AGENDA

REGULAR MEETING

LA PALMA CITY COUNCIL

TUESDAY, JANUARY 13, 2026

Nitesh P. Patel
Mayor

Debbie S. Baker
Mayor Pro Tem

Janet Keo Conklin
Council Member

Vikesh P. Patel
Council Member

Mark I. Waldman
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 California Government Code Section 54956.9)***

Name of Case: David Casey, et al. v. City of Buena Park, et al.
Case No. OCSC 30-2025-01497184-CU-PA-NJC

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

Name of Case: Ross Byer v. City of La Palma
Case No. OCSC 30-2024-01394359-CU-OE-CJC

CS-3. ***CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Pursuant to paragraph (1) of subdivision (d) of California Government Code Section 54956.9)***

Claim Received December 9, 2025, from Hoa Jessie Cao Regarding Vehicle Damage

CS-4. ***CONFERENCE WITH REAL PROPERTY NEGOTIATIONS (Pursuant to Government Code Section 54956.8)***

Property:	8415 Meadowlark, La Palma, California 90623
Agency Negotiator:	Peter Kim, City Manager Joseph Cisneros, Deputy City Manager
Negotiating Parties:	AT&T
Under Negotiations:	Price and/or terms of a lease

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

PLEDGE OF ALLEGIANCE

Mayor Pro Tem Debbie Baker

INVOCATION

Reverend Nader Hanna, King of the Nations Ministries
Council Member Janet Keo Conklin

ROLL CALL

PRESENTATIONS

- Proclamation in Recognition of Korean-American Day
- Recognition of Honey Pharmacy as "Business of the Quarter"
- Recognition of Radiant Futures

- Recognition of John F. Kennedy High School Girls Golf, Girls Cross Country, Girls Tennis, and Boys Water Polo Teams for Achieving League Championship Titles

- Presentation of Employee of the Year to Ricardo Gonzalez, Police Officer

- Presentation of Supervisor of the Year to Justin Braasch, Police Sergeant

- Introduction of Jason Hong as La Palma's new Community Services Supervisor and Colby Deterding as La Palma's new Recreation Coordinator

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***

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

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

Approve the December 9, 2025, City Council Meeting Minutes.

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

Adopt a Resolution approving the Registers of Demands for December 16, 2025, and January 6, 2026.

4. ***Approve the Placement of Ron and Elfriede Mac Iver in the Community Commemorative Area***

Approve the placement of Ron and Elfriede Mac Iver in the Community Commemorative Area.

5. ***Adopt the 2026 State and Federal Legislative Platform***

Adopt the City of La Palma's 2026 State and Federal Legislative Platform.

6. ***Annual Comprehensive Financial Report (ACFR) for the Fiscal Year Ending June 30, 2025***

Receive and file the Annual Comprehensive Financial Report (ACFR) of the City of La Palma for the Fiscal Year ending June 30, 2025.

7. ***First Quarter Operating Report, Fiscal Year 2025-26***

Receive and file the First Quarter Operating Report, Fiscal Year 2025-26.

8. ***Resolution Approving a Side Letter Between the City and La Palma General Employees Association***

Adopt a Resolution amending the Memorandum of Understanding for the La Palma General Employees Association and authorize the City Manager, or designee, to sign the Side Letter on behalf of the City.

9. ***Resolution Approving a Side Letter Between the City and La Palma Police Association***

Adopt a Resolution approving a Side Letter Amendment with the La Palma Police Association regarding hiring bonuses and authorize the City Manager or designee to sign the Side Letter on behalf of the City.

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

Adopt a Resolution amending salaries for certain part-time positions.

11. ***Award of Contract for Professional Services to Gladwell Governmental Services, Inc. for the update of the City's Records Management Policy and Schedule***

Authorize the City Manager to execute an agreement with Gladwell Governmental Services, Inc., (GGS) to provide professional consulting services to update the Citywide Records Management Policy and Schedule for an amount not to exceed $13,200.

12. ***Amendment to Agreement with Casc Engineering, Inc. for NPDES and FOG Programs***

Authorize the City Manager to execute a contract amendment with Casc Engineering Inc., for the management of the National Pollutant Discharge Elimination System (NPDES) Stormwater Permit Program and the countywide Fats, Oils, and Grease (FOG) Program for an amount not to exceed $112,800.

PUBLIC HEARINGS

No Public Hearing Items

REGULAR ITEMS

13. ***Council Member Request — Discuss Moving La Palma's Annual Tree Lighting Ceremony Date***

It is recommended that the City Council discuss and provide direction to staff.

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 13, 2026
TO:	City Council
FROM:	City Manager
SUBMITTED BY:	Norma I. Alley, City Clerk
AGENDA TITLE:	Waive Reading of All Ordinances

RECOMMENDED ACTION:

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

SUMMARY:

This is a regular agenda item and acts as a reminder of an action that Council Members should take to waive the reading of any Ordinance before them in its entirety, and instead read it by title only. This action helps to expedite the processing of Ordinances and contributes to the efficiency of City Council meetings.

FISCAL IMPACT:

None.

ATTACHMENTS:

None

City of La Palma

Agenda Item No. 2

MEETING DATE:	January 13, 2026
TO:	City Council
FROM:	City Manager
SUBMITTED BY:	Norma I. Alley, City Clerk
AGENDA TITLE:	Approval of Council Minutes

RECOMMENDED ACTION:

Approve the December 9, 2025, City Council Meeting Minutes.

FISCAL IMPACT:

None

ATTACHMENTS:

1. CC MIN 2025-1209

MINUTES OF THE REGULAR MEETING
OF THE LA PALMA CITY COUNCIL
December 9, 2025

CALL TO ORDER

Mayor Pro Tem N. Patel 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 Representative:	Peter Kim, City Manager
Employee Organizations:	La Palma General Employees Association La Palma Police Association La Palma Professional Employees Association
Unrepresented Employees:	Executive Management

CS-2. PERFORMANCE REVIEW
(Pursuant to California Government Code Section 54957(b)(1))
Position Title: City Attorney

CS-3. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(Pursuant to paragraph (1) of subdivision (d) of California Government Code Section 54956.9)
Name of Case: David Casey, et al. v. City of Buena Park, et al.
Case No. OCSC 30-2025-01497184-CU-PA-NJC

CS-4. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION, SIGNIFICANT EXPOSURE
(Pursuant to paragraph (2) of subdivision (d) of California Government Code Section 54956.9)
Demand Letter from Suren N. Weerasuriya on behalf of Asharie Cooks (available upon request)

CS-5. CONFERENCE WITH REAL PROPERTY NEGOTIATIONS
(Pursuant to Government Code Section 54956.8)

Property:	8415 Meadowlark, La Palma, California 90623
Agency Negotiator:	Peter Kim, City Manager Joseph Cisneros, Deputy City Manager
Negotiating Parties:	AT&T
Under Negotiations:	Price and/or terms of a lease

CS-6. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION, INITIATION OF LITIGATION
(Pursuant to Government Code Section 54956.9(D)(4)): One case

Mayor Pro Tem N. Patel recessed the Open Session and convened the Closed Session at 5:32 p.m. Mayor Waldman adjourned Closed Session at 6:09 p.m. It was noted for the record that Mayor Waldman arrived at 5:35 p.m.

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

Mayor Waldman reconvened in Open Session at 6:30 p.m. and asked for a report out of Closed Session. City Attorney Ajit Thind reported there was no reportable action for Items CS-1, CS-2, CS-3, CS-5 and CS-6. He reported on Item CS-4, the City Council voted 5 Yes/0 No to authorize an issuance of a rejection letter due to failure of a timely notice to the City.

PLEDGE OF ALLEGIANCE

Council Member V. Patel led the Pledge of Allegiance.

INVOCATION

La Palma Police Department Chaplain Steve Bland conducted the Invocation.

ROLL CALL

Council Members Present:	Council Member Baker, Council Member Keo Conklin, Mayor Pro Tem N. Patel, Council Member V. Patel, and Mayor Waldman (arrived at 5:35 p.m.)
City Officials Present:	Peter Kim, City Manager Ajit Thind, City Attorney Joe Cisneros, Deputy City Manager Jake Chavira, Acting Community Development & Public Works Director Jesse Amend, Interim Police Chief Norma I. Alley, City Clerk

PROCEDURAL ITEMS

PI-1 City Council Reorganization

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

City Clerk Alley opened the floor to nominations for Mayor.

Council Member Baker nominated Mayor Pro Tem N. Patel for Mayor.

The motion nominating Mayor Pro Tem N. Patel for Mayor carried on the following vote:

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

City Clerk Alley passed the nominations for Mayor Pro Tem over to newly appointed Mayor N. Patel.

Mayor N. Patel opened the floor to nominations for Mayor Pro Tem.

Council Member Waldman nominated Council Member Debbie Baker for Mayor Pro Tem.

Council Member Keo Conklin nominated herself for Mayor Pro Tem.

The motion for Council Member Debbie Baker for Mayor Pro Tem carried on the following vote:

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

PI-2 Presentations to Mayor Mark I. Waldman for his Service in 2024-2025

Mayor N. Patel presented outgoing Mayor Waldman with a gavel and street sign to honor his service as Mayor during 2024-2025 and spoke of Mayor Waldman's highlights and accomplishments under his leadership and tenure on the Council and as Mayor. Mayor N. Patel also expressed appreciation to Linda Waldman's support and contributions to the City and community.

Mayor N. Patel presented Certificates of Recognition from Senator Strickland's Office.

Assemblywoman Quirk-Silva's Field Representative Anthony Monroy presented a Certificate of Recognition.

Mr. Jack Amsell spoke highlighting Mayor Waldman's great service to the City of La Palma and expressed his appreciation of his dedication, hard work, and accomplishments during his tenure on the Council and as Mayor.

Mayor N. Patel called a recess for a light reception and celebrations.

PRESENTATIONS

There were no presentations.

ORAL COMMUNICATIONS

Mayor N. Patel called for public comment. Seeing no one come forward, Mayor N. Patel closed public comment.

CONSENT CALENDAR

1. Approve Council Minutes: Approved the Minutes of November 4, 2025, City Council Meeting Minutes.

2. Approve Register of Demands: Adopted Resolution No. 2025-51 approving the Registers of Demands for November 18, 2025, and December 2, 2025.

3. Authorize the City Manager to execute a Second Amendment to extend the contract with Greentech Landscape, Inc.

4. Authorize the City Manager to execute a Second Amendment to extend the contract with Sierra Analytical Labs, Inc., for water analysis services.

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

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

PUBLIC HEARINGS

There were no Public Hearing items for consideration.

REGULAR ITEMS

5. Appointments to External Committees and Internal Subcommittees

Mayor N. Patel called for Council discussion regarding the Committee appointments pursuant to Council Policy 1: City Council Code of Conduct. Discussion ensued amongst the Council and appointments to the committees were as follows:

The Orange County Fire Authority (OCFA) Board of Directors representative to be Mayor N. Patel with no alternate.

Council Member Waldman made a motion to approve Resolution No. 2025-52 designating and appointing Mayor N. Patel as a Director to the Orange County Fire Authority Board of Directors for 2026. The motion was seconded by Mayor Pro Tem Baker and carried on the following vote:

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

The Orange County Mosquito and Vector Control District (OCMVCD) Board of Trustees representative with no alternate for a two-year appointment to serve 2026-2027.

Council Member V. Patel and Council Member Keo Conklin expressed their interest in serving as the representative for the OCMVCD Board of Trustees.

Mayor N. Patel called for a vote on the nominations. City Clerk Alley conducted a roll call vote by order nominations were received with note that the first Council Member receiving the majority of votes would be appointment and voting would cease. First vote was taken for Council Member V. Patel. The vote carried on the following vote:

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

The Orange County Mosquito and Vector Control District (OCMVCD) Board of Trustees representative to be Council Member V. Patel for a two-year appointment to serve 2026-2027, with no alternate.

The Orange County Sanitation District (OC San) Board of Directors representative to be Mayor Pro Tem Baker and Council Member Vikesh Patel as the alternate.

The California Joint Powers Insurance Authority (CJPIA) Board of Directors representative to be Mayor N. Patel and Council Member Waldman as the alternate.

The Bridges at Kraemer Place Community Advisory Board (BCAB) representative to be Mayor N. Patel, with no alternate, to finish serving out the remaining two-year term to end in December 2026.

The Municipal Water District of Orange County (MWDOC) Elected Officials Forum representative to be Council Member Keo Conklin and Council Member Waldman as the alternate.

The Orange County Library Advisory Board (OCLAB) representative to be Council Member V. Patel, with no alternate.

The Southern California Association of Governments (SCAG) Regional Conference and General Assembly representative to be Council Member Baker, with no alternate. City Manager Kim noted Mayor Pro Tem's appointment was by default due to her election to serve as the Regional Council Member.

The Business Task Force representatives to be Mayor N. Patel and Mayor Pro Tem Baker;

The Public School Liaison representatives to be Mayor N. Patel and Mayor Pro Tem Baker;

The Council Policy Subcommittee representatives to be Mayor N. Patel and Mayor Pro Tem Baker;

The Business Engagement Ad Hoc Committee representatives to be Mayor N. Patel and Mayor Pro Tem Baker; and

The Economic Development/Land Use Advisory Ad Hoc Committee representatives to be Mayor N. Patel and Mayor Pro Tem Baker.

Council Member V. Patel made a motion to approve the committee appointments as discussed. The motion was seconded by Council Member Baker and carried on the following vote:

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

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

Council Member V. Patel reported he attended the Scouting America Scout-O-Rama, Veterans Day Ceremony, Holiday Tree Lighting Ceremony, Annual Employee Recognition Luncheon; recognized staff for their hard work for the year; congratulated the Mayor and Mayor Pro Tem for their appointments; and expressed appreciation to Council Member Waldman for his service as Mayor.

Council Member Waldman reported he attended the Veterans Day Ceremony, Holiday Tree Lighting Ceremony, OCSAN Operations Committee Meeting, and the Annual Employee Recognition Luncheon; and congratulated the Mayor and Mayor Pro Tem for their appointments.

Council Member Keo Conklin provided accolades to all involved with the accomplishments of the City over the last year, thanked Council Member Waldman for approving the Veterans Day Ceremony during his tenure as Mayor, reported she attended the Veteran's Celebration and the Holiday Tree Lighting Ceremony, noted her favor of installation of an audio/visual system in the Council Chambers for future meetings, congratulated the Mayor and Mayor Pro Tem for their appointments, and expressed appreciation to Council Member Waldman for his service as Mayor.

Mayor Pro Tem Baker reported she attended the Orange County Sanitation District (OC San) Operations Committee Meeting; Southern California Association of Governments (SCAG) Community, Economic, and Human Development (CEHD) Policy Committee Meeting and Regional Council (RC) Meeting; Veterans Event; League of California Cities (Cal Cities) Mayors and Council Members Department Officers Orientation; Cal Cities League Leaders Webinar; Cal Cities Orange County Division Board of Directors Meeting; Cal Cities M/CM Roundtable; Association of California Cities-Orange County (ACC-OC) Annual Business Meeting; OC San Board of Directors Meeting; Orange County Council of Governments (OCCOG) Board of Directors Meeting; Orange County Mosquito and Vector Control District (OCMVCD) Board of Trustees Meeting; Regional Military Affairs Committee (RMAC) Meeting; Cal Cities League Leaders Workshop and Board of Directors Meeting; Cal Cities Orange County Division Executive Committee Meeting; and the Annual Employee Recognition Luncheon. She congratulated Mayor N. Patel for his election to the Association of California Cities Orange County (ACC-OC) Board's 1st District Representative; congratulated the employees that were recognized, provided service awards, and selected as Employee of the Year and Supervisor of the Year awards; congratulated Mayor N. Patel for being appointed as Mayor; thanks the Council for their support appointing her as Mayor Pro Tem; expressed appreciation and thanked Council Member Waldman for his service as Mayor; and wished everyone a Merry Christmas and Holiday Season.

Mayor N. Patel reported he attended the Veterans Day Ceremony, La Palma Community Foundation Meeting, OCFA Budget and Finance Audit Meeting, OC City Selection Committee Meeting, ACC-OC Annual Business Meeting, Iron Workers Training Facilities Tour, Holiday Tree Lighting Ceremony, attended a meeting with Assembly Member Chen, and the Annual Employee Recognition Luncheon; noted his family provided meals and gifts to 50 homeless families from JFK High School and shared the need to help others in our community; thanked Mayor Pro Tem for her support at the ACC-OC Business Meeting regarding his election to 1st District Representative; expressed appreciation and thanked Council Member Waldman for his service as Mayor; provided kudos to the Community Activities and Beautification Committee and staff for their hard work with the Polar Express and Holiday Tree Lighting Ceremony; and congratulated staff for their awards and recognitions received at the Annual Employee Recognition Luncheon.

CITY MANAGER REMARKS

City Manager Kim thanked Council Member Waldman for his service as Mayor, congratulated Mayor N. Patel and Mayor Pro Tem Baker for their appointments, announced there was a giving tree set-up at City Hall if anyone would like to participate, announced the Holiday Closure schedule, and wished everyone a safe and wonderful Holiday Season.

CITY ATTORNEY REMARKS

City Attorney Thind had nothing to report.

ADJOURNMENT

Mayor N. Patel adjourned the Regular Meeting of the La Palma City Council at 7:32 p.m.

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Nitesh P. Patel, Mayor

ATTEST:

____
Norma I. Alley, MMC, City Clerk

City of La Palma
Agenda Item No. 3

MEETING DATE:	January 13, 2026
TO:	City Council
FROM:	City Manager
SUBMITTED BY:	Joseph Cisneros, Deputy City Manager
AGENDA TITLE:	Approval of Register of Demands

RECOMMENDED ACTION:

Adopt a Resolution approving the Registers of Demands for December 16, 2025, and January 6, 2026.

SUMMARY:

The laws of the State of California governing General Law Cities and the La Palma Municipal Code Sec. 14-30 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
2. Warrant Register 12/16/2025
3. Warrant Register 01/06/2026

RESOLUTION NO. 2026-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA PALMA APPROVING THE REGISTERS OF DEMANDS FOR DECEMMBER 16, 2025 AND JANUARY 6, 2026

WHEREAS, the laws of the State of California governing General Law Cities and the La Palma Municipal Code §14-30 provide that the City Council shall approve all payments made by the City; and

WHEREAS, certain financial obligations are due and payable by the City of La Palma, a General Law City, as of December 16, 2025 and January 6, 2026; 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 16, 2025, and January 6, 2026, incorporated herein by reference.

APPROVED AND ADOPTED by the City Council of the City of La Palma at a Regular Meeting held on the 13th day of January 2026.

____
Nitesh Patel
Mayor

ATTEST:

____
Norma I. Alley, MMC
City Clerk

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

I, NORMA I. ALLEY, MMC, 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 13th day of January, 2026, and that it was so adopted by called vote as follows:

AYES:

NOES:

Norma I. Alley, MMC
City Clerk

City of La Palma, CA

Warrant Register

By Vendor Name

Payment Dates 12/3/2025 - 12/16/2025

Approval

Reviewed by

Joseph Cisneros

Joseph Cisneros - Deputy City Manager

Peter Kim

Peter Kim - City Manager

Payment Date	Payable Number	Vendor Name	Description (Item)	Amount
Vendor: 01007 - A E S WATER INC				
12/16/2025	2066	A E S WATER INC	SEISMIC VALVE CONST MAINT/WTR	1,450.00
			Vendor 01007 - A E S WATER INC Total:	**1,450.00**
Vendor: 01037 - ADMIRAL PEST CONTROL INC				
12/16/2025	2332763	ADMIRAL PEST CONTROL INC	11/26 GOPHER CONTROL/CP	175.00
			Vendor 01037 - ADMIRAL PEST CONTROL INC Total:	**175.00**
Vendor: 01047 - AFLAC				
12/16/2025	272404	AFLAC	DEC'25 Aflac Ins Prem W/H	133.44
			Vendor 01047 - AFLAC Total:	**133.44**
Vendor: 01064 - ALL CITY MANAGEMENT SVC INC				
12/16/2025	105085	ALL CITY MANAGEMENT SVC I	11/16-11/29 CROSSING GUARD SVC/PD	6,158.04
			Vendor 01064 - ALL CITY MANAGEMENT SVC INC Total:	**6,158.04**
Vendor: 04248 - ALL PRO JETTING & PLUMBING				
12/16/2025	INV2796	ALL PRO JETTING & PLUMBIN	12/2 RESTROOM RPR/CH	360.00
			Vendor 04248 - ALL PRO JETTING & PLUMBING Total:	**360.00**
Vendor: 05522 - ANDREW DELGADO				
12/16/2025	INV0025891	ANDREW DELGADO	11/17-21 FTO TRNG/PD	115.00
			Vendor 05522 - ANDREW DELGADO Total:	**115.00**
Vendor: 05695 - ANGEL AN				
12/16/2025	13372	ANGEL AN	11/1-11/29 KOREAN DANCE	65.00
			Vendor 05695 - ANGEL AN Total:	**65.00**
Vendor: 05989 - ANTHONY QUEZADA				
12/16/2025	1014093002	ANTHONY QUEZADA	11/22 COMM CTR DEPOSIT RFD	500.00
			Vendor 05989 - ANTHONY QUEZADA Total:	**500.00**
Vendor: 01015 - AT&T				
12/16/2025	24399282	AT&T	10/20-11/19 800MHZ OCSD/PD - BAN 9391064973	1,215.24
12/16/2025	24418226	AT&T	11/25#826-6272 TELEMETRY/WTR BAN 9391033974	63.59
12/16/2025	24452044	AT&T	12/1#995-1569 WALKER ST SYNCH - BAN 9391033976	32.59
12/16/2025	24480924	AT&T	DEC'25 DISPATCH PHONE SERV/PD-BAN 9391084360	138.36
			Vendor 01015 - AT&T Total:	**1,449.78**
Vendor: 01208 - BLUE RIBBON TROPHY CO				
12/16/2025	2920	BLUE RIBBON TROPHY CO	(4)NAMEPLATES/CC	123.05
12/16/2025	2925	BLUE RIBBON TROPHY CO	2025 City Tile Plates/(4)EOY	125.22
12/16/2025	2975	BLUE RIBBON TROPHY CO	2025 (2)EOY PLAQ ENGRVNG	62.60
			Vendor 01208 - BLUE RIBBON TROPHY CO Total:	**310.87**
Vendor: 01241 - BUENA PARK POSTMASTER				
12/16/2025	INV0025919	BUENA PARK POSTMASTER	BULK MAIL PERMIT #49/REC	370.00
			Vendor 01241 - BUENA PARK POSTMASTER Total:	**370.00**
Vendor: 04842 - CALIFORNIA MUNICIPAL STATISTICS, INC.				
12/16/2025	25111711	CALIFORNIA MUNICIPAL STATI	FY25 ACFR DEBT STATMENT/FIN	600.00
			Vendor 04842 - CALIFORNIA MUNICIPAL STATISTICS, INC. Total:	**600.00**
Vendor: 05886 - CATALYST DIVING, INC.				
12/16/2025	120120251	CATALYST DIVING, INC.	WTR TANK CLEAN & RPR/WTR	8,200.00
12/16/2025	120120252	CATALYST DIVING, INC.	WTR TANK CLEAN & RPR/WTR	1,425.00
			Vendor 05886 - CATALYST DIVING, INC. Total:	**9,625.00**
Vendor: 01252 - CFP INC				
12/16/2025	3075	CFP INC	(4)NOV'25 BLOOD TESTS/PD	607.72
			Vendor 01252 - CFP INC Total:	**607.72**

Payment Date	Payable Number	Vendor Name	Description (Item)	Amount
Vendor: 02669 - CHARTER COMMUNICATIONS				
12/16/2025	188679701120725	CHARTER COMMUNICATIONS	12/11-1/10 Internet SVC/CH-ACCT NO.188679701	424.67
			Vendor 02669 - CHARTER COMMUNICATIONS Total:	**424.67**
Vendor: 05455 - CHARTER COMMUNICATIONS				
12/16/2025	188679101120725	CHARTER COMMUNICATIONS	12/11-1/10 INTERNET SVC/CY&CH-ACCT NO.188679101	1,618.21
			Vendor 05455 - CHARTER COMMUNICATIONS Total:	**1,618.21**
Vendor: 05456 - CHARTER COMMUNICATIONS				
12/16/2025	188678801120725	CHARTER COMMUNICATIONS	12/11-1/10 INTERNET SVC/WW-ACCT NO. 18867880	719.00
			Vendor 05456 - CHARTER COMMUNICATIONS Total:	**719.00**
Vendor: 03604 - CINTAS CORPORATION				
12/16/2025	4251365241	CINTAS CORPORATION	11/26 UNIFORM SVC/PW	70.82
12/16/2025	4251365241	CINTAS CORPORATION	11/26 UNIFORM SVC/PW	70.82
12/16/2025	4251365241	CINTAS CORPORATION	11/26 UNIFORM SVC/PW	57.44
12/16/2025	4251904998	CINTAS CORPORATION	12/4 UNIFORM SVC/PW	70.82
12/16/2025	4251904998	CINTAS CORPORATION	12/4 UNIFORM SVC/PW	70.82
12/16/2025	4251904998	CINTAS CORPORATION	12/4 UNIFORM SVC/PW	57.44
			Vendor 03604 - CINTAS CORPORATION Total:	**398.16**
Vendor: 01342 - CINTAS DOCUMENT MANAGEMENT				
12/16/2025	4251904831	CINTAS DOCUMENT MANAGE	12/4 MAT RENTAL/REC	156.82
			Vendor 01342 - CINTAS DOCUMENT MANAGEMENT Total:	**156.82**
Vendor: 01356 - CITY OF LA PALMA FLEXIBLE				
12/11/2025	INV0025924	CITY OF LA PALMA FLEXIBLE	Flexible Spending Contributions - Medical	215.52
			Vendor 01356 - CITY OF LA PALMA FLEXIBLE Total:	**215.52**
Vendor: 01357 - CITY OF LA PALMA PETTY CASH				
12/16/2025	INV0025876	CITY OF LA PALMA PETTY CAS	11/24 SUPPLIES/EMPL RECOG	6.80
12/16/2025	INV0025876	CITY OF LA PALMA PETTY CAS	11/18 COURT SUBPOENA PARK FEE/PD	20.00
12/16/2025	INV0025923	CITY OF LA PALMA PETTY CAS	11/6 SUPPLIES/REC	65.79
12/16/2025	INV0025923	CITY OF LA PALMA PETTY CAS	10/26 SUPPLIES/HALLOWEEN	100.00
12/16/2025	INV0025923	CITY OF LA PALMA PETTY CAS	11/30 TREE LIGHTING SUPPLIES/CAB	61.06
12/16/2025	INV0025923	CITY OF LA PALMA PETTY CAS	11/18 TREE LIGHTING SUPPLIES/CAB	58.06
12/16/2025	INV0025923	CITY OF LA PALMA PETTY CAS	11/30 TREE LIGHTING SUPPLIES/CAB	20.16
12/16/2025	INV0025923	CITY OF LA PALMA PETTY CAS	12/2 TREE LIGHTING SUPPLIES/CAB	13.38
12/16/2025	INV0025923	CITY OF LA PALMA PETTY CAS	12/2 TREE LIGHTING SUPPLIES/CAB	6.59
12/16/2025	INV0025923	CITY OF LA PALMA PETTY CAS	11/6 SUPPLIES/TT	56.58
			Vendor 01357 - CITY OF LA PALMA PETTY CASH Total:	**408.42**
Vendor: 01368 - CIVICPLUS				
12/16/2025	357436	CIVICPLUS	NOV'25 CC MTG CLOSED CAPTIONING/ADM	221.64
			Vendor 01368 - CIVICPLUS Total:	**221.64**
Vendor: 05899 - COLLEEN HENEHAN				
12/16/2025	BAM110	COLLEEN HENEHAN	Fall '25 Tuition Reimbursement/PD	1,025.00
			Vendor 05899 - COLLEEN HENEHAN Total:	**1,025.00**
Vendor: 04388 - CROSSTOWN ELECTRICAL & DATA INC				
12/16/2025	545625011	CROSSTOWN ELECTRICAL & D	NOV '25 SIGNAL MAINT/PW	1,270.50
			Vendor 04388 - CROSSTOWN ELECTRICAL & DATA INC Total:	**1,270.50**

