rates.

I, Chris Fisher, will serve as the primary contact person for this proposal; as an officer of the firm, I am authorized to negotiate and bind Willdan Financial Services. Provided in the table below is my contact information.

Willdan Financial Services
Proposal Contact
Chris Fisher
Vice President / Director
27368 Via Industria, Suite 200 | Temecula, CA 92590
Tel#: (951) 587-3500 | Email: CFisher@Willdan.com

Willdan maintains exceptional experience in utility cost of service and rate design and is excited about this opportunity to use our skills and expertise to serve the City of La Palma once again.

Sincerely,
WILLDAN FINANCIAL SERVICES

Chris Fisher
Vice President / Director

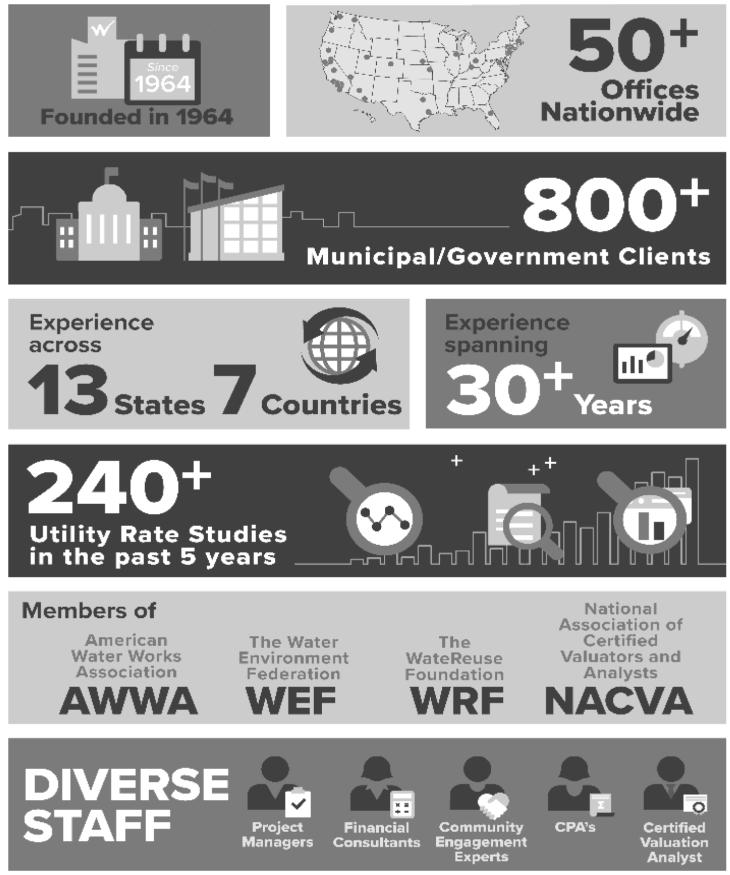
2. Relevant Experience

Firm Profile

Willdan Group, Inc. (WGI), was founded in 1964 as an engineering firm working with local governments. Today, WGI is a publicly traded company (WLDN). WGI, through its divisions, provides professional technical and consulting services that ensure the quality, value and security of our nation's infrastructure, systems, facilities, and environment. The firm has pursued two primary service objectives since its inception—ensuring the success of its clients and enhancing its communities.

A financially stable company, Willdan has approximately 1,600 employees working in more than 50 offices across the U.S. Our employees include a number of nationally recognized Subject Matter Experts for all areas related to the broadest definition of connected communities—***two of whom are committed to contribute their expertise throughout the duration of the City of La Palma's Water and Sewer Rate Study engagement.***

We have solved economic, engineering and energy challenges for local communities and delivered industry-leading solutions that have transformed government and commerce. Today, Willdan is leading our clients into a future accelerated by a change in resources, infrastructure, technology, regulations, and industry trends.



Willdan Financial Services

Willdan Financial Services, a California Corporation, is an operating division within Willdan Group, Inc. Willdan Financial Services, established on June 24, 1988, is a national firm and one of the largest public sector economic and financial analysis consulting firms in the United States. Since that time, we have helped over 800 public agencies successfully address a broad range of infrastructure challenges.

Our staff of 80 full-time employees support our clients by conducting year-round workshops and on-site training to assist them in keeping current with the latest developments in our areas of expertise. Willdan assists local public agencies by providing the following services:

Willdan Financial Services	
Services Provided	
▪ Utility rate and cost of service studies;	▪ Development impact fee establishment and analysis;
▪ User fee studies;	▪ Tax increment finance district formation and amendment;
▪ Cost allocation plan studies;	▪ Feasibility studies;
▪ Real estate economic analysis;	▪ Housing development and implementation strategies;
▪ Municipal advisory services;	▪ Arbitrage and continuing disclosure services;
▪ District administration services;	▪ Debt issuance support; and
▪ Property tax audits;	▪ Long-term financial plans and cash flow modeling.
▪ Economic development strategic plans;	

Background Experience

For over two decades, Willdan team members have provided professional consulting services, which entail financial planning; rate and cost-of-service studies including wholesale analysis; alternative and feasibility analyses; and operational and management studies for water, reclaimed water, sewer, solid waste, and stormwater utility clients across the United States.

Willdan team members are involved with the development of the rate-setting methodologies set forth in the American Water Works Association (AWWA) M1 manual "Principles of Water Rates, Fees and Charges," and the AWWA M29 manual, "Water Utility Capital Financing." Willdan is nationally recognized for its expertise with team members frequently being called upon to speak or instruct on utility financial matters, as subject matter experts, including at the AWWA Utility Management conference.

At present Mr. Kevin Burnett, a Willdan Principal Consultant, is involved in the current update to the M1 manual.

We are also deeply familiar with the procedural and substantive requirements of Proposition 218. Willdan staff (including Mr. Fisher, proposed as the principal-in-charge for this engagement) speak regularly to California industry groups such as the California Special Districts Association (CSDA) and the California Society of Municipal Finance Offices (CSMFO). Further, we recently completed a water and wastewater study for the City of Lakeport where ***the same team proposed for this engagement worked closely with a leading Proposition 218 law firm in the state to update their tiered water rate structure to be compliant with the requirements of Proposition 218 and the City of San Juan Capistrano decision. We will bring this recent experience and insight to the City of La Palma.***

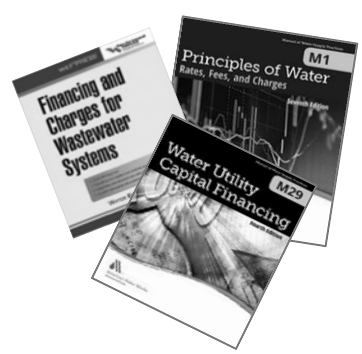
Willdan team members are experienced in a broad range of utility planning services and therefore understand the importance of an approach that integrates elements of utility planning, engineering, and finance. Willdan team members possess considerable experience in utility rate and cost-of-service studies and have performed these services for hundreds of utilities throughout the country. Our team includes staff with public sector experience spanning 30 years, and staff on the forefront of utility ratemaking and rate-modeling. In addition, team members have held positions as finance directors, deputy city managers, and auditors, and therefore understand the financial, operational, and political realities faced by governmental staff and management; we develop solutions that take these realities into account.

Willdan Financial Services

Utility Experience and Expertise

- Retail and wholesale rate studies
- Revenue sufficiency analyses
- Utility management and policy assistance
- Connection fee / tap fee studies
- Miscellaneous fee and charge studies
- Renewal and replacement sufficiency analyses
- Comprehensive alternatives analyses
- Capital project funding studies
- Interactive rate model development with dashboards showing key performance indicators
- CIP financial scenario planning
- Rate ordinance drafting
- Billing system validation/rate testing
- Bond feasibility reports
- Valuation/divestiture studies
- Life Cycle Costs Analyses

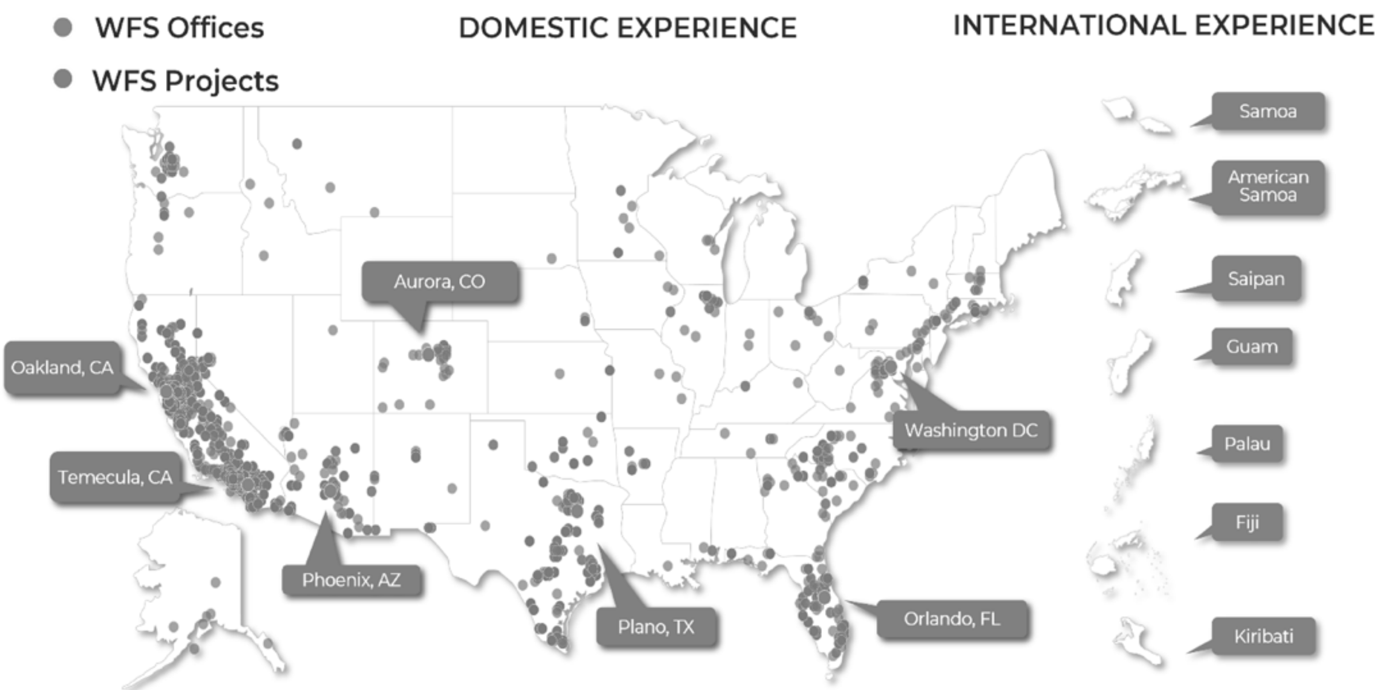
Willdan will work with the City to identify and prioritize operational and fiscal objectives, and match these to specific rate attributes; and use this information throughout the engagement to develop a comprehensive financial plan and design utility rates that effectively meet these goals. The culmination of our analyses will be rate policies that guide the rate setting process, and a financial management plan that develops projected system operating results for the utility for the forecasted period. Willdan will employ its proven interactive approach, coupled with advanced financial modeling techniques to design rates and a financial plan that meet established goals and performance criteria. These modeling techniques serve as a powerful decision-making tool and provide the City with genuine business solutions and recommendations as to the strategic direction of its utilities.



During rate and financial planning projects we employ tools and techniques which focus on consensus building among stakeholders to ensure the team understands the future financial implications of current management decisions. Our extensive project expertise is bolstered by our unique interactive financial planning process and model.

Experience Map

A graphical representation of Willdan's geographical client presence is depicted below of recent utility rate and financial projects completed within the last few years.



Utility Rate Project Experience

The abbreviated table of experience below outlines projects that are similar in nature to those requested conducted from the Temecula office in the previous five years.

Willdan Financial Services Temecula Office | Utility Related Experience	
Agency	**Project**
City of Albany, CA	Sewer Rate Study
City of Arvin, CA	Sewer Rate Study and Cost Allocation Plan
City of Atwater, CA	Solid Waste Rate Study
City of Avenal, CA	Water and Sewer Rate Study
City of Blythe, CA	Water and Sewer Rate Study
City of Brighton, CO	Water Rate Study
City of Buellton, CA	Water and Sewer Rate and Connection Fee Study
City of Calexico, CA	Water and Sewer Rate and Connection Fee Study
City of Claremont, CA	Sewer Rate Study and Sanitation Rate Study
City of Coachella, CA	Proposition 218 Sewer Mailing
City of Delano, CA	Water, Sanitary Sewer, Solid Waste Utility Rate Study
City & County of Denver, CO	Sanitary Sewer & Storm Drainage Benchmarking and Storm Drainage Impact Fee Study
City of Dinuba, CA	Water, Sewer, & Solid Waste Rate Study
City of Durango, CO	Water and Wastewater Rate Study
City of Farmersville, CA	Water and Wastewater Utility Rate Study
City of Fillmore, CA	Water and Sewer Rate Study
City of Grover Beach, CA	Water, Wastewater, and Stormwater Financial Plan and Utility Rate Study
City of Guadalupe, CA	Water and Sewer Rate Study
City of Hemet	Water and Sewer Rate Study
City of Hercules, CA	Wastewater Financial Plan and Connection Fee Study
City of Kingman, AZ	Water and Sewer Rate Study
City of La Palma, CA	Water and Sewer Rate Study
City of Lakeport, CA	Water and Sewer Rate Study, and Connection Fee Study
City of Lomita, CA	Water Rate Study
City of McFarland, CA	Water, Sewer, and Solid Waste Rate Study and Cost Allocation Plan
City of Norwalk, CA	Water Rate Study
City of Pinole, CA	Wastewater Rate and Fee Study
City of Richmond, CA	Wastewater Rate Study
City of Seaside, CA	Water Rate and Capacity Fee Study
City of Soledad, CA	Water Rate Study Consulting Services
City of Stanton, CA	Sewer Rate and Connection Fee Study
City of Tulare, CA	Water and Wastewater Rate Study
City of Twentynine Palms, CA	Sewer Treatment Facility Fair Share and Sewer Rate Analysis
City of Vacaville, CA	Water and Wastewater Rate Study
County of San Diego, CA	Sewer Rate and Standby Charge Study
McKinleyville CSD, CA	Water and Wastewater Rate and Capacity Fee Study
Town of Apple Valley, CA	Sewer Rate and Nexus Study
Town of Gilbert, AZ	Water and Sewer Rate Study

Project Team Qualifications

Our management and supervision of the project team is very simple: fill every position with experienced, capable personnel in sufficient numbers to deliver a superior product to the City, on time and on budget. With that philosophy in mind, we have selected the following professionals for this engagement. We are confident that our team possesses the depth of experience that will successfully fulfill your desired work performance.

Project Team Organization

City of La Palma Project Team		
Key Team Member	**Project Role**	**Responsibility to the Engagement**
Chris Fisher Vice President/Director	Principal-in-Charge / Project Manager	▪ Project and Task oversight; ▪ Produce key elements of the analysis; ▪ Responsible for project deliverables; ▪ Model development; ▪ Stakeholder Outreach; and ▪ Meeting and presentation attendance.
Michael Cronan Project Manager	Financial Analyst	▪ Collect, interpret, and analyze key data; ▪ Produce key elements of the analysis; ▪ Lead for model development and analysis; ▪ Report preparation; and ▪ Meeting and presentation attendance.

Staffing Capacity

Mr. Chris Fisher has been assigned to serve as the City's representative; and has been selected for this role due to his extensive experience, which includes the preparation and supervision of numerous utility rate studies, as well as his experience presenting to governing bodies, stakeholders, and industry groups.

It is important to note that Mr. Fisher has been with Willdan for 25 years, ensuring the City of La Palma of continuity and dedication in staffing during the completion of the project.

Project Availability

Each member of the project team currently has work in progress with other clients, the workload is at a manageable level with sufficient capacity to meet the needs of the City specific to the schedule and budget for this engagement.

The Financial Consulting Services group is made up of over 30 professionals who can be called upon as needed; we are confident that our team possesses the depth of experience that will successfully fulfill the desired work performance. Willdan Group Inc. is composed of over 1,600 employees, including a cadre of public finance experts. If necessary, Mr. Fisher can recruit additional, qualified individuals from our employee roster to assist with the completion of this engagement to deliver the final materials on time and within budget.

We do not anticipate staffing changes during the course of the project, however, should the situation arise, any change in team members will be discussed and approved in concert with the City prior to the change being made.

Resumes

Resumes for Willdan's project team are presented on the following pages.

Chris Fisher

Principal-in-Charge/Project Manager

Education
Bachelor of Science, Finance; San Francisco State University

Areas of Expertise
Multi-disciplinary Team Management

Special District Formations

Cost of Service Studies

Proposition 218

Utility Rate Studies

Affiliations
California Society of Municipal Finance Officers

Municipal Management Association of Northern California

California Municipal Treasurers Association

25 Years' Experience

Mr. Chris Fisher has been selected to serve as the principal-in-charge and project manager of the City's engagement, due to his experience managing multi-disciplinary teams. He also possesses extensive knowledge specific to Proposition 218 compliance.

Mr. Fisher is a Willdan Financial Services Vice President and Financial Consulting Services Director. With 25 years at Willdan, he has managed an array of financial consulting projects for public agencies throughout California, Arizona, Texas, Colorado, and Florida; coordinating the activities of resources within Willdan, as well as those from other firms working on these projects.

Select Relevant Experience

City of La Palma, CA — Water and Wastewater Utility Rate Study: Mr. Fisher served as the Project Manager for the City of La Palma's last two water and wastewater utility rate studies. Both studies included a five-year model and financial plan that included a proposed five-year schedule of adjusted rates to ensure continued revenue sufficiency and stability.

City of Lomita, CA — Water Rate Study: Mr. Fisher was the assigned principal-in-charge for the City's Water Rate Study. The study included detailed capital plan analysis, reserve analysis, and live evaluation of alternatives to mitigate necessary revenue and rate adjustments with a rate sub-committee as well as the City Council.

City of Calexico, CA — Water & Sewer Utility Rate Study: Mr. Fisher served in the role of principal-in-charge of the City's comprehensive water and sewer rate study. He led the development of the financial plan and model, and the rate analysis, and participated in the presentation of results to City Staff and the City Council. His responsibilities also included the scheduling of key meetings and deliverables, review of progress throughout the development of the project, and quality control.

City of Claremont, CA — Sewer Rate Study: Mr. Fisher was the principal-in-charge for the City's sewer rate study. The team generated multiple alternative rate structures for the City in preparation of updating their sewer utility rates and presented them to staff for their consideration.

City of McFarland, CA - Water, Sewer, and Solid Waste Rate Study and Cost Allocation Plan: In the role of principal-in-charge, Mr. Fisher led the City's Water, Sewer, and Solid Waste Rate Study and Cost Allocation Plan. Mr. Fisher oversaw the development of a comprehensive model and five year financial plan, required reports and documents, recommended rate updates, and presented results to the City management team and the City Council.

City of Lakeport, CA – Water and Wastewater Fee Study: Mr. Fisher led the engagement for Lakeport in the role of the principal-in-charge. The project included the completion of a comprehensive financial model, with multiple iterations and alternatives to address a situation where the City had not increased rates in several years. He led discussions with staff to outline the options and make adjustments, as necessary. He also worked closely with the City and its legal counsel to update rates and to incorporate tiers while ensuring compliance with Proposition 218 and the San Juan Capistrano Court decision.

City of Grover Beach, CA – Water and Wastewater Rate Study: In the role of principal-in-charge, Mr. Fisher led the City's utility rate study, which included the preparation of a comprehensive financial plan, along with cost-of-service analysis and development of updated rates. The financial plan prepared contained various options and scenarios for City Staff's consideration, including shifting from a uniform water rate structure to either a two- or three-tiered structure. The City's utilities were in relatively good health, so major increases were not recommended.

City of Sebastopol, CA – Water and Wastewater Rate Study: Mr. Fisher led the City of Sebastopol engagement in the role of the principal-in-charge. The objective of the study was to update water and wastewater rates to address capital needs for both utilities, and ensure rates provided adequate funding for ongoing operations and maintenance. Project work included development of a comprehensive financial model and preparation of rate scenarios for evaluation by staff and the City Council. Mr. Fisher and the project team presented the results to the City Council and instructed staff on the use of the model.

C. Fisher
Resume Continued

City of Guadalupe, CA – Water and Sewer Utility Rate Study: Mr. Fisher served as the principal-in-charge for the City's recent water and sewer rate study, providing technical assistance throughout the project, conducting working discussions with City Staff to evaluate financial and rate options, and coordinating the project. He oversaw the development of the comprehensive financial plan, and preparation of rate alternatives and analysis. This engagement included the development of a comprehensive financial model and updated water and sewer rates, including identification of the rates of comparable jurisdictions and a comparative rate and cost analysis.

City of Richmond, CA – Wastewater Rate Study: Mr. Fisher led the City of Richmond engagement as the principal-in-charge. The objective of the study was to prepare a comprehensive financial plan and updated wastewater rates to address funding for capital and operating needs. The effort included development of a comprehensive financial model and report, and preparation of rate scenarios, including revised scenarios to address the impacts of the COVID pandemic, for evaluation by staff and the City Council. Mr. Fisher and the project team presented the results to the City Council, whereby rate increases were approved.

McKinleyville Community Services District, CA – Water and Wastewater Capacity Fee Study: Mr. Fisher served as principal-in-charge of this project. The prior connection fees had not been updated for a number of years and were relatively low in comparison to similar agencies. In addition, there were several new local development projects in the planning stages requiring the District to provide utility services; placing even greater demand upon existing facilities and possibly requiring expansion of existing facilities, or construction of new ones. Willdan worked with staff to compile a list of proposed capital improvements and their estimated cost and conducted an analysis of existing and proposed development within the District's service boundaries.

Town of Apple Valley, CA — Wastewater Rate Study: Mr. Fisher oversaw a comprehensive wastewater rate study for the Town. The study encompassed the preparation of a financial plan and rate model, and a thorough review and update of the Town's rate structure. The Town had seen significant scrutiny of its water rates, so it wanted to be sure the wastewater rates and the report were thorough and defensible. The Town uses an EDU based rate structure, which Willdan evaluated and adjusted where necessary. This engagement also included comparison of current and proposed rates, and rates of similar agencies. Mr. Fisher provided technical assistance throughout this project, including the preparation of the rate report. The analytical portion of the project is complete and pending the completion of the Proposition 218 approval process.

City of Twentynine Palms, CA — Sewer Treatment Facility Fair Share and Sewer Rate Analysis: Mr. Fisher served as the Principal-in-Charge/Project Manager on the City of Twentynine Palms' sewer treatment facility fair share analysis. The purpose of this analysis was to develop an allocation of costs associated with the completion of a wastewater treatment plant (and other related costs) project, in the downtown area of the City, as well as the development of specialized sewer rates who will be served by the new treatment plant. We developed a model and numerous scenarios for evaluation by the City, and presented results to the City Council.

Michael Cronan

Financial Analyst

Education
Bachelor of Arts and Science; University of Central Florida

Areas of Expertise
Utility Rate Studies

User Fee Studies

Financial Forecast Modeling

7 Years' Experience

Mr. Michael Cronan is a project manager with 7 years of experience within Willdan's Financial Consulting Services group. His primary function is to support project managers and senior analysts with utility rate studies. He specializes in analysis for a variety of clients, including cities, water districts, and public utilities.

Select Relevant Experience

City of La Palma, CA — Water and Wastewater Utility Rate Study: Mr. Cronan was assigned to the La Palma engagement as the lead financial analyst. He worked directly with staff at the City to conduct financial analysis, which included the evaluation of alternatives for rate adjustments that incorporated different capital funding scenarios and operating budget assumptions, as well as the preparation of reports and Prop 218 documents. He was also instrumental in the development of the financial model.

City of Guadalupe, CA – Water and Wastewater Rate Study: Mr. Cronan provided analytical support for the City's utility rate study. He was responsible for gathering and verifying data, as well as assisting with the development of the model. He also worked directly with City Staff to present results and options and develop alternatives.

City of Richmond, CA — Wastewater Rate Study: Mr. Cronan served as the project analyst and provided support for the City's rate study. He gathered and verified data for the project manager and lead project consultant and played a significant role in the development of the customer database and financial model.

City of Lakeport, CA — Water and Sewer Rate Study: Mr. Cronan provided analytical support to the senior project team members and led the development of the financial model as the project analyst for the City's ongoing utility rate study. He worked directly with staff at the City to evaluate financial plan alternatives, particularly for sewer where years of deferred rate increases, and a significant capital plan required careful consideration. He also led the revamp of the City's cost-of-service approach, working closely with a leading Prop 218 attorney, to ensure rates were compliant with State law.

McKinleyville Community Services District, CA — Water and Sewer Utility Rate Study: Willdan was retained to update the models, develop the CSD's water and sewer rates and assist with the required Proposition 218 noticing process. Mr. Cronan provided analytical support to the project's senior team and is providing the same support for the ongoing update to the previous study.

City of Claremont, CA — Sewer Rate Study: Mr. Cronan provided analytical support for the City's sewer rate study. He gathered and verified data for the project manager and principal consultant.

City of Twentynine Palms, CA — Sewer Treatment Facility Fair Share and Sewer Rate Analysis: Mr. Cronan provided analytical support in the development of the model to support to the project's senior team on the City of Twentynine Palms' sewer treatment facility fair share analysis. This study also included a sewer rate study, specific to the new treatment plant and its customers.

City of Denver, CO — Sanitary Sewer and Storm Drainage Benchmarking and Storm Drainage Impact Fee Study: Mr. Cronan served as the lead analyst on a benchmarking study to review and compare the City's current rate structures to those of other front range and national utilities. The intent of the study was to identify potential areas for refinement to the City's current rate structures. Mr. Cronan also served as the lead analyst for developing and implementing first time storm drainage impact fees for the City.

GRU/Gainesville, FL — Combined Utility Rate Project: Mr. Cronan assisted senior project staff on Willdan's recent combined utility rate project conducted for Gainesville Regional Utilities, in Gainesville, Florida and included a comprehensive revenue requirement, cost of service analysis, and rate design for their electric, water, wastewater, and natural gas utility systems.

References

Provided below are recent project descriptions, including client contact information, project team, and project hours that are similar in nature to those requested by the City. We are proud of our reputation for customer service and encourage you to contact our past clients regarding our commitment to completing these assignments within the agreed upon project budget and schedules.

City of Farmersville, CA

Water and Wastewater Utility Rate Study

Willdan is currently concluding work on a comprehensive water and wastewater study for the City. The study is complete, the Prop 218 public hearing is scheduled, and notices have been mailed. Our team worked with City Staff to develop an interactive model with financial plans and projections for both utilities and prepare and present scenarios to evaluate budget and financial scenarios. We also worked with the City's financial advisor and legal counsel to implement a rate stabilization reserve to allow more flexibility in the financial plan and mitigate rate increases. We developed capital funding scenarios and rate structure options and presented them to staff for discussion and evaluation. Once the final financial plan was approved, we completed the cost-of-service analysis and calculated new rates, prepared the rate study report and Prop 218 notice, presented the results to the City Council, and coordinated the mailing of the notice.

Willdan gathered and validated financial data for the project, including budget, fund balances, capital plans, historical financial results, debt service schedules and debt covenants, and financial policy documents. The study also included the cost-of-service analysis, as required under Prop 218, and changes were made to the rate structure as a result.

Client Contact: Steve Huntley, Director of Finance and Administration
909 West Visalia Rd, Farmersville, CA 93223
Tel #: (559) 747-0458 | Email: SHuntley@cityoffarmersville-ca.gov

City of McFarland, CA

Cost Allocation Plan and Utility Rate Study

Willdan worked with the City of McFarland to complete a utility rate study for its water, sewer, and solid waste enterprises along with a cost allocation plan. The study included the development of a comprehensive financial plan and model, and the evaluation of alternatives for funding operations and capital projects, and for recommended rate adjustments. The City had not increased its rates for several years, including the COVID period, and was facing increased costs of operations, needs for additional staffing, and multiple capital projects. We presented numerous alternative scenarios, with adjustments and changes based on feedback from City Staff.

Willdan gathered and validated financial data for the project, including budget, historical financial results, and capital plans, evaluated adjustments to the base water, sewer, and solid waste rate structures, prepared a comprehensive financial model, and presented alternatives and scenarios to City Staff. The updated rates were successfully adopted in December 2023.

Client Contact: Diego Viramontes, Finance Director
401 W. Kern Ave, McFarland, CA 93250
Tel #: (661) 792-3091 | Email: dviramontes@mcfarlandcity.org

City of Dinuba, CA

Water and Wastewater Utility Rate Study

Willdan worked with the City of Dinuba to complete a utility rate study for its water and wastewater enterprises. The study included the development of a comprehensive financial plan and model, and the evaluation of alternatives for rate adjustments. The City had not increased its rates for several years, including the COVID period, and was facing increased costs of operations, needs for additional staffing, and multiple capital projects. We presented numerous alternative scenarios, with adjustments and changes based on feedback from City Staff.

Willdan gathered and validated financial data for the project, including budget, historical financial results, and capital plans, evaluated adjustments to the base water and wastewater rate structures, prepared a comprehensive financial model, and presented alternatives and scenarios to City Staff. The updated rates were successfully adopted in September 2023.

Client Contact: George Avila, Interim Public Works Director
1088 E. Kamm Avenue, Dinuba, CA 93618
Tel #: (559) 591-5924 | Email: gavila@dinuba.ca.gov

City of Lakeport, CA
Water and Sewer Rate Study

Willdan assisted the City of Lakeport with the development of a water and wastewater utility rate study. The scope of services included development of the financial plan, model, and reports, including the adjustment of the tiered rate structure. The City was in the position of needing potentially significant rate increases, so we worked collaboratively with them throughout the process to evaluate options for the financial plan to address the needs of the utilities, while balancing the impact on ratepayers.

Willdan team members worked closely with the City's Proposition 218 legal counsel to update the City's water rate structure while ensuring compliance with the applicable provisions of the California Constitution, as well as the San Juan Capistrano court decision.

Client Contact:	Nick Walker, Assistant City Manager, Finance Director 225 Park Street, Lakeport, CA 95453 Tel #: (707) 263-5615 x 301 | Email: nwalker@cityoflakeport.com

McKinleyville Community Services District, CA
Water & Sewer Rate and Capacity Fee Study

MCSD's connection fees had not been updated for a number of years and were relatively low in comparison to similar agencies. In addition, there were several new local development projects in the planning stages requiring MCSD to provide utility services; placing even greater demand upon existing facilities and possibly requiring expansion of existing facilities, or construction of new ones. Willdan worked with staff to compile a list of proposed capital improvements and their estimated cost and conducted an analysis of existing and proposed development within the district boundaries.

Finally, the team analyzed existing demand on the current utility systems and calculated remaining capacity in order to develop fair and equitable capacity fees. In addition to the capacity fee study, Willdan assisted MCSD in developing cost-based sewer rates in order to maintain requirements with state revolving fund loans.

Client Contact:	Patrick Kaspari, PE, General Manager 1656 Sutter Road, McKinleyville, CA 95519 Tel #: (707) 839-3251 | Email: pkaspari@mckinleyvillecsd.com

City of Lomita, CA
Water and Wastewater Utility Rate Study

Willdan assisted the City of Lomita with the development and completion of a water utility rate model and study. The study included detailed capital plan analysis, reserve analysis, and live evaluation of alternatives to mitigate necessary revenue and rate adjustments with a rate sub-committee as well as the City Council. The scope also included development of a ten (10) year financial plan and model, and reports, including the adjustment of the tiered rate structure and updated cost-of-service analysis to comply with current best practices and legal guidance.

The study was extended to incorporate findings from the updated Water Master Plan, which was completed during the rate study project. Due to the extensive capital plan needs, the City had to implement significant rate increases, so we worked with them to test alternatives and communicated financial plan details to Staff and elected officials. The rates were successfully adopted in October 2022.

Client Contact:	Carla Dillon, P.E., Public Works Director 24300 Narbonne Ave, Lomita, CA 90717 Tel #: (310) 325-7110 x 124 | Email: c.dillon@lomitacity.com

3. Conflict of Interest

Willdan is not aware of any conflict of interest that would impede our ability to conduct the Water and Sewer Rate Study for the City of La Palma.

4. Project Organization and Timeline

Project Understanding and Approach

The following project approach and scope of services is based on Willdan's current understanding of the City of La Palma's ("City") needs and objectives for the water and sewer utility rate study update. ***While this approach and scope is informed by our initial research, we will begin this project by working with the City to enhance our understanding of the City's current financial situation by conducting discussions regarding your objectives and priorities for this study.***

The City provides water and sewer service to a population of about 15,500 residents and businesses through approximately 4,400 service connections. ***Through our work with the City on the previous rate study, Willdan has a thorough understanding of the City's utility dynamics, history, and policies. We also retain the previous model, supporting data, and analysis, which will provide a head start formulating the approach and initiation of this upcoming study.***

Based on our previous work with the City, and a review of the most recent Adopted Budget and FY 2022/23 Annual Comprehensive Financial Report (ACFR), we have an understanding of the financial status of the utilities and the objectives for this rate study. ***The primary reasons for undertaking this requested updated financial plan and rate study are unexpected increases in personnel-related costs and additional planned capital projects.***

According to the 2022/23 ACFR both utilities generated positive operating results for the Fiscal Year ending June 30, 2023. For water, operating revenue was $3.3M, compared to operating expenses of $3.1M, for a positive operating result of $211K. For sewer, operating revenue was $546K, compared to operating expenses of $353K, for a positive operating result of $194K. However, the FY 2024/25 Adopted Budget shows that increases in expenses are beginning to outpace increases in revenues for water, primarily the result of increased staffing, and increased costs (salaries and benefits) associated with new and existing staff. According to the Adopted Budget for FY 2024/25 Water Fund revenues are projected at $3.7M, compared to expenses of $4.2M. For the Sewer Fund, the Budget projects revenue of $608K compared to expenses of $483K. In addition, the Capital Improvement Plan included in the budget shows $2.5M in projects for FY 2024, and $3.6M in projects for FY 2025.

The intent of the study is to independently evaluate the City's current water and wastewater rates and develop a comprehensive financial plan and updated schedule of rates that are simple, equitable, and most importantly, structured to meet the City's future financial needs. The proposed rate structure must adequately fund the ongoing operating, maintenance and capital improvement needs, ensure compliance with conservation and environmental objectives, and maintain consistency with industry standards.

We will develop a comprehensive and detailed analysis of both utilities to ensure the rates for each are able to generate sufficient revenue to meet operating and maintenance needs, while accounting for future capital needs, repayment of debt, and funding of appropriate reserves. Our approach and model incorporate a robust Capital Plan Analysis to ensure the utilities will be best equipped to address upcoming projects and their funding over the next five years, while maintaining required debt service coverage and appropriate reserve fund balances.

We welcome this opportunity to develop a comprehensive financial and rate model, and work with City Staff to present and evaluate financial plan and rate alternatives in order to arrive at the optimal solution for the utilities that best balances various objectives. ***Our objective is to provide Staff and the Council with the information it needs to understand water and sewer utility current and projected financial conditions, understand key drivers behind recommendations, evaluate options for moving forward, and make informed decisions based on this process***.

We will develop a five-year financial plan, model, and schedule of recommended rates and fees, with the financial model extended out to 10 years to provide long-term visibility of financial needs. We will also work with the City to provide a model for their use that can estimate revenue and costs, as well as resulting rate increases, over a longer time horizon, to the best extent possible given limitations in these types of projections and the ability to feasibly model them.

The project will entail three primary phases. The first is the review and evaluation of the previous rate study and development of objectives, development of a comprehensive financial plan for each utility, with projections for the next five years for the purposes of recommending rate adjustments extended out to ten years to provide a longer view of potential utility needs, particularly capital projects.

The purpose of the financial plan is to arrive at the required revenue for each utility, which serves as the basis for recommendations going forward, and the development of updated rates, if necessary. Then, once the results of the financial plan are reviewed with City staff, we will proceed with the cost-of-service analysis and development of rates, and preparation of a report.

Willdan will develop a comprehensive financial plan that considers updated forecasts for sales, operating expenses, as well as capital expenses, and provides for:

- Sufficient and stable revenue for operations and routine maintenance;
- Coverage for direct and indirect (overhead) costs, including transfers to the General Fund;
- Adequate debt service coverage for existing and/or proposed debt;
- Accumulation and maintenance of appropriate reserves;
- Functional cost-of-service analysis consistent with Proposition 218 and (AWWA) rate-making standards;
- Anticipated and routine repair and replacement of existing aging pipelines and infrastructure; and
- Major and minor capital projects.

This financial plan will serve as the basis for a full cost of service analysis and ultimately the development of recommendations for updated rates. The cost-of-service analysis will be conducted to ensure any new recommended rates comply with the requirements of Proposition 218, Proposition 26 and recent legal decisions.

The financial plan will be created using a ***highly flexible and interactive model and dashboard that will allow us to work collaboratively with the City to present and evaluate different financial scenarios, and quickly make changes in underlying assumptions based on feedback and discussions.*** Our goal will be to arrive at a financial plan that meets the City's objectives, and that provides understanding and education to City staff and ultimately the Council, as they make decisions regarding the proposed rates.

Project Approach

The following project approach and scope of services is based on Willdan's current understanding of the City of La Palma's needs and objectives for the water and sewer rate study. ***While this approach and scope is informed by our initial research, we will begin this project by working with the City to complete this research and understanding of the City's current financial situation and conducting meaningful discussions to more fully understand your objectives and priorities for this study.***

Div	Des
	GENERAL MANAGER DIVISION
2010	GENERAL MANAGER
2020	COMMUNICATIONS AND PUBL
2030	HUMAN RESOURCES
	ADMINISTRATIVE SERVICES DIVISION
3010	ADMINISTRATIVE SERVICES
3020	FINANCE & ACCOUNTING
3030	CUSTOMER SERVICE
3040	OFFICE SUPPORT
3050	PURCHASING
3060	METER OPERATIONS
3070	INFORMATION TECHNOLOGY
	ENGINEERING & ENVIRONMENTAL SERVICES DIVISION
5010	ENVIRONMENTAL & ENGINEERING SERVICES ADMINISTRATION
5020	SAFETY
5110	ENGINEERING DESIGN & CONSTRUCTION SUPERVISION
5120	CIVIL & STRUCTURAL DESIGN
5140	CONSTRUCTION MANAGEMENT
5210	OPS SUPERVISION
5220	ENGINEERING PLANNING
5250	WATER SYSTEM OPERATIONS
5310	ENGINEERING SUPPORT SUPERVISION

Incorporates City's data and account structure creating transparency

Our objective is to provide Staff and the City Council with the information it needs to fully understand the utilities current and projected financial condition, evaluate options for moving forward, and make informed decisions based on this process.

The intent of the study is to independently evaluate the City's current utility rates and develop an updated schedule of rates that are simple, equitable, and most importantly, structured to meet the future financial needs of the utilities. The proposed rate structure must adequately fund the ongoing operating, maintenance and capital improvement needs of the utilities.

For this project it will be critical to take a deeper look at the financial performance of the previous five years and project results forward, taking into account capital projects and anticipated debt, to evaluate the ability of current rates to provide sufficient revenue. We will create a comprehensive financial plan and model that allows us to work with the City to evaluate and test alternatives and demonstrate the impact of capital and reserve funding scenarios and their associated impacts on overall financial performance.

The City wishes to undertake this study to review water and sewer rates from both a policy and analytical standpoint. Willdan will prepare a comprehensive ten (10) year financial plan and analysis of rate alternatives; evaluate the current rate structure; and determine whether adjustments in the rates are necessary going forward. This analysis will include development of the financial plan and cost of service analysis necessary to arrive at informed recommendations and defensible Prop 218 compliant rates. We will also identify potential challenges and issues associated with implementing new rates, and work with the City to develop strategies to address these.

Project Methodology

As described herein, and detailed in our work plan, our approach to this water and sewer rate study is ***built around three primary objectives:***

Primary Objectives		
Working collaboratively with the City of La Palma to develop the comprehensive financial plan and model for the utilities	Using the model to develop and evaluate various rate, financial and capital funding scenarios	Arriving at a final plan and set of recommended rates that have a clear and transparent rationale and basis

We propose to conduct this process in a way in which staff and stakeholders gain understanding throughout the process of how the plan is developed, and how policy and financial decisions affect it, so that we can clearly communicate the process and results to the City Council and the community. The communication part of the process is critical in gaining acceptance and understanding of the broader community.

Our rate study analysis will include comprehensive financial management plan alternatives for the next ten fiscal years to support the proposed five-year rate plan.

As part of this analysis, Willdan will develop a comprehensive financial analysis — which incorporates the following:

- Revenue requirements such as operating expenses, transfers, reserve requirements;
- Major and minor capital expenses;
- Cash and debt-funded major capital expenditures, with annual debt service expenses;
- Adequate funding of designated reserves including operating and debt service, and other reserves as outlined in the City's financial policies; and
- Functional cost breakdown consistent with Proposition 218 requirements.

The culmination of the revenue requirements analysis, which will include a capital project financing plan, and cost of service allocations, will be alternative rate plans which will provide sufficient revenue to meet the ongoing funding needs of the system, while recovering costs from customers in a manner which is fair, equitable and within reasonable customer impact parameters.

The Financial Planning component of the model provides transparency, such that users can develop a viable financial plan and understand the reasons for needed revenue adjustments.