Payment Date	Payable Number	Vendor Name	Description (Item)	Amount
Vendor: 01472 - DEPT OF JUSTICE				
12/16/2025	1050	DEPT OF JUSTICE	Oct '25 Fingerprint/PW Eng Cont (1)	32.00
12/16/2025	1050	DEPT OF JUSTICE	Oct '25 Fingerprint/(1)ADM IT CONT	32.00
12/16/2025	1050	DEPT OF JUSTICE	Oct '25 Fingerprint/CS Inst (1)	32.00
			Vendor 01472 - DEPT OF JUSTICE Total:	**96.00**
Vendor: 04387 - DOG WASTE DEPOT				
12/16/2025	792939	DOG WASTE DEPOT	11/26 (4)CASES DOG WASTE BAGS/PW	173.96
			Vendor 04387 - DOG WASTE DEPOT Total:	**173.96**
Vendor: 01611 - FEDERAL EXPRESS CORPORATION				
12/16/2025	908388298	FEDERAL EXPRESS CORPORATI	11/20 PRIORITY MAIL/PD	23.59
			Vendor 01611 - FEDERAL EXPRESS CORPORATION Total:	**23.59**
Vendor: 01625 - FLORENCE CALLANTA				
12/16/2025	1014390.002	FLORENCE CALLANTA	11/23 COMM CTR DEP RFD	300.00
			Vendor 01625 - FLORENCE CALLANTA Total:	**300.00**
Vendor: 01631 - FRANCHISE TAX BOARD				
12/11/2025	INV0025904	FRANCHISE TAX BOARD	State Tax Withholding	2.45
12/11/2025	INV0025913	FRANCHISE TAX BOARD	State Tax Withholding	109.66
12/11/2025	CM0000271	FRANCHISE TAX BOARD	State Tax Withholding	-16.11
12/11/2025	INV0025946	FRANCHISE TAX BOARD	State Tax Withholding	10,487.75
			Vendor 01631 - FRANCHISE TAX BOARD Total:	**10,583.75**
Vendor: 04597 - GREENTECH LANDSCAPE INC				
12/16/2025	63297	GREENTECH LANDSCAPE INC	NOV'25 MEDIAN MAINT, MOWING, VINE TRIM	5,016.66
12/16/2025	63297	GREENTECH LANDSCAPE INC	NOV'25 MEDIAN MAINT, MOWING, VINE TRIM	39.58
12/16/2025	63297	GREENTECH LANDSCAPE INC	NOV'25 MEDIAN MAINT, MOWING, VINE TRIM	1,600.00
12/16/2025	63297	GREENTECH LANDSCAPE INC	NOV'25 MEDIAN MAINT, MOWING, VINE TRIM	3,260.42
12/16/2025	63397	GREENTECH LANDSCAPE INC	SEP'25 MOWING, VINE TRIM, MEDIAN MAINT	39.58
			Vendor 04597 - GREENTECH LANDSCAPE INC Total:	**9,956.24**
Vendor: 05303 - HEALTH AND HUMAN RESOURCES CENTER INC				
12/16/2025	E0359099	HEALTH AND HUMAN RESOU	JAN'26 EAP	129.60
			Vendor 05303 - HEALTH AND HUMAN RESOURCES CENTER INC Total:	**129.60**
Vendor: 02642 - HOME DEPOT				
12/16/2025	1550314	HOME DEPOT	11/26 SUPPLIES/PW	99.35
12/16/2025	1622079	HOME DEPOT	11/26 SUPPLIES/CY	75.43
12/16/2025	1622080	HOME DEPOT	11/26 SUPPLIES/WW	82.75
12/16/2025	2184899	HOME DEPOT	11/25 SUPPLIES/PW	-258.51
12/16/2025	2510881	HOME DEPOT	11/25 SUPPLIES/PW	258.50
12/16/2025	2523445	HOME DEPOT	11/25 SUPPLIES/PW	331.99
12/16/2025	5512367	HOME DEPOT	12/2 TREE LIGHTING SUPPLIES/CAB	124.68
12/16/2025	5632437	HOME DEPOT	12/2 SUPPLIES/PW	43.57
			Vendor 02642 - HOME DEPOT Total:	**757.76**
Vendor: 01764 - INTERNAL REVENUE SERVICE				
12/11/2025	INV0025903	INTERNAL REVENUE SERVICE	Federal Tax Withholding	11.48
12/11/2025	INV0025905	INTERNAL REVENUE SERVICE	Medicare	3.80
12/11/2025	INV0025908	INTERNAL REVENUE SERVICE	Federal Tax Withholding	4.06
12/11/2025	INV0025909	INTERNAL REVENUE SERVICE	Medicare	1.08
12/11/2025	INV0025912	INTERNAL REVENUE SERVICE	Federal Tax Withholding	260.72
12/11/2025	INV0025914	INTERNAL REVENUE SERVICE	Medicare	36.96
12/11/2025	CM0000270	INTERNAL REVENUE SERVICE	Federal Tax Withholding	-35.03
12/11/2025	INV0025915	INTERNAL REVENUE SERVICE	Medicare	0.96
12/11/2025	INV0025945	INTERNAL REVENUE SERVICE	Federal Tax Withholding	26,308.41

Payment Date	Payable Number	Vendor Name	Description (Item)	Amount
12/11/2025	INV0025947	INTERNAL REVENUE SERVICE	Medicare	6,951.06
			Vendor 01764 - INTERNAL REVENUE SERVICE Total:	**33,543.50**
Vendor: 01775 - IRON MOUNTAIN				
12/16/2025	KXHM318	IRON MOUNTAIN	DEC'25 RECORDS STORAGE	305.49
			Vendor 01775 - IRON MOUNTAIN Total:	**305.49**
Vendor: 03277 - JAMES ROCHE JR				
12/16/2025	INV0025917	JAMES ROCHE JR	12/5 Vision CLM	400.00
			Vendor 03277 - JAMES ROCHE JR Total:	**400.00**
Vendor: 05481 - JASON HONG				
12/16/2025	INV0025847	JASON HONG	11/20 TREE LIGHTING SUPPLIES REIMB/REC SUPV	39.31
12/16/2025	INV0025847	JASON HONG	11/20 TREE LIGHTING SUPPLIES REIMB/REC SUPV	91.48
12/16/2025	INV0025847	JASON HONG	11/20 TREE LIGHTING SUPPLIES REIMB/REC SUPV	92.51
			Vendor 05481 - JASON HONG Total:	**223.30**
Vendor: 03559 - JEFF JENKINS SERVICE TECHNICIAN				
12/09/2025	INV 2230	JEFF JENKINS SERVICE TECHNI	9/25 EMG INSTL(4)CHLORINE ANALYZERS/WTR	8,097.88
			Vendor 03559 - JEFF JENKINS SERVICE TECHNICIAN Total:	**8,097.88**
Vendor: 01846 - JENNA MACIAS				
12/16/2025	1014645.002	JENNA MACIAS	2/7 COMM CTR DEPOSIT RFD	350.00
			Vendor 01846 - JENNA MACIAS Total:	**350.00**
Vendor: 05991 - JESSICA HARDAWAY				
12/16/2025	1014469002	JESSICA HARDAWAY	11/22 GAZEBO DEPOSIT RFD	100.00
			Vendor 05991 - JESSICA HARDAWAY Total:	**100.00**
Vendor: 01801 - JHM SUPPLY INC				
12/16/2025	1115473	JHM SUPPLY INC	11/25 SUPPLIES/PW	298.27
12/16/2025	K115473	JHM SUPPLY INC	11/26 SUPPLIES/PW	51.08
			Vendor 01801 - JHM SUPPLY INC Total:	**349.35**
Vendor: 04039 - JOSEPH CISNEROS				
12/16/2025	INV0025961	JOSEPH CISNEROS	11/11-14 MMASC CONF/DCM	176.40
12/16/2025	INV0025962	JOSEPH CISNEROS	10/25-29 ICMA CONF/DCM	751.36
			Vendor 04039 - JOSEPH CISNEROS Total:	**927.76**
Vendor: 03684 - JUSTIN BRAASCH				
12/16/2025	120825JB	JUSTIN BRAASCH	2025 SUPERVISOR OF THE YEAR	500.00
			Vendor 03684 - JUSTIN BRAASCH Total:	**500.00**
Vendor: 05331 - KIDZ TALENT ACADEMY				
12/16/2025	13318	KIDZ TALENT ACADEMY	11/4-11/25 BASKETBALL SKILL	256.75
12/16/2025	13321	KIDZ TALENT ACADEMY	11/4-11/25 BASKETBALL SKILL	205.40
12/16/2025	13327	KIDZ TALENT ACADEMY	11/4-11/25 GYMNASTICS & TUMBLING	154.05
			Vendor 05331 - KIDZ TALENT ACADEMY Total:	**616.20**
Vendor: 01975 - L P G E A				
12/11/2025	INV0025925	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				
12/11/2025	INV0025926	LA PALMA POLICE ASSN	LPPA Dues Withheld	1,444.59
			Vendor 01988 - LA PALMA POLICE ASSN Total:	**1,444.59**
Vendor: 04657 - LISA AMSELL				
12/16/2025	13335	LISA AMSELL	11/1-11/29 MARTIAL ARTS	130.00
			Vendor 04657 - LISA AMSELL Total:	**130.00**
Vendor: 01976 - LPPEA				
12/11/2025	INV0025927	LPPEA	LPPEA Dues Withheld	90.00
			Vendor 01976 - LPPEA Total:	**90.00**

Payment Date	Payable Number	Vendor Name	Description (Item)	Amount
Vendor: 02632 - MARATHON PETROLEUM COMPANY LP				
12/16/2025	INV0025897	MARATHON PETROLEUM CO	JUL-SEP'25 OPERATING CONVENANT	100,916.77
			Vendor 02632 - MARATHON PETROLEUM COMPANY LP Total:	**100,916.77**
Vendor: 01752 - MISSION SQUARE - PLAN 302549				
12/11/2025	INV0025934	MISSION SQUARE - PLAN 302	Deferred Comp	1,550.00
12/11/2025	INV0025935	MISSION SQUARE - PLAN 302	Deferred Comp	705.00
12/11/2025	INV0025936	MISSION SQUARE - PLAN 302	Deferred Comp	4,357.94
			Vendor 01752 - MISSION SQUARE - PLAN 302549 Total:	**6,612.94**
Vendor: 03268 - MOTOROLA SOLUTIONS INC				
12/16/2025	8230545715	MOTOROLA SOLUTIONS INC	12/18-12/17/26 IBR MAINT SVC/PD	1,731.08
12/16/2025	8282184150	MOTOROLA SOLUTIONS INC	8/15 BWC SHIPPING CHRG/P	7.12
12/16/2025	8282185783	MOTOROLA SOLUTIONS INC	8/9 BWC SHIPPING CHRG/PD	7.12
			Vendor 03268 - MOTOROLA SOLUTIONS INC Total:	**1,745.32**
Vendor: 02248 - OCCUPATIONAL HEALTH CENTERS OF CA				
12/16/2025	89072708	OCCUPATIONAL HEALTH CENT	12/2 EMPL PHYS/(1)PD Vol	270.00
			Vendor 02248 - OCCUPATIONAL HEALTH CENTERS OF CA Total:	**270.00**
Vendor: 02290 - PACIFIC TELEMANAGEMENT SVCS				
12/16/2025	2148147	PACIFIC TELEMANAGEMENT S	12/1#739-9846 PAYPHONE/P	78.00
			Vendor 02290 - PACIFIC TELEMANAGEMENT SVCS Total:	**78.00**
Vendor: 05992 - PAULA HUDSON				
12/16/2025	1014391002	PAULA HUDSON	11/16 COMM CTR DEPOSIT RFD	300.00
			Vendor 05992 - PAULA HUDSON Total:	**300.00**
Vendor: 02279 - PERS RETIREMENT				
12/11/2025	INV0025906	PERS RETIREMENT	CalPERS Employee Contribution	2.84
12/11/2025	INV0025907	PERS RETIREMENT	CalPERS Employer Contributio	2.92
12/11/2025	INV0025910	PERS RETIREMENT	CalPERS Employee Contribution	89.20
12/11/2025	INV0025911	PERS RETIREMENT	CalPERS Employer Contributio	230.90
12/11/2025	INV0025928	PERS RETIREMENT	CalPERS Employee Contribution	1,749.80
12/11/2025	INV0025929	PERS RETIREMENT	CalPERS Employer Contributio	3,519.26
12/11/2025	INV0025930	PERS RETIREMENT	CalPERS Employee Contribution	1,946.46
12/11/2025	INV0025931	PERS RETIREMENT	CalPERS Employer Contributio	2,833.47
12/11/2025	INV0025932	PERS RETIREMENT	CalPERS Employee Contribution	4,072.90
12/11/2025	INV0025933	PERS RETIREMENT	CalPERS Employer Contributio	4,183.26
12/11/2025	INV0025938	PERS RETIREMENT	CalPERS Employee Contribution	1,227.14
12/11/2025	INV0025939	PERS RETIREMENT	CalPERS Employer Contributio	4,001.85
12/11/2025	INV0025940	PERS RETIREMENT	CalPERS Employee Contribution	456.87
12/11/2025	INV0025941	PERS RETIREMENT	CalPERS Employer Contributio	1,182.64
12/11/2025	INV0025942	PERS RETIREMENT	CalPERS Employee Contribution	8,729.33
12/11/2025	INV0025943	PERS RETIREMENT	CalPERS Employer Contributio	8,848.18
12/11/2025	INV0025944	PERS RETIREMENT	Employee Survivor Contribution Amount	46.50
			Vendor 02279 - PERS RETIREMENT Total:	**43,123.52**
Vendor: 05396 - RICARDO GONZALEZ				
12/16/2025	INV0025956	RICARDO GONZALEZ	2025 EMPLOYEE OF THE YEAR	500.00
			Vendor 05396 - RICARDO GONZALEZ Total:	**500.00**

Payment Date	Payable Number	Vendor Name	Description (Item)	Amount
Vendor: 05732 - RING CENTRAL INC				
12/16/2025	CD_001294967	RING CENTRAL INC	CITYWIDE PHONE SYSTEM & SUPPORT - DEC'25	2,191.75
			Vendor 05732 - RING CENTRAL INC Total:	**2,191.75**
Vendor: 05993 - ROBERT GOTINGCO				
12/16/2025	1014216002	ROBERT GOTINGCO	11/15 COMM CTR DEPOSIT RFD	500.00
			Vendor 05993 - ROBERT GOTINGCO Total:	**500.00**
Vendor: 04859 - SIERRA ANALYTICAL LABS INC				
12/16/2025	5K12001	SIERRA ANALYTICAL LABS INC	OCT'25 WATER SAMPLES	2,913.83
			Vendor 04859 - SIERRA ANALYTICAL LABS INC Total:	**2,913.83**
Vendor: 02703 - SPOK				
12/16/2025	J7888466X	SPOK	DEC'25 PAGER SVC/MAINT	27.67
12/16/2025	J7888466X	SPOK	DEC'25 PAGER SVC/WTR	27.68
			Vendor 02703 - SPOK Total:	**55.35**
Vendor: 02568 - STAPLES BUSINESS ADVANTAGE				
12/16/2025	6043756626	STAPLES BUSINESS ADVANTAG	9/30 Office Supplies/CC	30.44
12/16/2025	6043756628	STAPLES BUSINESS ADVANTAG	9/30 Office Supplies/CC	18.69
12/16/2025	6044333658	STAPLES BUSINESS ADVANTAG	10/2 OFFICE SUPPLIES/REC	198.73
12/16/2025	6044333659	STAPLES BUSINESS ADVANTAG	10/2 OFFICE SUPPLIES/REC	25.92
12/16/2025	6044409341	STAPLES BUSINESS ADVANTAG	10/3 OFFICE SUPPLIES/REC	45.11
12/16/2025	6044491432	STAPLES BUSINESS ADVANTAG	10/4 Office Supplies/CC	212.21
12/16/2025	6048695030	STAPLES BUSINESS ADVANTAG	11/25 OFFICE SUPPLIES/PW	38.29
12/16/2025	6049639980	STAPLES BUSINESS ADVANTAG	12/2 OFFICE SUPPLIES/PD	56.02
12/16/2025	6049640000	STAPLES BUSINESS ADVANTAG	12/2 OFFICE SUPPLIES/PD	96.79
			Vendor 02568 - STAPLES BUSINESS ADVANTAGE Total:	**722.20**
Vendor: 02576 - STEP SAVER INC				
12/16/2025	377736	STEP SAVER INC	11/24 WTR TREATMENT SUPPLIES/CY	186.91
12/16/2025	377737	STEP SAVER INC	11/24 WTR TREATMENT SUPPLIES/WW	126.38
			Vendor 02576 - STEP SAVER INC Total:	**313.29**
Vendor: 05988 - STEPHANIE DE MAGGIO				
12/16/2025	1014586002	STEPHANIE DE MAGGIO	13182 COMPUTER RFD	154.00
			Vendor 05988 - STEPHANIE DE MAGGIO Total:	**154.00**
Vendor: 01620 - STEVE A. FILARSKY ATTORNEY AT LAW				
12/16/2025	INV0025893	STEVE A. FILARSKY ATTORNEY	11/03-11/18 Labor Atty Svcs	1,728.00
			Vendor 01620 - STEVE A. FILARSKY ATTORNEY AT LAW Total:	**1,728.00**
Vendor: 02590 - SUN BADGE COMPANY				
12/16/2025	425167	SUN BADGE COMPANY	8/25 DEPT AWARDS/PD	1,275.00
12/16/2025	425167	SUN BADGE COMPANY	8/25 DEPT AWARDS/PD	710.28
			Vendor 02590 - SUN BADGE COMPANY Total:	**1,985.28**
Vendor: 04620 - TANGRAM				
12/16/2025	26791	TANGRAM	INTERIOR FURNISHINGS/CS	13,375.00
			Vendor 04620 - TANGRAM Total:	**13,375.00**
Vendor: 04630 - T-MOBILE USA INC				
12/16/2025	INV0025883	T-MOBILE USA INC	10/21-11/20 UAS DATA PLAN/PD - Acct. 971557340	33.00
			Vendor 04630 - T-MOBILE USA INC Total:	**33.00**
Vendor: 05525 - TOWNSEND PUBLIC AFFAIRS INC				
12/16/2025	24351	TOWNSEND PUBLIC AFFAIRS I	GRANT WRITING / FUNDING CONSULTING SERVICES	2,200.00
12/16/2025	24351	TOWNSEND PUBLIC AFFAIRS I	GRANT WRITING / FUNDING CONSULTING SERVICES	1,925.00
12/16/2025	24351	TOWNSEND PUBLIC AFFAIRS I	GRANT WRITING / FUNDING CONSULTING SERVICES	1,375.00
12/16/2025	24512	TOWNSEND PUBLIC AFFAIRS I	GRANT WRITING / FUNDING CONSULTING SERVICES	2,200.00

Payment Date	Payable Number	Vendor Name	Description (Item)	Amount
12/16/2025	24512	TOWNSEND PUBLIC AFFAIRS I	GRANT WRITING / FUNDING CONSULTING SERVICES	1,925.00
12/16/2025	24512	TOWNSEND PUBLIC AFFAIRS I	GRANT WRITING / FUNDING CONSULTING SERVICES	1,375.00
			Vendor 05525 - TOWNSEND PUBLIC AFFAIRS INC Total:	**11,000.00**
Vendor: 02706 - U S BANK INSTITUTIONAL TRUST-WESTERN REGION				
12/11/2025	INV0025902	U S BANK INSTITUTIONAL TRU	PARS Part Time Retirement Contributions	9.86
12/11/2025	INV0025937	U S BANK INSTITUTIONAL TRU	PARS Part Time Retirement Contributions	761.92
			Vendor 02706 - U S BANK INSTITUTIONAL TRUST-WESTERN REGION Total:	**771.78**
Vendor: 02712 - UNDERGROUND SERVICE ALERT				
12/16/2025	1120250404	UNDERGROUND SERVICE ALE	(112)DIG-ALERT NOTICES/PW	117.00
12/16/2025	1120250404	UNDERGROUND SERVICE ALE	(112)DIG-ALERT NOTICES/PW	117.00
12/16/2025	25261748	UNDERGROUND SERVICE ALE	NOV'25 CA STATE FEES	15.79
12/16/2025	25261748	UNDERGROUND SERVICE ALE	NOV'25 CA STATE FEES	15.79
			Vendor 02712 - UNDERGROUND SERVICE ALERT Total:	**265.58**
Vendor: 02742 - VERIZON WIRELESS				
12/16/2025	6128222554	VERIZON WIRELESS	11/11-12/10 DATA ACCESS/ENG TECH	45.01
12/16/2025	6128704747	VERIZON WIRELESS	11/16 CELL PHONES/REC	29.94
12/16/2025	6128704747	VERIZON WIRELESS	11/16 ENGR TECH IPAD	841.58
12/16/2025	6128704747	VERIZON WIRELESS	11/16 MACHINE TO MACHINE	150.19
12/16/2025	6128704747	VERIZON WIRELESS	11/16 ENG'R TECH IPAD	420.79
12/16/2025	6128704747	VERIZON WIRELESS	11/16 ENGR TECH IPAD	420.79
12/16/2025	6128704748	VERIZON WIRELESS	10/17-11/16 DATA ACCESS/WTR	140.14
12/16/2025	6128704748	VERIZON WIRELESS	11/17-12/16 SEDARU DATA PLAN/WTR	46.20
			Vendor 02742 - VERIZON WIRELESS Total:	**2,094.64**
Vendor: 03987 - WEX HEALTH INC				
12/16/2025	2272430IN	WEX HEALTH INC	Nov'25 Flex Adm Svc	50.00
			Vendor 03987 - WEX HEALTH INC Total:	**50.00**
Vendor: 02788 - WRIGHT EXPRESS				
12/03/2025	109068960	WRIGHT EXPRESS	11/30 GASOLINE/PD	3,100.63
12/03/2025	109068960	WRIGHT EXPRESS	11/30 GASOLINE/PW	131.98
12/03/2025	109068960	WRIGHT EXPRESS	11/30 GASOLINE REBATE	-20.56
12/03/2025	109068960	WRIGHT EXPRESS	11/30 GASOLINE/WTR	1,520.11
			Vendor 02788 - WRIGHT EXPRESS Total:	**4,732.16**
Vendor: 05990 - YARLENE QUINTANA PONCE				
12/16/2025	1014407002	YARLENE QUINTANA PONCE	11/22 PAVILION DEPOSIT RFD	100.00
			Vendor 05990 - YARLENE QUINTANA PONCE Total:	**100.00**
			Grand Total:	**294,207.17**

City of La Palma, CA

Warrant Register

By Vendor Name

Payment Dates 12/17/2025 - 1/6/2026

Approval

Reviewed by

DocuSigned by:

Joseph Cisneros

A0C77AC70FBC48C...

Joseph Cisneros - Deputy City Manager

Signed by:

Peter Kim

D38708564B7C4C5...

Peter Kim - City Manager

Payment Date	Payable Number	Vendor Name	Description (Item)	Amount
Vendor: 01037 - ADMIRAL PEST CONTROL INC				
01/06/2026	2334001	ADMIRAL PEST CONTROL INC	12/5 PEST CONTROL/CS	179.00
01/06/2026	2334002	ADMIRAL PEST CONTROL INC	12/5 PEST CONTROL/CH&PD	194.00
01/06/2026	2334007	ADMIRAL PEST CONTROL INC	12/5 PEST CONTROL/5410 LA PALMA	64.00
01/06/2026	2334015	ADMIRAL PEST CONTROL INC	12/5 PEST CONTROL/CY	205.00
01/06/2026	2334070	ADMIRAL PEST CONTROL INC	12/5 GOPHER CONTROL/CP	175.00
			Vendor 01037 - ADMIRAL PEST CONTROL INC Total:	**817.00**
Vendor: 01042 - AETNA US HEALTHCARE				
01/06/2026	J2822668	AETNA US HEALTHCARE	Jan'26 Dental Premium	4,643.60
			Vendor 01042 - AETNA US HEALTHCARE Total:	**4,643.60**
Vendor: 01064 - ALL CITY MANAGEMENT SVC INC				
01/06/2026	105458	ALL CITY MANAGEMENT SVC I...	11/23-12/6 CROSSING GUARD SVC/PD	3,850.03
			Vendor 01064 - ALL CITY MANAGEMENT SVC INC Total:	**3,850.03**
Vendor: 04248 - ALL PRO JETTING & PLUMBING				
01/06/2026	INV2802	ALL PRO JETTING & PLUMBING	12/9 SWR LINE CLEAN/PD	775.00
01/06/2026	INV2803	ALL PRO JETTING & PLUMBING	12/9 SWR LINE CLEAN/CY	775.00
01/06/2026	INV2804	ALL PRO JETTING & PLUMBING	12/9 SWR LINE CLEAN/CY	875.00
01/06/2026	INV2805	ALL PRO JETTING & PLUMBING	12/9 SWR LINE CLEAN/CP	1,350.00
01/06/2026	INV2806	ALL PRO JETTING & PLUMBING	12/9 SWR LINE CLEAN/CY	895.00
			Vendor 04248 - ALL PRO JETTING & PLUMBING Total:	**4,670.00**
Vendor: 01067 - ALLIANT INSURANCE SVCS INC				
01/06/2026	3345644	ALLIANT INSURANCE SVCS INC	APR-JUN'25 LIABILITY INS/REC	976.00
01/06/2026	3346531	ALLIANT INSURANCE SVCS INC	JUL-SEP'25 LIABILITY INS/REC	976.00
			Vendor 01067 - ALLIANT INSURANCE SVCS INC Total:	**1,952.00**
Vendor: 03530 - AMERICAN TIRE DEPOT - BIG BRAND TIRE AND SERVICE				
01/06/2026	11147909622	AMERICAN TIRE DEPOT - BIG ...	12/4 SPARE TIRE/PD	313.92
01/06/2026	11147917359	AMERICAN TIRE DEPOT - BIG ...	12/5 REPL BRAKES&(2) TIRES/#741	2,621.54
			Vendor 03530 - AMERICAN TIRE DEPOT - BIG BRAND TIRE AND SERVICE Total:	**2,935.46**
Vendor: 05997 - AMRITA GANGRADE				
01/06/2026	1014642002	AMRITA GANGRADE	12/6 GAZEBO DEPOSIT RFD	100.00
			Vendor 05997 - AMRITA GANGRADE Total:	**100.00**
Vendor: 05526 - ANGEL NHA NGUYEN				
01/06/2026	INV0026009	ANGEL NHA NGUYEN	10/13-15 CALPERS CONF/AS	1,496.98
			Vendor 05526 - ANGEL NHA NGUYEN Total:	**1,496.98**
Vendor: 05996 - ANNIE TRUONG				
01/06/2026	1014622002	ANNIE TRUONG	12/13 PAVILION DEPOSIT RFD	100.00
			Vendor 05996 - ANNIE TRUONG Total:	**100.00**
Vendor: 01016 - AT&T MOBILITY				
12/17/2025	X11162025	AT&T MOBILITY	11/8 CELL PHONE BILLS/PD&PW	46.73
12/17/2025	X11162025	AT&T MOBILITY	11/8 CELL PHONE BILLS/PD&PW	682.25
12/17/2025	X11162025	AT&T MOBILITY	11/8 CELL PHONE BILLS/PD&PW	46.73
12/17/2025	X11162025	AT&T MOBILITY	11/8 CELL PHONE BILLS/PD&PW	168.23
12/17/2025	X11162025	AT&T MOBILITY	11/8 CELL PHONE BILLS/PD&PW	112.15
12/17/2025	X11162025	AT&T MOBILITY	11/8 CELL PHONE BILLS/PD&PW	672.91
12/17/2025	X11162025	AT&T MOBILITY	11/8 CELL PHONE BILLS/PD&PW	46.73
12/17/2025	X11162025	AT&T MOBILITY	11/8 CELL PHONE BILLS/PD&PW	46.73

Warrant Register **Payment Dates: 12/17/2025 - 1/6/2026**

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12/17/2025	X11162025	AT&T MOBILITY	11/8 CELL PHONE BILLS/PD&PW	46.73
			Vendor 01016 - AT&T MOBILITY Total:	**1,869.19**
Vendor: 01015 - AT&T				
01/06/2026	24470911	AT&T	12/4#523-4309 EOC LINES/PD-BAN 9391033970	250.30
01/06/2026	24470912	AT&T	12/4#523-7351FAX/PD-BAN 9391033971	34.82
			Vendor 01015 - AT&T Total:	**285.12**
Vendor: 04631 - BENJAMIN JEN				
01/06/2026	1014326.002	BENJAMIN JEN	12/13 COMM CTR DEP RFD	300.00
			Vendor 04631 - BENJAMIN JEN Total:	**300.00**
Vendor: 01208 - BLUE RIBBON TROPHY CO				
01/06/2026	3012	BLUE RIBBON TROPHY CO	Chambers Plates/IPC	69.03
			Vendor 01208 - BLUE RIBBON TROPHY CO Total:	**69.03**
Vendor: 04030 - BRAD STENE				
01/06/2026	121125BS	BRAD STENE	12/11 Computer Loan	2,000.00
			Vendor 04030 - BRAD STENE Total:	**2,000.00**
Vendor: 04827 - BRIAN LEWIS				
01/06/2026	1014408002	BRIAN LEWIS	5/16 COMM CTR DEPOSIT RFD	400.00
01/06/2026	1014473002	BRIAN LEWIS	5/16 COMM CTR RNTL RFD	300.00
01/06/2026	1014620002	BRIAN LEWIS	5/16 COMM CTR RNTL RFD	200.00
			Vendor 04827 - BRIAN LEWIS Total:	**900.00**
Vendor: 05176 - BUREAU VERITAS NORTH AMERICA INC				
01/06/2026	RI25040560A	BUREAU VERITAS NORTH AM…	AUG'25 Bldg Insp Svcs/BSD	7,102.00
01/06/2026	RI25040560A	BUREAU VERITAS NORTH AM…	AUG'25 Permit Tech Svcs/BSD	5,040.00
01/06/2026	RI25040560A	BUREAU VERITAS NORTH AM…	AUG'25 Plan Ck Svcs Hourly/BSD	2,784.27
01/06/2026	RI25040560A	BUREAU VERITAS NORTH AM…	AUG'25 BLDG OFF SVCS/BSD	700.00
01/06/2026	RI25040560A	BUREAU VERITAS NORTH AM…	AUG'25 Solar Plan Ck Svcs/BSD	600.00
01/06/2026	RI25040560A	BUREAU VERITAS NORTH AM…	AUG'25 Bldg Insp Mlge/BSD	126.00
01/06/2026	RI25044977	BUREAU VERITAS NORTH AM…	SEP'25 Solar Plan Ck Svcs/BSD	300.00
01/06/2026	RI25044977	BUREAU VERITAS NORTH AM…	SEP'25Permit Tech Svcs/BSD	4,095.00
01/06/2026	RI25044977	BUREAU VERITAS NORTH AM…	SEP'25 BLDG OFF SVCS/BSD	5,950.00
01/06/2026	RI25044977	BUREAU VERITAS NORTH AM…	SEP'25 Plan Ck Svcs Hourly/BSD	6,636.70
01/06/2026	RI25044977	BUREAU VERITAS NORTH AM…	SEP'25 Bldg Insp Mlge/SBS	165.20
01/06/2026	RI25044977	BUREAU VERITAS NORTH AM…	SEP'25 Bldg Insp Svcs/BSD	7,267.50
01/06/2026	RI25049669	BUREAU VERITAS NORTH AM…	OCT'25 Bldg Insp Svcs/BSD	7,695.00
01/06/2026	RI25049669	BUREAU VERITAS NORTH AM…	OCT'25 Permit Tech Svcs/BSD	5,250.00
01/06/2026	RI25049669	BUREAU VERITAS NORTH AM…	OCT'25 BLDG OFF SVCS/BSD	2,800.00
01/06/2026	RI25049669	BUREAU VERITAS NORTH AM…	OCT'25 Plan Ck Svcs Hourly/BSD	2,697.60
01/06/2026	RI25049669	BUREAU VERITAS NORTH AM…	OCT'25 Solar Plan Ck Svcs/BSD	600.00
01/06/2026	RI25049669	BUREAU VERITAS NORTH AM…	OCT'25 Bldg Insp Mlge/BSD	193.20
01/06/2026	RI25054340	BUREAU VERITAS NORTH AM…	NOV'25 Bldg Insp Svcs/BSD	5,557.50
01/06/2026	RI25054340	BUREAU VERITAS NORTH AM…	NOV'25 BLDG OFF SVCS/BSD	2,380.00
01/06/2026	RI25054340	BUREAU VERITAS NORTH AM…	NOV'25 Bldg Insp Mlge/BSD	100.80
01/06/2026	RI25054340	BUREAU VERITAS NORTH AM…	NOV'25 Permit Tech Svcs/BSD	3,465.00
			Vendor 05176 - BUREAU VERITAS NORTH AMERICA INC Total:	**71,505.77**
Vendor: 05652 - CASC ENGINEERING AND CONSULTING INC				
01/06/2026	53518	CASC ENGINEERING AND CON…	Engineering Svcs/FOG	2,062.00
01/06/2026	53793	CASC ENGINEERING AND CON…	Engineering Svcs/FOG	1,994.50
01/06/2026	53954	CASC ENGINEERING AND CON…	Engineering Svcs/FOG	2,286.00
01/06/2026	53955	CASC ENGINEERING AND CON…	Engineering Svcs/NPDES	560.00
01/06/2026	54112	CASC ENGINEERING AND CON…	Engineering Svcs/FOG	1,880.00
01/06/2026	54113	CASC ENGINEERING AND CON…	Engineering Svcs/NPDES	1,350.00
01/06/2026	54218	CASC ENGINEERING AND CON…	Engineering Svcs/FOG	202.50
01/06/2026	54219	CASC ENGINEERING AND CON…	Engineering Svcs/NPDES	1,485.00

Payment Date	Payable Number	Vendor Name	Description (Item)	Amount
01/06/2026	54344	CASC ENGINEERING AND CON…	Engineering Svcs/NPDES	472.50
			Vendor 05652 - CASC ENGINEERING AND CONSULTING INC Total:	**12,292.50**
Vendor: 03604 - CINTAS CORPORATION				
01/06/2026	5306224101	CINTAS CORPORATION	12/4 FIRST AID SUPPLIES/PD	105.77
			Vendor 03604 - CINTAS CORPORATION Total:	**105.77**
Vendor: 03283 - CITY NATIONAL BANK				
12/26/2025	INV0025916	CITY NATIONAL BANK	11/26 POSTAGE/PD	31.20
12/26/2025	INV0025916	CITY NATIONAL BANK	11/17 ANNUAL FEE ADJ/PD	-50.00
12/26/2025	INV0025916	CITY NATIONAL BANK	11/6 MTG SUPPLIES/PD	38.70
12/26/2025	INV0025916	CITY NATIONAL BANK	11/11 ORAL PANEL/PD	147.65
12/26/2025	INV0025916	CITY NATIONAL BANK	11/6 ORAL PANEL/PD	121.33
12/26/2025	INV0025916	CITY NATIONAL BANK	11/12 ORAL PANEL/PD	106.31
12/26/2025	INV0025916	CITY NATIONAL BANK	11/11 MTG SUPPLIES/PD	15.45
12/26/2025	INV0025916	CITY NATIONAL BANK	11/17 SUPPLIES/PD	103.87
12/26/2025	INV0025916	CITY NATIONAL BANK	12/1 SUPPLIES/PD	89.18
12/26/2025	INV0025916	CITY NATIONAL BANK	11/19 OFFICE SUPPLIES/PD	63.82
12/26/2025	INV0025916	CITY NATIONAL BANK	11/20 OFFICE SUPPLIES/PD	16.29
12/26/2025	INV0025916	CITY NATIONAL BANK	11/25 (50)STOCK CARDS/PD	49.49
12/26/2025	INV0025916	CITY NATIONAL BANK	11/19 REPL BATTERY/#738	331.74
12/26/2025	INV0025916	CITY NATIONAL BANK	11/24 REPL BATTERY/#751	331.74
12/26/2025	INV0025916	CITY NATIONAL BANK	12/1 PATROL SUPPLIES/PD	186.20
12/26/2025	INV0025916	CITY NATIONAL BANK	11/13 RANGE SUPPLIES/PD	56.52
12/26/2025	INV0025916	CITY NATIONAL BANK	11/13 RANGE SUPPLIES/PD	478.49
12/26/2025	INV0025916	CITY NATIONAL BANK	12/3 CAPE TRNG & BANQUET/ (2)PD	60.00
12/26/2025	INV0025916	CITY NATIONAL BANK	FY25/26 CAPE DUES/PD CIV INV	60.00
12/26/2025	INV0025916	CITY NATIONAL BANK	11/14 DISPATCH SUPPLIES/PD	69.78
12/26/2025	INV0025916	CITY NATIONAL BANK	12/2 SWAT EQUIPMENT/PD	1,040.74
12/26/2025	INV0025988	CITY NATIONAL BANK	11/17 ANNUAL FEE ADJ/GG	-50.00
12/26/2025	INV0025989	CITY NATIONAL BANK	11/4 MTG SUPPLIES/CC	74.82
12/26/2025	INV0025989	CITY NATIONAL BANK	1/21-23 CALCITIES CC ACADEMY/CCMBR	675.00
12/26/2025	INV0025989	CITY NATIONAL BANK	11/18 BP MYR PRAYER BFAST/CCMBR	36.00
12/26/2025	INV0025989	CITY NATIONAL BANK	11/24 CALCITIES DIV MTG/CCMBR	40.00
12/26/2025	INV0025989	CITY NATIONAL BANK	2-11-13 CALCITIES CONF/CM	775.00
12/26/2025	INV0025989	CITY NATIONAL BANK	11/24 CALCITIES DIV MTG/CM	40.00
12/26/2025	INV0025989	CITY NATIONAL BANK	FY25/26 ICMA DUES/CM	1,200.00
12/26/2025	INV0025989	CITY NATIONAL BANK	FY25/26 CCMF DUES/CM	400.00
12/26/2025	INV0025989	CITY NATIONAL BANK	11/4 OFFICE SUPPLIES/CM	10.94
12/26/2025	INV0025989	CITY NATIONAL BANK	11/6 OFFICE SUPPLIES/CM	61.50
12/26/2025	INV0025989	CITY NATIONAL BANK	11/13 CALCITIES PARKING/CLERK	40.00
12/26/2025	INV0025989	CITY NATIONAL BANK	11/12 CALCITIES PARKING/CLERK	40.00
12/26/2025	INV0025989	CITY NATIONAL BANK	FY26 IIMC DUES/CLERK	195.00
12/26/2025	INV0026047	CITY NATIONAL BANK	11/17 ANNUAL FEE ADJ/PW	-50.00
12/26/2025	INV0026047	CITY NATIONAL BANK	11/18 TRNG LUNCH/PW	108.67
12/26/2025	INV0026047	CITY NATIONAL BANK	11/4 TRNG LUNCH/PW	113.08
12/26/2025	INV0026047	CITY NATIONAL BANK	12/3 TRNG LUNCH/PW	145.89
12/26/2025	INV0026047	CITY NATIONAL BANK	2026 PAPA DUES/MAINT LEAD	150.00
12/26/2025	INV0026047	CITY NATIONAL BANK	11/18 WTR TREAT BASICS TRNG/(1)WTR	349.99
12/26/2025	INV0026047	CITY NATIONAL BANK	NOV'25 KORE TELEMATICS SVC/WW	522.66
12/26/2025	INV0026047	CITY NATIONAL BANK	DEC'25 KORE TELEMATICS SVC/WW	514.25
12/26/2025	INV0026043	CITY NATIONAL BANK	Dec'25 OC REG SUBSCRP/DCM	12.00

Payment Date	Payable Number	Vendor Name	Description (Item)	Amount
12/26/2025	INV0026043	CITY NATIONAL BANK	12/3 COSTCO BUS MEMBERSHIP	195.00
12/26/2025	INV0026043	CITY NATIONAL BANK	12/3 HR CONSORTIUM MTG/DCM	25.42
12/26/2025	INV0026043	CITY NATIONAL BANK	11/20 SUPPLIES/EMPL RECOG	84.91
12/26/2025	INV0026043	CITY NATIONAL BANK	11/5 SUPPLIES/EMPL RECOG	551.28
12/26/2025	INV0026043	CITY NATIONAL BANK	11/25 SUPPLIES/EMPL RECOG	48.97
12/26/2025	INV0026043	CITY NATIONAL BANK	9/20 FON SUPPLIES/EMPL RECOG	928.00
12/26/2025	INV0026043	CITY NATIONAL BANK	11/25 ERC SUPPLIES/EMPL RECOG	204.52
12/26/2025	INV0026043	CITY NATIONAL BANK	11/10 RET'D SUPPLIES/EMPL RECOG	-175.54
12/26/2025	INV0026043	CITY NATIONAL BANK	11/5 SUPPLIES/EMPL RECOG	175.54
12/26/2025	INV0026043	CITY NATIONAL BANK	11/6 HR POSTER/ADM	135.48
12/26/2025	INV0026043	CITY NATIONAL BANK	11/24 APPLE MOBILE DEVICE MGMT PLAN/PD	73.53
12/26/2025	INV0026043	CITY NATIONAL BANK	11/13 CPRS BROCHURE EXHG MTG/(3)REC	30.00
12/26/2025	INV0026043	CITY NATIONAL BANK	11/4 (100)VET DAY POSTCARDS/REC	78.00
12/26/2025	INV0026043	CITY NATIONAL BANK	12/1 (150)Tree LIGHT POSTCARDS/CAB	58.73
12/26/2025	INV0026043	CITY NATIONAL BANK	11/10 SUPPLIES/VET DAY	316.49
12/26/2025	INV0026043	CITY NATIONAL BANK	11/6 SUPPLIES/VET DAY	208.41
12/26/2025	INV0026043	CITY NATIONAL BANK	11/5-6 1ST RESPOND TRNG/CEO	194.23
			Vendor 03283 - CITY NATIONAL BANK Total:	**11,886.27**
Vendor: 03462 - CITY OF FULLERTON				
01/06/2026	16939	CITY OF FULLERTON	NOV'25 SWAT RANG…	837.00
			Vendor 03462 - CITY OF FULLERTON Total:	**837.00**
Vendor: 01356 - CITY OF LA PALMA FLEXIBLE				
12/24/2025	INV0026089	CITY OF LA PALMA FLEXIBLE	Flexible Spending Contributions - Medical	215.39
			Vendor 01356 - CITY OF LA PALMA FLEXIBLE Total:	**215.39**
Vendor: 01357 - CITY OF LA PALMA PETTY CASH				
01/06/2026	INV0025955	CITY OF LA PALMA PETTY CASH	12/3 COURT SUBPOENA PARKING FEE/PD	14.00
01/06/2026	INV0025955	CITY OF LA PALMA PETTY CASH	12/3 COURT SUBPOENA PARKING FEE/PD	10.00
01/06/2026	INV0025955	CITY OF LA PALMA PETTY CASH	12/2 COURT SUBPOENA PARKING FEE/PD	18.00
			Vendor 01357 - CITY OF LA PALMA PETTY CASH Total:	**42.00**
Vendor: 05706 - COLANTUONO HIGHSMITH & WHATLEY PC				
01/06/2026	68447	COLANTUONO HIGHSMITH &…	NOV'25 RETAINER	9,246.00
01/06/2026	68448	COLANTUONO HIGHSMITH &…	11/3-20 ATTY SVCS/PITCHNESS-POLIC…	585.90
01/06/2026	68449	COLANTUONO HIGHSMITH &…	11/3-26 ATTY SVCS/PRA REQUESTS	5,217.30
01/06/2026	68450	COLANTUONO HIGHSMITH &…	11/20-24 ATTY SVCS/TELECOMM MATTERS	1,116.00
01/06/2026	68451	COLANTUONO HIGHSMITH &…	11/4-11/19 ATTY SVCS/LITIGATION MATTERS	83.70
01/06/2026	68452	COLANTUONO HIGHSMITH &…	11/4-26 ATTY SVCS/PW & UTILITIES	3,394.00
01/06/2026	68453	COLANTUONO HIGHSMITH &…	11/5-12 ATTY SVCS/WATER ISSUES	306.90
01/06/2026	68454	COLANTUONO HIGHSMITH &…	11/3-11/13 ATTY SVCS/PERSONNEL MATTERS	621.85
			Vendor 05706 - COLANTUONO HIGHSMITH & WHATLEY PC Total:	**20,571.65**

Payment Date	Payable Number	Vendor Name	Description (Item)	Amount
Vendor: 01395 - COUNTY OF ORANGE				
01/06/2026	INV0025963	COUNTY OF ORANGE	SEP'25 PARKING CITATIONS/PD	1,084.50
01/06/2026	SH73103	COUNTY OF ORANGE	NOV'25 AFIS FEE/PD	452.00
			Vendor 01395 - COUNTY OF ORANGE Total:	**1,536.50**
Vendor: 01416 - CRYSTAL WILKERSON				
01/06/2026	INV0025992	CRYSTAL WILKERSON	12/15 VisionCLM (Lyndsie Wilkerson)	57.21
01/06/2026	INV0025992	CRYSTAL WILKERSON	12/15 VisionCLM (Lyndsie Wilkerson)	85.81
			Vendor 01416 - CRYSTAL WILKERSON Total:	**143.02**
Vendor: 04807 - CYNTHIA HILL				
01/06/2026	1014643.002	CYNTHIA HILL	12/12 PAVILION DEP RFD	200.00
			Vendor 04807 - CYNTHIA HILL Total:	**200.00**
Vendor: 04768 - DEBORAH BAKER				
01/06/2026	INV0025977	DEBORAH BAKER	12/3-5 CALCITIES LDRS WRKSHP MLGE/CCMBR	148.40
			Vendor 04768 - DEBORAH BAKER Total:	**148.40**
Vendor: 01472 - DEPT OF JUSTICE				
01/06/2026	008315	DEPT OF JUSTICE	Nov '25 Fingerprint/(1)Adm IT Cont	32.00
01/06/2026	008315	DEPT OF JUSTICE	Nov '25 Fingerprint/(1)PD Vol	32.00
01/06/2026	008315	DEPT OF JUSTICE	Nov '25 Fingerprint/(1)CDD Cont	32.00
			Vendor 01472 - DEPT OF JUSTICE Total:	**96.00**
Vendor: 01518 - DUNN-EDWARDS CORP				
01/06/2026	2133A60642	DUNN-EDWARDS CORP	12/9 HYDRANT PAINT/WTR	154.48
			Vendor 01518 - DUNN-EDWARDS CORP Total:	**154.48**
Vendor: 04787 - ENTERPRISE FM TRUST				
01/06/2026	FBN5513315	ENTERPRISE FM TRUST	DEC'25 LEASE PMT/LP-63	1,375.74
01/06/2026	FBN5513315	ENTERPRISE FM TRUST	DEC'25 LEASE PMT/LP-61	1,226.70
01/06/2026	FBN5513315	ENTERPRISE FM TRUST	DEC'25 LEASE PMT/LP-62	1,220.47
01/06/2026	FBN5513315	ENTERPRISE FM TRUST	DEC'25 LEASE PMT/LP-64	1,431.25
01/06/2026	FBN5513315	ENTERPRISE FM TRUST	DEC'25 MAINT MGMT/PW&WTR	54.00
01/06/2026	FBN5513315	ENTERPRISE FM TRUST	DEC'25 LEASE PMT/LP-60	658.26
01/06/2026	FBN5513315	ENTERPRISE FM TRUST	DEC'25 LEASE PMT/LP-57	672.79
01/06/2026	FBN5513315	ENTERPRISE FM TRUST	DEC'25 LEASE PMT/LP-58	679.38
01/06/2026	FBN5513315	ENTERPRISE FM TRUST	DEC'25 LEASE PMT/LP-56	814.62
			Vendor 04787 - ENTERPRISE FM TRUST Total:	**8,133.21**
Vendor: 05479 - EUN PARK				
01/06/2026	1014435.002	EUN PARK	12/11 COMM CTR DEP RFD	500.00
			Vendor 05479 - EUN PARK Total:	**500.00**
Vendor: 05860 - EVENT NEWS ENTERPRISE				
01/06/2026	158578	EVENT NEWS ENTERPRISE	11/26 LEGAL AD/COMM APPT	250.00
			Vendor 05860 - EVENT NEWS ENTERPRISE Total:	**250.00**
Vendor: 01631 - FRANCHISE TAX BOARD				
12/24/2025	INV0026081	FRANCHISE TAX BOARD	State Tax Withholding	60.02
12/24/2025	INV0026086	FRANCHISE TAX BOARD	State Tax Withholding	63.30
12/24/2025	INV0026111	FRANCHISE TAX BOARD	State Tax Withholding	10,210.33
			Vendor 01631 - FRANCHISE TAX BOARD Total:	**10,333.65**
Vendor: 01657 - GENE DE LEON				
01/06/2026	1014568.002	GENE DE LEON	12/6 GAZEBO DEPOSIT RFD	200.00
			Vendor 01657 - GENE DE LEON Total:	**200.00**
Vendor: 01669 - GLOBALSTAR USA				
01/06/2026	103992938	GLOBALSTAR USA	12/16 #254-241-0048&49/PD	177.83
			Vendor 01669 - GLOBALSTAR USA Total:	**177.83**

Payment Date	Payable Number	Vendor Name	Description (Item)	Amount
Vendor: 01679 - GOVERNMENTAL FINANCIAL SVCS				
12/17/2025	INV0026023	GOVERNMENTAL FINANCIAL ...	NOV'25 ACCOUNTING SVCS/ADM	6,897.00
12/17/2025	INV0026023	GOVERNMENTAL FINANCIAL ...	NOV'25 ACCOUNTING SVCS/FIN	4,389.00
12/17/2025	INV0026023	GOVERNMENTAL FINANCIAL ...	NOV'25ACCOUNTING SVCS/FIN	990.00
12/17/2025	INV0026023	GOVERNMENTAL FINANCIAL ...	NOV'25 ACCOUNTING SVCS/WTR	1,254.00
			Vendor 01679 - GOVERNMENTAL FINANCIAL SVCS Total:	**13,530.00**
Vendor: 01684 - GRAINGER				
01/06/2026	9745629403	GRAINGER	12/16 PATROL SUPPLIES/PD	99.92
			Vendor 01684 - GRAINGER Total:	**99.92**
Vendor: 01709 - HARTZOG & CRABILL INC				
01/06/2026	250496	HARTZOG & CRABILL INC	NOV'25 TRAFFIC ENG SVC/PW	1,435.00
			Vendor 01709 - HARTZOG & CRABILL INC Total:	**1,435.00**
Vendor: 02642 - HOME DEPOT				
01/06/2026	57521	HOME DEPOT	12/16 Space Heater/WW	75.40
			Vendor 02642 - HOME DEPOT Total:	**75.40**
Vendor: 05920 - IBT OF PORAC				
01/06/2026	INV0026000	IBT OF PORAC	JAN'26 LTD/PD	744.00
01/06/2026	INV0026000	IBT OF PORAC	Nov/Dec '25 LTD/PD	-63.00
			Vendor 05920 - IBT OF PORAC Total:	**681.00**
Vendor: 05649 - INFINITY TECHNOLOGIES				
01/06/2026	4686	INFINITY TECHNOLOGIES	NOV'25 IT SVCS	13,083.00
01/06/2026	4686	INFINITY TECHNOLOGIES	NOV'25 SENTINEL ONE	672.00
01/06/2026	4686	INFINITY TECHNOLOGIES	NOV'25 DUO	141.00
			Vendor 05649 - INFINITY TECHNOLOGIES Total:	**13,896.00**
Vendor: 01762 - INTELLI-TECH				
01/06/2026	15734	INTELLI-TECH	Fortinet FortiGate Hardware-Firewall Services	29,362.50
			Vendor 01762 - INTELLI-TECH Total:	**29,362.50**
Vendor: 01764 - INTERNAL REVENUE SERVICE				
12/24/2025	INV0026080	INTERNAL REVENUE SERVICE	Federal Tax Withholding	140.82
12/24/2025	INV0026082	INTERNAL REVENUE SERVICE	Medicare	18.42
12/24/2025	INV0026085	INTERNAL REVENUE SERVICE	Federal Tax Withholding	148.51
12/24/2025	INV0026087	INTERNAL REVENUE SERVICE	Medicare	19.66
12/24/2025	INV0026110	INTERNAL REVENUE SERVICE	Federal Tax Withholding	23,467.36
12/24/2025	INV0026112	INTERNAL REVENUE SERVICE	Medicare	6,857.86
			Vendor 01764 - INTERNAL REVENUE SERVICE Total:	**30,652.63**
Vendor: 05995 - JADE HIEDA				
01/06/2026	1004872001	JADE HIEDA	13349 SOCCER RFD	75.00
01/06/2026	1004872001	JADE HIEDA	13349 PROCESSING FEE RFD	8.65
			Vendor 05995 - JADE HIEDA Total:	**83.65**
Vendor: 01856 - JESSE AMEND				
01/06/2026	INV0026010	JESSE AMEND	9/8 Dental CLM	465.00
01/06/2026	INV0026010	JESSE AMEND	9/8 Dental CLM	465.00
			Vendor 01856 - JESSE AMEND Total:	**930.00**
Vendor: 01938 - KEN GRODY FORD				
01/06/2026	605515	KEN GRODY FORD	10/23 VEH MAINT SUPPLIES/#754	896.54
			Vendor 01938 - KEN GRODY FORD Total:	**896.54**
Vendor: 05331 - KIDZ TALENT ACADEMY				
01/06/2026	13319	KIDZ TALENT ACADEMY	12/2-12/16 BASKETBALL SKILLS & DRILLS	38.35
			Vendor 05331 - KIDZ TALENT ACADEMY Total:	**38.35**