We will develop a robust 10-year pro forma financial model to demonstrate the results of various analyses and aid detailed policy and education discussions with City staff and City Council. It will serve as the basis for developing rate structures that provide for long-term financial stability, reflect levels of service demand for different customer classes, and comply with the requirements of Proposition 218.

During this project, we will utilize our Microsoft Excel-based model, with its interactive dashboard, as a comprehensive financial tool to allow planning and evaluation of variable inputs and assumptions, thereby creating a thorough analysis of revenue requirements to address the City's goal of ensuring predictable and stable revenue. This analysis is then seamlessly integrated with the rate development component of the model to demonstrate and project various rate design alternatives, and the effects they would have on the City's financial outlook.

The model is used in meetings, in order to efficiently cycle through rate scenarios and establish the most viable rate plans for the City. During these interactive meetings, we invite City staff to participate in scenario planning / "what-if" sessions, where we use the dashboard to demonstrate and evaluate the financial/rate impact of alternative data (CIP, operating costs, etc.) and assumptions (interest rates, customer growth, cost escalation, etc.) in real-time to focus on the most critical drivers of the analysis. This ensures the resulting rate plan alternatives are viable from a financial, operational, managerial, and political perspective.

To the extent revenues are not projected to be sufficient to meet requirements including operating expenses, debt service payments and coverage requirements, planned capital expenditures and targeted operating reserves, the model can be used to evaluate variable outcomes and alternatives, providing basis for meaningful discussions with elected officials and stakeholders well in advance of the actual rate increase process.

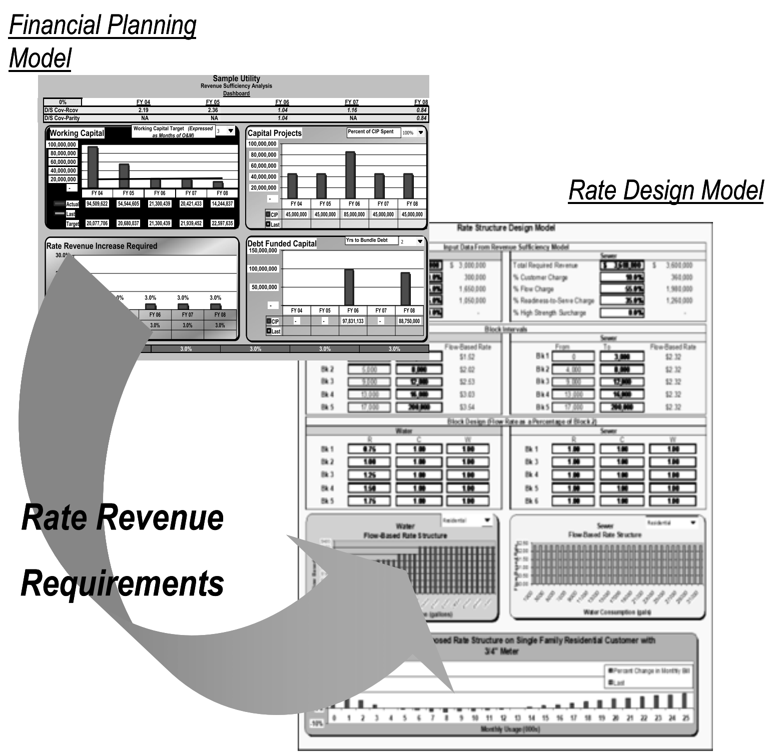
Real-Time Financial Modeling

The goal of financial forecasting is to provide clear vision regarding the potential financial outcomes of current management decisions, or just as importantly, potential decisions. Willdan's approach helps the City staff mold the existing knowledge base into a viable financial management and capital financing plan.

Any model is only as effective as the expertise of those who develop it; our state-of-the-art financial modeling techniques allow us to incorporate our considerable experience by asking the correct questions, evaluating, and incorporating appropriate data, providing interactive consulting services, and evaluating multiple scenarios with the City in a real-time setting.

Because our interactive model will be populated with specific data from the City (i.e., division and account structure), each alternative reviewed in real-time during interactive meetings with the City can be done with a complete understanding of specific customer impacts. Further, our experience ensures that the data loaded into the model is vetted and validated, and that the baseline results from which forecasts are developed are fully understood from the beginning, so that more time is spent on evaluation of potential solutions, rather than questioning whether the underlying data and assumptions are correct.

Model Development as Part of the Consulting Process



The financial planning model will be designed with the following elements:

- Graphical dashboard to clearly show the results of various scenarios to the user;
- Easily reviewed and modified assumptions;
- Validated data tables generated from the City's financial and operational information; and
- A powerful calculation engine.

The model will be "baselined" after an initial meeting with staff to ensure that we have the correct data and a basic understanding of the financial dynamics of your system. We will then conduct interactive financial planning sessions with the City staff.

After validating our data, calculation approach, and baseline assumptions, we will explore alternative scenarios, varying a number of assumptions and financial planning techniques including:

- Rate increase magnitude and timing;
- Alternative timing of capital projects;
- Alternative financing options (alternative combinations of pay-as-you-go, revenue bond debt and other debt, for example);
- Alternative growth/demand forecasts and other "what if" analyses such as the impact of a loss of one or more service areas or significant customers; and
- Effect of increases in other sources of funds.

Given any combination of cost requirements (both operating and capital), non-rate sources of funds, and forecast assumptions, the Willdan team will work with the City to develop a financial plan that:

- Meets specified reserve targets;
- Addresses identified benchmarks or key performance indicators;

- Fully funds capital expenditures using specified financing techniques; and
- Meets legal, policy and contractual requirements that are financially measurable, such as debt service coverage on revenue bonds.

Subsequent to careful development and validation of the baseline forecast, a series of alternative forecasts will be prepared illustrating various results in the following general categories:

- **What if things turn out differently?** These alternatives will demonstrate the sensitivity of the forecast to the significant assumptions used. This results in a sound understanding of areas where a conservative forecast approach is warranted;
- **What happens when we try this?** This series of alternatives focuses on different financial management approaches. For example, the use of different financing techniques such as capitalized interest, interim short-term financing, and capital appreciation bonds may be explored;
- **What can we do to make it better?** This approach to forecasting identifies the factors that may be causing significant rate increases in a given year and explores alternatives. For example, if a large capital project in a single year is the culprit, we would work with staff and the consulting engineers to determine whether this project could be phased or delayed; and
- **How will any adjustments affect our customers?** In examining rate structure alternatives, we will demonstrate and discuss how users in various categories or classifications will be impacted. Our consultants will use our rate design model to explore the impact of various rate structures on bills for each customer class over the relevant consumption range.

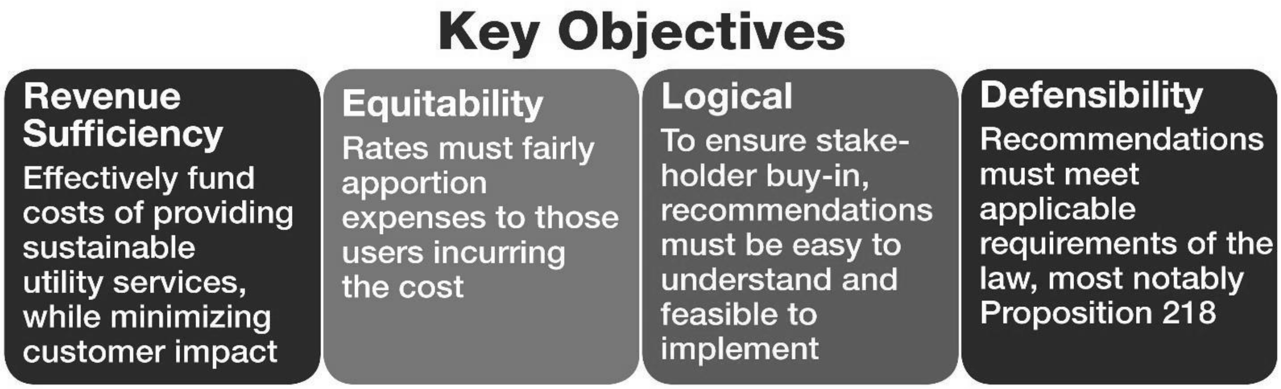
Communication as Part of the Consulting Process

Willdan's experienced professionals are accustomed to communicating with a variety of stakeholder groups, from management and staff, boards, and commissions, as well as the community. Our analytical and modeling approach will be customized to the City's specific needs. As mentioned, the custom graphical interfaces imbedded in our models allow our consultants to easily track key performance metrics and work through alternative scenarios with the City staff and management. Features of the Excel-based analysis model include the ability to incorporate line-item data and assumptions that are then summarized in a graphic dashboard to show key financial indicators for the utility systems.

The sample dashboard below illustrates how we can summarize data, assumptions, and calculations into an easy-to-understand graphical interface that updates with each alternative scenario evaluated. A copy of the final dashboard model will be provided to the City upon completion of the project.

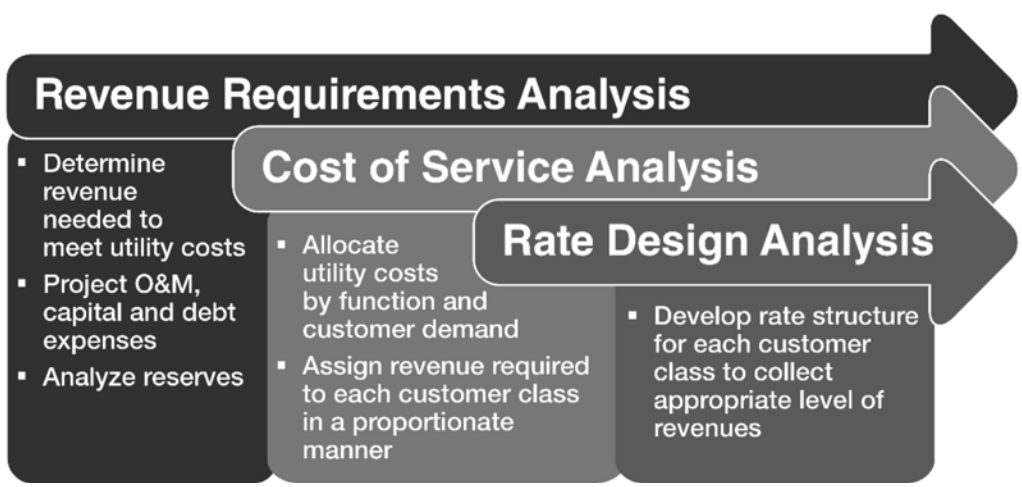
Rate Study Objectives

The overarching rate study objectives are outlined below.



Rate Setting Process

The graphic below summarizes the standard approach commonly employed to develop utility rates. Willdan's rate-setting process and model has been developed through the completion of many successful studies over the course of time and continues to be the basis for developing proven, well-balanced financial plans that are supported by equitable rate structures. Willdan's combination of consulting experience and technical expertise helps distill the complex decisions into a clear and easy-to-understand process. As there are often competing objectives, for a successful rate study it is necessary to understand not only the technical details and corresponding rates, but also the social and political corollaries that can often jeopardize the implementation of a technically sound rate structure. Our rate experience goes beyond simply "running the numbers" by creating numerous scenarios and considering stakeholder considerations, such as customer impact (ability to pay) to ensure a complete and unimpeded rate analysis.



Each step of the three-step approach is typically performed in tandem. Although presented sequentially, the overall analysis is circular – as variables in one analysis may influence another. Thus, it is imperative to constantly review assumptions to determine if variables are fixed (i.e., debt service) or flexible (i.e., consumption or treatment) and monitor how changes in certain variables affect the overall analysis.

Scope of Work

The following proposed scope of services is intended to capture the goals and objectives of the City, and for brevity outlines the steps and work plans for both the water and sewer utilities. Willdan is confident the following will effectively meet the stated project objectives. A final scope and schedule will be determined following the selection of a consultant and based on further discussions with staff.

Notice

Willdan's expertise and qualifications align seamlessly with the City's need for a Water and Sewer Rate Study, having successfully conducted hundreds of studies throughout California and the US, including the City of La Palma's previous two studies; however, two areas of the City's requested Scope of Services are beyond the typical scope of a utility rate study, as well as beyond Willdan's experience and qualifications.

The first is item 3: Conduct a salary and compensation study. We have noted in our Scope of Work where we will identify and work with a sub-consultant who specializes in this type of work and pass along associated costs directly to the City.

The second is item 4: Provide an evaluation of the Water and Sewer Divisions to provide a cost comparison and recommendation as to whether services shall remain in-house, be outsourced, or other. For this item we will identify and project the costs of operating the sewer and water utilities as part of our scope of services outlined below. Making an evaluation of whether the services are best kept in-house or outsourced requires analysis and information that is beyond the scope of this study.

Willdan's work plan will culminate in the successful development of water and sewer projections and rates for five years, an extended ten-year financial plan, and the education of staff and key stakeholders.

Project Initiation

Task 1.1 – Data Collection and Review

Task 1.1.1 – Data Collection. The City will be provided with an initial list of basic data needed to conduct the study. The data request may include, but will not be limited to:

- Financial and operating data (budgets, audits, financial statements, cash balances, etc.);
- Customer account and billing data;
- Related reports prepared by others (i.e., Master Plans, UWMP);
- System operating data for the utilities;
- Capital improvement programs, fixed asset records;
- Bond statements, debt service schedules;
- Ordinances, previous rate studies, City codes; and
- City financial, debt and reserve policies.

Task 1.1.2 – Data Review. We propose to conduct initial data collection and review prior to the kick-off meeting to allow for a more meaningful discussion to occur. This will allow for our review of data in advance of the meeting so that we can request clarifications or follow-up information, as necessary. However, if the City's preference is to conduct the kick-off prior to collecting data, we will accommodate that request. The data will be reviewed for completeness and to ensure a sufficient understanding of historical utility operations. The data collection and review process will be ongoing throughout the process as the need for additional information arises.

Task 1.2 – Kick-off Meeting and Planning Discussion

Task 1.2.1 – Project Kick-off. Following initial data collection and review, Willdan will conduct a kick-off meeting with City Staff. During this meeting we will discuss goals and objectives of the study, the schedule, constraints, or challenges that may be encountered, stakeholder considerations and objectives, and political concerns. Discussions may center around the following:

- Review of previous rate study and existing rate structure and areas where existing rates have been successful and/or specific areas of focus;
- Review of recent financial performance for the utilities;
- Discussion of anticipated significant events (i.e., loss or gain of any major customers);
- Components to incorporate into the updated revenue requirements; such as, capital improvements, debt repayment, reserves, annual repair and replacement, ongoing maintenance, cost of imported water, etc.;

- Conduct a detailed review of the data used in the baseline financial forecast; and
- Review and resolve (or develop a plan for resolving) data issues and questions.

For further efficiency and collaboration, the kick-off meeting will include a financial policy discussion. This will serve to address and document the City's financial policies for the utilities to be studied.

Topics of discussion may include:

- Rate design approaches and alternatives;
- Rate policy objectives;
- City financial policies;
- Reserve options and target levels (operating, debt services, rate stabilization, repair, and replacement);
- Conservation objectives and rate options;
- Capital Improvement Plan (CIP) financing options – i.e., PAYGO vs. debt vs. grants;
- Customer characteristics and classifications; and
- Cost of service factors and Proposition 218.

Water and Sewer Rate Study

Task 2.1 – Development of Financial Model and Plan, Revenue Requirements and Rate Determinants

The following sub tasks encompass the development of detailed historical customer and system analysis, creation of the comprehensive financial and cost-of-service rate model, formulation of cash flow projections of revenues and expenditures over five- and ten-year periods, and the calculation of the required revenue for the water and sewer utilities, all of which will serve as the basis for recommendations for updated rates. The financial and rate model will provide detailed and comprehensive projections that will be used in the development of rates over the initial five-year period, and projections extended out to ten years for internal City planning.

Task 2.1.1 – Historical Billing Data Analysis. The data request document will provide instructions for the development of historical customer billing information. It is anticipated that the billing information will be provided in a format necessary to summarize the water and sewer system accounts and billable flows by customer class for a recent historical period for which audited revenues exist. The customers and flows provide the basis on which operating revenues are derived and are therefore the primary factors utilized in reviewing the user rates and charges. As such, the historical billing data provides an important basis for analyses that will be used to develop assumptions for projecting revenues under existing and/or proposed rates.

Task 2.1.2 – Customer and Flow Projections. The water and sewer system accounts and billable flows will be forecasted for a five-year planning period. Such projections will be developed by considering historical growth trends, peak demands, local economic conditions, potential for adding/losing major utility customers, changes in customer class usage patterns over time, and experienced judgment. The billable flow projections will be based on the projected number of utility accounts and a usage per account analysis to differentiate the historical effects of account growth and increased (decreased) average usage by customer class.

Task 2.1.3 – Projected Revenues Under Existing Rates. Projections of utility system revenues under existing rates for the five-year planning period will be developed for water and sewer, recognizing projected accounts, flow volumes, and usage patterns by customer class (as determined in the billing analysis under the previous tasks).

Task 2.1.4 – Projected Revenue Requirements. Revenue requirements (i.e., system expenditures) will be developed for the utility systems based on an analysis of historical, currently budgeted, and anticipated operating and capital expenditures. The revenue requirements will be projected on a fiscal year cash flow basis, considering expected operational changes, changes in staffing or operating expenditures for new facilities, system growth occurring from new development, anticipated extraordinary expenses, and allowances for inflation. The projections will include, but not be limited to, the following:

- Operation and maintenance expenses;
- Direct and indirect costs utilizing the cost allocation model currently in process for the City;
- Outlay for annual capital additions and replacements;
- Debt service payments and coverage requirements for existing and anticipated debt;
- Funding of adequate reserves; and
- Other expenditures and transfers.

Please Note

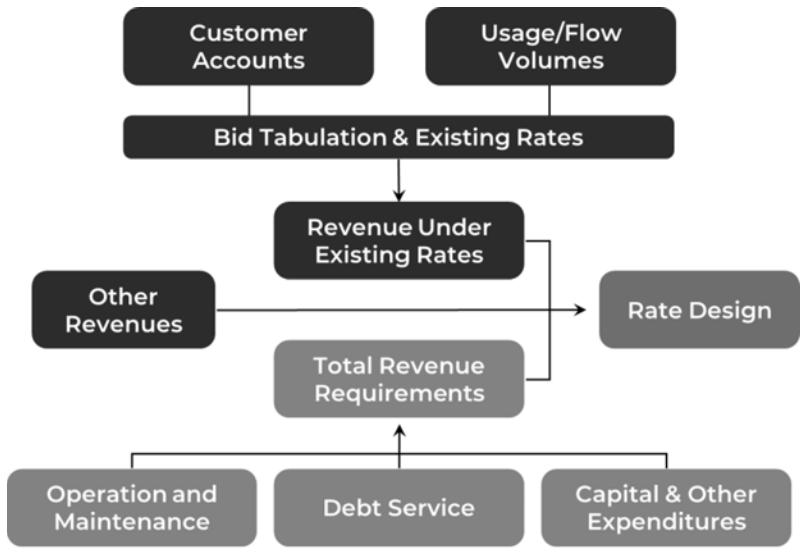
The City's requested scope of services includes a salary and compensation study. As previously mentioned, this area of work does not align with a typical utility rate study or Willdan's experience or qualifications. For this task, we will analyze standard personnel costs for the City utilities in the analysis based on information and data provided by the City and include reasonable industry-accepted escalation factors.

If a more comprehensive survey of surrounding cities is necessary, we will consult with and engage a local salary survey consultant, with all associated costs passed on directly to the City. Costs associated with a salary/compensation survey are not included in our fixed fee. Depending on the necessity of this task, we will team with a local salary survey consulting firm at the approval of the City, and pass along any direct costs to the City, plus 10 percent (10%).

Task 2.1.5 – Projected Operating Results Based on Existing Rates. The projected revenues and revenue requirements will be summarized into a five and ten-year cash flow statement providing the projected operating results of the water and sewer systems under the existing rates.

The cash flow statement will be used to estimate annual adjustments in utility revenues necessary to fund operating and capital expenditure requirements, meet existing bond covenant requirements, and maintain prudent utility management practices. The estimated timing and magnitude of future debt issues required, if any, to finance proposed capital improvements will also be shown. Concurrent with the development of the projected operating results, the study will review the general financial health of the utility operations and, as necessary, make recommendations for changes in fund balances, reserves, and debt service coverage ratios to maintain financial integrity and a stable bond rating.

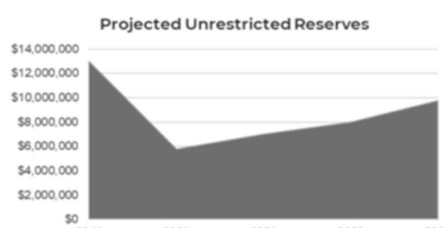
The graphic demonstrates the general rate study methodology and major components of the rate process.



Task 2.2 – Capital Plan Analysis

Task 2.2.1 – Review Capital Improvement Program (CIP) and Asset Replacement Schedules. The City's existing utility system five-year CIP, master plans, and asset replacement schedules will be reviewed in conjunction with conversations with City Staff. The objective of such a review is to gain an understanding of the types of projects scheduled; the timing associated with such projects, associated expenditure requirements and the sources of funding each project. Examining the impacts on the financial objectives of the water and sewer utilities, as well as capital projects associated with rehabilitation and replacement of existing facilities, will be a key objective of not only this task but the entire project. The results of the financial plan will also help the City to prioritize projects identified within the CIP.

Task 2.2.2 – Develop Capital Needs Plan. Based on the findings made in the previous task and the Projected Operating Results described in Task 2.1.5, a plan will be developed to provide for the anticipated capital expenditure activities, including debt issuances, relative to the CIP. Such a plan will include consideration for the use of restricted and unrestricted funds, surplus operating reserves, capital recovery fees, and future rate adjustments. The analysis will also develop a projection of reserve fund balances and level of liquidity.

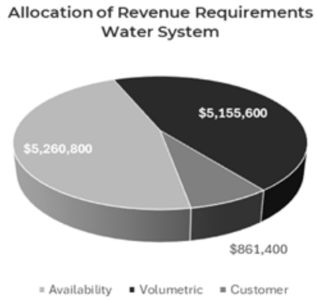


Task 2.2.3 – Capital Projects Model. The CIP will drive the future funding options and will directly impact rates. Therefore, the rate analysis will incorporate the City's current five-year CIP. The rate model will have the ability to run various CIP funding scenarios and quickly show the estimated impact on utility rates.

Provide a system performance report and meter evaluation to determine Non-Revenue Water Loss and Recovery and how this will impact costs and rates. Provide cost scenarios for new equipment, system requirements, energy, and water savings.

Since we are not serving as the financial/municipal advisor to the City for this project, we will rely on information relative to proposed debt or financing structures provided by the City or its designated financial/municipal advisor.

Task 2.3 – Cost-of-Service Allocations



Task 2.3.1 – Functional Cost Allocations. The analysis will allocate the Test Year revenue requirement (i.e., costs of providing service) to the various cost/rate components that constitute functional classifications of the types of service provided. The functional cost allocations will evaluate such aspects as fixed costs, customer related costs and volumetric/usage related costs.

The evaluation of allocation factors associated with applicable costs will be based on existing rate structures applied by the City, meter size, rate structures applied by other comparable utility systems in the region, common industry practice and standard rate-making principals.

Task 2.3.2 – Determination of Revenue Adequacy. Comparisons of revenues under the existing water and sewer rates with the allocated costs of service will be evaluated in order to determine the degree of cost recovery by the various cost components, and to identify areas that may possibly require adjustments to align the revenues from each rate component with the allocated costs.

Task 2.4 – Rate Analysis and Design

Task 2.4.1 – Evaluation of Existing Rate Structures. The existing rate structures will be further evaluated for their effectiveness in equitably recovering costs of utility service from each customer class. The City's current rate structure will be evaluated, and recommendations will be made for potential modifications to the current rates.

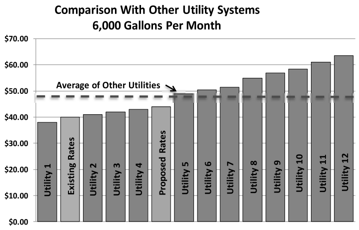
As part of the rate design process, Willdan will discuss with departmental staff the current trends and philosophies in utility ratemaking. Based on these discussions, the analysis will develop and recommend a rate design and philosophy that best meets the objectives of the City. The analysis model will be developed in a dynamic manner allowing the City to compare alternative annual incremental/phasing adjustments to achieve funding goals.

Basic standards for rate design accepted by the industry are:

- **Full Cost Recovery –** rate revenue should provide sufficient income so that, when combined with other sources of funds, funding requirements for the system are covered including, all current long-term liabilities, debt obligations and future expansion-related and R&R-related capital needed to replace aging and infrastructure.
- **Fairness and Equity –** based on cost responsibility as reflected in cost-of-service allocations, in accordance with industry standards.
- **Technically Defensible –** apply industry proven standards and methodologies to help shield the City from potential legal challenges associated with the proposed utility rates.
- **Resource Conservation –** under conditions of scarcity, the pricing of water as a commodity should promote voluntary conservation, discourage unnecessary service use and extend the availability of supply.
- **Administrative Efficiency –** rates should be understandable to customers and efficiently administered by staff.
- **Customer Acceptance –** customers understand the rates, view them as fair, and consider them to be reasonable compared to other costs and other utilities.
- **Public Health and Welfare –** rates are structured so that essential service usage is encouraged through affordability.

Task 2.4.2 – Rate Structure Alternatives. The rate model will be developed in a dynamic manner such that the Willdan Team and City Staff will be able to analyze "what if" scenarios detailing the financial impacts under each scenario utilizing an iterative dashboard view. Baseline rate structures will be recommended as required to fund the utility systems and consider annual inflationary indexed adjustments to rates as needed to maintain each utility. We will coordinate with City Staff to ensure suggested rate structures are compatible with the City's utility billing software.

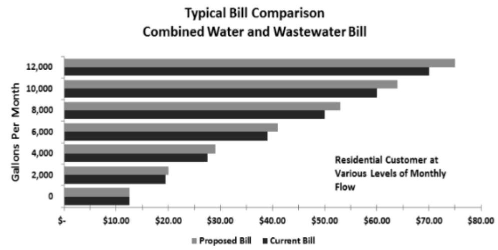
We will develop and assist the City in evaluating options for drought surcharges for the water utility. These surcharges could be implemented based on requirements of the City's drought ordinances, to ensure the water utility is still able to generate sufficient revenue to cover its obligations under water restrictions that would likely reduce water sales.



Task 2.4.3 – Projected Operating Results Based on Proposed Rates. The proposed user rates and/or rate structures will be applied to the projected customers and flows in order to estimate the revenues to be generated from the proposed rates for the Test Year and the subsequent years of the projection period. The projected revenues will consider possible elasticity effects associated with changes in usage characteristics that may occur from revising the rate structure.

In addition, similar to the process described in Task 2.1, the five-year forecast will identify annual adjustments in utility system revenues necessary to meet existing bond covenant requirements, prudent management practices, and/or sound capital financing considerations.

Task 2.4.4 – Typical Bill Comparison. Comparisons of typical utility bills under the existing and proposed rates will be developed for each customer class under various levels of usage. The selected customer class usage levels will reflect the results of the billing analysis to better demonstrate rate impacts on typical customer accounts in each class.



Task 2.4.5 – Neighboring Utility Comparison. A comparison will be prepared to assess the difference between existing and proposed rates of the City with those of other comparable municipal utility systems.

Preparation of Reports and Proposition 218 Notices

Task 3.1 – Reports, Model and Deliverables

Task 3.1.1 – Preliminary Draft Report. A draft report will be developed to address study findings and proposed recommendations. Contents will also include assumptions relied upon for the projection of customers and usage characteristics, revenue requirements, revenues, operating results, the cost recovery profile for each class, the results of the fully allocated cost of service analyses and any proposed adjustments to the utility rates. Upon completion, an electronic PDF copy and ten copies of the draft report will be provided to staff for review. The report and presentations will also include a comparison of the City's current and proposed water and sewer rates with five other public agencies.

Task 3.1.2 – Final Report. Based on comments received from staff and other participants during the presentation of the Preliminary Draft Report, the Final Report will be revised to incorporate the agreed upon changes. Upon completion, an electronic PDF copy and two (2) copies of the Final Rate Study Report will be provided to the City.

Task 3.1.3 – Rate Model. The financial rate model developed through the course of this study of both utilities, including the interactive dashboard, will be provided to the City for its unrestricted use. Our model is developed using Excel and will not contain any proprietary components. We will provide guidance and education on the use of the model, including how to incorporate updated financial information and data, such as budgets, fund balances, capital plans and cost escalators, and see the results and impacts on projected future rates. To the best extent possible and feasible, given limitations in long-term projections and the ability to effectively model them, we will work with the City to evaluate which factors to incorporate into the model, to allow the ability to develop projections over an extended 30 year timeline.

Task 3.2 – Proposition 218 Notice Preparation and Mailing

Task 3.2.1 – Proposition 218 Notices. Based on our over 25-year history with Proposition 218 compliance, we will assist with the drafting of the notices that will explain:

- The purpose of the rates;
- The reason for the increases;
- How the rates are structured;
- The date, time, and place of the public hearing; and
- Details on what constitutes the existence of a majority protest, as it relates to the implementation of a new/increased utility rate structure.

Task 3.2.2 – Proposition 218 Notice Processing. We will develop the materials, create a parcel database of properties subject to the new proposed rates, and coordinate the printing and mailing of the materials in conjunction with a mailing house that we typically work with on these types of projects. ***The fixed fee does not include costs associated with the printing, processing, postage and mailing of Proposition 218 notices.*** The additional cost for these services is estimated at $1.00 per parcel plus 10%, and includes direct costs associated with the mailing.

Communicating Results - Presentations & Meetings

Task 4.1 – Meetings and Presentations

Task 4.1.1 – Project Kick-Off. As detailed in Task 1.2, a kick-off virtual meeting will be scheduled with City Staff at the start of the project to discuss project requirements, finalize project scheduling/milestones and reporting requirements, and receive overall project direction. This discussion will provide the opportunity to review current utility rates, fees, charges, issues, and deficiencies with staff.

Task 4.1.2 – Project Progress Web Conferences. During the project, and prior to meetings with the City Council, team web conferences will be scheduled to present the progression of the analysis to staff in order to obtain input and feedback associated with any rate adjustments that may be presented. These web meetings will assist in the completion of rate design for the utility systems and guide the development of the draft report.

Task 4.1.3 – Draft Financial Plan Meeting. The results of the Preliminary Financial Plan and Revenue Requirements will be presented to staff for comment, feedback, and direction.

Task 4.1.4 – Draft Study/Final Report Meetings/Public Hearing. The draft report will be reviewed with City Staff to discuss findings and recommendations, gather feedback and address questions, then presented to the City Council. The results of the Final Report will be presented to the City Council during one (1) public City Council meeting, and then again at the Public Hearing required by Proposition 218. Willdan's project manager will be present to address any questions or concerns raised during the public hearings.

City Staff Support / Responsibilities

Willdan recommends that the City of La Palma assign a key individual as a project manager. As our analysis is developed, the City's appointed project manager will:

- Coordinate responses to informational requests;
- Coordinate review of work products; and
- Identify appropriate staff members for participation in meetings and facilitate in scheduling.

We will ask for responses to initial information, follow-up requests and comments on reports within five business days or otherwise agreed upon timetable. If there are delays, the project manager will follow up with the parties involved to establish an estimated date for the delivery of information and/or feedback.

To ensure continued progression, the project manager will reconvene with the rest of the team to identify tasks that can be started while waiting for requested data.

Project Disclaimer

The City of La Palma further represents, acknowledges, and agrees that:

(i) The City uses, or may use, the services of one or more municipal advisors registered with the U.S. Securities and Exchange Commission (“SEC”) to advise it in connection with municipal financial products and the issuance of municipal securities;

(ii) The City is not looking to Willdan to provide, and City shall not otherwise request or require Willdan to provide, any advice or recommendations with respect to municipal financial products or the issuance of municipal securities (including any advice or recommendations with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues);

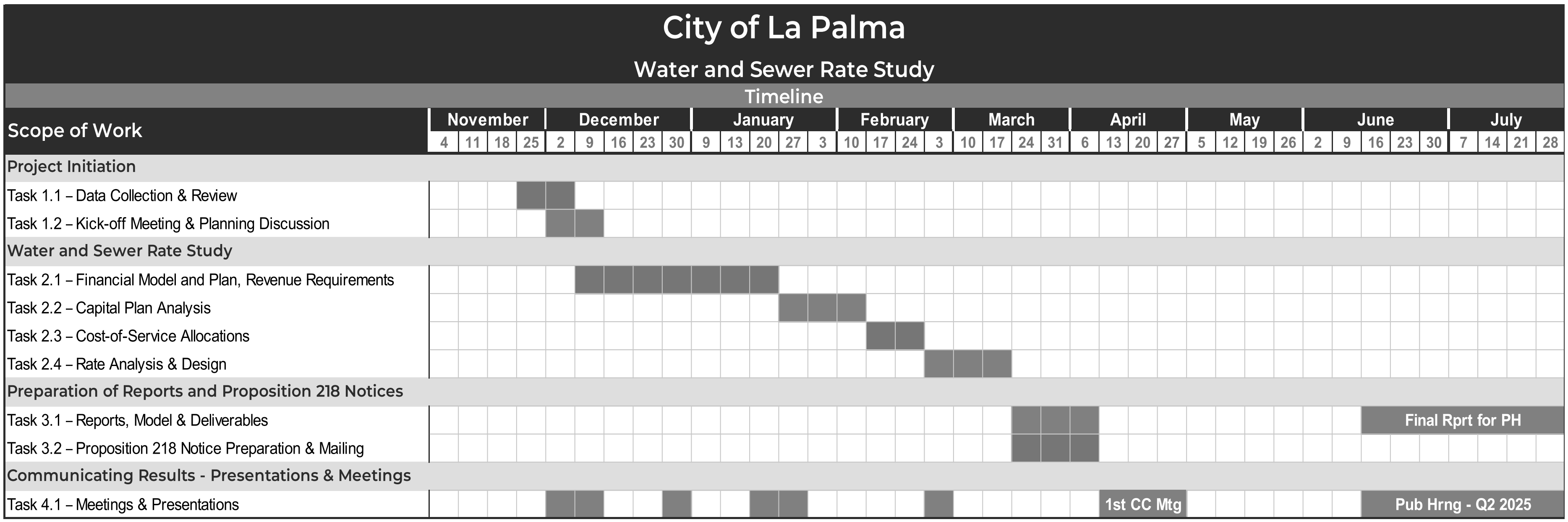
(iii) The provisions of this proposal and the services to be provided hereunder as outlined in the scope of services are not intended (and shall not be construed) to constitute or include any municipal advisory services within the meaning of Section 15B of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the rules and regulations adopted thereunder;

(iv) For the avoidance of doubt and without limiting the foregoing, in connection with any revenue projections, cash-flow analyses, feasibility studies and/or other analyses Willdan may provide the City with respect to financial, economic or other matters relating to a prospective, new or existing issuance of municipal securities of the City, (A) any such projections, studies and analyses shall be based upon assumptions, opinions or views (including, without limitation, any assumptions related to revenue growth) established by the City, in conjunction with such of its municipal, financial, legal and other advisers as it deems appropriate; and (B) under no circumstances shall Willdan be asked to provide, nor shall it provide, any advice or recommendations or subjective assumptions, opinions or views with respect to the actual or proposed structure, terms, timing, pricing or other similar matters with respect to any municipal financial products or municipal securities issuances, including any revisions or amendments thereto; and

(v) Notwithstanding all of the foregoing, the City recognizes that interpretive guidance regarding municipal advisory activities is currently quite limited and is likely to evolve and develop during the term of the potential engagement and, to that end, the City will work with Willdan throughout the term of the potential Agreement to ensure that the Agreement and the services to be provided by Willdan hereunder, is interpreted by the parties, and if necessary amended, in a manner intended to ensure that the City is not asking Willdan to provide, and Willdan is not in fact providing or required to provide, any municipal advisory services.

Project Schedule

The following outlines the estimated number of weeks to complete each task outlined in our scope of services. A specific project schedule will be developed following consultation with, and in concert with, City staff.



Project Management and Quality Assurance/Control Approach

Project Management

At Willdan, we utilize a Project Management Process/Approach that ensures projects are completed on time, within budget and most importantly yield results that match our clients' expectations. We will document discussions leading to important policy decisions and/or the choice of critical assumptions used in constructing the analysis and model. Following key stakeholder discussions, we will schedule a call to summarize findings and direction with City staff, to make certain that we are in agreement with stated objectives, and that feedback is incorporated as appropriate.

Through the process of providing regular updates and conducting status conference calls, potential issues will be highlighted, discussed, and resolved. Any deviances from the project timeline will be identified and plans will be developed for course corrections. If necessary, changes in approach or strategy will be discussed with City staff, to meet the needs of the City of La Palma. In doing this, we will ensure the project stays on track and evolves, based upon current thinking and outside dynamics.

Project Management

Define the Project	Plan the Project	Manage the Project	Review the Project	Communicate the Project
▪ Identify the project scope, set objectives, list potential constraints, document assumptions. ▪ Define a course of action and develop an effective communication plan. ▪ Provide a forum for applying the team's collective expertise to solving difficult analytical issues that arise in complex projects.	▪ Collaborate with the project team and client staff and agree upon timeline to meet the estimated project timeline. ▪ Assign workload functions to appropriately qualified staff to ensure milestones are met, on time. ▪ Pre-schedule quality control meetings with project team to maintain the progressive motion of the project.	▪ Manage the execution of the project. ▪ Direct existing and upcoming project tasks. ▪ Control and monitor work in progress. ▪ Provide feedback to client and project team. ▪ Identify and resolve deviances from project timeline.	▪ Review all work product and deliverables. ▪ Utilize structured quality assurance process involving up to three levels of review at the peer level, project manager level. ▪ Procure executive officer level review.	▪ Communicate with the client regarding work status and progress. ▪ Ensure client is in receipt of regular status updates. ▪ Schedule regular conference calls to touch base. ▪ Inform client of roadblocks, work outside of projected scope.

Quality Assurance / Quality Control Process

Our quality control program is incorporated as a required element of Willdan's day-to-day activities. There are three levels of reviews incorporated for our deliverables:

1) Peer review;

2) Project Manager review; and

3) Final quality assurance manager review.

Peer reviews involve one analyst reviewing the work of another, while project manager reviews are conducted prior to delivery to the quality assurance manager. The quality assurance manager then performs a final review. This assures that our final product has been thoroughly evaluated for potential errors; thus, providing quality client deliverables, and high levels of integrity and outcomes.

The primary mission of our quality control plan is to provide staff with the technical and managerial expertise to plan, organize, implement, and control the overall quality effort, thereby ensuring the completion of a quality project within the time and budget established.

Quality Assurance Goals		
Goal	**Lead**	**Task**
Quality Assurance / Control Process	**Chris Fisher**	▪ Establish a set of planned and systematic actions for maintaining a high level of quality in the professional services performed; ▪ Emphasize quality in every phase of work; ▪ Ensure efficient use of resources; ▪ Establish a consistent and uniform approach to the services performed; and ▪ Implement appropriate quality control measures for each work task of the project.
Quality Control Plan	**Chris Fisher**	▪ Contract deliverables; ▪ Specific quality control procedures; ▪ Special quality control emphasis; ▪ Budget and manpower requirements; ▪ Overall project schedule and budget; and ▪ Project documentation requirements.

6. Contract

Willdan's legal team has reviewed the City's sample professional services agreement, and kindly requests consideration of the following exception:

4.2 Performance to the City's Satisfaction. The Consultant agrees to perform all work to the reasonable satisfaction of the City. If the services performed under this Agreement are not satisfactory, **according to the professional Standards of Performance as described in section 1.3 supra;** the City has the right to take appropriate action, including but not limited to: (i) meeting with the Consultant, its agents or subcontractors to review the quality of the work and resolve matters of concern; (ii) requiring the Consultant to have the work repeated at no additional fee until it is satisfactory; (iii) withholding payment of the City's compensation to the Consultant for any unsatisfactory work performed; (iv) suspending delivery of work to the Consultant for an indefinite time; and/or (v) terminating this Agreement.

WILLDAN
FINANCIAL SERVICES

27368 Via Industria, Suite 200
Temecula, CA 92590-4856
800.755.6864 | Fax: 888.326.6864
951.587.3500 | Fax: 951.587.3510
www.willdan.com

EXHIBIT B

Budget and Fee Schedule

[See attached]

5. Cost

Based on our work plan provided in the scope of services, we propose a total ***fixed fee of $42,880.*** The table below provides a breakdown of these fees by task and project team member.

City of La Palma Water and Sewer Rate Study Fee Proposal				
	C. Fisher PIC/PM	M. Cronan Lead Analyst	Total	
	$250	$165	Hours	Cost
Scope of Work				
Project Initiation				
Task 1.1 - Data Collection & Review	1.0	12.0	13.0	$ 2,230
Task 1.2 - Kick-off Meeting & Planning Discussion	2.0	2.0	4.0	830
Water & Sewer Rate Study				
Task 2.1 - Financial Plan, Requirements & Determinants	12.0	72.0	84.0	14,880
Task 2.2 - Capital Plan Analysis	4.0	8.0	12.0	2,320
Task 2.3 - Cost-of-Service Allocations	3.0	6.0	9.0	1,740
Task 2.4 - Rate Analysis & Design	8.0	20.0	28.0	5,300
Reports and Presentations				
Task 3.1 - Reports, Model & Deliverables	6.0	24.0	30.0	5,460
Task 3.2 - Proposition 218 Notice Preparation & Mailing	8.0	12.0	20.0	3,980
Communicating Results - Presentations & Meetings				
Task 4.1 - Meetings & Presentations	14.0	16.0	30.0	6,140
Total Labor Cost Proposal	**58.0**	**172.0**	**230.0**	**$ 42,880**

Proposition 218 Fees

IMPORTANT NOTE - The fixed fee ***does not*** include direct costs associated with the printing, processing, postage and mailing of Proposition 218 notices. We will bill the City for these at our cost, plus 10 percent (10%), based on actual quotes provided by our mailing house at the time the mailing materials are developed and delivered to them. These costs are estimated at $1.00 per mailed piece.