Payment Date	Payable Number	Vendor Name	Description (Item)	Amount
Vendor: 01975 - L P G E A				
12/24/2025	INV0026090	L P G E A	LPGEA Dues Withheld	198.00
			Vendor 01975 - L P G E A Total:	**198.00**
Vendor: 01980 - LA PALMA CAR WASH				
01/06/2026	2274	LA PALMA CAR WASH	11/3-11/29 CAR WASH/PD	412.00
			Vendor 01980 - LA PALMA CAR WASH Total:	**412.00**
Vendor: 01988 - LA PALMA POLICE ASSN				
12/24/2025	INV0026091	LA PALMA POLICE ASSN	LPPA Dues Withheld	1,444.59
			Vendor 01988 - LA PALMA POLICE ASSN Total:	**1,444.59**
Vendor: 01976 - LPPEA				
12/24/2025	INV0026092	LPPEA	LPPEA Dues Withheld	90.00
			Vendor 01976 - LPPEA Total:	**90.00**
Vendor: 04380 - MANHATTAN STITCHING				
01/06/2026	111494	MANHATTAN STITCHING	10/9 UNIFORMS/PW	502.43
			Vendor 04380 - MANHATTAN STITCHING Total:	**502.43**
Vendor: 02632 - MARATHON PETROLEUM COMPANY LP				
12/23/2025	INV0026114	MARATHON PETROLEUM CO...	JUL-SEP'23 OPERATING CONVENANT	99,668.30
12/23/2025	INV0026115	MARATHON PETROLEUM CO...	OCT-DEC'23 OPERATING CONVENANT	125,386.69
12/23/2025	INV0026116	MARATHON PETROLEUM CO...	JAN-MAR'24 OPERATING CONVENANT	112,971.75
12/23/2025	INV0026117	MARATHON PETROLEUM CO...	APR-JUN'24 OPERATING CONVENANT	114,986.71
12/23/2025	INV0026118	MARATHON PETROLEUM CO...	JUL-SEP'24 OPERATING CONVENANT	105,206.98
12/23/2025	INV0026119	MARATHON PETROLEUM CO...	OCT-DEC'24 OPERATING CONVENANT	104,500.74
12/23/2025	INV0026120	MARATHON PETROLEUM CO...	JAN-MAR'25 OPERATING CONVENANT	95,905.68
12/23/2025	INV0026121	MARATHON PETROLEUM CO...	APR-JUN'25 OPERATING CONVENANT	82,641.75
			Vendor 02632 - MARATHON PETROLEUM COMPANY LP Total:	**841,268.60**
Vendor: 05072 - MASTERLUBE CYPRESS				
01/06/2026	2741	MASTERLUBE CYPRESS	12/4 OIL CHANGE/#748	113.44
01/06/2026	2872	MASTERLUBE CYPRESS	12/11 OIL CHANGE/#754	104.81
			Vendor 05072 - MASTERLUBE CYPRESS Total:	**218.25**
Vendor: 01752 - MISSION SQUARE - PLAN 302549				
12/24/2025	INV0026099	MISSION SQUARE - PLAN 302...	Deferred Comp	1,550.00
12/24/2025	INV0026100	MISSION SQUARE - PLAN 302...	Deferred Comp	705.00
12/24/2025	INV0026101	MISSION SQUARE - PLAN 302...	Deferred Comp	4,357.94
			Vendor 01752 - MISSION SQUARE - PLAN 302549 Total:	**6,612.94**
Vendor: 04985 - MOSS LEVY & HARTZHEIM				
01/06/2026	18204	MOSS LEVY & HARTZHEIM	FY25 CITY AUDITING/FIN	6,875.00
			Vendor 04985 - MOSS LEVY & HARTZHEIM Total:	**6,875.00**
Vendor: 02201 - MUNICIPAL WATER DISTRICT OF				
01/06/2026	INV11968	MUNICIPAL WATER DISTRICT ...	NOV'25 WTR RTS CHARGE	318.19
01/06/2026	INV11968	MUNICIPAL WATER DISTRICT ...	NOV'25 CAPACITY CHARGE	593.36
01/06/2026	17962	MUNICIPAL WATER DISTRICT ...	FY24/26 Conservation Framework TAP	9,271.30
			Vendor 02201 - MUNICIPAL WATER DISTRICT OF Total:	**10,182.85**
Vendor: 05790 - MV CHENG & ASSOCIATES INC,				
12/17/2025	11302025	MV CHENG & ASSOCIATES INC,	NOV'25 ACCTNG CONSULTING SERVICES/FIN	2,598.75
			Vendor 05790 - MV CHENG & ASSOCIATES INC, Total:	**2,598.75**
Vendor: 05884 - NOBEL SYSTEMS, INC.				
01/06/2026	16260	NOBEL SYSTEMS, INC.	GIS/Asset Management Services For City's Utilities	12,450.00

Payment Date	Payable Number	Vendor Name	Description (Item)	Amount
01/06/2026	16260	NOBEL SYSTEMS, INC.	GIS/Asset Management Services For City's Utilities	9,960.00
01/06/2026	16260	NOBEL SYSTEMS, INC.	GIS/Asset Management Services For City's Utilities	2,490.00
			Vendor 05884 - NOBEL SYSTEMS, INC. Total:	**24,900.00**
Vendor: 02255 - ONOFRE LU				
01/06/2026	1014504.002	ONOFRE LU	12/14 COMM CTR DEP RFD	300.00
			Vendor 02255 - ONOFRE LU Total:	**300.00**
Vendor: 02277 - PARS				
01/06/2026	59444	PARS	Oct '25 PARS Adm Svcs	413.57
			Vendor 02277 - PARS Total:	**413.57**
Vendor: 02280 - PERS - MEDICAL				
12/17/2025	18155410	PERS - MEDICAL	Jan '26 Health Premium Adm Fee/FT	50.16
12/17/2025	18155410	PERS - MEDICAL	Jan '26 Health Premium Adm Fee/RET	24.94
12/17/2025	18155410	PERS - MEDICAL	Jan '26 Health Plan Premium/RET	11,681.42
12/17/2025	18155410	PERS - MEDICAL	Jan '26 Health Plan Premium/FT	62,696.61
			Vendor 02280 - PERS - MEDICAL Total:	**74,453.13**
Vendor: 02279 - PERS RETIREMENT				
12/24/2025	INV0026078	PERS RETIREMENT	CalPERS Employee Contribution	47.80
12/24/2025	INV0026079	PERS RETIREMENT	CalPERS Employer Contribution	48.46
12/24/2025	INV0026083	PERS RETIREMENT	CalPERS Employee Contribution	59.32
12/24/2025	INV0026084	PERS RETIREMENT	CalPERS Employer Contribution	60.12
12/24/2025	INV0026093	PERS RETIREMENT	CalPERS Employee Contribution	1,749.80
12/24/2025	INV0026094	PERS RETIREMENT	CalPERS Employer Contribution	3,519.26
12/24/2025	INV0026095	PERS RETIREMENT	CalPERS Employee Contribution	1,946.46
12/24/2025	INV0026096	PERS RETIREMENT	CalPERS Employer Contribution	2,833.47
12/24/2025	INV0026097	PERS RETIREMENT	CalPERS Employee Contribution	4,087.24
12/24/2025	INV0026098	PERS RETIREMENT	CalPERS Employer Contribution	4,197.98
12/24/2025	INV0026103	PERS RETIREMENT	CalPERS Employee Contribution	1,160.63
12/24/2025	INV0026104	PERS RETIREMENT	CalPERS Employer Contribution	3,784.95
12/24/2025	INV0026105	PERS RETIREMENT	CalPERS Employee Contribution	456.87
12/24/2025	INV0026106	PERS RETIREMENT	CalPERS Employer Contribution	1,182.64
12/24/2025	INV0026107	PERS RETIREMENT	CalPERS Employee Contribution	8,459.49
12/24/2025	INV0026108	PERS RETIREMENT	CalPERS Employer Contribution	8,574.65
12/24/2025	INV0026109	PERS RETIREMENT	Employee Survivor Contribution Amount	45.57
			Vendor 02279 - PERS RETIREMENT Total:	**42,214.71**
Vendor: 02876 - SHRED-IT				
01/06/2026	8012744157	SHRED-IT	11/20 SHREDDING SVC/CH	99.17
			Vendor 02876 - SHRED-IT Total:	**99.17**
Vendor: 02535 - SMART & FINAL				
01/06/2026	103401	SMART & FINAL	12/4 SUPPLIES/EMPL RECOG	102.48
01/06/2026	47501	SMART & FINAL	12/4 RET'D SUPPLIES/EMPL RECOG	-8.75
			Vendor 02535 - SMART & FINAL Total:	**93.73**
Vendor: 04797 - SMART CIENEGA LLC				
01/06/2026	INV0026038	SMART CIENEGA LLC	JAN'26 CAM & INS/5414 LP	451.00
			Vendor 04797 - SMART CIENEGA LLC Total:	**451.00**

Payment Date	Payable Number	Vendor Name	Description (Item)	Amount
Vendor: 02640 - SO CAL GAS COMPANY				
12/17/2025	INV0025978	SO CAL GAS COMPANY	12/4 8415 MEADOWLARK/BOOSTER	16.27
12/17/2025	INV0025979	SO CAL GAS COMPANY	12/4 8441 MOODY/CY	57.85
12/17/2025	INV0025980	SO CAL GAS COMPANY	12/4 7821 WALKER/CC&CP	427.56
12/17/2025	INV0025981	SO CAL GAS COMPANY	12/8 6800 WALKER/WW	56.17
12/17/2025	INV0025982	SO CAL GAS COMPANY	12/4 7792 WALKER/PD	1,558.58
			Vendor 02640 - SO CAL GAS COMPANY Total:	**2,116.43**
Vendor: 02568 - STAPLES BUSINESS ADVANTAGE				
01/06/2026	6049705631	STAPLES BUSINESS ADVANTA...	12/3 OFFICE SUPPLIES/PD	36.62
01/06/2026	6049705632	STAPLES BUSINESS ADVANTA...	12/3 OFFICE SUPPLIES/PD	50.54
01/06/2026	6049774343	STAPLES BUSINESS ADVANTA...	12/4 OFFICE SUPPLIES/PD	14.51
01/06/2026	6050202527	STAPLES BUSINESS ADVANTA...	12/10 OFFICE SUPPLIES/PD	45.61
01/06/2026	6050202528	STAPLES BUSINESS ADVANTA...	12/10 OFFICE SUPPLIES/PD	37.30
			Vendor 02568 - STAPLES BUSINESS ADVANTAGE Total:	**184.58**
Vendor: 02576 - STEP SAVER INC				
01/06/2026	377895	STEP SAVER INC	12/8 WTR TREATMENT SUPPLIES/CY	118.94
01/06/2026	377896	STEP SAVER INC	12/8 WTR TREATMENTS SUPPLIES/WW	86.02
			Vendor 02576 - STEP SAVER INC Total:	**204.96**
Vendor: 02590 - SUN BADGE COMPANY				
01/06/2026	425776	SUN BADGE COMPANY	RPR BADGE/PD	91.48
			Vendor 02590 - SUN BADGE COMPANY Total:	**91.48**
Vendor: 02459 - SWRCB FEES				
01/06/2026	INV0310409	SWRCB FEES	7'25-6'26 DISCHARGE FEE/PW	3,945.00
01/06/2026	WS1054511	SWRCB FEES	7'25-6'26 GROUND WATER FEES/PW	33,616.16
			Vendor 02459 - SWRCB FEES Total:	**37,561.16**
Vendor: 02655 - THE WORKSHOP				
01/06/2026	75198	THE WORKSHOP	(500) BUSINESS CARDS/ATCM	92.00
01/06/2026	75207	THE WORKSHOP	(500)Business CardS/CCMBR&MPT	142.84
01/06/2026	75207	THE WORKSHOP	(500)Business Cards/MA	81.43
			Vendor 02655 - THE WORKSHOP Total:	**316.27**
Vendor: 05482 - TIMOTHY CRUZ				
01/06/2026	INV0025987	TIMOTHY CRUZ	11/17-21 FTO TRNG/PD	115.00
			Vendor 05482 - TIMOTHY CRUZ Total:	**115.00**
Vendor: 02700 - TYLER TECHNOLOGIES INC				
01/06/2026	CI10000236290	TYLER TECHNOLOGIES INC	JAN'26-DEC'26 BRAZOS RMSI SPILLMAN MAINT/PD	1,436.47
			Vendor 02700 - TYLER TECHNOLOGIES INC Total:	**1,436.47**
Vendor: 02706 - U S BANK INSTITUTIONAL TRUST-WESTERN REGION				
12/24/2025	INV0026102	U S BANK INSTITUTIONAL TRU...	PARS Part Time Retirement Contributions	856.56
			Vendor 02706 - U S BANK INSTITUTIONAL TRUST-WESTERN REGION Total:	**856.56**
Vendor: 05736 - VERVE CLOUD INC				
12/17/2025	4291760	VERVE CLOUD INC	12/15 BACKUP ISP	795.14
			Vendor 05736 - VERVE CLOUD INC Total:	**795.14**
Vendor: 02763 - WEST COAST ARBORISTS INC				
01/06/2026	237269	WEST COAST ARBORISTS INC	11/22 TREE STUMP & RMVL/WALKER	5,263.25
			Vendor 02763 - WEST COAST ARBORISTS INC Total:	**5,263.25**
Vendor: 05144 - WILLIAM NOVAK				
01/06/2026	1013665.002	WILLIAM NOVAK	12/10 COMM CTR DEP RFD	300.00
			Vendor 05144 - WILLIAM NOVAK Total:	**300.00**

Payment Date	Payable Number	Vendor Name	Description (Item)	Amount
Vendor: 02811 - ZUMAR INDUSTRIES INC				
01/06/2026	11329	ZUMAR INDUSTRIES INC	12/10 MAINT & RPR MATERIALS/PW	153.63
			Vendor 02811 - ZUMAR INDUSTRIES INC Total:	**153.63**
			Grand Total:	**1,319,722.49**

City of La Palma
Agenda Item No. 4

MEETING DATE:	January 13, 2026
TO:	City Council
FROM:	City Manager
SUBMITTED BY:	Norma I. Alley, City Clerk
AGENDA TITLE:	Approve the Placement of Ron and Elfriede Mac Iver in the Community Commemorative Area

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RECOMMENDED ACTION:

Approve the placement of Ron and Elfriede Mac Iver in the Community Commemorative Area.

BACKGROUND:

Michael Mac Iver submitted an application for long-time residents and La Palma historians Ronald R. Mac Iver and Elfriede H. Mac Iver to be memorialized in the City's Community Commemorative Area.

Ronald R. Mac Iver and Elfriede H. Mac Iver were residents of La Palma since 1965. Married for 62 years, they raised five children in the city and were proud grandparents of seven grandchildren and nine great-grandchildren. Ronald was a veteran of the Korean War who served in the United States Marine Corps and later worked in aerospace, while Elfriede was an elementary school teacher in Orange County. Ronald R. Mac Iver and Elfriede H. Mac Iver were very active in the City of La Palma, serving as local historians and authors of the city's history, including authoring Images of America, La Palma in 2008. During the early years of the city, Ronald designed the logo for the city, which was used for decades as the welcome sign into the community. They also participated and volunteered in civic parades and community events to help make the city stronger and more vibrant. Ronald R. Mac Iver and Elfriede H. Mac Iver were deeply committed to the City of La Palma throughout their lives. Their commitment to the success of the city and its history can be seen in the many ways they participated in the community, but especially in preserving its history to support civic pride and community involvement.

Council Policy No. 4: Recognition provides for Guidelines for Memorial Plaques in the Community Commemorative Area in honor of residents and employees who have made tangible contributions to La Palma which transcend time and benefit the community as a whole. The criteria for selection are as follows:

1. Nominee must be deceased.

2. Nominee shall be an individual who resided in or was employed by the City of La Palma.

3. Nominee shall have devoted their time and effort to the betterment of the community and its residents.

4. Nominee’s contributions may have been in cultural arts, humanitarian or social concerns, economic well being, leisure and recreation, improving quality of life, or the history and development of La Palma.

5. Nominee’s contributions should be well known throughout the community.

Mr. and Mrs. Mac Iver's history as long-time devoted La Palma residents, their involvement in humanitarian and civic volunteering over the years, dedication to the betterment of the city for residents, and well-known community contributions, meets the criteria required to receive a paver.

FISCAL IMPACT:

Sufficient funds are available in the Adopted Fiscal Year 2025-2026 Budget (001-310-7400-00000).

ATTACHMENTS:

1. Mac Iver Community Commemorative Area Nomination Form

COMMUNITY COMMEMORATIVE AREA
NOMINEE SUBMITTAL FORM

Suggestions for Community Commemorative Nominees shall be evaluated on the basis of the following criteria and upon appropriate documentation.

Person Making Nomination: MICHAEL MAC IVER

Address: 5171 DEL SOL CIRCLE, LA PALMA, CA 90623

Contact Phone Number: 714 273-3066

E-mail: MICHAEL.MACIVER1@YAHOO.COM

Nominee Information

Name & Biographical Information: RONALD R. MAC IVER AND ELFRIEDE H. MAC IVER, WERE RESIDENTS OF LA PALMA SINCE 1965. MARRIED FOR 62 YEARS, RAISED FIVE CHILDREN IN THE CITY AND WERE PROUD GRANDPARENTS OF SEVEN GRANDCHILDREN AND NINE GREAT-GRANDCHILDREN. RONALD WAS A VETERAN OF THE KOREAN WAR WHO SERVED IN THE UNITED STATES MARINE CORPS AND LATER WORKED IN AEROSPACE, WHILE ELFRIEDE WAS AN ELEMENTARY SCHOOL TEACHER IN ORANGE COUNTY.

Civic Involvement: RONALD R. MAC IVER AND ELFRIEDE H. MAC IVER WERE VERY ACTIVE IN THE CITY OF LA PALMA THROUGH PARTICIPATION AS LOCAL HISTORIANS AND AUTHORS OF THE CITY 'S HISTORY. DURING THE EARLY YEARS OF THE CITY, RONALD DESIGNED THE LOGO FOR THE CITY WHICH WAS USED FOR DECADES AS THE WELCOME SIGN INTO THE COMMUNITY. THEY ALSO PARTICIPATED IN CIVIC PARADES AND COMMUNITY EVENTS TO HELP MAKE THE CITY STRONGER AND MORE VIBRANT.

Reason for Nomination: RONALD R. MAC IVER AND ELFRIEDE H. MAC IVER WERE DEEPLY COMMITED TO THE CITY OF LA PALMA THROUGHOUT THEIR LIVES AND THEIR COMMITMENT TO THE SUCCESS OF THE CITY AND ITS HISTORY CAN BE SEEN IN THE MANY WAYS THAT THEY PARTICIPATED IN THE COMMUNITY, BUT ESPECIALLY IN PRESERVING IT'S HISTORY TO SUPPORT CIVIC PRIDE AND COMMUNITY INVOLVMENT.

Additional Comments (additional information may be attached):

MICHAEL MAC IVER
Signature

APRIL 22, 2025
Date

Date Received by City Clerk: October 29, 2025

City of La Palma

Agenda Item No. 5

MEETING DATE:	January 13, 2026
TO:	City Council
FROM:	City Manager
SUBMITTED BY:	Alisha Farnell, Assistant to the City Manager
AGENDA TITLE:	Adopt the 2026 State and Federal Legislative Platform

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RECOMMENDED ACTION:

Adopt the City of La Palma's 2026 State and Federal Legislative Platform.

SUMMARY:

A legislative platform is a tool adopted by the City Council to communicate official positions on legislative issues and to guide advocacy efforts throughout the year. Current Council policy requires the City Council to adopt a legislative platform before January 31 each year.

The legislative platform is developed and maintained to provide guidance when evaluating pending legislation and allow the City to determine if responsive action is warranted. Responsive action may include letters of support or opposition regarding pending legislation or regulations authored by the Mayor, Mayor Pro Tem, or City Manager to enable the City to participate actively in the often time-sensitive legislative process.

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 2026 City of La Palma State and Federal Legislative Platform is divided into two sections: Guiding Principles and Policy Statements. Guiding Principles are broad statements and values that guide the organization regardless of changes in goals and strategies. The Legislative Platform includes four Guiding Principles:

- Preserve Local Control
- Promote Fiscal Stability
- Promote Economic Development
- Support Funding Opportunities

The second section of the Legislative Platform consists of specific Policy Statements covering topics including elections, school district boundaries, revenue, housing, parks and recreation, water and utilities, and public safety.

The 2026 State and Federal Legislative Platform is consistent with prior editions and is aligned with the League of California Cities. The proposed changes include the removal of a policy statement related to COVID-19 reimbursements, the addition of a policy statement supporting the City's right to continue collecting Transient Occupancy Tax, and minor clerical revisions.

ATTACHMENTS:

1. 2026 Legislative Platform - Red Line
2. 2026 Legislative Platform - Clean Copy

City of La Palma

2026~~5~~ State and Federal Legislative Platform

Adopted by the City Council on January ~~14~~13, 20265

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 o~~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~~ determinant 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, and 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~~ that advocates for maximum local flexibility ~~in~~ across all ~~areas of the~~ City~~'s~~ responsibilit~~y~~ies and operations, and oppose legislation that imposes ~~intrusive, unnecessary, or~~ unfunded ~~state-imposed~~ mandates, is unnecessarily intrusive, or preempts local authority in ~~on the~~ City ~~or its residents or preempts local authority~~operations.

4. Oppose legislation that creates unnecessary regulations, and/or restricts the City's ~~capability~~ ability 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.

~~3.~~4. Support the City's right to continue collecting Transient Occupancy Tax from hotels and short-term rentals, including from online intermediaries.

~~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.

Public Works

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.

Solid Waste

1. Support measures that maintain and enhance local authority and economic flexibility to regulate solid waste and recyclables.

Water Supply

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.

City of La Palma
2026 State and Federal Legislative Platform

Adopted by the City Council on January 13, 20265

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.
- 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 determinant 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, and public safety.

POLICY STATEMENTS

GENERAL GOVERNMENT

1. Support legislation that preserves the ability of local governments to determine the appropriate type of election for their jurisdiction.

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 that advocates for maximum local flexibility across all City responsibilities and operations, and oppose legislation that imposes unfunded mandates, is unnecessarily intrusive, or preempts local authority in City operations.

4. Oppose legislation that creates unnecessary regulations, and/or restricts the City's ability 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.

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City of La Palma

Agenda Item No. 6

MEETING DATE:	January 13, 2026
TO:	City Council
FROM:	City Manager
SUBMITTED BY:	Joseph Cisneros, Deputy City Manager
AGENDA TITLE:	Annual Comprehensive Financial Report (ACFR) for the Fiscal Year Ending June 30, 2025

RECOMMENDED ACTION:

Receive and file the Annual Comprehensive Financial Report (ACFR) of the City of La Palma for the Fiscal Year ending June 30, 2025.

SUMMARY:

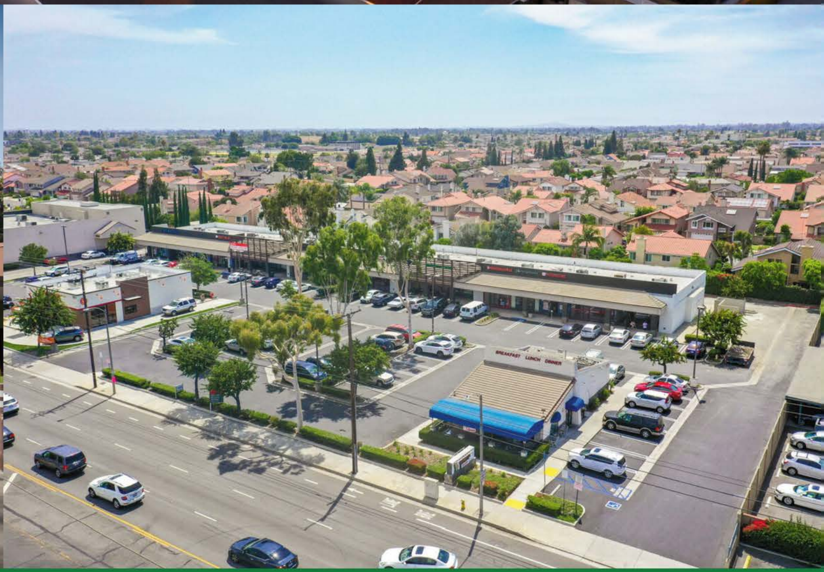
The attached ACFR describes in detail the financial position and financial activity of the City of La Palma for the fiscal year ended June 30, 2025. The City's financial statements were audited and found to be in conformance with Generally Accepted Accounting Principles (GAAP). As a result, city staff 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 2024-25 Annual Comprehensive Financial Report



Annual Comprehensive Financial Report

Year Ended June 30, 2025

CITY OF LA PALMA, CALIFORNIA

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2025

Prepared by: Administrative Services Department

CITY OF LA PALMA

Annual Comprehensive Financial Report

June 30, 2025

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CITY OF LA PALMA

Annual Comprehensive Financial Report

June 30, 2025

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CITY OF LA PALMA

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December 9, 2025

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, 2025. The purpose of this report is to provide the City Council, residents, general public, and other interested parties with 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, 2025, 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, 2025.

www.lapalmaca.gov

PHONE
714 690 3300

7822 Walker Street
La Palma, CA 90623-1771

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 15,062. 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, hiring the City Manager, and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, overseeing the day-to-day operations of the City, and appointing 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, 2024. This was the twenty-sixth 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, 2025) 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 overseeing the City's financial operations in a responsible and progressive manner.