Notes

- Costs associated with a salary/compensation survey are not included above. Depending on the necessity of this task, we will team with a local salary survey consulting firm at the approval of the City, and pass along any direct costs to the City, plus 10 percent (10%).
- The City will be invoiced on a monthly percentage-completion basis.
- Invoices will include a description of services, as well as a summary of costs to date by task.
- Willdan will rely on the validity and accuracy of the City's data and documentation to complete our analysis. Willdan will rely on the data as being accurate without performing an independent verification of accuracy, and that we will not be responsible for any errors that result from inaccurate data provided by the client or a third party.
- The City shall reimburse Willdan for any costs Willdan incurs, including without limitation, copying costs, digitizing costs, travel expenses, employee time and attorneys' fees, to respond to the legal process of any governmental agency relating to the City or relating to this project. Reimbursement shall be at Willdan's rates in effect at the time of such response.

Hourly Rates

We will perform additional tasks, outside our scope of services, as requested and authorized by the City for an additional fee. Additional services may be authorized by the City and will be billed at our then-current hourly rates. Our current hourly rates are listed below.

Willdan Hourly Rate Schedule

Position	Team Member	Hourly Rate
Vice President - Director	Chris Fisher	$250
Managing Principal		$240
Principal Consultant		$210
Senior Project Manager		$185
Project Manager	Michael Cronan	$165
Senior Project Analyst		$135
Senior Analyst		$125
Analyst II		$110
Analyst		$100

City of La Palma

Agenda Item No. 8

MEETING DATE:	January 14, 2025
TO:	City Council
FROM:	City Manager
SUBMITTED BY:	Joseph Cisneros, Deputy City Manager
AGENDA TITLE:	2025 Legislative Platform

RECOMMENDED ACTION:

It is recommended that the City Council adopt the City of La Palma's 2025 State and Federal Legislative Platform.

Summary:

Many cities have a legislative platform that is formally adopted by the governing body annually and is used to guide a city's legislative advocacy efforts during the year.

The City of La Palma is a member of the League of California Cities (Cal Cities), which advocates on behalf of California cities at the state and federal level. The League frequently requests immediate action by member cities to send letters of support or opposition on pending legislation or regulation. The timing of the League's requests does not always coincide with the City Council's meeting schedule, which may limit the City's ability to influence legislation. Adopting a legislative platform and authorizing the Mayor, Mayor Pro Tem, and the City Manager to submit advocacy letters on behalf of the City if the proposed legislation is within the City's adopted legislative platform will enable the City to participate in the legislative process actively.

Pending legislation or regulations that do not clearly fall within the adopted legislative platform or are highly politicized will continue to be brought to the City Council for consideration and action on a case-by-case basis.

The draft 2025 City of La Palma legislative platform is divided into two sections: Guiding Principles and Policy Statements. Guiding Principles are broad statements and values that guide an organization regardless of changes in goals and strategies. The draft 2025 legislative platform has four Guiding Principles:

- Preserve Local Control
- Promote Fiscal Stability
- Promote Economic Development
- Support Funding Opportunities

The second section of the draft legislative platform contains specific policy statements divided into the City's various departments and covers topics ranging from elections, school district boundaries, revenue, housing, parks and recreation, water, utility undergrounding, and public safety.

There are no changes between 2024 and 2025 State and Federal Legislative Platforms. Additionally, the 2025 Legislative Platform aligns with the League of California Cities 2025 Advocacy Priorities, including:

1. **Safeguard local revenues and bolster local economic development.** Cities, as the economic engine of the state, face a critical challenge amidst a looming budget deficit. It is imperative to counter attempts by the state and corporations to diminish local revenue. Supporting the augmentation of local revenue streams while opposing any endeavors to reduce or eliminate existing City funding is critical. Additionally, advocating for legislation fostering a state-local partnership to fortify economic development during these uncertain fiscal times.
2. **Strengthen public infrastructure resiliency and disaster preparedness.** Seek financial strategies, potentially including grants, to secure vital resources for enhancing community and infrastructure resilience in cities. Establish partnerships with state and federal agencies to bolster crucial infrastructure, including the modernization of the City's water supply and energy grid
3. **Improve public safety in California communities.** Pursue strategies and resources to address crime and its underlying causes, and provide more support to those residents struggling with substance abuse. Partner with all levels of government and diverse organizations to improve community safety through prevention and early intervention programming, workforce recruitment and retention, and improved reentry services.
4. **Support initiatives involving County, State, and Federal governments to reduce and prevent homelessness.** Advocate for sustained state funding to reinforce local initiatives addressing individuals experiencing or at risk of homelessness. Additionally, enhance state and local collaborations to improve access to comprehensive services, such as mental health and substance use treatment. Endorse continuous funding for cities to initiate affordable housing construction, while ensuring cities maintain local decision-making and flexibility to attain community housing standards.

Fiscal Impact:
None.

ATTACHMENTS:

1. 2025 Legislative Platform - Red Line
2. 2025 Legislative Platform - Clean Copy

Attachment 1

City of La Palma

20245 State and Federal Legislative Platform

Adopted by the City Council on January 14~~6~~, 2025~~4~~

The Mayor, Mayor Pro Tem, and City Manager are authorized to submit advocacy letters on behalf of the City if the State or Federal legislation clearly follows the City's adopted legislative platform.

GUIDING PRINCIPLES

I. PRESERVE LOCAL CONTROL

Preserve and protect the City's powers, duties, and prerogatives to enact legislation and policy direction concerning local affairs, and oppose legislation that preempts local authority. Local agencies should preserve and enhance authority and accountability for revenues raised and services provided.

II. PROMOTE FISCAL STABILITY

Support measures that promote fiscal stability, predictability, and financial independence. Support measures that preserve the City's revenue base and local control over local government budgeting, recognizing that economic cost is a determinate in considering the merits and/or impacts of any proposed legislation or regulation. Oppose measures that make cities more dependent on the County, State, or Federal Governments for financial stability, such as mandated costs with no guarantee of local reimbursement or offsetting benefits. Oppose measures that shift local funds to the County, State, or Federal Governments, without offsetting benefits.

III. PROMOTE ECONOMIC DEVELOPMENT

Support legislation and regulatory reforms that provide the City with the necessary tools and opportunity to continue to grow its economy and enhance economic development efforts. Support measures that provide the City with the capability to attract and retain businesses, as well as encourage current businesses to expand and retain jobs locally.

IV. SUPPORT FUNDING OPPORTUNITIES

Support opportunities that allow the City to compete for its fair share of regional, state, and federal funding. Support funding for programs including, but not limited to, economic development, transportation projects, utility undergrounding, public works, water infrastructure, parks and recreation, public safety, and COVID-19 business and government recovery.

POLICY STATEMENTS

GENERAL GOVERNMENT

1. Support legislation that preserves the ability of local governments to determine the appropriate type of election for their jurisdiction. A 2018 community survey found that 70% of residents indicated that they want to be able to vote for all five city council members.

2. Continue to support legislation that allows La Palma children to have a choice of attending schools within La Palma. Since the City is served by five school districts, the City has been actively advocating for La Palma children to be able to attend La Palma schools for some time. Due to the location of school district boundaries, some La Palma children are not eligible to attend a school located within the City limits and have to attend a school that is miles from their home.

3. Support legislation maintaining maximum local flexibility in all areas of the City's responsibility and operations, and oppose legislation that imposes intrusive, unnecessary, or unfunded state-imposed mandates on the City or its residents or preempts local authority.

4. Oppose legislation that creates unnecessary regulations, and/or restricts the City's capability to choose the most cost-efficient and effective form of providing essential services.

ADMINISTRATIVE SERVICES

Finance

1. Oppose State or Federal efforts to "borrow" local revenues and encourage the State to find other methods of balancing its budget.

2. Support legislation that includes state, federal, and regional funding formulas that ensure equitable distribution of funds at the local level.

3. Support efforts that ensure the retention of existing local revenue sources.

4. Support the reimbursement of local governments and businesses for COVID-19 related expenses.

Human Resources

1. Oppose measures that reduce local control over employee relations issues.

2. Oppose legislation mandating new or enhanced local government employee benefits.

3. Support efforts to further reform pension benefits administered by California Public Employees' Retirement System (CalPERS) that would help protect the long-term solvency of local entities and CalPERS.

4. Support changes in state law or judicial precedent to allow employers to negotiate plan changes with classic CalPERS members.

COMMUNITY DEVELOPMENT

Economic Development

1. Support efforts that are designed to provide local governments with the tools necessary to bolster economic development.

2. Support legislation and regulatory streamlining initiatives that would enhance the City's ability to attract and retain businesses as well as encourage business expansion and job retention.

Housing & Land Use

1. Oppose legislation that imposes regional, state, or federal growth, development, or land use planning standards within the City.

2. Oppose legislation that penalizes local governments for noncompliance with their housing element, or regional housing needs assessment requirements.

3. Support efforts to strengthen the legal and fiscal capability of local agencies to prepare, adopt, and implement plans for orderly growth, development, and conservation of local planning areas.

4. Support State and Federal legislation that would provide resources for the City to meet its housing needs as described in the Housing Element of the General Plan.

5. Support measures that provide municipalities with increased input in the development of the Regional Housing Needs Assessment (RHNA).

Regional Governance

1. Support proposals encouraging regional, sub-regional, or countywide cooperation in planning urban development strategies, especially those that provide funding for effective implementation of agreed-upon goals.

2. Support measures to achieve fair and proportionate representation on countywide and regional boards.

COMMUNITY SERVICES

Parks and Recreation

1. Support legislation and funding for youth-related prevention and intervention programs, including after school educational and recreational programs.

2. Support efforts to provide an expedited process for the fair distribution of State bond funds and other grant opportunities.

<u>Public Works</u>

1. Support legislation that would increase funding for local transportation projects.

2. Support legislation that affords local agencies greater discretionary authority to expend available transportation funds and affords local jurisdictions greater flexibility over transportation-related issues.

3. Support legislation that would require public utilities to underground power lines and support funding for undergrounding of utilities.

<u>Solid Waste</u>

1. Support measures that maintain and enhance local authority and economic flexibility to regulate solid waste and recyclables.

<u>Water Supply</u>

1. Support legislation that encourages strong water efficiency standards and increased water conservation strategies.

2. Support legislation that would increase the availability of, and funding for, water reuse technologies, water recycling, local water storage, and other water supply technologies.

3. Support measures to increase water supply and improve water quality in the region, including drought relief legislation.

PUBLIC SAFETY

1. Support measures that encourage community safety and well-being.

2. Support legislation and implementation of State programs and policies that promote pedestrian and bicycling safety.

3. Support legislation to provide a greater share of asset forfeiture funds and increased latitude for spending local funds.

4. Support legislative efforts to increase the amount of grant funding for local law enforcement operations, including school resource officers, body-worn camera system, and disaster preparedness initiatives.

5. Support legislation that discourages drivers from operating motor vehicles while under the influence of drugs or alcohol and maintain state funding to conduct sobriety checkpoints.

6. Support initiatives involving County, State, and Federal governments to reduce and prevent homelessness.

Attachment 2

City of La Palma
2025 State and Federal Legislative Platform

Adopted by the City Council on January 14, 2025

The Mayor, Mayor Pro Tem, and City Manager are authorized to submit advocacy letters on behalf of the City if the State or Federal legislation clearly follows the City's adopted legislative platform.

GUIDING PRINCIPLES

I. PRESERVE LOCAL CONTROL

Preserve and protect the City's powers, duties, and prerogatives to enact legislation and policy direction concerning local affairs, and oppose legislation that preempts local authority. Local agencies should preserve and enhance authority and accountability for revenues raised and services provided.

II. PROMOTE FISCAL STABILITY

Support measures that promote fiscal stability, predictability, and financial independence. Support measures that preserve the City's revenue base and local control over local government budgeting, recognizing that economic cost is a determinate in considering the merits and/or impacts of any proposed legislation or regulation. Oppose measures that make cities more dependent on the County, State, or Federal Governments for financial stability, such as mandated costs with no guarantee of local reimbursement or offsetting benefits. Oppose measures that shift local funds to the County, State, or Federal Governments, without offsetting benefits.

III. PROMOTE ECONOMIC DEVELOPMENT

Support legislation and regulatory reforms that provide the City with the necessary tools and opportunity to continue to grow its economy and enhance economic development efforts. Support measures that provide the City with the capability to attract and retain businesses, as well as encourage current businesses to expand and retain jobs locally.

IV. SUPPORT FUNDING OPPORTUNITIES

Support opportunities that allow the City to compete for its fair share of regional, state, and federal funding. Support funding for programs including, but not limited to, economic development, transportation projects, utility undergrounding, public works, water infrastructure, parks and recreation, public safety, and COVID-19 business and government recovery.

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4. Support legislative efforts to increase the amount of grant funding for local law enforcement operations, including school resource officers, body-worn camera system, and disaster preparedness initiatives.

5. Support legislation that discourages drivers from operating motor vehicles while under the influence of drugs or alcohol and maintain state funding to conduct sobriety checkpoints.

6. Support initiatives involving County, State, and Federal governments to reduce and prevent homelessness.

City of La Palma
Agenda Item No. 9

MEETING DATE:	January 14, 2025
TO:	City Council
FROM:	City Manager
SUBMITTED BY:	Kimberly Kenney, City Clerk
AGENDA TITLE:	Appointments to Citizen Committees

RECOMMENDED ACTION:

It is recommended that the City Council take the following actions:

1. Reappoint Irene Hesse and appoint Janelle Frese to the Community Activities and Beautification (CAB) Committee, both with a four-year term expiring December 31, 2028.

2. Reappoint Rodi Alemendralo, Sergio Alvarez, Henry Lee, and Greg Sambrano and appoint Dee Vincenti to the Development and Circulation Committee (DCC), all with four-year terms expiring December 31, 2028.

BACKGROUND:

The Mayor and Mayor Pro Tem review applications for the Council Appointed Citizen Committees annually and as needed and makes appointments as appropriate. In compliance with the MADDY Act, Staff advertised for three open positions on CAB and for five open positions on the DCC, with the application period closing on December 19, 2024. Since the City only received one application, we extended the deadline to January 6, 2025 and received one additional application. Staff posted the committee vacancies on social media, the City's website, in the local newspaper, and in the City's display cases and at the library. Staff has also encouraged current members through email to reapply if they are interested.

City Staff received two applications; one for a seat on the CAB Committee and the other for a seat on the DCC. One existing CAB Member contacted the City Clerk and announced she'd like to serve another four-year term and four existing DCC Members announced they too would like continue serve for another four-year term.

SUMMARY:

The Mayor and Mayor Pro Tem reviewed the two application received on Tuesday, January 7, 2025, and has made their recommendation to Staff for appointments of two new Citizen Committee Members – Janelle Frese for the CAB Committee and Dee Vincenti for the DCC - and five existing

Citizen Committee Members - Irene Hesse, Rodi Almendralo, Sergio Alvarez, Henry Lee, and Greg Sambrano - for another four-year term that will expire on December 31, 2028.

Each reappointed committee member along with the two new Committee Members will be required to attend training conducted by the City Attorney regarding AB1234 (Ethics), the Brown Act, and parliamentary procedures. This training is usually conducted biannually in April, and a date will be announced in the future based on the City Attorney's availability.

FISCAL IMPACT:

None.

ATTACHMENTS:

None

City of La Palma
Agenda Item No. 10

MEETING DATE:	January 14, 2025
TO:	City Council
FROM:	City Manager
SUBMITTED BY:	Council Member Keo Conklin
AGENDA TITLE:	Council Member Request - Revisit Live Video Streaming of La Palma Council Meetings

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RECOMMENDED ACTION:

It is recommended that the City Council consider Council Member Keo Conklin's request and discuss the matter.

BACKGROUND:

At the December 10, 2024, City Council meeting, Council Member Keo Conklin requested an item be placed on the January 2025 Council agenda to revisit and discuss implementing live streaming La Palma City Council meetings. The matter was previously discussed at the February 7, 2023, City Council meeting and the Minutes from that meeting are attached to this Staff Report.

FISCAL IMPACT:

There is no fiscal impact at this time. Based on the discussion and direction to staff, there may be future budgetary impacts.

ATTACHMENTS:

1. Minutes from February 2023 City Council Meeting
2. Council Member Keo Conklin's Request

Attachment 1

MINUTES OF THE REGULAR MEETING OF THE LA PALMA CITY COUNCIL

February 7, 2023

CALL TO ORDER: Mayor Baker called the Regular Meeting of the La Palma City Council to order at 5:30 p.m. in the Council Chambers of La Palma City Hall, 7822 Walker Street, La Palma, California.

CLOSED SESSION

CS-1. CONFERENCE WITH REAL PROPERTY NEGOTIATIONS PURSUANT TO GOVERNMENT CODE SECTION 54956.8

Property:	South of Orangethorpe Avenue, 42 feet east of the centerline of Alexander Avenue.
Agency negotiator:	Conal McNamara, City Manager Ajit Thind, City Attorney Joe Cisneros, Assistant to the City Manager
Negotiating parties:	Crown Castle Fiber, LLC
Under negotiations:	Price and terms of payment

CS-2. CONFERENCE WITH LABOR NEGOTIATORS
Pursuant to Government Code section 54957.6.

Agency Designated Representatives:	Conal McNamara, City Manager Ryan Hallett Hinton, Administrative Services Director
Employee Organizations:	La Palma General Employees Association La Palma Professional Employees Association
Unrepresented Employees:	Executive Management

CS-3. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: One potential case, a possible hostile work environment claim.

Mayor Baker recessed to Closed Session at 5:31 p.m.

OPEN SESSION to Begin at 6:30 PM

Mayor Baker reconvened in Open Session at 6:30 p.m. and asked for a report out of Closed Session.

City Attorney Thind announced that there were no reportable actions out of Closed Session.

PLEDGE OF ALLEGIANCE:	Mayor Pro Tem Goodman
INVOCATION:	Pastor Tommy Hinostroza, La Palma Christian Center
ROLL CALL:	Council Members
Council Members present:	Mayor Baker, Mayor Pro Tem Goodman, Council Member Keo Conklin, Council Member Patel, and Council Member Waldman
Council Members absent:	None
City Officials present:	Conal McNamara, City Manager Ajit Thind, City Attorney Mike Belknap, Community Services Director Joseph Cisneros, Assistant to the City Manager Scott Hutter, Planning Manager Terry Kim, Police Chief Kimberly Kenney, City Clerk

PRESENTATIONS

1. Howard Kummerman, Executive Director of Cypress College Foundation, gave a presentation on the 48th Annual Americana Awards recognizing Community Services Director Belknap as La Palma's Citizen of the Year.

2. Mayor Baker issued recognition plaques to outgoing Development and Circulation Committee Members Jan Jensen and Guillermo "Willie" Ortega for their many years of dedicated service.

Benjamin Montelongo, representing Senator Janet Nguyen's office, and Triston Mendez, representing Assemblywoman Sharon Quirk-Silva's office, presented Certificates of Recognition to Jan Jensen and Willie Ortega for their dedicated service on the Development and Circulation Committee.

3. On behalf of Supervisor Foley's office, Mayor Baker presented a proclamation to Mayor Pro Tem Goodman in recognition of Black History month.

ORAL COMMUNICATIONS

Sherry Forbes and Joanne Tenney, La Palma residents, addressed the City Council regarding their support for having pickle ball at Central Park; submitted some research they conducted from other pickle ball courts in Orange County; and the suggestion to change the basketball courts to a multi-use type court with certain time frames for pickle ball versus basketball.

Kyle McCune, a La Palma resident, addressed the City Council regarding the emails he has sent to Public Works regarding the need to increase the tree trimming and maintenance on Houston Avenue.

City Clerk Kenney added that she has received Oral Comments via email. Craig Durfey, Founder of Parents for the Rights of Developmentally Disabled Children, requests your support for legislation that protects children from the negative impacts of social media, citing concerns for addiction, their mental health, privacy, and data mining by corporations. A copy of the full email is being provided to the City Council and the City Clerk will keep a copy on file, and note it in the minutes.

CONSENT CALENDAR

1. Waive the Reading of All Ordinances

   Waive the reading of all Ordinances in their entirety and read by title only.