Respectfully submitted,

Peter L. Kim
City Manager

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CITY OF LA PALMA

City Officials

City Council

Mark Waldman, Mayor

Nitesh Patel, Mayor Pro Tem

Debbie Baker, Council Member

Janet Keo Conklin, Council Member

Vikesh Patel, Council Member

Administrative Officials

Peter Kim, City Manager

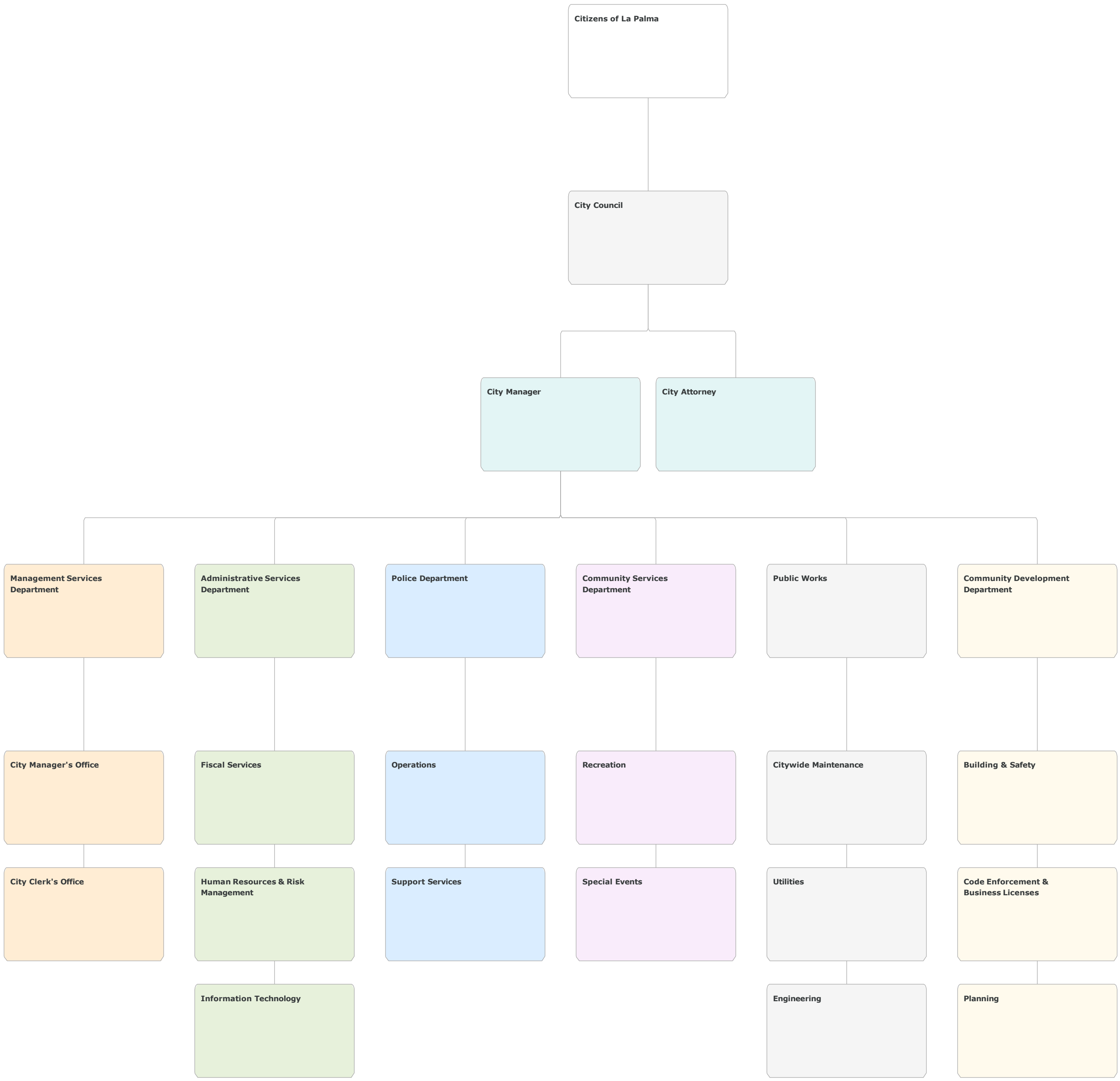
Joe Cisneros, Deputy City Manager

Jesse Amend, Interim Police Chief

Jake Chavira, Acting Public Works & Community Development 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, 2024

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

MOSS, LEVY & HARTZHEIM LLP
CERTIFIED PUBLIC ACCOUNTANTS

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

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5800 HANNUM AVE., SUITE E
CULVER CITY, CA 90230
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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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2025, 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 – CalPERS Miscellaneous Cost Sharing Plan, Schedule of the Proportionate Share of the Net Pension Liability – CalPERS Safety Pension Plan, Schedule of Pension Contributions – CalPERS 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 opinions 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, and 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, and 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 other 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 November 15, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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
November 15, 2025

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, 2025. 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 2023-24 and FY 2024-25. All increases and decreases are expressed relative to FY 2023-24 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, 2025, by $65.3 million (net position). Of this amount, $27.4 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 $3.6 million over the prior fiscal year.

Fund Statements:

Governmental Funds

- As of June 30, 2025, the City's governmental funds reported a combined ending fund balance of $35.2 million. Of this amount, $7.9 million is unassigned and is available for spending at the City's discretion. Fund balance increased by $0.3 million over the prior fiscal year.
- As of June 30, 2025, the General fund reported an ending fund balance of $19.7 million. Of this amount, $7.9 million is unassigned and is available for spending at the City's discretion. Fund balance increased by $1.3 million over the prior fiscal year.

Proprietary Funds

- As of June 30, 2025, 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 increased by $26 thousand from the prior fiscal year.
- As of June 30, 2025, the Internal Service funds reported ending net position of $5.6 million. Of this amount, $5.1 million is unrestricted and is available for spending at the City's discretion. Net position increased by $0.5 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, 2025, and June 30, 2024, is as follows:

Condensed Statement of Net Position
(In Millions)

	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
	June 30, 2025			June 30, 2024		
Current and other assets	$ 55.1	$ 11.1	$ 66.2	$ 52.0	$ 10.1	$ 62.1
Capital assets	23.1	5.0	28.1	20.4	5.0	25.4
Total Assets	78.2	16.1	94.3	72.4	15.1	87.5
Deferred Outflows	6.3	0.5	6.8	9.3	0.7	10.0
Long-term debt outstanding	22.7	1.7	24.4	23.0	1.7	24.7
Other liabilities	7.2	1.3	8.5	7.6	0.5	8.1
Total Liabilities	29.9	3.0	32.9	30.6	2.2	32.8
Deferred Inflows	2.7	0.2	2.9	2.8	0.2	3.0
Net Position:						
Net investment in capital assets	22.8	5.0	27.8	19.9	5.0	24.9
Restricted	10.0	0.1	10.1	9.8	0.1	9.9
Unrestricted	19.1	8.3	27.4	18.6	8.3	26.9
Total Net Position	$ 51.9	$ 13.4	$ 65.3	$ 48.3	$ 13.4	$ 61.7

Over time, net position may serve as a useful indicator of a City's financial position. At June 30, 2025, the City's assets and deferred outflows exceeded liabilities and deferred inflows by $65.3 million.

A large portion of the City's net position ($27.8 million or 42.5%) 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 ($10.1 million or 15.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted net position ($27.4 million or 42.0%) 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, 2025, and June 30, 2024, is as follows:

Condensed Statement of Activities
(In Millions)

	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
	June 30, 2025			June 30, 2024		
Revenues:						
Program revenues:						
Charges for services	$ 1.2	$ 4.4	$ 5.6	$ 1.1	$ 4.0	$ 5.1
Operating contributions and grants	1.8	-	1.8	1.6	-	1.6
Capital contributions and grants	2.3	-	2.3	0.4	-	0.4
General revenues:						
Property taxes	5.3	-	5.3	5.1	-	5.1
Sales taxes	4.4	-	4.4	4.7	-	4.7
Utility users taxes	1.3	-	1.3	1.2	-	1.2
Other taxes	1.2	-	1.2	1.1	-	1.1
Other general revenues	3.0	0.4	3.4	2.9	0.3	3.2
Total Revenues	20.5	4.8	25.3	18.1	4.3	22.4
Expenses:						
Program expenses:						
General government	5.5	-	5.5	4.8	-	4.8
Public safety	7.0	-	7.0	6.6	-	6.6
Public works	2.5	-	2.5	2.6	-	2.6
Recreation	1.6	-	1.6	1.6	-	1.6
Community development	1.1	-	1.1	1.1	-	1.1
Interest Exp	-	-	-	-	-	-
Water	-	3.5	3.5	-	3.3	3.3
Sewer	-	0.5	0.5	-	0.6	0.6
Total Expenses	17.7	4.0	21.7	16.7	3.9	20.6
Excess before transfers	2.8	0.8	3.6	1.4	0.4	1.8
Transfers	0.8	(0.8)	-	0.8	(0.8)	-
Change in net position	3.6	0.0	3.6	2.2	(0.4)	1.8
Beginning net position	48.3	13.4	61.7	46.1	13.8	59.9
Ending net position	$ 51.9	$ 13.4	$ 65.3	$ 48.3	$ 13.4	$ 61.7

Governmental Activities

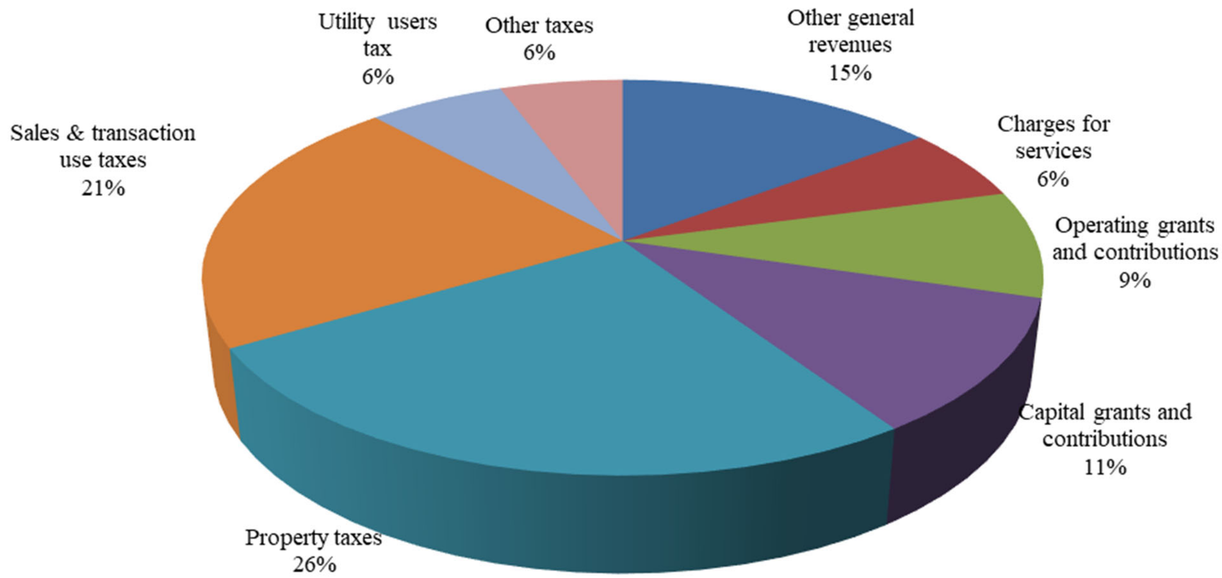
Governmental Activities increased the City's net position by $3.6 million in contrast to the prior fiscal year's increase of $2.2 million. Key elements of this net increase of $1.4 million include the following:

- Overall revenues were $2.3 million higher when compared with the previous fiscal year. Sales Tax actually decreased by $0.3 million primarily due to some 22/23 taxes in the amount of $230 thousand that were received in 23/24. In 24/25, there were no similarly delayed payments received. The large increase was an additional $1.8 million Federal Grant for the citywide medians project.
- Expenses increased by $0.9 million when compared to the previous fiscal year. The main reasons for the difference was the pension adjustments due to GASB Stmt No. 68. For fiscal year 24/25, the pension adjustments increased expenses by $340 thousand primarily because CalPERS earned a negative 6.1% during

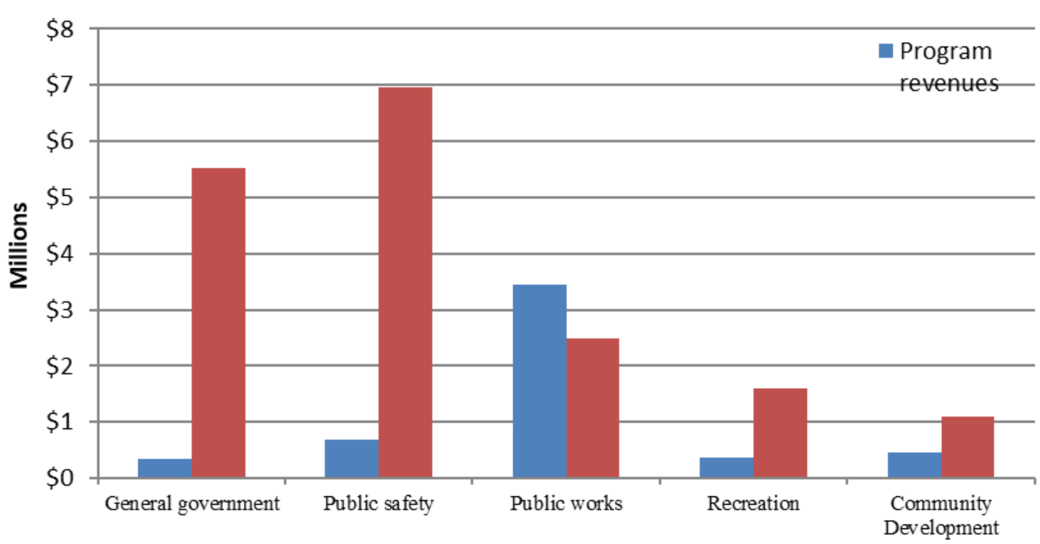
the measurement period ending June 30, 2022 (first reflected in the City's 22/23 ACFR). The pension increases are being phased in over five years, so the City anticipates additional increases in the next few years. General inflation added about 4% to costs to various departments.

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

REVENUES BY SOURCE
GOVERNMENTAL ACTIVITIES



EXPENSES AND PROGRAM REVENUES
GOVERNMENTAL ACTIVITIES

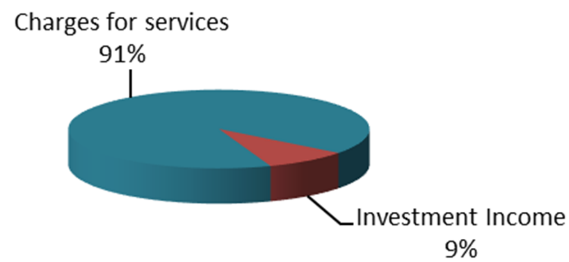


General revenues such as property tax, utility users tax, and sales and transaction use taxes are not shown by program since they are effectively used to support program activities citywide. Program revenues mainly consist of charges for services and program-related grants and contributions. Without regard for program, taxes are the largest single source of governmental revenue for the City (59.4% of total revenue), followed by grants and contributions (19.8% of total revenue), other general revenue (14.7% of total revenue), and charges for services (6.1% of total revenue).

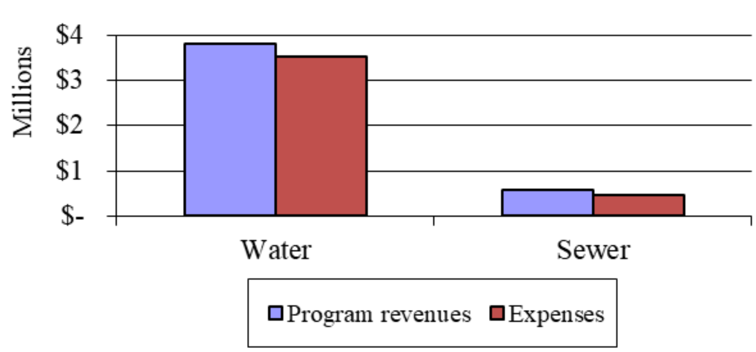
Business-type Activities

Business-type activities are financed primarily by fees charged to external parties for goods and services. Business-type activities increased the City's net position by $26,000 in FY 2024-25; in comparison, the prior fiscal year's activities decreased net position by $368,000. In the prior 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. Also, $0.8 million was transferred to governmental activities. In the current fiscal year, program expenses for water and sewer activities totaled $4.0 million and were able to be fully funded by program revenue of $4.4 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 $35.2 million, an increase of $0.3 million over the fiscal prior year's ending fund balance of $34.9 million. Revenues of $18.4 million is exceeded by expenditures of $18.9 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 71% 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 $19.6 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 146.3% of the fiscal year's total General Fund expenditures. The General Fund's Unassigned fund balance was $7.9 million at June 30, 2025, and represents 58.7% of total General Fund expenditures.

The City's General Fund had a net increase to fund balance of $1.3 million in FY 2024-25 in comparison to a net increase of $2.8 million in FY 2023-24. The primary reasons for the net $1.5 million year-to-year change is as follows:

- Tax revenues were fractionally higher than in the prior fiscal year. Sales tax was down primarily because $230 thousand of prior year sales tax was received in FY 2023-24, but there was no similar amount in FY 2024-25, and underlying sales tax was unchanged. Property taxes were up $220 thousand which is about a 4.5% increase (normal annual increase).

- The CalPERS pension unfunded liability payment increased by $340 thousand over the prior year amount. This is the result of the phased increase from the FY 2021-22 investment losses at CalPERS.
- The City also transferred another $1.0 million to the Capital Outlay Reserve fund to fund future (not yet identified) capital projects. This was in addition to the normal annual $400 thousand transfer from the General Fund.

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 $4.6 million, which is $176 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 $7.3 million, which is all assigned for capital projects. There is a $2.0 million grant receivable that has yet to be received, so it is not considered available for inclusion in the fund balance.

Major Enterprise Funds. At the end of the fiscal year, unrestricted fund net position of the **Water Fund** totaled $3.0 million and the **Sewer Fund** totaled $5.3 million. The combined increase in fund net position from operations and transfers was $26,000 in FY 2024-25, 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 $21,500 as revenue trends were re-evaluated. Expenditure budget adjustments were minor and totaled a net increase of $191,600.

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, 2025			June 30, 2024		
Land	$ 8.0	$ 0.8	$ 8.8	$ 8.0	$ 0.8	$ 8.8
Construction in process	3.4	-	3.4	0.7	-	0.7
Buildings and improvements	6.1	0.7	6.8	5.8	0.8	6.6
Equipment	1.6	1.7	3.3	1.7	1.5	3.2
Vehicles	0.7	-	0.7	0.6	-	0.6
Intangible right-to-use	0.1	-	0.1	0.2	-	0.2
Infrastructure	3.2	1.8	5.0	3.4	1.9	5.3
Total Capital Assets	$ 23.1	$ 5.0	$ 28.1	$ 20.4	$ 5.0	$ 25.4

The City's investment in capital assets for its *Governmental* and *Business-type Activities* as of June 30, 2025, totaled $28.1 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, 2025			June 30, 2024		
Direct Borrowings	$ 0.3	$ -	$ 0.3	$ 0.3	$ -	$ 0.3
SBITAs	0.1	-	0.1	0.2	-	0.2
Net pension liability	21.6	1.7	23.3	21.9	1.7	23.6
Compensated absences	0.7	-	0.7	0.6	-	0.6
Total Long-term Liabilities	$ 22.7	$ 1.7	$ 24.4	$ 23.0	$ 1.7	$ 24.7

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.

The economic outlook for La Palma, the State of California, and the country is uncertain. The National Debt is setting records as a percentage of GDP, so inflation persists. The Federal Reserve has been lowering interest rates while National unemployment is extremely low and inflation is well above their 2% annual inflation target. The retail sales in California has been stagnant. 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 has managed economic volatility effectively due to its strong reserves, and it has not needed to draw on those reserves in many years as a result of consistent and disciplined fiscal management. For the FY 2025-26 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 www.lapalmaca.gov.

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, 2025

Assets	**Governmental Activities**	**Business-Type Activities**	**Total**
Cash and investments	$ 41,219,616	$ 8,716,597	$ 49,936,213
Receivables			
Accounts	405,135	902,014	1,307,149
Interest	416,986	-	416,986
Loans	2,253,146	-	2,253,146
Due from other governmental units	3,141,469	-	3,141,469
Prepaid items	52,100	-	52,100
Net OPEB asset	924,798	115,470	1,040,268
Due from redevelopment successor agency	5,249,273	1,300,528	6,549,801
Leases receivable	1,426,798	-	1,426,798
Capital assets:			
Not being depreciated	11,427,134	754,000	12,181,134
Being depreciated, Net	11,688,910	4,273,802	15,962,712
Total assets	78,205,365	16,062,411	94,267,776
Deferred outflows of resources			
OPEB related	189,963	23,718	213,681
Pension related	6,079,152	511,247	6,590,399
Total deferred outflows of resources	6,269,115	534,965	6,804,080
Liabilities			
Accounts payable	502,917	1,318,594	1,821,511
Unearned revenue	5,352,262	-	5,352,262
Other accrued liabilities	1,357,720	-	1,357,720
Noncurrent liabilities:			
Due within one year	721,025	-	721,025
Due in more than one year	399,288	-	399,288
Net pension liability	21,572,595	1,677,415	23,250,010
Total liabilities	29,905,807	2,996,009	32,901,816
Deferred inflows of resources			
OPEB related	365,004	45,574	410,578
Pension related	852,328	108,005	960,333
Leases	1,426,798	-	1,426,798
Total deferred inflows of resources	2,644,130	153,579	2,797,709
Net position			
Net investment in capital assets	22,725,647	5,027,802	27,753,449
Restricted for:			
Public information	429,840	-	429,840
Capital projects	2,278,363	-	2,278,363
Public safety	971,156	-	971,156
Affordable housing	5,359,038	-	5,359,038
OPEB	924,798	115,470	1,040,268
Unrestricted	19,235,701	8,304,516	27,540,217
Total net position	$ 51,924,543	$ 13,447,788	$ 65,372,331

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, 2025

Functions/Programs	Expenses	Program revenues: Charges for services	Program revenues: Operating grants and contributions	Program revenues: Capital grants and contributions
Governmental activities:				
General government	$ 5,514,232	$ 345,716	$ -	$ -
Public safety	6,959,141	15,745	665,690	-
Public works	2,491,980	66,202	1,127,199	2,259,936
Recreation	1,590,068	356,866	-	-
Community development	1,087,684	460,429	-	-
Interest on long term debt	10,660	-	-	-
Total governmental activities	17,653,765	1,244,958	1,792,889	2,259,936
Business-type activities				
Water	3,525,903	3,797,228	-	-
Sewer	469,399	574,173	-	-
Total Business-type activities	3,995,302	4,371,401	-	-
Total	$ 21,649,067	$ 5,616,359	$ 1,792,889	$ 2,259,936

(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	Business-Type Activities	Total
Governmental activities:			
General government	$ (5,168,516)	$ -	$ (5,168,516)
Public safety	(6,277,706)	-	(6,277,706)
Public works	961,357	-	961,357
Recreation	(1,233,202)	-	(1,233,202)
Community development	(627,255)	-	(627,255)
Interest	(10,660)	-	(10,660)
Total governmental activities	(12,355,982)	-	(12,355,982)
Business-type activities			
Water	-	271,325	271,325
Sewer	-	104,774	104,774
Total Business-type activities	-	376,099	376,099
Total	(12,355,982)	376,099	(11,979,883)
General revenues and transfers:			
Taxes:			
Property taxes	5,290,259	-	5,290,259
Sales taxes	4,424,726	-	4,424,726
Utility users tax	1,281,102	-	1,281,102
Franchise tax	483,645	-	483,645
Transient occupancy tax	673,963	-	673,963
Investment earnings	2,134,142	432,973	2,567,115
Other revenue	883,739	41	883,780
Transfers	782,900	(782,900)	-
Total general revenues and transfers	15,954,476	(349,886)	15,604,590
Change in net position	3,598,494	26,213	3,624,707
Net position - beginning of fiscal year	48,326,049	13,421,575	61,747,624
Net position - end of fiscal year	$ 51,924,543	$ 13,447,788	$ 65,372,331

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, 2025

		Special Revenue	Capital Project
Assets	General Fund	Housing Fund	Capital Outlay Reserve Fund
Cash and investments	$ 24,857,847	$ 1,767,421	$ 5,941,744
Receivables:			
Accounts	357,116	41,668	-
Interest	416,986	-	-
Loans	1,788	2,251,358	-
Due from other governments	872,237	-	2,000,000
Prepaid items	52,100	-	-
Lease receivable	1,426,798	-	-
Due from other funds	21,729	-	-
Due from Redevelopment Successor Agency	-	1,309,960	3,939,313
Total assets	$ 28,006,601	$ 5,370,407	$ 11,881,057
Liabilities, Deferred Inflow of Resources, and Fund Balances			
Liabilities:			
Accounts payable	$ 397,662	$ -	$ 26,882
Other accrued liabilities	1,204,799	-	152,921
Due to other funds	-	-	-
Unearned revenue	5,284,935	11,369	-
Total liabilities	6,887,396	11,369	179,803
Deferred inflow of resources:			
Lease revenue	1,426,798	-	-
Unavailable revenue	-	794,698	4,389,818
Total deferred inflow of resources	1,426,798	794,698	4,389,818
Fund balances:			
Nonspendable	53,888	-	-
Restricted	-	4,564,340	-
Committed	10,253,982	-	-
Assigned	1,500,000	-	7,311,436
Unassigned	7,884,537	-	-
Total fund balances	19,692,407	4,564,340	7,311,436
Total liabilities, deferred inflow of resources, and fund balances	$ 28,006,601	$ 5,370,407	$ 11,881,057

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

Nonmajor Governmental Funds	Total Governmental Funds
$ 3,546,560	$ 36,113,572
6,351	405,135
-	416,986
-	2,253,146
269,232	3,141,469
-	52,100
-	1,426,798
-	21,729
-	5,249,273
$ 3,822,143	$ 49,080,208
$ 65,097	$ 489,641
-	1,357,720
21,729	21,729
55,958	5,352,262
142,784	7,221,352
-	1,426,798
-	5,184,516
-	6,611,314
-	53,888
3,679,359	8,243,699
-	10,253,982
-	8,811,436
-	7,884,537
3,679,359	35,247,542
$ 3,822,143	$ 49,080,208

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, 2025

Fund balances for governmental funds	$	35,247,542
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 $779,338 of internal service funds net capital assets included below.		
Capital assets		38,500,841
Accumulated depreciation		(16,164,135)
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. These amounts do not include $289,134 of direct borrowing already included in the internal service funds total below. Balances at the end of the fiscal year are:		
Subscriptions payable		(101,263)
Compensated absences		(729,916)
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		6,079,152
Deferred outflows of resources for OPEB		189,963
Deferred inflows of resources for pensions		(852,328)
Deferred inflows of resources for OPEB		(365,004)
Pension liability		(21,572,595)
Net OPEB asset		924,798
Unavailable revenue - resource inflows that do not qualify for recognition as revenue in governmental funds because they are not yet considered available.		5,184,516
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		5,582,972
Net position of governmental activities	$	51,924,543