2. Approval of Register of Demands

   Resolution No. 2023-05 approving the Registers of Demands for January 17, 2023, and February 7, 2023

3. Second Quarter Cash and Investment Report for Fiscal Year 2022-23, as of December 31, 2022

   Receive and file the Cash and Investment Report for the second quarter of Fiscal Year 2022-23, as of December 31, 2022.

5. Resolution approving the Sponsorship for 2023 Cypress College Foundation Americana Awards, and Authorizing the Distribution of Tickets to Attend the Event

   Resolution No. 2023-06 approving Sponsorship of the 2023 Cypress College Foundation Americana Awards at the Benefactor Level and authorize the distribution of tickets to attend the event.

6. Resolution Delegating Authorization to City Personnel to Execute Agreements and Right-of-Way Certifications with California Department of Transportation

   Resolution No. 2023-07 delegating authorization to City personnel to execute all Master Agreements, Program Supplemental Agreements, Program Supplemental Agreements, fund Exchange Agreements, and/or Fund Transfer Agreements, including Right-of-Way Certifications and any other certifications and documents to facilitate the California Department of Transportation and Federal Highway Administration process.

7. Amendment to Agreement with Empire Pipe Cleaning and Equipment Inc.

   Approve and authorize the Mayor to execute an amendment to the Agreement with Empire Pipe Cleaning and Equipment Inc.

8. Amendment to Agreement with MJC Construction, Inc.

   Approve and authorize the Mayor to execute an amendment to the Agreement with MJC Construction, Inc.

9. Second Reading and Adoption of an Ordinance Amending City Municipal Code Chapter 42 (Water) Article II Pertaining to the Shutoff of Water Service due to Nonpayment

   Conduct the Second Reading and Adopt Ordinance 2023-01 of the City of La Palma Chapter 42 (Water) Article II of the La Palma Municipal Code pertaining to the shutoff of water service due to nonpayment.

10. Second Reading And Adoption Of An Ordinance Amending City Municipal Code Chapter 44 (Zoning) Section 44-10 – Definitions And Division 4. – Parking And Loading, As It Pertains To Establishing An Expedited, Streamlined Permitting Process For Electric Vehicle Charging Stations

    Conduct the second reading and Adopt Ordinance 2023-02 of the City of La Palma amending City Municipal Code (Chapter 44 Zoning) pertaining to the establishment of an expedited, streamlines permitting process for electric vehicle charging stations.

Mayor Pro Tem Goodman made a motion to approve Consent Calendar Items 1 - 3 and 5 - 10.

The motion was seconded by Council Member Patel and carried on the following vote:

AYES: Mayor Baker, Mayor Pro Tem Goodman, Council Member Keo Conklin, Council Member Patel, and Council Member Waldman

NOES: None

ITEMS PULLED FROM CONSENT CALENDAR

4. Appointments to Citizen Committees

Council Member Keo Conklin requested to have the item pulled from the Consent Calendar in order to determine the length of time Committee Member Duke has served on the Community Activities and Beautification Committee.

Community Services Director Belknap responded that Committee Member Duke has served two terms equally 8 years; however, the City Council changed its policy for volunteer committees to remove term limits.

a) Reappoint Alta Duke to the Community Activities and Beautification (CAB) Committee with a four-year term expiring December 31, 2026 and keep the vacant seat open until filled; and

b) Reappoint Vincent Luu and appoint Manisha Jethvani and Taylor Quan to the Development and Circulation Committee (DCC) with four-year terms expiring December 31, 2026.

Mayor Pro Tem Goodman made a motion to approve Consent Calendar Item 4.

The motion was seconded by Council Member Patel and carried on the following vote:

AYES: Mayor Baker, Mayor Pro Tem Goodman, Council Member Keo Conklin, Council Member Patel, and Council Member Waldman

NOES: None

PUBLIC HEARINGS

11. First Reading And Introduction Of An Ordinance Of The City Of La Palma Amending City Zoning Code (Chapter 44 Of The La Palma Municipal Code) Sections 44-10, 44-111, and 364 Pertaining To The Regulation Of Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs) In Residential Zones In Conformance With State Law

    a) Mayor Baker opened the Public Hearing at 6:57 p.m.

    b) City Manager McNamara introduced the item and Planning Manager Hutter gave the Staff Report.

    c) City Council Comments and Questions:

    Discussion ensued regarding this item being on the Agenda is not an item created by the City of La Palma, but rather as a result of new State legislation; that there is a new height limit and set back requirement for Accessory Dwelling Units (ADU) that needed to be added to the City's municipal code; that Staff and the City Attorney went through the legislation with this new Ordinance to ensure La Palma's compliance; that this Ordinance takes away some the City's discretionary tools when the ADU does not meet standards; that the State has reduced the setback requirements; that reducing the setback requirements could pose difficulties for first responders in an emergency situation; clarification of the definition for an ADU and a Junior ADU; that the County Assessor's office is the one to adjudicate additional square footage on a property; that the City is the one who prescribes the house address; and that each single family residence can have up to two ADU's.

    d) Public Input:

    No members of the public wished to speak.

    e) Mayor Baker closed the Public Hearing at 7:06 p.m.

    f) Introduce an Ordinance amending the City Zoning Code Sections § 44-10, § 44-111, and § 364 Pertaining to the regulation of Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs) in Residential Zones in conformance with State Law.

    Council Member Patel made a motion to introduce an Ordinance amending the City Zoning Code Sections § 44-10, § 44-111, and § 364 Pertaining to the regulation of Accessory Dwelling Units (ADUs) and Junior Accessory

Dwelling Units (JADUs) in Residential Zones in conformance with State Law.

The motion was seconded by Council Member Waldman and carried on the following vote:

AYES: Mayor Baker, Mayor Pro Tem Goodman, Council Member Keo Conklin, Council Member Patel, and Council Member Waldman

NOES: None

REGULAR ITEMS

12. Council Member Request - Discuss Improving Audio Recording for Council Meetings as well as Implementing Live Televising of La Palma Council Meetings.

City Manager McNamara gave a brief overview of this Council Member Request made by Council Member Keo Conklin.

Council Member Keo Conklin stated that although the City is successful with it's transparency in regards to meetings, she proposed that Staff makes Council Meetings more accessible through video options as well as the current audio options so residents can access the meetings anywhere; that this endeavor will increase the City's position of being transparent.

Discussion ensued regarding whether there has been problems with the audio; that Council Member Keo Conklin had received requests from residents during her campaign that requested video coverage; that there have been issues with feedback or cross talk in previous audio recordings; that the City Council has had this discussion previously and the issues that arose from installing video is having individuals grand stand, the amount of cost associated with the upgrade, and that there would be additional staff required for various duties like editing; the need to improve the City's technology; that depending on the type of video requested like cameras being hardwired into the Chamber, the City does not have the infrastructure needed to move into this technology; that there would be extensive costs involved; that the City Council had the same concerns brought forward by the last City Council and they voted against it; that although other cities have televised formats, they are also larger cities; that the City has plenty of options to access the City's information; that Council Member Patel has not had a problem with listening to the audio files, but supports making the technology better; that Council Member Goodman noted that there is a cable and/or connection issue with the current audio; that he supports improving the audio feed including upgrading the microphones that are closer to the City Council; that Council Member

Goodman agreed that the cost will be a determining factor but would also like to hear from the residents through a survey; and that Council Member Keo Conklin requests that Staff look into televising or video capability since the City already has a facebook page and other media options.

Further discussion ensued regarding whether an actual motion needs to be made; that the general consensus from the discussion is to look at improving audio capabilities with being conscious of the cost; and that there was no consensus on moving forward with video.

Council Member Patel made a motion to have Staff look into improving the audio technology, but not move forward with video streaming the City Council meetings.

The motion was seconded by Council Member Waldman and Council Member Keo Conklin voted no, but wished to discuss the motion.

Council Member Patel withdrew his motion in order to have a discussion.

Discussion ensued regarding clarification of the motion on the floor is for staff to look into improving and enhancing the audio capabilities for City Council meetings but NOT move forward with reviewing video options; that the maker of the motion, Council Member Patel, concurred; that Council Member Keo Conklin stated her request is not to install video, but rather to have staff review what options we have for both as there is no cost to review our options.

Council Member Patel made a motion to have Staff look into improving the audio technology, but not move forward with video streaming the City Council meetings. The motion was seconded by Council Member Waldman

Mayor Pro Tem Goodman made a substitute motion to review both audio enhancements and conduct research on video streaming capabilities. The motion was seconded by Council Member Conklin and failed on the following vote:

AYES: Council Member Keo Conklin and Mayor Pro Tem Goodman.

NOES: Mayor Baker, Council Member Patel, and Council Member Waldman.

A vote was taken on the original motion by Council Member Patel and carried on the following vote:

AYES: Mayor Baker, Council Member Patel, and Council Member Waldman

NOES: Council Member Keo Conklin and Mayor Pro Tem Goodman

COUNCILMEMBER AB1234 REPORTS, REPORTS FROM CITY-AFFILIATED COMMITTEES, AND COUNCIL REMARKS

Council Member Keo Conklin attended the League of California Cities (LOCC) New Mayor and Council Member Academy; Senator Janet Nguyen's dedication ceremony of the highway sign in honor of former Police Officer Nicholas Vella; a World Cancer Day fundraiser; and a strategic public safety meeting with La Palma Police Chief and his Captains.

Council Member Waldman had nothing to report.

Council Member Patel attended an Orange County Fire Authority (OCFA) Special Meeting; Congresswoman Michelle Steel's swearing-in ceremony; the planning meeting with Jacob Green and Associates in preparation for strategic planning; the City Council Strategic Planning and Goal Setting special meeting; the OCFA Union President meeting; an OCFA Executive briefing; that he was recognized by Anaheim Union High School for the work he's done with them as a City Council Member and for Hope School; OCFA New Member Orientation; the La Palma Community Foundation Bingo Night; and congratulated Community Services Director Belknap as Americana Awards La Palma Citizen of the Year.

Mayor Pro Tem Goodman congratulated Community Services Director Belknap for being recognized as Americana Awards La Palma Citizen of the Year; congratulated former Citizen Committee members Jensen and Ortega for their many years of service volunteering; thanked Committee Member Duke and Luu for recommitting their time for another four-year term; congratulated the two newest Development and Circulation Committee members Jethvani and Quan; thanked Supervisor Foley and Sarmiento's Office for recognizing Black History month; attended the LOCC Policy Committee orientation; the City Council Strategic Planning and Goal Setting special meeting; the California Joint Powers Insurance Authority (CJPIA) Executive Committee meeting interviews; the CJPIA Claims Committee meeting; the LOCC Housing Community and Economic Development Policy Committee meeting; and the Orange County Sanitation District (OCSD) Operation Committee meeting.

Mayor Baker attended LOCC Committee Intro Briefing; the Orange County Mosquito and Vector Control District (OCMVCD) Special Meeting; swearing-in ceremony for Congresswoman Michelle Steel; the planning meeting with Jacob Green and Associates in preparation for strategic planning; the OCMVCD Board of Trustees Meeting; the City Council Strategic Planning and Goal Setting special meeting; conducted interviews for Development and Circulation Committee members; the LOCC Speaker Series; a lunch meeting with OCFA Director, Jonathan White; the OCSD Board of Directors Meeting; the Orange County Library Advisory Board (OCLAB) Meeting; the OCFA Board Meeting; the LOCC Community Services Policy Committee Meeting; the OCMVCD Conference; and the Mosquito Vector Control Association of California Conference Banquet.

CITY MANAGER REMARKS

City Manager McNamara congratulated Community Services Director Belknap for being recognized as Americana Awards La Palma Citizen of the Year and that he plans to have him report on the upcoming Festival of Nations at the next City Council meeting.

CITY ATTORNEY REMARKS

City Attorney Thind had nothing to report.

ADJOURNMENT

Mayor Baker Adjourned the Regular Meeting of the City Council at 7:36 p.m.

Debbie S. Baker
Debbie S. Baker
Mayor

Attest:

Kimberly Kenney
Kimberly Kenney, CMC
City Clerk

Attachment 2

City Council Member Request

From: Janet Keo Conklin

Date: 12/20/24

Agenda Item Requested? Yes ☑ No ☐

Staff Research Requested? Yes ☑ No ☐

Request

(Please describe the request and its purpose, context, or other information that may be helpful.):

Discussion regarding live video streaming for all meetings. City Council and CAB. .

Please provide population of seniors who lives in La Palma.

Desired Timeline for Completion:

☐ Within one week ☐ Within two weeks ☐ Within one month

☐ Within two months ☐ Within three months ☐ Within six months

Other/Specific date Next City Council Meeting January 14th, 2025

Level of Priority (in relationship to established goals and priorities):

☐ Request is related to or expands upon existing goals

Which one? ______

☐ Request is new, not related to existing goals

City of La Palma
Agenda Item No. 11

MEETING DATE:	January 14, 2025
TO:	City Council
FROM:	City Manager
SUBMITTED BY:	Conal McNamara, City Manager
AGENDA TITLE:	City Council Code of Conduct Policy Discussion

RECOMMENDED ACTION:

Staff recommends that the City Council adopt the attached resolution approving Policy 1: City Council Code of Conduct.

BACKGROUND:

At the February 12, 2024, goal setting meeting, the City Council directed staff to do the following under Goal 1: "Review and update the City Council Code of Conduct to reflect best practices, promote accountability, and support effective governance, particularly in anticipation of transitioning to district-based representation." At the November 5, 2024, Council Meeting, the City Manager was directed to work with Councilmember Baker on proposed amendments to the current Council Norms policy.

DISCUSSION:

At the November 5, 2024, meeting, the City Council directed the City Manager to work with Councilmember Baker on amendments to the existing Council policy. Councilmember Baker's proposed amendments are included in an attachment to the staff report and are presented as a clean copy as well as in highlight/strikeout format so that the proposed changes can be clearly seen.

The proposed amendment renames the "Council Norms" Policy to "City Council Code of Conduct" and focuses on a number of areas including, but not limited to:

- Meeting Agendas
- Oral Communications
- City Council Comments and Reports
- Communication and Interaction
- Boards and Committees
- Reorganization
- Travel and Meetings
- Accountability

Staff is prepared to receive additional input from the City Council but has included a resolution of approval, should the Council wish to adopt the changes.

FISCAL IMPACT:

There is no fiscal impact associated with this discussion.

ATTACHMENTS:

1. Resolution
2. Code of Conduct - Redline
3. Staff Report from November 5, 2024, Council Meeting

RESOLUTION NO. 2025-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA PALMA, CALIFORNIA ADOPTING AMENDED CITY COUNCIL POLICY NO. 1

WHEREAS, the City Council of the City of La Palma is empowered to make policies and regulations that govern the conduct and functions of members of the City Council;

WHEREAS, the City Council of the City of La Palma has previously adopted various City Council policies, including City Council Policy No. 1, which regulates conduct and other issues related to members of the City Council;

WHEREAS, the City Council now desires to amend City Council Policy No. 1 to address agenda setting, use of City funds for travel, and other issues;

WHEREAS, this amended policy supersedes any prior policy or amendment dealing with the same subject.

NOW, **THEREFORE**, the City Council of the City of La Palma hereby resolves as follows:

SECTION 1. City Council Policy No. 1 dated January 14, 2025, attached as Exhibit "A" to this Resolution, is hereby adopted.

SECTION 2. This Resolution shall take effect immediately upon adoption.

SECTION 3. The City Council shall review City Council Policy No. 1 approximately every twenty-four months to coincide with the initial few months of a new City Council.

SECTION 4. The City Clerk shall certify to the adoption of this Resolution.

APPROVED AND ADOPTED by the City Council of the City of La Palma at a regular meeting held on the 14th day of January 2025.

____
Mark Waldman
Mayor

ATTEST:

____

Kimberly Kenney, CMC
City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS
CITY OF LA PALMA)

I, KIMBERLY KENNEY, City Clerk of the City of La Palma, California, DO HEREBY CERTIFY that the foregoing resolution was adopted by the City Council of said City at a regular meeting of said City Council held on the 14th day of January 2025, and that it was so adopted by called vote as follows:

AYES:

NOES:

Kimberly Kenney, CMC
City Clerk

EXHIBIT "A"

[See next page]

CITY OF LA PALMA

COUNCIL POLICY

NUMBER: **1**

DATE (Adopted/Amended): January 14, 2025

SUBJECT: **City Council Code of Conduct**

BACKGROUND

This policy consolidates and amends several prior policies relating to the conduct of City Council business including: Travel and Meetings, Seating Arrangement of Council Members After Reorganization, Use of City Stationary by Council Members, Public Meetings and Meeting Agendas, Selection of Mayor and Mayor Pro Tem, Role of the Mayor, Council Norms, Speaker Cards, and Meals.

This policy guides the smooth operations of the City Council and City organization and promotes a positive, productive, effective organization which inspires public trust in the City, its services, and activities. It represents a shared set of expectations on a variety of logistical issues. The prior policies were originally adopted on December 15, 1987, and amended on January 17, 1989, August 7, 1990, December 19, 1995, May 3, 2005, August 16, 2005, and March 20, 2018, respectively. This policy was amended on January 14, 2025.

GENERAL

The City Council Code of Conduct is intended to guide Council Member behavior in order to promote positive, productive, and effective public meetings, public business, and organization. The Code of Conduct is also intended to foster public trust in the City of La Palma and the services it provides.

PUBLIC MEETINGS

Public meetings shall be for the purpose of conducting City business and/or educating the residents. They are not “show time” for individual Council Members. Council Members are expected to focus on the business at hand and on giving their full attention to the public.

MEETING AGENDAS

Meeting agendas are produced by the City Manager and staff for public meetings. The Consent Calendar shall be used for routine City business items and items already approved in the City Budget. The City Manager shall exercise judgment in determining whether an item is appropriate for the Consent Calendar. Council Members may request the City Manager to place items on a future agenda either before a meeting (to ensure compliance with legal notice requirements) or during the Council Member AB 1234 Reports and Council Member Remarks portion of a meeting. In both instances, support from a second Council Member is required for an item to be placed on an agenda. Requests should provide as much time as possible in order to alert the full City Council to the request and to determine, if necessary, the estimated staff time required to research the item.

Items may also be "pulled" from an agenda for a public meeting. A Council Member may pull any Consent Calendar agenda item at any time during a public meeting prior to the Consent Calendar being approved, particularly when something new arises or more information is needed. Prior to a meeting, Council Members are highly encouraged to contact the City Manager for the following reasons:

- Ask questions, receive clarification, or discuss an agenda item
- Notify intent to pull an item and the reasoning
- Indicate, if possible, any questions planned to be asked during the meeting (to allow staff time to research and prepare responses)
- Share any corrections to the minutes to ensure they can be made prior to approval by the Council

ORAL COMMUNICATIONS

For clarity and transparency in the official record, and to facilitate follow up with the speaker, if needed, members of the public wishing to address the City Council shall be asked to complete a speaker card. Completion of the card is voluntary. Speaker cards shall be available in the lobby prior to every City Council meeting.

The Mayor will invite speakers to the microphone to announce their name and city of residence for the record, if they so choose. The Mayor shall return all cards to the City Clerk at the conclusion of the meeting for the official record.

Speakers will be asked to adhere to a five-minute time limit and may not transfer unused portions of that time to another speaker. The Mayor has discretion to permit additional time to individuals in order to rebut testimony. Large groups are encouraged to designate a spokesperson to speak on their behalf and the Mayor has discretion in such situations to grant the spokesperson additional time in lieu of multiple speakers. The Mayor also has the discretion to reduce the time limit if there are a large number of anticipated speakers.

COUNCIL DISCUSSIONS PRIOR TO VOTING

Council discussions are designed to allow Council Members to express their views and opinions prior to taking a vote. Council Members should state their reasons for their positions. As a general rule, the Mayor should allow other Council Members to speak before giving his or her opinion. When it appears that the City Council lacks consensus or is "stuck" in determining a course of action, the City Manager may offer assistance upon the request of the City Council.

CITY COUNCIL COMMENTS AND REPORTS (AB 1234, ETC.)

Time is provided on each agenda for Council Members' comments as well as reports on activities relevant to the business of the City, and shall include their attendance on boards and committees.

COMMUNICATION AND INTERACTION

Public confidence in the City of La Palma depends upon the behaviors, interactions, and representation of its elected leaders. City Council Members shall strive to show courtesy and respect for everyone they contact in all public settings.

In general, Council Members shall contact the City Manager before contacting the staff. Answers to individual Council Member inquiries of common interest will be shared with the City Council.

To promote effective communication and professional relationships with staff:

- Council Members shall copy the City Manager on emails to staff.
- If a Council Member has a concern about, or is unhappy with a City employee, he or she shall discuss it directly with the City Manager.
- Council Members shall not criticize staff in public.
- The City Manager is responsible for informing the City Council whenever an unusual event occurs that the public would be concerned about (e.g., significant safety event).
- The City Council, City Manager, and staff shall not blindside each other.