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, 2025

		Special Revenue	Capital Project
	General Fund	Housing Fund	Capital Outlay Reserve Fund
Revenues:			
Taxes	$ 12,153,694	$ -	$ -
Intergovernmental	40,200	-	-
Licenses and permits	568,881	-	-
Fines and forfeitures	75,407	-	-
Investment income	1,185,883	257,659	240,622
Charges for services	600,668	-	-
Rental income	579,042	-	-
Miscellaneous	94,128	-	187,621
Total revenues	15,297,903	257,659	428,243
Expenditures:			
Current:			
General government	4,697,142	-	-
Public safety	5,674,464	-	-
Public works	1,079,407	-	-
Recreation	1,219,626	-	-
Community development	546,925	433,782	-
Capital outlay	76,354	-	2,608,519
Debt service			
Principal	117,005	-	-
Interest and fiscal charges	10,660	-	-
Total expenditures	13,421,583	433,782	2,608,519
Excess (deficiency) of revenues over (under) expenditures	1,876,320	(176,123)	(2,180,276)
Other financing sources (uses):			
Transfers in	782,900	-	1,400,000
Transfers out	(1,400,000)	-	-
Total other financing sources (uses)	(617,100)	-	1,400,000
Net change in fund balances	1,259,220	(176,123)	(780,276)
Fund balance - beginning of fiscal year	18,433,187	4,740,463	8,091,712
Fund balance - end of fiscal year	$ 19,692,407	$ 4,564,340	$ 7,311,436

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

Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ 12,153,694
2,177,662	2,217,862
-	568,881
-	75,407
218,924	1,903,088
-	600,668
-	579,042
22,951	304,700
2,419,537	18,403,342
-	4,697,142
551,396	6,225,860
422,721	1,502,128
-	1,219,626
-	980,707
1,443,312	4,128,185
-	117,005
-	10,660
2,417,429	18,881,313
2,108	(477,971)
-	2,182,900
-	(1,400,000)
-	782,900
2,108	304,929
3,677,251	34,942,613
$ 3,679,359	$ 35,247,542

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, 2025

Net changes in fund balances for governmental funds	$ 304,929
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	4,128,185
Capital outlays deemed repairs and maintenance	(756,888)
Depreciation expense (not including ISF depreciation of $149,402)	(781,595)
Loss on asset disposal (not including ISF loss of $1,043)	(64,149)
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 and related deferred inflows and outflows	(1,760,744)
Change in compensated absences	(160,571)
Change in OPEB obligation and related inflows and outflows	188,524
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,834,963
The amounts below, included in the Statement of Activities do not provide current financial resources and, therefore, are not report as revenue.	
Repayment of principal	117,005
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	548,835
Change in net position of governmental activities	$ 3,598,494

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, 2025

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Total	Internal Service Funds
Assets				
Current assets:				
Cash and investments	$ 3,867,760	$ 4,848,837	$ 8,716,597	$ 5,106,044
Accounts receivables	776,097	125,917	902,014	-
Total current assets	4,643,857	4,974,754	9,618,611	5,106,044
Noncurrent assets:				
Capital assets				
Capital assets not being depreciated	754,000	-	754,000	-
Capital assets being depreciated, net of depreciation	3,371,706	902,096	4,273,802	779,338
Due from Redevelopment Successor Agency	650,264	650,264	1,300,528	-
Net OPEB asset	99,346	16,124	115,470	-
Total noncurrent assets	4,875,316	1,568,484	6,443,800	779,338
Total assets	9,519,173	6,543,238	16,062,411	5,885,382
Deferred outflows of resources				
Related to OPEB	20,406	3,312	23,718	-
Related to pensions	457,432	53,815	511,247	-
Total deferred outflows of resources	477,838	57,127	534,965	-
Liabilities				
Current liabilities:				
Accounts payable	1,116,458	202,136	1,318,594	13,276
Enterprise leases payable	-	-	-	63,132
Total current liabilities	1,116,458	202,136	1,318,594	76,408
Noncurrent liabilities:				
Enterprise leases payable	-	-	-	226,002
Net pension liability	1,500,845	176,570	1,677,415	-
Total noncurrent liabilities	1,500,845	176,570	1,677,415	226,002
Total liabilities	2,617,303	378,706	2,996,009	302,410
Deferred inflows of resources				
Related to OPEB	39,210	6,364	45,574	-
Related to pensions	96,636	11,369	108,005	-
Total deferred inflows of resources	135,846	17,733	153,579	-
Net position				
Net investment in capital assets	4,125,706	902,096	5,027,802	490,204
Restricted for OPEB	99,346	16,124	115,470	-
Unrestricted	3,018,810	5,285,706	8,304,516	5,092,768
Total net position	$ 7,243,862	$ 6,203,926	$ 13,447,788	$ 5,582,972

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, 2025

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Total	Internal Service Funds
Operating revenues				
Charges for services	$ 3,797,228	$ 574,173	$ 4,371,401	$ 1,483,599
Miscellaneous	41	-	41	56,364
Total operating revenue	3,797,269	574,173	4,371,442	1,539,963
Operating expenses				
Personnel services	693,201	65,117	758,318	-
Maintenance and operations	2,203,737	319,856	2,523,593	182,589
Contractual services	332,221	32,915	365,136	-
Depreciation	183,812	42,802	226,614	149,402
Settlement claims and insurance	41,700	5,400	47,100	889,148
Administration	36,917	3,309	40,226	-
Total operating expenses	3,491,588	469,399	3,960,987	1,221,139
Operating income	305,681	104,774	410,455	318,824
Nonoperating revenues (expenses)				
Investment income	190,938	242,035	432,973	231,054
Loss on disposal of capital assets	(34,315)	-	(34,315)	(1,043)
Total nonoperating revenues (expenses)	156,623	242,035	398,658	230,011
Income before transfers	462,304	346,809	809,113	548,835
Transfers				
Transfers out	(682,900)	(100,000)	(782,900)	-
Change in net position	(220,596)	246,809	26,213	548,835
Net position - beginning of fiscal year	7,464,458	5,957,117	13,421,575	5,034,137
Net position - end of fiscal year	$ 7,243,862	$ 6,203,926	$ 13,447,788	$ 5,582,972

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, 2025

	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	$ 3,606,212	$ 565,733	$ 4,171,945	$ -
Receipts from internal users	-	-	-	1,483,599
Payments to suppliers for goods and services	(1,984,493)	(174,356)	(2,158,849)	(1,069,822)
Payments to employees for salaries and benefits	(582,702)	(53,020)	(635,722)	-
Miscellaneous operating receipts	41	-	41	56,364
Net cash provided (used) by operating activities	1,039,058	338,357	1,377,415	470,141
Cash flows from noncapital financing activities				
Cash paid to other funds - transfers	(682,900)	(100,000)	(782,900)	-
Cash flows from capital and related financing activities				
Proceeds of direct borrowing payable	-	-	-	68,683
Payments of principal	-	-	-	(54,999)
Acquisition of capital assets	(298,293)	-	(298,293)	(317,920)
Net cash used by capital and related financing activities	(298,293)	-	(298,293)	(304,236)
Cash flows from investing activities				
Interest received	250,561	301,657	552,218	231,054
Net cash provided by investing activities	250,561	301,657	552,218	231,054
Net increase (decrease) in cash and cash equivalents	308,426	540,014	848,440	396,959
Cash and cash equivalents - beginning of fiscal year	3,559,334	4,308,823	7,868,157	4,709,085
Cash and cash equivalents - end of fiscal year	$ 3,867,760	$ 4,848,837	$ 8,716,597	$ 5,106,044
Reconciliation of cash and cash equivalents to the proprietary fund statement of net position				
Cash and investments	$ 3,867,760	$ 4,848,837	$ 8,716,597	$ 5,106,044
Non-cash transactions				
Loss on disposal of capital assets	$ (34,315)	$ -	$ (34,315)	$ (1,043)

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, 2025

	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)	$ 305,681	$ 104,774	$ 410,455	$ 318,824
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	183,812	42,802	226,614	149,402
(Increase) decrease in operating assets and deferred outflows of resources:				
Accounts receivable	(191,016)	(8,440)	(199,456)	-
Deferred outflows of resources-OPEB	23,645	3,838	27,483	-
Deferred outflows of resources-pension related	180,359	21,220	201,579	-
Increase (decrease) in operating liabilities and deferred inflows of resources:				
Accounts payable and accrued liabilities	630,082	187,124	817,206	1,915
Net OPEB asset	(34,395)	(5,582)	(39,977)	-
Net pension liability	(24,604)	(2,895)	(27,499)	-
Deferred inflows of resources-OPEB	(9,503)	(1,542)	(11,045)	-
Deferred inflows of resources-pension related	(25,003)	(2,942)	(27,945)	-
Total adjustments	733,377	233,583	966,960	151,317
Net cash provided (used) by operating activities	$ 1,039,058	$ 338,357	$ 1,377,415	$ 470,141

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, 2025

	Redevelopment Successor Agency Private-Purpose Trust Fund
Assets	
Cash and investments	$ 1,581,310
Total assets	1,581,310
Liabilities	
Advances from City of La Palma	6,549,801
Total liabilities	6,549,801
Net position	
Held in trust for other governments	$ (4,968,491)

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, 2025

	Redevelopment Successor Agency Private-Purpose Trust Fund
Additions	
Taxes	$ 694,538
Interest income	53,031
Total additions	747,569
Deductions	
Program expenses	10,000
Interest and fiscal expenses	103,052
Total deductions	113,052
Change in net position	634,517
Net position - beginning of fiscal year	(5,603,008)
Net position - end of fiscal year	$ (4,968,491)

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

GASB Statement No. 101, "Compensated Absences" - This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave.

The implementation of this Statement did not have a material financial impact on the City for the fiscal year ended June 30, 2025.

The provisions of Statement Number 102 "Certain Risk Disclosures". The implementation did not have a material financial impact on the City for the fiscal year ended June 30, 2025.

E. Future Accounting Pronouncements

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

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

The provisions of Statement No. 104 "Disclosure of Certain Capital Assets" 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, 2025.

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 $8,304,516 of business-type unrestricted net position, of which $ 6,458,393 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 $3,451,707 (5% of the replacement value of certain capital assets) and within the Sewer fund in the amount of $3,006,686 (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, 2025, the commitment totaled $186,282. 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, 2025, the commitment totaled $10,067,700.

- <u>Assigned Fund Balance</u> – 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.

  <u>Unassigned Fund Balance</u> – 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 of 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, 2025, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	$ 49,936,213
Statement of Fiduciary Net Position:	
Cash and investments	1,581,310
Total Cash and Investments	$ 51,517,523

Cash on hand	$ 7,425
Deposits with financial institutions	6,713,471
Investments	44,796,627
Total Cash and Investments	$ 51,517,523

<u>Investments Authorized by the California Government Code and the City's Investment Policy</u>

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, 2025.

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)

	Remaining Maturity (in Months)				
Investment Types	12 Months or Less	13-24 Months	25-60 Months	More than 60 Months	Total
Investments held by the City:					
U.S. Treasury Notes	$ 735,322	$ 6,889,561	$ 7,588,631	$ -	$ 15,213,514
Municipal Notes	-	-	116,026	-	116,026
Corporate Notes	271,349	3,109,581	8,338,368	-	11,719,298
Foreign Notes	390,761	280,805	-	-	671,566
LAIF	17,026,961	-	-	-	17,026,961
Money Market Mutual Funds	49,262	-	-	-	49,262
Total	$18,473,655	$10,279,947	$16,043,025	$ -	$44,796,627

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.

	Minimum		Ratings as of Fiscal-Year End				
Investment Types	Legal Rating	Total as of June 30, 2025	AAA	More than AA+	Other*	Not Rated	Exempt
Investments held by the City:							
U.S. Treasury Notes	None	$ 15,213,514	$ -	$ -	$ -	$ -	$ 15,213,514
Municipal Notes	A	116,026			116,026	-	-
Corporate Notes	A	11,719,298	3,890,518	137,297	5,974,198	1,717,285	-
Foreign Notes	A	671,566	-	671,566	-	-	-
LAIF	None	17,026,961	-	-	-	17,026,961	-
Money Market Mutual Funds	A	49,262	-	-	-	49,262	-
Total		$ 44,796,627	$ 3,890,518	$ 808,863	$ 6,090,224	$ 18,793,508	$ 15,213,514

*Other Ratings	AA	AA-	A+	A	A-	Total
Corporate Notes	$ 182,910	$ 555,463	$ 1,728,428	$ 1,436,367	$ 2,071,030	$5,974,198
Municipal Notes	116,026	-	-	-	-	116,026
Total	$ 298,936	$ 555,463	$ 1,728,428	$ 1,436,367	$ 2,071,030	$6,090,224

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, 2025, 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	$ -	$ 15,213,514	$ -	$ 15,213,514
Municipal Notes	-	116,026	-	116,026
Corporate Notes	-	11,719,298	-	11,719,298
Foreign Notes	-	671,566	-	671,566
Total Leveled Investments	$ -	$ 27,720,404	$ -	27,720,404
LAIF*				17,026,961
Money Market Mutual Funds*				49,262
Total Investment Portfolio				$ 44,796,627

*Not subject to fair value measurement hierarchy

NOTE 3: DUE FROM SUCCESSOR AGENCY

At June 30, 2025, 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, 2025, is $6,549,801.

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, 2025. Revenue recognition is in accordance with GASB Statement No. 87. The City recognized $89,528 in lease revenue during the fiscal year ended June 30, 2025. Leases receivable at June 30, 2025 were $1,426,798. 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, 2025, 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, 2025, 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 5 lease amendments to the original lease. The 5th amendment set the monthly rent starting December 2024 at $6,000 a month with an annual increase every December of 3% per month. The lease ends in December 2029. Rent for the fiscal year ended June 30, 2025, totaled $36,000.

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
2026	$ 88,187	$ 57,072	$ 145,259
2027	96,072	53,544	149,616
2028	83,223	49,702	132,925
2029	68,555	46,373	114,928
2030	74,745	43,630	118,375
2031-2035	431,096	167,848	598,944
2036-2040	120,766	108,232	228,998
2041-2045	186,350	79,122	265,472
2046-2050	272,421	35,334	307,755
2051-2052	5,383	215	5,598
Totals	$ 1,426,798	$ 641,072	$ 2,067,870

NOTE 5: LOANS RECEIVABLE

Loans receivable consists of the following at June 30, 2025:

	Balances at June 30, 2024	Additions	Deletions	Balances at June 30, 2025
Loan receivable - Rental Housing Project	$ 2,628,007	$ 164,271	$ (552,289)	$ 2,239,989
Loan receivable - Housing Loans	11,369	-	-	11,369
Computer Loan Program	1,643	1,382	(1,237)	1,788
Total governmental activities – long–term liabilities	$ 2,641,019	$ 165,653	$ (553,526)	$ 2,253,146

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 $165,475 in interest and received $552,289 from the operator. The balance of this loan at June 30, 2025 was $2,239,989.

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, 2025, 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, 2025 was $1,788.

NOTE 6: CAPITAL ASSETS

A summary of capital asset activity for the fiscal year ended June 30, 2025, is as follows:

Governmental Activities	Balances at June 30, 2024	Additions	Deletions	Transfers	Balances at June 30, 2025
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	659,707	2,947,512	(59,620)	(165,329)	3,382,270
Total capital assets, not being depreciated	8,704,571	2,947,512	(59,620)	(165,329)	11,427,134
Capital assets, being depreciated:					
Buildings and improvements	10,412,155	343,132	(8,195)	165,329	10,912,421
Equipment	3,638,160	94,033	(144,283)	-	3,587,910
Vehicles	2,301,982	293,206	(324,113)	-	2,271,075
Furniture and fixtures	128,458	11,334	-	-	139,792
Infrastructure - Street network	11,133,099	-	-	-	11,133,099
Infrastructure - Storm drains	676,184	-	-	-	676,184
Total capital assets, being depreciated	28,290,038	741,705	(476,591)	165,329	28,720,481
Less accumulated depreciation for:					
Buildings and improvements	(4,619,168)	(244,171)	8,195	-	(4,855,144)
Equipment	(1,916,291)	(253,002)	138,708	-	(2,030,585)
Vehicles	(1,714,218)	(136,824)	324,113	-	(1,526,929)
Furniture and fixtures	(114,634)	(3,166)	-	-	(117,800)
Infrastructure - Street network	(7,955,807)	(167,813)	-	-	(8,123,620)
Infrastructure - Storm drains	(469,742)	(9,016)	-	-	(478,758)
Total accumulated depreciation	(16,789,860)	(813,992)	471,016	-	(17,132,836)
Total capital assets, being depreciated, net	11,500,178	(72,287)	(5,575)	165,329	11,587,645
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)	(117,003)	-	-	(248,036)
Total accumulated amortization	(131,033)	(117,003)	-	-	(248,036)
Total capital assets, being amortized, net	218,268	(117,003)	-	-	101,265
Governmental activities capital assets, net	$ 20,423,017	$ 2,758,222	$ (65,195)	$ -	$ 23,116,044

NOTE 6: CAPITAL ASSETS (Continued)

Depreciation and amortization expense was charged to functions for the fiscal year ended June 30, 2025, as follows:

Governmental Activities:	
General government	$ 282,749
Public safety	177,037
Public works	272,218
Recreation	190,278
Community Development	8,713
Total depreciation and amortization expense- governmental activities	$ 930,995

A summary of capital asset activity for the fiscal year ended June 30, 2025, is as follows:

Business-Type Activities	Balances at June 30, 2024	Additions	Deletions	Transfers	Balances at June 30, 2025
Capital assets, not being depreciated:					
Land	$ 754,000	$ -	$ -	$ -	$ 754,000
Total capital assets, not being depreciated	754,000	-	-	-	754,000
Capital assets, being depreciated:					
Buildings and improvements	7,839,662	-	-	-	7,839,662
Vehicles	15,118	-	-	-	15,118
Machinery and equipment	4,557,536	298,293	(93,511)	-	4,762,318
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	18,632,771	298,293	(93,511)	-	18,837,553
Less accumulated depreciation for:					
Buildings and improvements	(6,951,603)	(39,811)	-	-	(6,991,414)
Vehicles	(15,118)	-	-	-	(15,118)
Machinery and equipment	(3,132,761)	(103,877)	59,196	-	(3,177,442)
Water system and other improvements	(2,030,207)	(40,124)	-	-	(2,070,331)
Sewer system and other improvements	(2,266,644)	(42,802)	-	-	(2,309,446)
Total accumulated depreciation	(14,396,333)	(226,614)	59,196	-	(14,563,751)
Total capital assets, being depreciated, net	4,236,438	71,679	(34,315)	-	4,273,802
Business-type activities capital assets, net	$ 4,990,438	$ 71,679	$ (34,315)	$ -	$ 5,027,802

NOTE 6: CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions for the fiscal year ended June 30, 2025, as follows:

Business-Type Activities:	
Water	$ 183,812
Sewer	42,802
Total depreciation expense- business-type activities	$ 226,614

NOTE 7: LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the fiscal year ended June 30, 2025, is as follows:

Governmental activities	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025	Due Within One Year
Direct Borrowings:					
Enterprise Finance Purchase F150	$ 26,445	$ -	$ (7,315)	$ 19,130	$ 8,000
Enterprise Financed Purchase 2 F150s	48,389	-	(10,962)	37,427	12,307
Enterprise Financed Purchase 3 F350s	174,187	-	(23,214)	150,973	27,828
Enterprise Financed Purchase F450	-	68,683	(9,141)	59,542	8,635
Enterprise Financed Purchase Nissan	26,430	-	(4,368)	22,062	5,118
Total Financed Purchase Obligations	275,451	68,683	(55,000)	289,134	61,888
Other Long Term Liabilities					
SBITAs	218,268	-	(117,005)	101,263	101,263
Compensated Absences	569,345	814,790	(654,219)	729,916	557,874
	$ 1,063,064	$ 883,473	$ (826,224)	$ 1,120,313	$ 721,025

Compensated absences are generally liquidated by the General Fund.

Debt service requirements on long-term debt at June 30, 2025, are as follows:

Enterprise Finance Purchases

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 61,888	$ 29,620	$ 91,508
2027	85,019	18,561	103,580
2028	60,413	11,916	72,329
2029	67,750	3,097	70,847
2030	14,064	2,839	16,903
	$ 289,134	$ 66,033	$ 355,167

SBITAs

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 101,263	$ 5,063	$ 106,326
	$ 101,263	$ 5,063	$ 106,326

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, 2025, was $19,130.

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, 2025 was $37,427.

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, 2025 was $22,062.

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, 2025 was $150,973.

Enterprise Finance Purchase F450

In July 2024, the City entered into a finance purchase agreement for 60 months with Enterprise to acquire one Ford F450 truck for a total cost of $68,683. The City paid $9,141 at the start of the lease. Monthly payments are $884 through the maturity of the agreement in July 2030. The outstanding balance at June 30, 2025, was $59,542.

Subscription Based Information Technology Arrangements

As of June 30, 2025, the City has an intangible right-to-use asset amounting to $349,301 with accumulated amortization of $248,038. The subscription asset is offset with a subscription liability as discussed in Note 1. A summary of subscription-based technology arrangements for the fiscal year ended June 30, 2025, are as follows:

Subscription Liabilities	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025	Due Within One Year
ClearGov	$ 25,385	$ -	$ (25,385)	$ -	$ -
CivicPlus	32,198	-	(15,294)	16,904	16,904
OpenGov Cartegraph	51,847	-	(24,628)	27,219	27,219
OpenGov Permit	108,838	-	(51,698)	57,140	57,140
	$ 218,268	$ -	$ (117,005)	$ 101,263	$ 101,263

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, 2025, 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%	6.99%	11.75%
Required employer normal cost contribution rates	29.30%	18.09%	11.72%
Unfunded actuarial liability payment	$ 1,167,110	$ 2,063	$ 15,376

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	16.02%	10.15%	7.87%
Unfunded actuarial liability payment	$ 736,697	$ 2,922	$ 3,200

<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, 2025, the City made contributions totaling $2,580,239 ($1,000,155 Miscellaneous plan and $1,580,084 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, 2024, 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, 2023, with update procedures used to roll forward the total pension liability to June 30, 2024. 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, 2025, 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	$ 8,828,499
Safety	14,421,511
Total Net Pension Liability	$ 23,250,010

The City’s proportionate share of the net pension liability for each Plan as of the measurement date ended June 30, 2023 and 2024, was as follows:

	Miscellaneous	Safety
Proportion - June 30, 2023	0.17945%	0.19629%
Proportion - June 30, 2024	0.18253%	0.19780%
Changes - Increase (Decrease)	0.00308%	0.00151%

For the fiscal year ended June 30, 2025, the City recognized pension expense of $ 2,215,905 ($856,780 for the Miscellaneous Plan and $1,359,125 for the Safety Plan). At June 30, 2025, 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	$ 733,520	$ -
Changes in assumptions	226,911	-
Net differences between projected and actual earnings on plan investments	508,246	-
Differences between employer's contributions and the employer's proprtionate share of contributions	221,944	568,447
Change in employer's proportion		-
Pension contributions subsequent to measurement date	1,000,155	-
Total	$ 2,690,776	$ 568,447

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	$ 1,138,657	$ -
Changes in assumptions	355,316	-
Net differences between projected and actual earnings on plan investments	697,070	-
Differences between employer's contributions and the employer's proportionate share of contributions	-	391,886
Change in employer's proportion	128,496	-
Pension contributions subsequent to measurement date	1,580,084	-
Total	$ 3,899,623	$ 391,886

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, 2026.

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
2026	$ 378,163	$ 723,913
2027	972,794	1,495,003
2028	(54,612)	(52,756)
2029	(174,171)	(238,507)
Total	$ 1,122,174	$ 1,927,653

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, 2024 measurement period was determined by an actuarial calculation as of June 30, 2023, with update procedures used to roll forward the total pension liability to June 30, 2024. The June 30, 2024 (measurement date) total pension liability was based on the following actuarial methods and assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2023	June 30, 2023
Measurement Date	June 30, 2024	June 30, 2024
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	$ 14,253,811	$ 21,696,785	$ 35,950,596
Current Discount Rate	6.90%	6.90%	6.90%
Net Pension Liability	$ 8,828,499	$ 14,421,511	$ 23,250,010
1% Increase	7.90%	7.90%	7.90%
Net Pension Liability (Asset)	$ 4,362,669	$ 8,471,360	$ 12,834,029

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, 2025, the City had no outstanding amount of contributions to the pension plans required for the fiscal year ended June 30, 2025.

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, 2025, the amount contributed by the City was $11,591. 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, 2024, the following current and former employees were covered by the benefit terms under the Plan:

Inactive employees or beneficiaries currently receiving benefits	31
Inactive employees entitled to, but not yet receiving benefits	28
Active employees	55
Total	114

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, 2025, 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, 2024 and was determined by an actuarial valuation as of June 30, 2023. 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, 2023
Measurement Date	June 30, 2024
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 - 6.25% 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, 2024, 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, 2025

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2024			
(6/30/23 measurement date)	$ 2,478,534	$ 3,158,654	$ (680,120)
Changes for the fiscal year			
Service Cost	69,427	-	69,427
Interest	154,003	-	154,003
Actual vs. expected experience	-	-	-
Assumption changes	-	-	-
Contributions - employer	-	236,902	(236,902)
Net investment income	-	348,607	(348,607)
Benefit Payments	(167,802)	(167,802)	-
Administrative Expense	-	(1,931)	1,931
Net Change	55,628	415,776	(360,148)
Balance at June 30, 2025			
(6/30/24 measurement date)	$ 2,534,162	$ 3,574,430	$ (1,040,268)

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, 2024:

	1% Decrease 5.25%	Current Discount Rate 6.25%	1% Increase 7.25%
Net OPEB Liability (Asset)	$ (779,901)	$ (1,040,268)	$ (1,262,104)

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, 2024:

	1% Decrease	Current Trend	1% Increase
Net OPEB Liability (Asset)	$ (1,186,445)	$ (1,040,268)	$ (859,611)

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

For the fiscal year ended June 30, 2025, the City recognized OPEB expense of $236,902. At June 30, 2025, 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	$ 5,199	$ 403,536
Change in assumptions	26,448	7,042
Net difference between projected and actual earnings on investments	22,222	-
Employer contributions made subsequent to the measurement date	159,812	-
Total	$ 213,681	$ 410,578

The differences between projected and actual earnings on plan investments is amortized over five years. $159,812 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, 2026. 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
2026	$ (92,764)
2027	286
2028	(121,088)
2029	(98,780)
2030	(44,363)
Thereafter	-
Total	$ (356,709)

G. Payable to the OPEB Plan

At June 30, 2025, the City had no outstanding amount of contributions to the OPEB plan required for the fiscal year ended June 30, 2025.

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.

<u>Primary Liability Program:</u>

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/.

<u>Primary Worker's Compensation Program:</u>

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 2024-25 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 2024-25.

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, 2025. 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

Interfund transfers for the fiscal year ended June 30, 2025, are as follows:

Transfers In	Transfers Out	Amount
General Fund	Water (a)	$ 682,900
General Fund	Sewer (a)	100,000
Capital Outlay Reserve	General Fund (b)	1,400,000
	Total Interfund Transfers	$ 2,182,900

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.
- **b.** The General Fund transferred $1,400,000 to the Capital Outlay Reserve Fund to fund various capital projects.

NOTE 14: INTERFUND (CONTINUED)

Due to/from

Due to/from between the General Fund North OC Public Safety Task Force Grant funds total $21,729 and are related to short term cash borrowing and will be rectified within 30 years.

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, 2025 is as follows:

	Major Governmental Funds				
	General Fund	Housing Fund	Capital Outlay Reserve Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable					
Loans receivable	$ 1,788	$ -	$ -	$ -	$ 1,788
Prepaid items	52,100	-	-	-	52,100
Total nonspendable fund balances	53,888	-	-	-	53,888
Restricted for:					
Public information	-	-	-	429,840	429,840
Capital projects	-	-	-	2,278,363	2,278,363
Public safety	-	-	-	971,156	971,156
Affordable housing	-	4,564,340	-	-	4,564,340
Total restricted fund balances	-	4,564,340	-	3,679,359	8,243,699
Committed for:					
Economic uncertainty	10,067,700	-	-	-	10,067,700
Economic development	186,282	-	-	-	186,282
Total committed fund balances	10,253,982	-	-	-	10,253,982
Assigned for:					
Cash flow	1,500,000	-	-	-	1,500,000
Capital projects	-	-	3,210,720	-	3,210,720
Civic center	-	-	4,100,716	-	4,100,716
Total assigned fund balances	1,500,000	-	7,311,436	-	8,811,436
Unassigned	7,884,537	-	-	-	7,884,537
Total fund balances	$ 19,692,407	$ 4,564,340	$ 7,311,436	$ 3,679,359	$ 35,247,542

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 by the Successor Agency of the City for the fiscal year ended June 30, 2025, is as follows:

Governmental activities	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025	Due Within One Year
Other Long-Term Liabilities:					
Advances from the City of La Palma	$ 7,150,363	$ -	$ (600,562)	$ 6,549,801	$ -
	$ 7,150,363	$ -	$ (600,562)	$ 6,549,801	$ -

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, 2025 was $6,549,801.

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 enterprise provides 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 2024-25 share of operating costs was $141,729.

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, 2025

Fiscal Year Ended	06/30/25	06/30/24	06/30/23	06/30/22
Measurement Period	06/30/24	06/30/23	06/30/22	06/30/21
Plan's Proportion of the Net Pension Liability	0.18253%	0.17945%	0.17776%	0.15361%
Plan's Proportion Share of the Net Pension Liability	$ 8,828,499	$ 8,973,230	$ 8,317,827	$ 2,916,733
Plan's Covered Payroll	$ 2,770,224	$ 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	318.69%	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	78.04%	77.02%	78.19%	90.49%
Plan's Proportionate Share of Aggregate Employer Contributions	$ 1,197,653	$ 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, 2025

Fiscal Year Ended	06/30/25	06/30/24	06/30/23	06/30/22
Contractually Required Contribution (Actuarially Determined)	$ 1,003,355	$ 856,780	$ 879,705	$ 795,766
Contributions in Relation to the Actuarially Required Contributions	(1,003,355)	(856,780)	(879,705)	(795,766)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Covered Payroll	$ 2,842,155	$ 2,770,224	$ 2,382,233	$ 2,216,206
Contributions as a Percentage of Covered Payroll	35.30%	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, 2025

Fiscal Year Ended	06/30/25	06/30/24	06/30/23	06/30/22
Measurement Period	06/30/24	06/30/23	06/30/22	06/30/21
Plan's Proportion of the Net Pension Liability	0.19780%	0.19629%	0.19958%	0.18400%
Plan's Proportion Share of the Net Pension Liability	$ 14,421,511	$ 14,672,747	$ 13,714,413	$ 6,453,300
Plan's Covered Payroll	$ 2,412,455	$ 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	597.79%	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	72.92%	72.22%	75.53%	86.61%
Plan's Proportionate Share of Aggregate Employer Contributions	$ 1,434,433	$ 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, 2025

Fiscal Year Ended	06/30/25	06/30/24	06/30/23	06/30/22
Contractually Required Contribution (Actuarially Determined)	$ 1,576,884	$ 1,359,125	$ 1,367,156	$ 1,258,279
Contributions in Relation to the Actuarially Determined Contributions	(1,576,884)	(1,359,125)	(1,367,156)	(1,258,279)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Covered Payroll	$ 2,599,512	$ 2,412,455	$ 2,249,142	$ 2,067,409
Contributions as a Percentage of Covered Payroll	60.66%	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, 2025

Fiscal Year Ended	06/30/25	06/30/24	06/30/23	06/30/22
Measurement Period	06/30/24	06/30/23	06/30/22	06/30/21
Total OPEB Liability:				
Service Cost	$ 69,427	$ 78,560	$ 76,457	$ 84,095
Interest on Total OPEB Liability	154,003	176,149	172,385	194,165
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	(167,802)	(182,795)	(198,624)	(198,974)
Net Change in Total OPEB Liability	55,628	(352,687)	50,218	(110,914)
Total OPEB Liability - Beginning of Fiscal Year	2,478,534	2,831,221	2,781,003	2,891,917
Total OPEB Liability - End of Fiscal Year (a)	2,534,162	2,478,534	2,831,221	2,781,003
Plan Fiduciary Net Position:				
Contributions - Employer	236,902	333,679	507,627	199,781
Net Investment Income	348,607	184,296	(411,687)	631,885
Administrative Expenses	(1,931)	(1,713)	(1,530)	(1,677)
Benefit Payments, Including Refunds and the Implied Subsidy Benefit Payments	(167,802)	(182,795)	(198,624)	(198,974)
Net Change in Plan Fiduciary Net Position	415,776	333,467	(104,214)	631,015
Plan Fiduciary Net Position - Beginning of Fiscal Year	3,158,654	2,825,187	2,929,401	2,298,386
Plan Fiduciary Net Position - End of Fiscal Year (b)	3,574,430	3,158,654	2,825,187	2,929,401
Net OPEB Liability (Asset) - Ending (a) - (b)	$ (1,040,268)	$ (680,120)	$ 6,034	$ (148,398)

* Fiscal year 2018 was the first year of implementation; therefore, only eight 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, 2025

Fiscal Year Ended	06/30/21	06/30/20	06/30/19	06/30/18
Measurement Period	06/30/20	06/30/19	06/30/18	06/30/17
Total OPEB Liability:				
Service Cost	$ 81,646	$ 78,046	$ 75,773	$ 74,000
Interest on Total OPEB Liability	189,360	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	(205,562)	(201,169)	(207,829)	(198,000)
Net Change in Total OPEB Liability	65,444	81,380	48,093	53,000
Total OPEB Liability - Beginning of Fiscal Year	2,826,473	2,745,093	2,697,000	2,644,000
Total OPEB Liability - End of Fiscal Year (a)	2,891,917	2,826,473	2,745,093	2,697,000
Plan Fiduciary Net Position:				
Contributions - Employer	353,815	374,824	376,687	150,000
Net Investment Income	74,889	110,954	120,339	149,000
Administrative Expenses	(1,859)	(2,040)	(4,663)	(2,000)
Benefit Payments, Including Refunds and the Implied Subsidy Benefit Payments	(205,562)	(201,169)	(207,829)	(198,000)
Net Change in Plan Fiduciary Net Position	221,283	282,569	284,534	99,000
Plan Fiduciary Net Position - Beginning of Fiscal Year	2,077,103	1,794,534	1,510,000	1,411,000
Plan Fiduciary Net Position - End of Fiscal Year (b)	2,298,386	2,077,103	1,794,534	1,510,000
Net OPEB Liability (Asset) - Ending (a) - (b)	$ 593,531	$ 749,370	$ 950,559	$ 1,187,000

* Fiscal year 2018 was the first year of implementation; therefore, only eight 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	06/30/25	06/30/24	06/30/23	06/30/22
Measurement Period	06/30/24	06/30/23	06/30/22	06/30/21
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	141.05%	127.44%	99.79%	105.34%
Covered - Employee Payroll	$ 4,621,811	$ 4,559,070	$ 4,283,615	$ 5,215,770
Net OPEB Liability as a Percentage of Covered-Employee Payroll	-22.51%	-14.92%	0.14%	-2.85%

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 eight 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	06/30/21	06/30/20	06/30/19	06/30/18
Measurement Period	06/30/20	06/30/19	06/30/18	06/30/17
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	79.48%	73.49%	65.37%	55.99%
Covered - Employee Payroll	$ 4,823,377	$ 4,892,914	$ 4,536,000	$ 4,482,000
Net OPEB Liability as a Percentage of Covered-Employee Payroll	12.31%	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.

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

City of La Palma
Schedule of Plan Contributions - Other Postemployment Benefit Plan
Last Ten Years*
Fiscal Year Ended June 30, 2025

Fiscal Year Ended	06/30/25	06/30/24	06/30/23	06/30/22
Actuarially Determined Contribution	$ 1,844	$ 68,202	$ 66,360	$ 156,409
Contributions in Relation to the Actuarially Determined Contributions	(159,812)	(236,902)	(333,679)	(507,627)
Contribution Deficiency (Excess)	$ (157,968)	$ (168,700)	$ (267,319)	$ (351,218)
Covered - Employee Payroll	$ 6,394,224	$ 4,621,811	$ 4,559,070	$ 4,283,615
Contributions as a Percentage of Covered-employee Payroll	2.50%	5.13%	7.32%	11.85%
Notes to Schedule:				
Valuation Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020
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	13 Years	14 Years	17 Years
Asset Valuation Method	(2)	(2)	(2)	(2)
Discount Rate	6.25%	6.25%	6.25%	6.75%
Inflation	2.50%	2.50%	2.50%	2.75%
Medical Trend - c				
Non-Medicare	8.50% - 3.45%	6.50% - 3.75%	6.50% - 3.75%	7.25% - 4.0%
Medicare	7.50% - 3.75%	5.65% - 3.75%	4.6% - 3.75%	6.3% - 4.0%
Mortality	f	f	f	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 eight years are shown.

City of La Palma
Schedule of Plan Contributions - Other Postemployment Benefit Plan (Continued)
Last Ten Years*
Fiscal Year Ended June 30, 2025

Fiscal Year Ended	06/30/21	06/30/20	06/30/19	06/30/18
Actuarially Determined Contribution	$ 151,843	$ 147,412	$ 116,000	$ 167,000
Contributions in Relation to the Actuarially Determined Contributions	(351,624)	(358,815)	(374,824)	(376,687)
Contribution Deficiency (Excess)	$ (199,781)	$ (211,403)	$ (258,824)	$ (209,687)
Covered - Employee Payroll	$ 5,215,770	$ 4,823,377	$ 4,892,914	$ 4,536,000
Contributions as a Percentage of Covered-employee Payroll	6.74%	7.44%	7.66%	8.30%
Notes to Schedule:				
Valuation Date	6/30/2019	6/30/2018	6/30/2017	6/30/2016
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	17 Years	17 Years	18 Years	19 Years
Asset Valuation Method	(2)	(2)	(2)	(2)
Discount Rate	6.75%	6.75%	6.75%	6.75%
Inflation	2.75%	2.75%	2.75%	2.75%
Medical Trend - c				
Non-Medicare	7.25% - 4.0%	7.25% - 4.0%	7.5% - 4.0%	7.5% - 4.0%
Medicare	6.3% - 4.0%	6.3% - 4.0%	6.5% - 4.0%	6.5% - 4.0%
Mortality	e	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, 2025

	Budgeted amounts			Variance With Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 11,405,100	$ 11,405,100	$ 12,153,694	$ 748,594
Intergovernmental	15,000	103,000	40,200	(62,800)
Licenses and permits	438,500	438,500	568,881	130,381
Fines and forfeitures	100,100	100,100	75,407	(24,693)
Investment income	192,000	192,000	1,185,883	993,883
Charges for services	554,400	588,400	600,668	12,268
Rental income	730,200	586,700	579,042	(7,658)
Miscellaneous	32,000	32,000	94,128	62,128
Total revenues	13,467,300	13,445,800	15,297,903	1,852,103
Expenditures:				
Current:				
General government	4,817,135	4,874,135	4,697,142	176,993
Public safety	6,134,600	6,169,500	5,674,464	495,036
Public works	1,194,700	1,194,700	1,079,407	115,293
Recreation	1,310,500	1,322,200	1,219,626	102,574
Community development	668,000	668,000	546,925	121,075
Capital outlay	11,000	99,000	76,354	22,646
Debt service				
Principal	117,005	117,005	117,005	-
Interest and fiscal charges	10,660	10,660	10,660	-
Total expenditures	14,263,600	14,455,200	13,421,583	1,033,617
Excess (deficiency) of revenues over (under) expenditures	(796,300)	(1,009,400)	1,876,320	2,885,720
Other financing sources (uses):				
Transfers in	783,000	783,000	782,900	(100)
Transfers out	(400,000)	(400,000)	(1,400,000)	(1,000,000)
Total other financing sources (uses)	383,000	383,000	(617,100)	(1,000,100)
Net change in fund balance	(413,300)	(626,400)	1,259,220	1,885,620
Fund balance - beginning of fiscal year	18,433,187	18,433,187	18,433,187	-
Fund balance - end of fiscal year	$ 18,019,887	$ 17,806,787	$ 19,692,407	$ 1,885,620

See notes to Required Supplemetary Information

CITY OF LA PALMA
Budgetary Comparison Schedule
Housing Special Revenue Fund
Fiscal Year Ended June 30, 2025

	Budgeted amounts			Variance With Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Investment income	$ 63,000	$ 63,000	$ 257,659	$ 194,659
Miscellaneous	500	500	-	(500)
Total revenues	63,500	63,500	257,659	194,159
Expenditures:				
Current:				
Community development	355,700	355,700	433,782	(78,082)
Total expenditures	355,700	355,700	433,782	(78,082)
Net change in fund balance	(292,200)	(292,200)	(176,123)	116,077
Fund balance - beginning of fiscal year	4,740,463	4,740,463	4,740,463	-
Fund balance - end of fiscal year	$ 4,448,263	$ 4,448,263	$ 4,564,340	$ 116,077

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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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, 2025

	Special Revenue Funds					
	Streets	**Measure M**	**Park Development**	**Air Quality Improvement**	**Supplemental Law Enforcement Service**	**Public Safety Augmentation**
Assets:						
Cash and investments	$ 283,534	$ 241,412	$ 5	$ 303,931	$ 400,957	$ 389,863
Accounts receivable	2,008	-	-	-	-	-
Due from other governments	37,710	58,518	-	5,246	-	18,236
Total assets	$ 323,252	$ 299,930	$ 5	$ 309,177	$ 400,957	$ 408,099
Liabilities and fund balances						
Liabilities:						
Accounts payable	$ 33,362	$ 7,690	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	55,958	-	-	-	-
Total liabilities	33,362	63,648	-	-	-	-
Fund balances:						
Restricted	289,890	236,282	5	309,177	400,957	408,099
Total fund balances	289,890	236,282	5	309,177	400,957	408,099
Total liabilities and fund balances	$ 323,252	$ 299,930	$ 5	$ 309,177	$ 400,957	$ 408,099

Abandoned Vehicle	Asset Seizure	PEG	BSCC Local Law Enforcement Grant	Road Maintenance and Rehabilitation Account	North OC Public Safety Task Force Grant	Total
		Special Revenue Funds				
$ 30,562	$ 28,061	$ 425,497	$ 53,894	$ 1,388,844	$ -	$ 3,546,560
-	-	4,343	-	-	-	6,351
-	-	-	-	74,889	74,633	269,232
$ 30,562	$ 28,061	$ 429,840	$ 53,894	$ 1,463,733	$ 74,633	$ 3,822,143
$ -	$ 3,321	$ -	$ -	$ 20,724	$ -	$ 65,097
-	-	-	-	-	21,729	21,729
-	-	-	-	-	-	55,958
-	3,321	-	-	20,724	21,729	142,784
30,562	24,740	429,840	53,894	1,443,009	52,904	3,679,359
30,562	24,740	429,840	53,894	1,443,009	52,904	3,679,359
$ 30,562	$ 28,061	$ 429,840	$ 53,894	$ 1,463,733	$ 74,633	$ 3,822,143

CITY OF LA PALMA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended June 30, 2025

	Special Revenue Funds					
	Streets	Measure M	Park Development	Air Quality Improvement	Supplemental Law Enforcement Service	Public Safety Augmentation
Revenues:						
Intergovernmental	$ 445,064	$ 637,493	$ -	$ 20,089	$ 194,663	$ 237,346
Investment income	13,900	48,774	-	14,279	19,574	18,940
Miscellaneous	-	-	-	-	-	-
Total revenues	458,964	686,267	-	34,368	214,237	256,286
Expenditures:						
Current:						
Public safety	-	-	-	-	138,900	232,447
Public works	422,721	-	-	-	-	-
Capital outlay	-	1,069,853	-	-	-	-
Total expenditures	422,721	1,069,853	-	-	138,900	232,447
Excess (deficiency) of revenues over (under) expenditures	36,243	(383,586)	-	34,368	75,337	23,839
Net change in fund balances	36,243	(383,586)	-	34,368	75,337	23,839
Fund balances - beginning of fiscal year	253,647	619,868	5	274,809	325,620	384,260
Fund balances - end of fiscal year	$ 289,890	$ 236,282	$ 5	$ 309,177	$ 400,957	$ 408,099

Special Revenue Funds						
Abandoned Vehicles	Asset Seizure	PEG	BSCC Local Law Enforcement Grant	Road Maintenance and Rehabilitation Account	North OC Public Safety Task Force Grant	Total
$ -	$ -	$ -	$ -	$ 424,973	$ 218,034	$ 2,177,662
1,476	1,475	20,244	2,603	77,343	316	218,924
-	-	22,951	-	-	-	22,951
1,476	1,475	43,195	2,603	502,316	218,350	2,419,537
-	14,603	-	-	-	165,446	551,396
-	-	-	-	-	-	422,721
-	-	-	-	373,459	-	1,443,312
-	14,603	-	-	373,459	165,446	2,417,429
1,476	(13,128)	43,195	2,603	128,857	52,904	2,108
1,476	(13,128)	43,195	2,603	128,857	52,904	2,108
29,086	37,868	386,645	51,291	1,314,152	-	3,677,251
$ 30,562	$ 24,740	$ 429,840	$ 53,894	$ 1,443,009	$ 52,904	$ 3,679,359

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, 2025

	Budgeted Amounts			Variance With Final Budget - Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Intergovernmental	$ 437,100	$ 437,100	$ 445,064	$ 7,964
Investment income	1,000	1,000	13,900	12,900
Total revenues	438,100	438,100	458,964	20,864
Expenditures:				
Current:				
Public works	437,600	437,600	422,721	14,879
Capital Outlay	150,000	150,000	-	150,000
Total expenditures	587,600	587,600	422,721	164,879
Net change in fund balance	(149,500)	(149,500)	36,243	185,743
Fund balances - beginning of fiscal year	253,647	253,647	253,647	-
Fund balance - end of fiscal year	$ 104,147	$ 104,147	$ 289,890	$ 185,743

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, 2025

	Budgeted Amounts			Variance With Final Budget - Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Intergovernmental	$ 973,200	$ 940,000	$ 637,493	$ (302,507)
Investment income	5,000	5,000	48,774	43,774
Total revenues	978,200	945,000	686,267	(258,733)
Expenditures:				
Capital outlay	1,557,000	1,557,000	1,069,853	487,147
Total expenditures	1,557,000	1,557,000	1,069,853	487,147
Net change in fund balance	(578,800)	(612,000)	(383,586)	228,414
Fund balance - beginning of fiscal year	619,868	619,868	619,868	-
Fund balance - end of fiscal year	$ 41,068	$ 7,868	$ 236,282	$ 228,414

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, 2025

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

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, 2025

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	$ 20,000	$ 20,000	$ 20,089	$ 89
Investment income	2,000	2,000	14,279	12,279
Total revenues	22,000	22,000	34,368	12,368
Expenditures:				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	22,000	22,000	34,368	12,368
Fund balance - beginning of fiscal year	274,809	274,809	274,809	-
Fund balance - end of fiscal year	$ 296,809	$ 296,809	$ 309,177	$ 12,368

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, 2025

	Budgeted Amounts			Variance With Final Budget - Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Intergovernmental	$ 164,500	$ 164,500	$ 194,663	$ 30,163
Investment income	3,000	3,000	19,574	16,574
Total revenues	167,500	167,500	214,237	46,737
Expenditures:				
Current:				
Public safety	202,200	202,200	138,900	63,300
Total expenditures	202,200	202,200	138,900	63,300
Net change in fund balance	(34,700)	(34,700)	75,337	110,037
Fund balance - beginning of fiscal year	325,620	325,620	325,620	-
Fund balance - end of fiscal year	$ 290,920	$ 290,920	$ 400,957	$ 110,037

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, 2025

	Budgeted Amounts			Variance With Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Intergovernmental	$ 239,200	$ 239,200	$ 237,346	$ (1,854)
Investment income	3,000	3,000	18,940	15,940
Total revenues	242,200	242,200	256,286	14,086
Expenditures:				
Current:				
Public safety	233,600	233,600	232,447	1,153
Total expenditures	233,600	233,600	232,447	1,153
Net change in fund balance	8,600	8,600	23,839	15,239
Fund balance - beginning of fiscal year	384,260	384,260	384,260	-
Fund balance - end of fiscal year	$ 392,860	$ 392,860	$ 408,099	$ 15,239

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, 2025

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Investment income	$ 300	$ 300	$ 1,476	$ 1,176
Net change in fund balance	300	300	1,476	1,176
Fund balance - beginning of fiscal year	29,086	29,086	29,086	-
Fund balance - end of fiscal year	$ 29,386	$ 29,386	$ 30,562	$ 1,176

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, 2025

	Budgeted Amounts			Variance With Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Investment income	$ -	$ -	$ 1,475	$ 1,475
Total revenues	-	-	1,475	1,475
Expenditures:				
Current:				
Public safety	27,500	27,500	14,603	12,897
Total expenditures	27,500	27,500	14,603	12,897
Net change in fund balance	(27,500)	(27,500)	(13,128)	14,372
Fund balance - beginning of fiscal year	37,868	37,868	37,868	-
Fund balance - end of fiscal year	$ 10,368	$ 10,368	$ 24,740	$ 14,372

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, 2025

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	**Final**	**Actual**	
Revenues:				
Investment income	$ 4,000	$ 4,000	$ 20,244	$ 16,244
Miscellaneous	25,000	25,000	22,951	(2,049)
Total revenues	29,000	29,000	43,195	14,195
Expenditures:				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	29,000	29,000	43,195	14,195
Fund balance - beginning of fiscal year	386,645	386,645	386,645	-
Fund balance - end of fiscal year	$ 415,645	$ 415,645	$ 429,840	$ 14,195

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, 2025

	Budgeted Amounts			Variance With Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Investment income	$ 100	$ 100	$ 2,603	$ 2,503
Total revenues	100	100	2,603	2,503
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)	2,603	15,003
Fund balance - beginning of fiscal year	51,291	51,291	51,291	-
Fund balance - end of fiscal year	$ 38,891	$ 38,891	$ 53,894	$ 15,003

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, 2025

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	$ 398,800	$ 398,800	$ 424,973	$ 26,173
Investment income	8,000	8,000	77,343	69,343
Total revenues	406,800	406,800	502,316	95,516
Expenditures:				
Capital outlay	1,313,000	1,313,000	373,459	939,541
Total expenditures	1,313,000	1,313,000	373,459	939,541
Net change in fund balance	(906,200)	(906,200)	128,857	1,035,057
Fund balance - beginning of fiscal year	1,314,152	1,314,152	1,314,152	-
Fund balance - end of fiscal year	$ 407,952	$ 407,952	$ 1,443,009	$ 1,035,057

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, 2025

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	**Final**	**Actual**	
Revenues:				
Intergovernmental	$ 180,000	$ 180,000	$ 218,034	$ 38,034
Investment income	1,000	1,000	316	(684)
Total Revenues	181,000	181,000	218,350	37,350
Expenditures:				
Current:				
Public safety	168,900	168,900	165,446	3,454
Total expenditures	168,900	168,900	165,446	3,454
Net change in fund balance	12,100	12,100	52,904	40,804
Fund balance - beginning of fiscal year	-	-	-	-
Fund balance - end of fiscal year	$ 12,100	$ 12,100	$ 52,904	$ 40,804

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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, 2025

	Risk Management	Employee Benefits	Facilities Maintenance
Assets:			
Current assets:			
Cash and cash equivalents	$ 1,283,816	$ 341,856	$ 60,399
Total current assets	1,283,816	341,856	60,399
Noncurrent assets:			
Capital assets:			
Capital assets being depreciated, net of accumulated depreciation	-	-	-
Total noncurrent assets	-	-	-
Total assets	$ 1,283,816	$ 341,856	$ 60,399
Liabilities:			
Current liabilities:			
Accounts payable	$ -	$ -	$ -
Enterprise leases payable	-	-	-
Total current liabilities	-	-	-
Noncurrent liabilities:			
Enterprise leases payable	-	-	-
Total noncurrent liabilities	-	-	-
Total liabilities	-	-	-
Net position:			
Net investment in capital assets	-	-	-
Unrestricted	1,283,816	341,856	60,399
Total net position	1,283,816	341,856	60,399
Total liabilities and net position	$ 1,283,816	$ 341,856	$ 60,399

Vehicle Replacement	Technology Replacement	Total
$ 2,178,659	$ 1,241,314	$ 5,106,044
2,178,659	1,241,314	5,106,044
719,607	59,731	779,338
719,607	59,731	779,338
$ 2,898,266	$ 1,301,045	$ 5,885,382
$ 8,272	$ 5,004	$ 13,276
63,132	-	63,132
71,404	5,004	76,408
226,002	-	226,002
226,002	-	226,002
297,406	5,004	302,410
430,473	59,731	490,204
2,170,387	1,236,310	5,092,768
2,600,860	1,296,041	5,582,972
$ 2,898,266	$ 1,301,045	$ 5,885,382

CITY OF LA PALMA
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
Fiscal Year Ended June 30, 2025

	Risk Management	Employee Benefits	Facilities Maintenance
Operating revenues			
Charges for services	$ 896,600	$ -	$ -
Miscellaneous	-	-	-
Total operating revenues	896,600	-	-
Operating expenses			
Maintenance and operations	-	-	-
Depreciation	-	-	-
Settlement, claims, and insurance	889,148	-	-
Total operating expenses	889,148	-	-
Operating income (loss)	7,452	-	-
Nonoperating revenues (expenses)			
Investment income	47,435	16,511	2,916
Loss on disposal of capital assets	-	-	-
Total nonoperating revenues	47,435	16,511	2,916
Changes in net position	54,887	16,511	2,916
Total net position - beginning of fiscal year	1,228,929	325,345	57,483
Total net position - end of fiscal year	$ 1,283,816	$ 341,856	$ 60,399

	Vehicle Replacement	Technology Replacement	Total
	$ 387,000	$ 199,999	$ 1,483,599
	56,364	-	56,364
	443,364	199,999	1,539,963
	49,087	133,502	182,589
	136,618	12,784	149,402
	-	-	889,148
	185,705	146,286	1,221,139
	257,659	53,713	318,824
	104,500	59,692	231,054
	-	(1,043)	(1,043)
	104,500	58,649	230,011
	362,159	112,362	548,835
	2,238,701	1,183,679	5,034,137
	$ 2,600,860	$ 1,296,041	$ 5,582,972

CITY OF LA PALMA
Combining Statement of Cash Flows
Internal Service Funds
Fiscal Year Ended June 30, 2025