Resident complaints should be referred to staff with adequate time for response. Staff will report back to the City Council through the City Manager on the resolution of the complaint. When a written response is necessary, staff will assist the Mayor or Council Member in drafting an appropriate response.

BOARDS AND COMMITTEES

The City Council may create internal standing committees, external committees, or ad hoc subcommittees.

1. Internal Standing Committees – The City Council has the authority to establish or dissolve internal standing committees as deemed necessary based on the City's needs.
2. For external committees and internal standing committees, the appointment process will be placed on the agenda, usually at the first meeting following a reorganization of the City Council; and the City Council will confer about each of the committee positions. Council Members are encouraged to openly discuss their desires and availability for each position. Appointments are made by mutual consent of all Council Members. In the event of multiple nominees for a specific position, a roll call vote will be taken using the following process:
    a. Mayor will entertain nominations for the contested position. No second is required and Council Members may nominate themselves.
    b. A motion is made to close the nominations and nominees will then be voted on in the order received by the Mayor until someone is selected. Once a nominee receives a majority vote, the election stops.
3. Ad Hoc Subcommittees – The City Council has authority to create, suspend, and appoint members to ad hoc subcommittees after determining individual Council Member interest.
4. Committee and subcommittee members are responsible for keeping the rest of the Council informed.

SELECTION OF THE MAYOR AND MAYOR PRO TEM

Procedures for selection of the Mayor and Mayor Pro Tem shall be per accepted rules of order. Mayor Pro Tem is not a natural ascendancy to Mayor. The Mayor and Mayor Pro Tem are peers of, and serve at the pleasure of, the other Council Members.

REORGANIZATION – SEATING, SELECTION OF MAYOR AND MAYOR PRO TEM

After reorganization of the City Council, the Mayor shall be seated in the center and other City Council Members shall be seated in alphabetical order (left to right when viewing the public). Council Members other than the Mayor may trade seats if mutually agreed upon. Council Members wishing to trade seats should make such arrangements in advance of the meeting in order to facilitate the efficiency of the reorganization process.

ROLE OF THE MAYOR

The Mayor serves as the primary elected spokesperson for the City of La Palma. As such, the Mayor presides at public meetings, represents the City Council at events and activities in the community, and is available to respond to requests for appearances. The Mayor has no more or less official authority than any other Council Member. At public meetings, the Mayor:

1. Will do his or her best to keep order;
2. Will assist in building consensus among Council Members when necessary;
3. May use discretion to allow residents to speak longer than the allotted five minutes and shall ensure that fairness prevails and speaking time is balanced for all speakers;
4. Shall encourage large groups coming to a public meeting to designate one spokesperson and has discretion to allow that spokesperson more than five minutes to speak in lieu of multiple speakers; and,
5. Shall remind residents to show respect for the City Council and staff, when necessary.

TRAVEL AND MEETINGS

Attendance at conferences, seminars, or meetings that benefit the City is encouraged within the limitations of budgeted appropriations and organization membership. Monies shall be budgeted each fiscal year for City Council Members to attend conferences, seminars, or meetings required due to internal or external committee appointments, and for miscellaneous meetings and trainings. The Council travel and meeting budget is intended to be allocated equally to each City Council Member (20% of each year's budget for each Council Member). Council Members can also make requests to the full City Council for additional funds prior to the event. Travel and registration arrangements can be made through the City's Executive Assistant.

Reimbursement will only be considered for expenses that have been incurred from authorized travel and meetings. Individual City Council Member expenses incurred include: registration fees, hotel charges, mileage, airfare, car rental, meals, and similar expenses. Any charges for a second person, such as an added charge on a hotel room, are the responsibility of the Council Member. Rates for reimbursement shall be as established in administrative policy and require completion of the administrative reimbursement form.

Council Members may request hotel reimbursement only under the following conditions:

- The event is located more than 50 miles from La Palma.
- The City is a member of the hosting organization.
- The request complies with the City's stated hotel reimbursement policy.

For extensive travel expenses, an advance may be authorized with the filing of an estimate of expenses with supporting documentation. Meals reimbursement may be for actual cost (receipts required) or via a per diem rate (no receipts required) and any meals covered in conference registration are not reimbursable.

USE OF STATIONARY

Use of City stationary by the City Council shall be limited to the following:

1. Used by the Mayor at the direction of the full City Council, such as for communicating legislative positions taken by the Council.
2. Used by the Mayor or any Council Member for the purpose of thanking residents or groups, extending invitations to City-sponsored events, extending congratulations to persons or groups to note achievements, or to answer correspondence sent by residents.

ACCOUNTABILITY

Council Members are responsible for holding each other accountable for adherence to the City Council Code of Conduct.

REVIEW

This policy is to be reviewed every two (2) years.

Attachment 2

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CITY OF LA PALMA

COUNCIL POLICY

Style Definition: Body Text

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NUMBER: **1**

DATE (Adopted/Amended): ~~March 20, 2018~~ January 14, 2025

SUBJECT: **City Council ~~Norms~~Code of Conduct**

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BACKGROUND~~POLICY:~~

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~~General~~

This policy consolidates and amends several prior policies relating to the conduct of City Council ~~Norms are intended to guide City~~ business including: Travel and Meetings, Seating Arrangement of Council Members After Reorganization, Use of City Stationary by Council Members, Public Meetings and Meeting Agendas, Selection of Mayor and Mayor Pro Tem, Role of the Mayor, Council Norms, Speaker Cards, and Meals.

This policy guides the smooth operations of the City Council and City organization and promotes a positive, productive, effective organization which inspires public trust in the City, its services, and activities. It represents a shared set of expectations on a variety of logistical issues. ~~, City Manager and staff~~The prior policies were originally adopted on December 15, 1987, and amended on January 17, 1989, August 7, 1990, December 19, 1995, May 3, 2005, August 16, 2005, and March 20, 2018, respectively. This policy was amended on January 14, 2025.

GENERAL

The City Council Code of Conduct is intended to guide Council Member behavior in order to promote positive, productive, and effective public meetings, public business, and organization. The ~~Norms are~~Code of Conduct is also intended to ~~inspire~~foster public trust in the City of La Palma and the services it provides.

PUBLIC MEETINGS ~~AND MEETING AGENDAS~~

Public meetings shall be for the purpose of conducting City business and/or educating the ~~citizens~~residents. They are not “show time” for individual Council Members. Council Members are expected to focus on the business at hand and on giving their full attention to the public.

~~THE~~MEETING AGENDAS

Meeting agendas are produced by the City Manager and staff ~~are responsible for formulating agendas~~ for public meetings. The Consent Calendar shall be used for routine City business items and

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items already approved in the City Budget. The City Manager shall exercise judgment in determining whether an item is appropriate for the Consent Calendar. Council Members may request the City Manager to place items ~~be placed on~~ on a future agenda either before a meeting ~~agenda at any time and should indicate whether~~(to ensure compliance with legal notice requirements) or ~~not they wish a written staff report prepared. Such requests are encouraged to be announced under "~~during the Council Member AB 1234 Reports and ~~Comments"~~Council Member Remarks portion of a meeting. In both instances, support from a second Council Member is required for an item to be placed on an agenda. Requests should provide as much time as possible in order to alert the full City Council to the request and to determine, if necessary, the estimated staff time required to research the item.

Items may also be "pulled" from an agenda for a public meeting. ~~Any~~A Council Member may pull any Consent Calendar agenda item at any time during a public meeting prior to the Consent Calendar being approved, particularly when something new ~~comes up~~arises or more information is needed. Prior to a meeting, Council Members are highly encouraged to contact the City Manager ~~in advance to ask~~for the following reasons:

- Ask questions, ~~get~~receive clarification, or discuss ~~any agenda item. Council Members planning to pull or ask questions publicly about~~ an agenda item ~~should notify the City Manager in advance to inform her/him of their~~
- Notify intent to pull an item and the ~~reasons for it. To the extent~~ reasoning
- Indicate, if possible, ~~Council Members should indicate the~~any questions ~~they plan~~planned to ~~ask~~ be asked during the meeting (to allow staff time to ~~prepare, including doing any additional~~ research~~. Staff recognizes that sometimes questions arise in the course of discussion where such notice is not practical. Corrections to~~ and prepare responses)
- Share any corrections to the minutes ~~should be shared with the City Manager or City Clerk before the meeting so that~~to ensure they can be ~~corrected before~~made prior to approval by the ~~City~~ Council ~~approves them.~~

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~~Speaker Cards and Public Testimony~~

ORAL COMMUNICATIONS

For clarity and transparency in the official record, and to facilitate follow up with the speaker, if needed, members of the public wishing to address the City Council~~, Planning Commission or Successor Agency,~~ shall be ~~requested~~asked to complete a speaker card. Completion of the card is voluntary. ~~The speaker will be encouraged by the Mayor/Chair to complete the card in advance of the item the speaker wishes to discuss before the elected body.~~

Speaker cards shall be available in the lobby prior to every City Council meeting. ~~Cards shall be delivered by the City Clerk to the Mayor/Chair in chronological order based on when they were received and based upon which item on the agenda the individual wishes to address. The Mayor/Chair~~

The Mayor will invite speakers to the microphone to announce their name and city of residence for the record, if they so choose~~, when they come to the microphone.~~. The Mayor~~/Chair~~ shall return all cards to the City Clerk at the conclusion of the meeting for the official record.

Speakers will be asked to adhere to a five-minute time limit and may not transfer unused portions of that time to another speaker. The Mayor~~/Chair~~ has discretion to permit additional time to individuals in order to rebut testimony. Large groups are encouraged to designate a spokesperson to speak on their behalf and the Mayor~~/Chair~~ has discretion in such situations to grant the spokesperson additional time in lieu of multiple speakers. The Mayor~~/Chair~~ also has the discretion to reduce the time limit if there are a large number of ~~speakers~~ anticipated speakers.

COUNCIL DISCUSSIONS PRIOR TO VOTING

Council discussions are designed to allow Council Members to express their views and opinions prior to taking a vote. Council Members should state their reasons for their positions. As a general rule, the Mayor should allow other Council Members to speak before giving his or her opinion. When it appears that the City Council lacks consensus or is "stuck" in determining a course of action, the City Manager may offer assistance upon the request of the City Council.

CITY COUNCIL COMMENTS AND REPORTS (AB 1234, ETC.)

Time is provided on each agenda for ~~individual~~ Council ~~Members to report~~Members' comments as well as reports on activities relevant to the business of the City, ~~including~~and shall include their ~~service~~attendance on ~~regional~~ boards and committees.

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~~Reorganization – Seating, Selection of Mayor and Mayor Pro Tem~~

~~After reorganization of the City Council, the Mayor shall be seated in the center and other City Council Members shall be seated in alphabetical order (left to right when viewing the public). Council Members other than the Mayor may trade seats if mutually agreed. Council Members wishing to trade seats should make such arrangements in advance of the meeting in order to facilitate the efficiency of the reorganization process.~~

~~Interaction and~~

COMMUNICATION AND INTERACTION

Public confidence in the City of La Palma depends upon the behaviors ~~and~~, interactions, and representation of its elected leaders. City Council Members shall strive to show courtesy and respect for ~~one another~~everyone they contact in all public settings. ~~One way to demonstrate this is through flexibility in covering for each other and explaining each other's absences to the public when appropriate.~~

~~Public confidence also depends on the interactions of its elected leaders with the City Manager and staff and effective communications are essential to staff effectiveness. In general, Council Members should call the City Manager before going to the Department Director. Council Members should always go through the City Manager to direct staff to do research on items. Council Members can go directly to department directors for answers to simple questions.~~In general, Council Members shall contact the City Manager before contacting the staff. Answers to individual Council Member inquiries of common interest will be shared with the City Council ~~through the City Manager's weekly report~~.

~~When~~ To promote effective communication and professional relationships with staff:

- Council Members ~~email Directors or staff for information, they should~~ shall copy the City Manager ~~as a courtesy. Directors are also responsible for keeping the City Manager informed of any communication with City Council Members.~~ on emails to staff.
- If a Council Member has a concern about, or is unhappy with~~,~~ a City employee, he or she shall discuss it directly with the City Manager ~~and~~ .
- Council Members shall not criticize staff in public.
- The City Manager is responsible for informing the City Council whenever an unusual event occurs that the public would be concerned about (~~ex.~~e.g., significant safety event). ~~The City Council, City Manager and staff shall not blindside each other in public.~~
- ~~Citizen~~The City Council, City Manager, and staff shall not blindside each other.

~~Citizen~~Resident complaints should be referred to staff with adequate time for response. Staff will report back to the City Council through the City Manager on the resolution of ~~citizen complaints and when~~the complaint. When a written response ~~has been requested or as appropriate~~is necessary, staff will assist the Mayor or Council Member in drafting an appropriate response.

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BOARDS AND COMMITTEES

The City Council may create ~~external committees,~~ internal standing committees, external committees, or ad hoc subcommittees.

1. Internal Standing Committees – The ~~Mayor~~City Council has the authority to ~~create~~establish or ~~suspend~~dissolve internal standing committees ~~when it is determined that a standing committee is required or no longer required~~as deemed necessary based on the City's needs.
2. For external committees and internal standing committees, the appointment process will be placed on the agenda, usually at the first meeting following a reorganization of the City Council~~,~~; and the City Council will confer about each of the committee positions. Council Members are encouraged to openly discuss their desires and availability for each position. Appointments are made by mutual consent of all Council Members. In the event of multiple nominees for a specific position, a roll call vote will be taken using the following process:
   a. Mayor will entertain nominations for the contested position. No second is required and Council Members may nominate themselves.
   b. A motion is made to close the nominations and nominees will then be voted on in the order received by the Mayor until someone is selected. Once a nominee receives a majority vote, the election stops.
3. Ad Hoc ~~Committees~~Subcommittees – The ~~Mayor~~City Council has authority to create, suspend, and appoint members to ad hoc subcommittees after determining individual Council Member interest.
4. Committee and subcommittee members are responsible for keeping the rest of the Council informed~~; other Council Members are responsible for letting subcommittee members know if they want more information~~.

SELECTION OF THE MAYOR AND MAYOR PRO TEM

~~5. Committee and subcommittee members will refrain from giving mixed direction to staff. When there is a disagreement between committee or subcommittee members, staff will be excused from the discussion or from implementing direction until such time as the disagreement has been resolved.~~

~~SELECTION OF THE MAYOR AND MAYOR PRO TEM~~

~~Council Members wishing to be considered for Mayor or Mayor Pro Tem should express their interest to the other members.~~ Procedures for selection of the Mayor and Mayor Pro Tem shall be per ~~Rosenberg's Rules~~accepted rules of ~~Order~~order. Mayor Pro Tem is not a natural ascendancy to Mayor. The Mayor and Mayor Pro Tem
are peers of, and serve at the pleasure of, the other Council Members.

REORGANIZATION – SEATING, SELECTION OF MAYOR AND MAYOR PRO TEM

After reorganization of the City Council, the Mayor shall be seated in the center and other City Council Members shall be seated in alphabetical order (left to right when viewing the public). Council Members other than the Mayor may trade seats if mutually agreed upon. Council Members wishing to trade seats should make such arrangements in advance of the meeting in order to facilitate the efficiency of the reorganization process.

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ROLE OF THE MAYOR

The Mayor serves as the primary elected spokesperson for the City of La Palma. As such, the Mayor presides at public meetings, represents the City Council at events and activities in the community, and is available to respond to requests for appearances ~~from community organizations.~~. The Mayor has no more or less official authority than any other Council Member. At public meetings, the Mayor:

~~At public meetings, the Mayor:~~

1. Will do his or her best to keep ~~things moving~~order;

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2. ~~Will pay attention to the consensus of the entire Council and will~~Will assist in building consensus among Council Members when necessary;
3. May use discretion to allow ~~citizens~~residents to speak longer than the allotted five minutes and shall ensure that fairness prevails and speaking time is balanced for all speakers;
4. Shall encourage large groups coming to a public meeting to designate one spokesperson and has discretion to allow that spokesperson more than five minutes to speak in lieu of multiple speakers; and,
5. Shall remind ~~citizens~~residents to show respect for the City Council and staff, when necessary.

TRAVEL AND MEETINGS

Attendance at conferences, seminars, or meetings ~~of~~that benefit ~~to~~ the City is encouraged within the limitations of budgeted appropriations~~.~~ and organization membership. Monies shall be budgeted each fiscal year for City Council Members to attend conferences, ~~monthly meetings,~~seminars, or meetings required due to internal or external committee appointments, and for miscellaneous meetings and trainings ~~including such events as attendance at the Americana Awards and City~~. The Council ~~goal setting. Miscellaneous meetings~~ travel and ~~training monies are~~meeting budget is intended to be allocated ~~somewhat~~ equally to each City Council Member ~~as they see fit, within the limitations of the total travel fund allocation.~~(20% of each year's budget for each Council Member). Council Members can also make requests to the full City Council for additional funds~~.~~ prior to the event. Travel and registration arrangements ~~are~~can be made through the ~~City Manager's~~City's Executive Assistant.

~~Only~~ Reimbursement will only be considered for expenses that have been incurred from authorized travel and meetings ~~will be considered for reimbursement. Expenses~~. Individual City Council Member expenses incurred include ~~items for the individual City Council Member only such as~~: registration fees, hotel charges, mileage, airfare, car rental, meals, and similar expenses. Any charges for a second person, such as an added charge on a hotel room, are the responsibility of the Council Member ~~and are not reimbursable.~~. Rates for reimbursement shall be as established in administrative policy and require completion of the administrative reimbursement form.

Council Members may request hotel reimbursement only under the following conditions:

- The event is located more than 50 miles from La Palma.
- The City is a member of the hosting organization.
- The request complies with the City's stated hotel reimbursement policy.

For extensive travel expenses, an advance may be authorized with the filing of an estimate of expenses with supporting documentation. Meals reimbursement may be for actual cost (receipts required) or via a per diem rate (no receipts required) and any meals covered in conference registration ~~shall be deducted~~are not reimbursable.

USE OF STATIONARY

Use of City stationary by the City Council shall be limited to the following:

1. Used by the Mayor at the direction of the full City Council, such as for communicating legislative positions taken by the Council.
2. Used by the Mayor or any Council Member for the purpose of thanking ~~citizens~~residents or

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groups, extending invitations to City-sponsored events, extending congratulations to persons or groups to note achievements, or to answer correspondence sent by ~~constituents~~residents.

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ACCOUNTABILITY

~~The City Manager is responsible for holding staff accountable for adherence to the City Council norms.~~ ~~The City Council members~~ Council Members are responsible for holding each other accountable for adherence to the City Council ~~norms.~~

Code~~BACKGROUND:~~

~~This policy consolidates and amends several prior policies relating to the conduct~~ of ~~City Council~~Conduct.

~~business including Travel and Meetings, Seating Arrangement of Council Members After Reorganization, Use of City Stationary by Council Members, Public Meetings and Meeting Agendas, Selection of Mayor and Mayor Pro Tem; Role of the Mayor, Council Norms, Speaker Cards, and Meals.~~

~~This policy guides the smooth operations of the City Council and City organization and promotes a positive, productive, effective organization which inspires public trust in the City and in its services and activities. It represents a shared set of expectations on a variety of logistical issues. The prior policies were originally adopted on December 15, 1987, January 17, 1989, August 7, 1990, August 16, 2005,~~
~~August 16, 2005, August 16, 2005, December 19, 1995, May 3, 2005, respectively. This policy was amended on March 20, 2018.~~

REVIEW~~:~~

This policy is to be reviewed ~~as needed~~every two (2) years.

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City of La Palma

MEETING DATE: November 5, 2024

TO: City Council

FROM: City Manager

SUBMITTED BY: Conal McNamara, City Manager

AGENDA TITLE: Good Governance Policy Discussion

RECOMMENDED ACTION:

Staff recommends that the City Council receive the report and provide direction to staff.

BACKGROUND:

At the February 12, 2024, goal setting meeting, the City Council directed staff to do the following under Goal 1: “Review and update the City Council Code of Conduct to reflect best practices, promote accountability, and support effective governance, particularly in anticipation of transitioning to district-based representation.” Staff has prepared this report to initiate discussion so that the Council can make any desire changes or additions to our current policy.

DISCUSSION:

The City currently has two documents (see attachments) that address conduct:

Council Norms (under Council Policy #1):

City Council Norms are intended to guide City Council, City Manager and staff behavior in order to promote positive, productive, and effective public meetings, public business and organization. The Norms are also intended to inspire public trust in the City of La Palma and the services it provides. The Norms are part of a policy document that includes various topics such as: Public Meetings and Meeting Agendas, Speaker Cards and Public Testimony, Council Discussions Prior to Voting, City Council Comments and Reports, Reorganization, Interaction and Communication, Committees, Selection of the Mayor and the Mayor Pro Tem, Role of the Mayor, Travel and Meetings, Use of Stationery, and Accountability,

This policy consolidates and amends several prior policies relating to the conduct of City Council business including Travel and Meetings, Seating Arrangement of Council Members After Reorganization, Use of City Stationery by Council Members, Public Meetings and Meeting Agendas, Selection of Mayor and Mayor Pro Tem; Role of the Mayor, Council Norms, Speaker Cards, and Meals. This policy guides the smooth operations of the City Council and City organization and promotes a positive, productive, effective organization which inspires public trust in the City and in its services and activities. It represents a shared set of expectations on a variety of logistical issues. The prior policies were originally adopted on December 15, 1987, January 17, 1989, August 7, 1990, August 16, 2005, August 16, 2005, August 16, 2005, December 19, 1995, May 3, 2005, respectively. This policy was amended on March 20, 2018.

In adopting these topics, the Council clearly wanted to promote efficient meetings but also ensure that proper decorum is followed when addressing day to day interactions with staff. City Council Norms address the roles and responsibilities of both Councilmembers and the City Manager with an emphasis on promoting efficiency and ensuring that both City Councilmembers and staff are proper stewards of the public's trust.

Code of Fair Campaign Practices:

The Code of Fair Campaign Practices is taken from the State election code as a recommendation from the Secretary of State for each candidate to follow. The Code is presented to each candidate to read and sign; however, adherence is strictly voluntary and does not apply after a candidate wins or loses office.

City of La Palma

The City of La Palma has a Council-Manager form of government where the City Council sets policy which the City Manager is responsible for implementing. The City Council hires the City Manager and City Attorney, while the City Manager is responsible for hiring all other staff. Because of the small staff size, maintaining a positive relationship between the City Council and staff is especially vital. Organizations to which the City belongs (through Councilmembers or staff) that lend support to good governance include the League of California Cities (CalCities) and the International City/County Management Association (ICMA), while there are other organizations to which the City does not currently belong, such as the Association of California Cities--Orange County (ACCOC), the California Contract Cities Association, and the Independent Cities Association (ICA) that offer similar support to Councilmembers and staff.

Both CalCities and ICMA discuss extensively the need for both good governance and positive working relationships between city councils and staff. At the most recent CalCities conference, a session with both City Counicilmembers and City Managers focused specifically on this and discussed:

Attributes of High Performing Councils:

- True partnership among Councilmembers, City Manager, and staff
- Clarity and respect for roles and responsibilities
- Civility and respect for all
- Conduct effective meetings
- Hold each other and City Manager accountable
- Practice continual learning

Elements of Successful Council/Manager Relationships:

- Mayor, Councilmembers and City Manager develop a sense of team, working together in furtherance of common purpose
- The team values diversity of leadership style and perspective
- Clear and mutual understanding of respective roles, responsibilities and stated expectations

- Develop and sustain effective communication between the chief executive and governing board
- Trust is a crucial characteristic in any successful relationship and communication is essential for fostering trust

Revisiting good governance periodically is a worthwhile exercise to ensure that the Council and staff are clear about expectations and that the public understands the importance. Should the Council wish to modify the current Council Norms, staff would recommend that the dialogue begin with the above mentioned points. Staff also recommends that the Council continue with the following practices currently in place:

Governance:

- Make decisions that are in the strategic interest of the City
- Govern as a body and not as individuals
- Be consistent and transparent with policy and decision making
- When Councilmembers disagree, keep it professional and never personal
- Trust staff to do their jobs
- Ensure that the public addresses the Council collectively
- Meet with the City Manager as Councilmembers believe necessary to ensure you are receiving all the information you need

Financial Matters:

- Utilize outside funding sources whenever possible before using the City's General Fund
- Be conservative when estimating revenues and expenditures in preparation of the City's budget
- Ensure that the City maintains sufficient reserves in the event that a downturn occurs and funds are needed

Successful Council/Manager relations and good governance deliver positive results in a number of areas including organizational effectiveness, mutual success and fulfillment, positive staff morale, heightened accountability, enhanced community confidence, and successful community outcomes.

FISCAL IMPACT:

There is no fiscal impact associated with this discussion.

ATTACHMENTS:

1. Council Goals and Objectives 2024
2. City Council Policy 1 - Norms
3. Code of Conduct

Attachment 1

CITY OF LA PALMA
CITY OF VISION

CITY COUNCIL GOALS & OBJECTIVES

2024 - 25

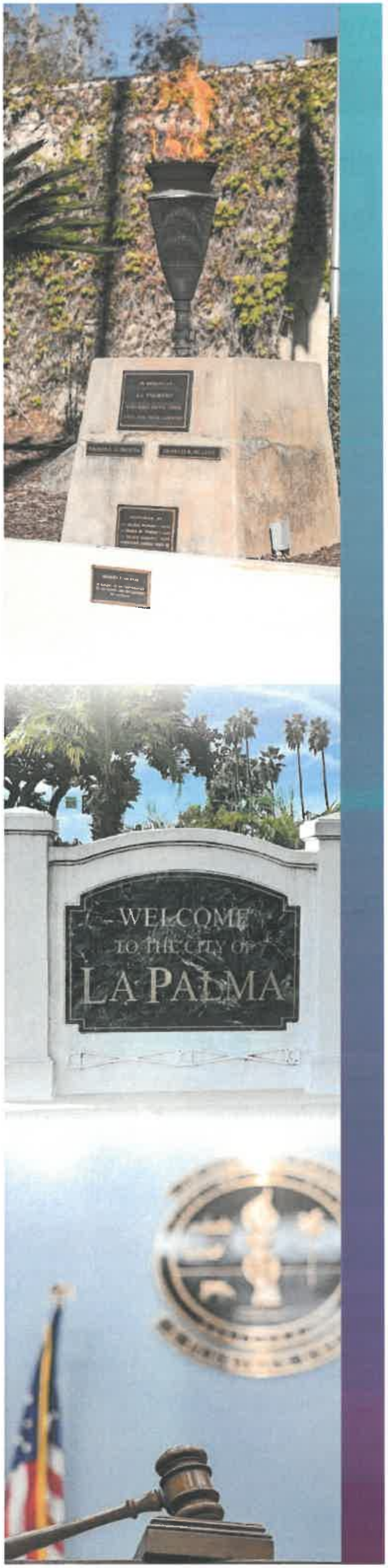
www.CityOfLaPalma.org

La Palma's Vision

Pioneering Tomorrow's Success: Building Community and Creating Prosperity

Goal 1: Model municipal management excellence, fiscal discipline, and financial stewardship.

- Continue efforts to ensure succession planning throughout the organization.
- Continue to promote community engagement through avenues such as town hall meetings, a community survey, and/or miscellaneous outreach.
- Implement and document standard operating procedures (SOP) for fiscal practices to ensure ongoing financial stability and stewardship.
- Enhance the City's brand identity and image through initiatives such as updating signage and other visual elements to reflect a cohesive and modern aesthetic.
- Review and update the City Council Code of Conduct to reflect best practices, promote accountability, and support effective governance, particularly in anticipation of transitioning to district-based representation.



Goal 2: Maintain the City's low crime rate through continued investment in public safety best practices.

- (There were no specific objectives identified by the City Council but objectives could be identified during the budget process).

Goal 3: Create and maintain City assets, infrastructure, and neighborhoods to demonstrate municipal pride of ownership.

- Establish a neighborhood preservation ordinance (multi-year objective):
  - Residential Rentals
  - Sale of Properties
  - Ensuring Fees are Received to Cover Costs
  - Integrating with Code Enforcement
  - Review Rental Inspection Programs from Other Jurisdictions (e.g. Santa Ana)
  - Council to Ultimately Define Strictness of the Program
  - Ensure Continuity with Short Term Rental Ordinance
- Prioritize and expedite water treatment upgrades to address the issue of brown water manganese in the water supply system, ensuring water quality and public health.
- Improve the aesthetics and functionality of shopping centers within the City through the implementation of ordinances focused on capital improvements and code enforcement.
- Explore solar feasibility at City facilities.

Goal 4: Encourage business attraction, retention, and workforce development opportunities through a proactive Economic Development strategy.

- Develop and communicate clear, actionable goals for the Business Engagement Ad Hoc Committee on an annual basis to guide their focus and measure progress to attract and retain businesses.
- Study and enhance shopping centers to strengthen our fiscal stability and ensure that they fit the community's expectations for quality of life (multi-year objective).
- Foster synergy between the Business Engagement Ad Hoc Committee and the Economic Development Ad Hoc Committee to streamline efforts in attracting and retaining businesses.
- Continue the efforts of the Economic Development Ad Hoc Committee to enhance engagement with land and property owners in commercial and industrial areas to reassess land designations and zoning regulations, thereby optimizing opportunities for business attraction and retention.

Goal 5: Provide residents and visitors of all ages with community events that encourage citizen involvement, foster human development, promote physical and mental health, and strengthen community through people, parks, and programs.

- Develop a City event focused on bringing together families and youth.
- Ensure that all programs and services for the City's senior population are well-publicized, accessible, and that available funding opportunities are fully utilized.
- Incorporate mental and physical wellness activities into City events.
- Enhance and improve City/school relationship with all 5 of La Palma's schools.
- Explore increasing passive and active recreation space.

CITY OF LA PALMA

COUNCIL POLICY

NUMBER: **1**

DATE (Adopted/Amended): **March 20, 2018**

SUBJECT: **City Council Norms**

POLICY:

General

City Council Norms are intended to guide City Council, City Manager and staff behavior in order to promote positive, productive, and effective public meetings, public business and organization. The Norms are also intended to inspire public trust in the City of La Palma and the services it provides.

Public Meetings and Meeting Agendas

Public meetings shall be for the purpose of conducting City business and/or educating the citizens. They are not "show time" for individual Council Members. Council Members are expected to focus on the business at hand and on giving their full attention to the public.

The City Manager and staff are responsible for formulating agendas for public meetings. The Consent Calendar shall be used for routine City business items and items already approved in the City Budget. The City Manager shall exercise judgment in determining whether an item is appropriate for the Consent Calendar. Council Members may request items be placed on a meeting agenda at any time and should indicate whether or not they wish a written staff report prepared. Such requests are encouraged to be announced under "Council Reports and Comments" in order to alert the full City Council to the request and to determine the estimated staff time required to research the item.

Items may also be "pulled" from an agenda for a public meeting. Any Council Member may pull any agenda item at any time during a public meeting, particularly when something new comes up or more information is needed. Council Members are encouraged to contact the City Manager in advance to ask questions, get clarification, or discuss any agenda item. Council Members planning to pull or ask questions publicly about an agenda item should notify the City Manager in advance to inform her/him of their intent and the reasons for it. To the extent possible, Council Members should indicate the questions they plan to ask to allow staff to prepare, including doing any additional research. Staff recognizes that sometimes questions arise in the course of discussion where such notice is not practical. Corrections to minutes should be shared with the City Manager or City Clerk before the meeting so that they can be corrected before the City Council approves them.

Speaker Cards and Public Testimony

For clarity and transparency in the official record, and to facilitate follow up with the speaker if needed, members of the public wishing to address the City Council, Planning Commission or Successor Agency, shall be requested to complete a speaker card. Completion of the card is voluntary. The speaker will be encouraged by the Mayor/Chair to complete the card in advance of the item the speaker wishes to discuss before the elected body.

Speaker cards shall be available in the lobby prior to every City Council meeting. Cards shall be delivered by the City Clerk to the Mayor/Chair in chronological order based on when they were received and based upon which item on the agenda the individual wishes to address. The Mayor/Chair will invite speakers to announce their name and city of residence for the record, if they so choose, when they come to the microphone. The Mayor/Chair shall return all cards to the City Clerk at the conclusion of the meeting for the official record.

Speakers will be asked to adhere to a five-minute time limit and may not transfer unused portions of that time to another speaker. The Mayor/Chair has discretion to permit additional time to individuals in order to rebut testimony. Large groups are encouraged to designate a spokesperson to speak on their behalf and the Mayor/Chair has discretion in such situations to grant the spokesperson additional time in lieu of multiple speakers. The Mayor/Chair also has the discretion to reduce the time limit if there are a large number of speakers anticipated

Council Discussions Prior to Voting

Council discussions are designed to allow Council Members to express their views and opinions prior to taking a vote. Council Members should state their reasons for their positions. As a general rule, the Mayor should allow other Council Members to speak before giving his or her opinion. When it appears that the City Council lacks consensus or is “stuck” in determining a course of action, the City Manager may offer assistance upon the request of the City Council.

City Council Comments and Reports

Time is provided on each agenda for individual Council Members to report on activities relevant to the business of the City, including their service on regional boards and committees.

Reorganization – Seating, Selection of Mayor and Mayor Pro Tem

After reorganization of the City Council, the Mayor shall be seated in the center and other City Council Members shall be seated in alphabetical order (left to right when viewing the public). Council Members other than the Mayor may trade seats if mutually agreed. Council Members wishing to trade seats should make such arrangements in advance of the meeting in order to facilitate the efficiency of the reorganization process.

Interaction and Communication

Public confidence in the City of La Palma depends upon the behaviors and interactions of its elected leaders. City Council Members shall strive to show courtesy and respect for one another in all public settings. One way to demonstrate this is through flexibility in covering for each other and explaining each other's absences to the public when appropriate.

Public confidence also depends on the interactions of its elected leaders with the City Manager and staff and effective communications are essential to staff effectiveness. In general, Council Members should call the City Manager before going to the Department Director. Council Members should always go through the City Manager to direct staff to do research on items. Council Members can go directly to department directors for answers to simple questions. Answers to individual Council Member inquiries of common interest will be shared with the City Council through the City Manager's weekly report.

When Council Members email Directors or staff for information, they should copy the City Manager as a courtesy. Directors are also responsible for keeping the City Manager informed of any communication with City Council Members. If a Council Member has a concern about, or is unhappy with, a City employee, he or she shall discuss it directly with the City Manager and Council Members shall not criticize staff in public. The City Manager is responsible for informing the City Council whenever an unusual event occurs that the public would be concerned about (ex. significant safety event). The City Council, City Manager and staff shall not blindside each other in public.

Citizen complaints should be referred to staff with adequate time for response. Staff will report back to the City Council through the City Manager on the resolution of citizen complaints and when a written response has been requested or as appropriate, staff will assist the Mayor or Council Member in drafting an appropriate response.

Committees

The City Council may create external committees, internal standing committees, or ad hoc subcommittees.

1. Internal Standing Committees – The Mayor has authority to create or suspend internal standing committees when it is determined that a standing committee is required or no longer required.
2. For external committees and internal standing committees, the appointment process will be placed on the agenda, usually at the first meeting following a reorganization of the City Council, and the City Council will confer about each of the committee positions. Council Members are encouraged to openly discuss their desires and availability for each position. Appointments are made by mutual consent of all Council Members. In the event of multiple nominees for a specific position, a roll call vote will be taken using the following process:
    a. Mayor will entertain nominations for the contested position. No second is required and Council Members may nominate themselves.
    b. A motion is made to close the nominations and nominees will then be voted on in the order received by the Mayor until someone is selected. Once a nominee receives a majority vote, the election stops.
3. Ad Hoc Committees – The Mayor has authority to create, suspend, and appoint members to ad hoc subcommittees after determining individual Council Member interest.
4. Committee and subcommittee members are responsible for keeping the rest of the Council informed; other Council Members are responsible for letting subcommittee members know if they want more information.
5. Committee and subcommittee members will refrain from giving mixed direction to staff. When there is a disagreement between committee or subcommittee members, staff will be excused from the discussion or from implementing direction until such time as the disagreement has been resolved.

Selection of the Mayor and Mayor Pro Tem

Council Members wishing to be considered for Mayor or Mayor Pro Tem should express their interest to the other members. Procedures for selection of the Mayor and Mayor Pro Tem shall be per Rosenberg's Rules of Order. Mayor Pro Tem is not a natural ascendancy to Mayor. The Mayor and Mayor Pro Tem are peers of, and serve at the pleasure of, the other Council Members.

Role of the Mayor

The Mayor serves as the primary elected spokesperson for the City of La Palma. As such, the Mayor presides at public meetings, represents the City Council at events and activities in the community and is available to respond to requests for appearances from community organizations. The Mayor has no more or less official authority than any other Council Member.

At public meetings, the Mayor:

1. Will do his or her best to keep things moving;

2. Will pay attention to the consensus of the entire Council and will assist in building consensus among Council Members when necessary;
3. May use discretion to allow citizens to speak longer than the allotted five minutes and shall ensure that fairness prevails and speaking time is balanced for all speakers;
4. Shall encourage large groups coming to a public meeting to designate one spokesperson and has discretion to allow that spokesperson more than five minutes to speak in lieu of multiple speakers; and,
5. Shall remind citizens to show respect for the City Council and staff, when necessary.

Travel and Meetings

Attendance at conferences, seminars, or meetings of benefit to the City is encouraged within the limitations of budgeted appropriations. Monies shall be budgeted each fiscal year for City Council Members to attend conferences, monthly meetings, meetings required due to internal or external committee appointments, and for miscellaneous meetings and trainings including such events as attendance at the Americana Awards and City Council goal setting. Miscellaneous meetings and training monies are intended to be allocated somewhat equally to each City Council Member as they see fit, within the limitations of the total travel fund allocation. Council Members can also make requests to the full City Council for additional funds. Travel and registration arrangements are made through the City Manager's Executive Assistant.

Only expenses that have been incurred from authorized travel and meetings will be considered for reimbursement. Expenses incurred include items for the individual City Council Member only such as registration fees, hotel charges, mileage, airfare, car rental, meals and similar expenses. Any charges for a second person, such as an added charge on a hotel room, are the responsibility of the Council Member and are not reimbursable. Rates for reimbursement shall be as established in administrative policy and require completion of the administrative reimbursement form.

For extensive travel expenses, an advance may be authorized with the filing of an estimate of expenses with supporting documentation. Meals reimbursement may be for actual cost (receipts required) or via a per diem rate (no receipts required) and any meals covered in conference registration shall be deducted.

Use of Stationary

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1. Used by the Mayor at the direction of the full City Council, such as for communicating legislative positions taken by the Council.
2. Used by the Mayor or any Council Member for the purpose of thanking citizens or groups, extending invitations to City-sponsored events, extending congratulations to persons or groups to note achievements, or to answer correspondence sent by constituents.

Accountability

The City Manager is responsible for holding staff accountable for adherence to the City Council norms. The City Council members are responsible for holding each other accountable for adherence to the City Council norms.

BACKGROUND:

This policy consolidates and amends several prior policies relating to the conduct of City Council business including Travel and Meetings, Seating Arrangement of Council Members After Reorganization, Use of City Stationary by Council Members, Public Meetings and Meeting Agendas, Selection of Mayor and Mayor Pro Tem; Role of the Mayor, Council Norms, Speaker Cards, and Meals.

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REVIEW:

This policy is to be reviewed as needed.

Attachment 3

California Secretary of State
CODE OF FAIR CAMPAIGN PRACTICES
(ELECTIONS CODE § 20440)

There are basic principles of decency, honesty, and fair play which every candidate for public office in the State of California has a moral obligation to observe and uphold in order that, after vigorously contested but fairly conducted campaigns, our citizens may exercise their constitutional right to a free and untrammeled choice and the will of the people may be fully and clearly expressed on the issues.

THEREFORE:

(1) I SHALL CONDUCT my campaign openly and publicly, discussing the issues as I see them, presenting my record and policies with sincerity and frankness, and criticizing without fear or favor the record and policies of my opponents or political parties that merit this criticism.

(2) I SHALL NOT USE OR PERMIT the use of character defamation, whispering campaigns, libel, slander, or scurrilous attacks on any candidate or his or her personal or family life.

(3) I SHALL NOT USE OR PERMIT any appeal to negative prejudice based on a candidate's actual or perceived race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age, sexual orientation, sex, including gender identity, or any other characteristic set forth in Section 12940 of the Government Code, or association with another person who has any of the actual or perceived characteristics set forth in Section 12940 of the Government Code.

(4) I SHALL NOT USE OR PERMIT any dishonest or unethical practice that tends to corrupt or undermine our American system of free elections, or that hampers or prevents the full and free expression of the will of the voters including acts intended to hinder or prevent any eligible person from registering to vote, enrolling to vote, or voting.

(5) I SHALL NOT coerce election help or campaign contributions for myself or for any other candidate from my employees.

(6) I SHALL IMMEDIATELY AND PUBLICLY REPUDIATE support deriving from any individual or group that resorts, on behalf of my candidacy or in opposition to that of my opponent, to the methods and tactics that I condemn. I shall accept responsibility to take firm action against any subordinate who violates any provision of this code or the laws governing elections.

(7) I SHALL DEFEND AND UPHOLD the right of every qualified American voter to full and equal participation in the electoral process.

I, the undersigned, candidate for election to public office in the State of California or treasurer or chairperson of a committee making any independent expenditures, hereby voluntarily endorse, subscribe to, and solemnly pledge myself to conduct my campaign in accordance with the above principles and practices."

Date	Signature

(Amended by Stats. 2006, Ch. 551, Sec. 2. Effective January 1, 2007.)