	Risk Management	Employee Benefits	Facilities Maintenance
Cash flows from operating activities			
Cash received from internal users	$ 896,600	$ -	$ -
Cash payments to suppliers for goods and services	(891,534)	-	-
Miscellaneous receipts	-	-	-
Net cash provided (used) by operating activities	5,066	-	-
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	47,435	16,511	2,916
Net cash provided by investing activities	47,435	16,511	2,916
Net increase in cash and cash equivalents	52,501	16,511	2,916
Cash and equivalents - beginning of fiscal year	1,231,315	325,345	57,483
Cash and cash equivalents - end of fiscal year	$ 1,283,816	$ 341,856	$ 60,399
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	$ 7,452	$ -	$ -
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	-	-	-
Increase (decrease) in operating liabilities:			
Accounts payable	(2,386)	-	-
Total adjustments	(2,386)	-	-
Net cash provided (used) by operating activities	$ 5,066	$ -	$ -
Non-cash transactions			
Loss on disposal of capital assets	$ -	$ -	$ -

Vehicle Replacement		Technology Replacement		Total
$	387,000	$ 199,999	$	1,483,599
	(47,563)	(130,725)		(1,069,822)
	56,364	-		56,364
	395,801	69,274		470,141
	68,683	-		68,683
	(54,999)	-		(54,999)
	(268,462)	(49,458)		(317,920)
	(254,778)	(49,458)		(304,236)
	104,500	59,692		231,054
	104,500	59,692		231,054
	245,523	79,508		396,959
	1,933,136	1,161,806		4,709,085
$	2,178,659	$ 1,241,314	$	5,106,044
$	257,659	$ 53,713	$	318,824
	136,618	12,784		149,402
	1,524	2,777		1,915
	138,142	15,561		151,317
$	395,801	$ 69,274	$	470,141
$	-	$ (1,043)	$	(1,043)

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STATISTICAL SECTION

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CITY OF LA PALMA
OVERVIEW OF THE STATISTICAL SECTION
JUNE 30, 2025

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
(Accrual Basis of Accounting)

	Fiscal year				
	2025	2024	2023	2022	2021
Governmental activities					
Net investment in capital assets	$ 22,725,647	$ 19,906,510	$ 19,821,435	$ 19,275,340	$ 19,560,150
Restricted	9,963,195	9,796,429	9,093,160	7,636,318	7,383,488
Unrestricted	19,235,701	18,623,110	17,188,372	16,896,171	11,448,218
Total governmental activities	$ 51,924,543	$ 48,326,049	$ 46,102,967	$ 43,807,829	$ 38,391,856
Business-type activities					
Net investment in capital assets	$ 5,027,802	$ 4,990,438	$ 4,654,318	$ 4,983,901	$ 4,852,155
Restricted	$ 115,470	$ 75,493	$ 47,173	$ -	$ -
Unrestricted	8,304,516	8,355,644	9,088,302	9,321,436	9,701,087
Total business-type activities	$ 13,447,788	$ 13,421,575	$ 13,789,793	$ 14,305,337	$ 14,553,242
Primary government					
Net investment in capital assets	$ 27,753,449	$ 24,896,948	$ 24,475,753	$ 24,259,241	$ 24,412,305
Restricted	10,078,665	9,871,922	9,140,333	7,636,318	7,383,488
Unrestricted	27,540,217	26,978,754	26,276,674	26,217,607	21,149,305
Total primary government	$ 65,372,331	$ 61,747,624	$ 59,892,760	$ 58,113,166	$ 52,945,098

Source: City of La Palma Finance Department

Fiscal year				
2020	2019	2018	2017	2016
$ 18,421,608	$ 18,570,542	$ 18,835,137	$ 17,263,715	$ 18,144,119
8,196,168	6,246,416	1,813,446	1,434,947	1,522,074
10,202,124	9,422,851	7,672,517	9,051,807	9,193,830
$ 36,819,900	$ 34,239,809	$ 28,321,100	$ 27,750,469	$ 28,860,023
$ 5,197,335	$ 5,416,763	$ 5,540,929	$ 5,946,985	$ 6,322,101
$ -	$ -	$ -	$ -	$ -
9,054,853	8,513,685	8,271,049	7,937,380	8,429,008
$ 14,252,188	$ 13,930,448	$ 13,811,978	$ 13,884,365	$ 14,751,109
$ 23,618,943	$ 23,987,305	$ 24,376,066	$ 23,210,700	$ 24,466,220
8,196,168	6,246,416	1,813,446	1,434,947	1,522,074
19,256,977	17,936,536	15,943,566	16,989,187	17,622,838
$ 51,072,088	$ 48,170,257	$ 42,133,078	$ 41,634,834	$ 43,611,132

CITY OF LA PALMA
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year				
	2025	2024	2023	2022	2021
Expenses:					
Governmental activities:					
General government	$ 5,514,232	$ 4,830,621	$ 4,593,055	$ 3,672,474	$ 5,186,198
Public safety	6,959,141	6,622,915	5,654,582	4,031,132	5,305,101
Public works	2,491,980	2,655,690	2,502,582	2,115,815	2,770,258
Recreation	1,590,068	1,544,570	1,413,544	890,265	1,007,607
Community development	1,087,684	1,054,337	866,161	641,152	1,295,438
Interest on long-term debt	10,660	6,201	-	4,284	-
Total governmental activities	17,653,765	16,714,334	15,029,924	11,355,122	15,564,602
Business-type activities:					
Water	3,525,903	3,266,366	3,089,164	3,136,213	3,052,955
Sewer	469,399	632,357	352,626	393,659	456,844
Total business-type activities	3,995,302	3,898,723	3,441,790	3,529,872	3,509,799
Total primary government expenses	21,649,067	20,613,057	18,471,714	14,884,994	19,074,401
Program revenues:					
Governmental activities:					
Charges for services:					
General government	345,716	24,631	63,821	139,738	240,633
Public safety	15,745	264,549	228,797	235,121	77,579
Public works	66,202	91,071	169,109	69,679	21,018
Recreation	356,866	293,653	395,518	354,726	64,369
Community development	460,429	402,157	509,469	305,025	301,826
Operating grants and contributions	1,792,889	1,568,723	1,359,762	3,288,555	3,818,909
Capital grants and contributions	2,259,936	402,162	637,493	341,050	600,589
Total governmental activities	5,297,783	3,046,946	3,363,969	4,733,894	5,124,923
Business-type activities:					
Charges for services:					
Water	3,797,228	3,387,972	3,300,306	3,525,225	3,610,009
Sewer	574,173	562,916	546,560	597,106	638,001
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities	4,371,401	3,950,888	3,846,866	4,122,331	4,248,010
Total primary government program revenues	9,669,184	6,997,834	7,210,835	8,856,225	9,372,933

Source: City of La Palma Finance Department

Fiscal Year				
2020	2019	2018	2017	2016
$ 5,160,027	$ 4,207,716	$ 4,593,316	$ 4,701,496	$ 2,767,437
5,206,824	5,161,678	4,773,427	4,354,431	4,794,910
1,876,023	2,313,356	2,069,594	3,334,559	1,757,806
1,106,288	1,284,377	1,205,139	1,167,249	1,267,799
683,314	577,308	631,853	683,872	684,085
-	126,779	-	-	-
14,032,476	13,671,214	13,273,329	14,241,607	11,272,037
3,009,191	2,817,376	2,607,440	2,851,600	2,499,269
501,119	336,628	137,736	487,771	494,741
3,510,310	3,154,004	2,745,176	3,339,371	2,994,010
17,542,786	16,825,218	16,018,505	17,580,978	14,266,047
232,254	236,459	227,005	233,455	236,341
90,546	90,587	100,250	104,188	156,106
18,067	26,640	23,196	38,271	84,200
214,343	352,048	371,470	351,705	388,129
301,979	239,166	212,926	444,223	257,717
1,770,316	1,487,731	1,406,794	1,351,153	1,109,238
296,210	563,718	478,190	865,150	-
2,923,715	2,996,349	2,819,831	3,388,145	2,231,731
3,380,625	3,087,184	3,005,364	2,720,115	2,422,653
549,006	440,879	353,046	272,544	204,800
-	-	-	-	-
-	-	-	-	-
3,929,631	3,528,063	3,358,410	2,992,659	2,627,453
6,853,346	6,524,412	6,178,241	6,380,804	4,859,184

CITY OF LA PALMA
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting) (Continued)

	Fiscal Year 2025	2024	2023	2022	2021
Net revenues (expenses):					
Governmental activities	$ (12,355,982)	$ (13,667,388)	$ (11,665,955)	$ (6,621,228)	$ (10,439,679)
Business-type activities	376,099	52,165	405,076	592,459	738,211
Total primary government net revenues (expenses)	(11,979,883)	(13,615,223)	(11,260,879)	(6,028,769)	(9,701,468)
General revenues and other changes in net assets:					
Governmental activities:					
Taxes:					
Property Tax	$ 5,290,259	$ 5,070,169	$ 4,862,955	$ 4,626,399	$ 4,377,315
Sales Tax	4,424,726	4,736,950	4,064,012	4,635,157	3,983,660
Utility Users' Tax	1,281,102	1,183,337	1,293,029	1,037,550	957,702
Franchise Tax	483,645	524,795	448,751	428,401	397,503
Transient Occupancy Tax	673,963	646,108	510,704	392,423	160,948
Intergovernmental - unrestricted	-	-	-	-	-
Investment income	2,134,142	1,998,836	632,232	(585,796)	934,885
Other general revenues	883,739	942,928	1,108,335	843,667	553,022
Gain (Loss) on asset disposal	-	-	-	-	-
Transfers	782,900	787,347	1,041,075	659,400	646,600
Contributions from Successor Agency			-	-	-
Extraordinary Gain (Loss)			-	-	-
Total governmental activities	15,954,476	15,890,470	13,961,093	12,037,201	12,011,635
Business-type activities:					
Investment income	432,973	366,964	120,455	(180,964)	209,443
Other general revenues	41		-	-	-
Transfers	(782,900)	(787,347)	(1,041,075)	(659,400)	(646,600)
Extraordinary Gain (Loss)	-	-	-	-	-
Total business-type activities	(349,886)	(420,383)	(920,620)	(840,364)	(437,157)
Total primary government general revenues and other changes in net assets	15,604,590	15,470,087	13,040,473	11,196,837	11,574,478
Changes in net position:					
Governmental activities	3,598,494	2,223,082	2,295,138	5,415,973	1,571,956
Business-type activities	26,213	(368,218)	(515,544)	(247,905)	301,054
Total primary government changes in net position	$ 3,624,707	$ 1,854,864	$ 1,779,594	$ 5,168,068	$ 1,873,010

Source: City of La Palma Finance Department

Fiscal Year				
2020	2019	2018	2017	2016
$ (11,108,761)	$ (10,578,086)	$ (10,453,498)	$ (10,853,462)	$ (9,040,306)
419,321	374,059	613,234	(346,712)	(366,557)
(10,689,440)	(10,204,027)	(9,840,264)	(11,200,174)	(9,406,863)
$ 4,248,987	$ 4,019,824	$ 3,879,065	$ 3,828,141	$ 3,566,153
3,382,369	4,198,742	4,456,828	3,402,360	2,341,421
918,256	951,388	992,221	1,024,147	1,078,903
417,835	437,747	377,450	379,625	394,345
297,709	398,343	391,991	377,595	390,823
-	-	-	-	-
1,046,459	902,426	194,162	172,803	325,062
489,925	482,085	454,119	384,997	645,702
-	-	-	-	-
852,658	587,700	587,700	567,190	587,700
-	-	-	-	-
-	-	-	-	-
11,654,198	11,978,255	11,333,536	10,136,858	9,330,109
326,853	267,593	22,401	31,027	114,352
30,856	1,228	-	16,131	5,286
(852,658)	(587,700)	(587,700)	(567,190)	(587,700)
-	-	-	-	-
(494,949)	(318,879)	(565,299)	(520,032)	(468,062)
11,159,249	11,659,376	10,768,237	9,616,826	8,862,047
545,437	1,400,169	880,038	(716,604)	289,803
(75,628)	55,180	47,935	(866,744)	(834,619)
$ 469,809	$ 1,455,349	$ 927,973	$ (1,583,348)	$ (544,816)

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

	Fiscal Year				
	2025	2024	2023	2022	2021
General Fund:					
Nonspendable	$ 53,888	$ 47,565	$ 24,873	$ 17,151	$ 32,012
Committed	10,253,982	7,953,982	7,954,834	6,248,205	6,155,769
Assigned	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Unassigned	7,884,537	8,931,640	6,083,172	6,230,765	3,325,005
Total General Fund	$ 19,692,407	$ 18,433,187	$ 15,562,879	$ 13,996,121	$ 11,012,786
All other governmental funds:					
Nonspendable	$ -	$ -		$ -	$ -
Restricted	8,243,699	8,417,714	7,967,504	7,571,047	7,383,488
Assigned	7,311,436	8,091,712	8,715,089	8,647,192	9,221,379
Unassigned	-	-	-	-	-
Total all other governmental funds	$ 15,555,135	$ 16,509,426	$ 16,682,593	$ 16,218,239	$ 16,604,867

Source: City of La Palma Finance Department

Fiscal Year				
2020	2019	2018	2017	2016
$ 52,310	$ 735,699	$ 823,266	$ 868,516	$ 945,685
6,117,468	5,669,364	5,301,863	5,213,714	10,228,814
1,500,000	250,000	250,000	250,000	250,000
1,488,985	3,355,285	2,097,144	4,894,542	988,583
$ 9,158,763	$ 10,010,348	$ 8,472,273	$ 11,226,772	$ 12,413,082
$ -	$ -	$ -	$ -	$ -
7,581,049	5,836,999	1,796,825	1,412,516	1,522,074
10,288,908	6,661,163	6,381,098	6,008,589	6,535,427
-	-	-	-	-
$ 17,869,957	$ 12,498,162	$ 8,177,923	$ 7,421,105	$ 8,057,501

CITY OF LA PALMA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2025	2024	2023	2022
Revenues:				
Taxes	$ 12,153,694	$ 12,142,109	$ 11,163,477	$ 11,101,945
Intergovernmental	2,217,862	1,792,899	2,214,441	3,784,738
Licenses and permits	568,881	518,965	464,984	392,109
Fines and forfeitures	75,407	142,148	161,878	101,574
Investment income	1,903,088	1,704,603	1,015,295	(613,117)
Charges for services	600,668	571,328	682,444	467,026
Rental income	579,042	570,000	547,338	505,630
Developer contributions	-	-	-	-
Miscellaneous	304,700	166,157	380,286	92,327
Total revenues	18,403,342	17,608,209	16,630,143	15,832,232
Expenditures:				
Current:				
General government	4,697,142	4,295,286	4,267,663	3,563,834
Public safety	6,225,860	5,759,423	5,693,502	5,507,510
Public works	1,502,128	1,461,190	1,485,991	1,559,430
Recreation	1,219,626	1,251,784	1,210,297	1,103,534
Community development	980,707	979,352	855,273	768,455
Capital outlay	4,128,185	2,163,447	2,127,380	1,392,162
Debt service:				
Principal	117,005	131,033	-	-
Interest	10,660	6,201	-	-
Total expenditures	18,881,313	16,047,716	15,640,106	13,894,925
Excess (deficiency) of revenues over (under) expenditures	(477,971)	1,560,493	990,037	1,937,307
Other financing sources (uses):				
Proceeds from debt issuance		349,301		
Transfers in	2,182,900	1,216,719	1,461,010	1,059,400
Transfers out	(1,400,000)	(429,372)	(419,935)	(400,000)
Total other financing sources (uses)	782,900	1,136,648	1,041,075	659,400
Net change in fund balances	$ 304,929	$ 2,697,141	$ 2,031,112	$ 2,596,707
Debt service as a percentage of noncapital expenditures	0.7%	0.9%	0.0%	0.0%

Source: City of La Palma Finance Department

2021	2020	2019	2018	2017	2016
	Fiscal Year				
$ 9,877,128	$ 9,265,156	$ 10,013,699	$ 10,105,969	$ 9,019,061	$ 7,771,645
4,242,282	1,687,759	1,704,439	1,580,135	1,870,109	1,019,793
407,482	410,233	366,063	340,730	492,885	373,165
73,819	91,382	83,110	92,271	94,945	148,689
163,876	904,257	737,327	191,762	170,351	346,903
224,124	355,616	495,742	501,869	584,070	607,852
482,788	428,492	453,990	313,674	223,946	221,162
-	-	-	-	55,380	-
244,078	368,782	320,303	439,584	446,264	500,684
15,715,577	13,511,677	14,174,673	13,565,994	12,957,011	10,989,893
3,871,663	3,610,483	3,573,688	6,107,362	5,821,722	2,908,327
5,331,743	5,356,176	5,113,435	4,661,073	4,528,390	4,554,392
1,363,484	1,151,060	1,842,876	1,468,497	1,778,180	1,058,134
851,738	971,741	1,115,168	1,007,642	994,227	1,060,438
1,298,461	693,807	578,632	632,501	699,040	674,607
3,056,155	936,431	346,738	2,274,300	1,545,858	445,185
-	-	-	-	-	-
-	-	126,779	-	-	-
15,773,244	12,719,698	12,697,316	16,151,375	15,367,417	10,701,083
(57,667)	791,979	1,477,357	(2,585,381)	(2,410,406)	288,810
1,696,600	5,659,938	1,009,932	1,490,318	960,022	1,615,182
(1,050,000)	(2,325,938)	(422,232)	(902,618)	(372,322)	(609,000)
646,600	3,334,000	587,700	587,700	587,700	1,006,182
$ 588,933	$ 4,125,979	$ 2,065,057	$ (1,997,681)	$ (1,822,706)	$ 1,294,992
0.0%	0.0%	1.0%	0.0%	0.0%	0.0%

CITY OF LA PALMA
Net Taxable Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Secured Value	Public Utility	Unsecured Value	Total Assessed Value	Direct Rate
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%
2025	2,661,717,901	333,234	96,631,104	2,758,682,239	0.12354%

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 2024-25 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

		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)
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%
2025	1.00000	0.03256	0.03198	0.04994	0.02890	0.02451	0.00700	0.01735	1.19224	0.1235%

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 Nine Years Ago

	2025			2016		
Property Owner's Name	Assessed Value	Rank	Percentage of Net AV	Assessed Value	Rank	Percentage of Net AV
73 LPCP6 Owner LLC	$ 106,240,213	1	3.85%			
Casa La Veta Associates	33,531,236	2	1.22%			
ADP Inc	27,281,645	3	0.99%	$ 20,543,218	5	1.08%
Falcon SoCal LLC	26,662,846	4	0.97%			
JKL La Palma Holdings LLC	25,328,601	5	0.92%			
Ray Family Partnership	25,187,507	6	0.91%			
Aishan La Palma LLC	24,804,662	7	0.90%			
Precision Cutting Tools	15,473,318	8	0.56%			
5701 Fresca Drive LLC	15,429,340	9	0.56%			
Rexford Industrial 5593 Fresca LLC	15,311,043	10	0.56%			
Realty Associates Fund IX				89,625,504	1	4.71%
Kaiser Foundation Health Plan Inc				30,631,057	2	1.61%
Prime Healthcare La Palma LLC				30,496,604	3	1.60%
La Palma Paper				21,496,161	4	1.13%
Bre LQ Properties LLC				20,040,966	6	1.01%
Dexus SoCal LLC				19,213,181	7	1.01%
Huntington-Humboldt				14,634,427	8	0.77%
AL US LaPalma II Senior Hsg				13,639,292	10	0.72%
	$ 315,250,411		11.44%	$ 260,320,410		13.64%

CITY OF LA PALMA
Property Tax Levies and Collections
Last Ten Fiscal Years

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
2025	4,892,090	4,892,090

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 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	Bonded Debt	Population	Debt Per Capita	Bonded Debt Per Capita	Bonded Debt as a Percentage of Personal Income
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	-	-	-
2024	-	15,110	-	-	-

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 Governmental and Overlapping Bonded Debt
As of June 30, 2025

2024-25 Assessed Valuation: $2,758,682,239

	Total Debt 6/30/25	% Applicable (1)	City's Share of Debt 6/30/25
DIRECT DEBT:			
Financed Purchase Obligations	$ 289,134	100%	$ 289,134
SBITAs	101,263	100%	101,263
TOTAL DIRECT DEBT			$ 390,397
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Metropolitan Water District	$ 17,155,000	0.068%	$ 11,665
North Orange County Joint Community College District	275,134,676	1.524	4,193,052
Anaheim Union High School District	424,313,955	3.028	12,848,227
Fullerton Joint Union High School District	292,130,000	1.743	5,091,826
Buena Park School District	89,901,366	8.438	7,585,877
Centralia School District	39,351,729	16.513	6,498,151
Cypress School District	29,484,042	7.509	2,213,957
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			$38,442,755
OVERLAPPING GENERAL FUND DEBT:			
Orange County General Fund Obligations	$429,065,000	0.340%	$1,458,821
Orange County Board of Education General Fund Obligations	9,120,000	0.340	31,008
North Orange County Regional Occupation Program Certificates of Participation	6,880,000	1.567	107,810
Anaheim Union High School District Certificates of Participation	26,880,000	3.028	813,926
Fullerton Joint Union High School District Certificates of Participation	36,895,000	1.743	643,080
Cypress School District General Fund Obligations	2,096,000	7.509	157,389
TOTAL OVERLAPPING GENERAL FUND DEBT			$3,212,034
TOTAL DIRECT DEBT			$390,397
TOTAL OVERLAPPING DEBT			$41,654,789
COMBINED TOTAL DEBT			$42,045,186 (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, and mortgage revenue bonds. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2024-25 Assessed Valuation:
Direct Debt 0.01%
Total Overlapping Tax and Assessment Debt..................................1.40%
Combined Total Debt 1.52%

Source: California Municipal Statistics, Inc.

CITY OF LA PALMA
Legal Debt Margin Information
Last Ten Fiscal Years

Fiscal Year	Assessed Value	Debt Limit Percentage	Debt Limit	Total Debt Applicable to Debt Limit	Legal Debt Margin
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
2025	2,758,682,239	3.750%	103,450,584		103,450,584

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

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
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%
2024	15,110	815,650	53,980	2.6%

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

CITY OF LA PALMA
Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Function:										
Public safety:										
Calls for service	14,883	14,626	14,525	15,430	15,418	18,643	21,504	19,471	19,344	15,829
Crime reports	703	782	869	917	828	885	1,104	1,218	1,409	1,337
Arrests	304	285	314	380	329	406	445	379	420	511
Traffic citations	458	643	789	902	470	955	1,163	636	922	803
Parking citations	1,264	572	1,645	1,668	1,380	1,026	1,127	1,480	1,506	2,434
Other citations	-	-	-	-	-	-	-	-	-	-
Public works:*										
Traffic signals maintained	21	21	21	21	21	21	21	21	21	21
Infrastructure improvement projects administered	3	8	12	2	2	5	-	6	5	7
Private development plans reviewed	2	2	6	4	4	10	-	5	5	-
Graffiti removal (square feet)	195	999	344	239	253	237	150	268	453	53
Street sweeping (miles/week)	62	62	62	62	62	62	62	62	62	59
Trees pruned *	336	579	419	656	99	314	510	565	633	406
Recreation:										
Recreation classes	1,069	419	623	720	441	1,098	1,171	1,126	1,100	629
Recreation classes enrollment	1,189	2,126	3,170	2,738	448	2,308	4,205	4,254	3,600	4,237
Indoor facility rentals	121	125	98	50	-	109	146	72	107	92
Indoor facility rental hours	439	521	454	223	-	521	700	628	424	413
Outdoor facility rentals	441	347	322	412	62	225	514	192	251	376
Outdoor facility rental hours	1,183	989	966	1,165	133	677	2,260	972	741	971
Community Development:										
Planning entitlements processed	38	6	183	201	24	24	30	50	24	164
Building permits issued	365	281	443	483	456	405	489	406	485	497
Estimated valuation of building permits (millions)	$12.300	$13.571	$8.996	$7.368	$7.387	$11.432	$6.546	$4.200	$17.029	$7.500
Code enforcement cases	138	224	137	76	111	117	424	430	533	174
Water:										
Average monthly consumption per household (cubic feet)**	1,625	1,365	1,679	1,623	1,735	1,665	987	992	1,862	908
Customer accounts	4,371	4,473	4,370	4,369	4,368	4,371	4,369	4,138	4,133	4,337
Water samples taken	3,484	620	2,596	1,938	2,265	2,446	2,125	3,060	2,299	2,924

** State-mandated Stage 2 drought restrictions for 2016. Residential Consumption based on average 4,150 single family residential accounts.

CITY OF LA PALMA
Capital Assets Statistics by Function
Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
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	21	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 Nine Years Ago

	2025		2016	
Employer	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
ADP Inc.	527	7.76%	600	8.21%
La Palma Intercommunity Community Hospital	435	6.41%	360	4.93%
Applecare Medical Group	278	4.09%		
Arcadia	209	3.08%	150	2.05%
Convergint Technologies LLC	163	2.40%		
Beacon Day School	160	2.36%		
Kaiser Healthplan	154	2.27%	155	2.12%
Walmart Stores	95	1.40%		
Quiet Logistics	87	1.28%		
Ivy Park at La Palma	79	1.16%		
Lotte Chemical California, Inc				
C J Foods USA			50	0.68%
C and D Zodiac			415	5.68%
Performance Machine Inc.			178	2.44%
Anahiem Union High School District			157	2.15%
Unisource Worlwide			152	2.08%
	2187	32.20%		

Source: City of La Palma Business Licenses

CITY OF LA PALMA
Full-time Budgeted Positions by Function
Last Ten Fiscal Years

Fiscal Year	General Government/ Administrative Services	Public Safety	Public Works	Recreation	Community Development	Water	Total
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
2025	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. 7

MEETING DATE: January 13, 2026

TO: City Council

FROM: City Manager

SUBMITTED BY: Joseph Cisneros, Deputy City Manager

AGENDA TITLE: First Quarter Operating Report, Fiscal Year 2025-26

RECOMMENDED ACTION:

Receive and file the First Quarter Operating Report, Fiscal Year 2025-26.

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, 2025, 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, 2025).

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, is 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 $3.5 million from the beginning of the fiscal year from $44.3 million to $40.8 million at September 30, 2025. 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 $2.9 million
- Capital Project Funds increased by $0.3 million
- Water Funds decreased by $0.4 million
- Sewer Funds increased by $0.1 million
- Internal Service Funds decreased by $0.6 million

Special revenue funds had only a nominal change. The remainder of the financial review will discuss the General Fund's revenues and expenditures, and then 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 $4.7 million (31% of the budget) through September 30, 2025. This results in a net shortfall of revenues under expenditures of $3.0 million, which accounts for the majority of the reduction in spendable fund balance. Similarly, the prior year had a net revenue shortfall of $2.6 million, with revenues totaling $1.7 million (11% of the year's total revenue) and expenditures totaling $4.3 million (32% 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. The 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.

- *Property Tax*: The General Fund's largest revenue source, property tax, has $62,000 of revenue recorded through September 30 (1% of the $5.1 million budget). This is similar to the prior year's receipt pattern – by the end of the first quarter of FY 2024-25, the City had received $58,000. The property tax line item includes secured and unsecured property taxes (budgeted at $3.1 million) as well as the property tax in lieu of vehicle license fees (budgeted at $2.0 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.
- *Sales Tax*: The third largest budgeted revenue source, sales tax, has $183,000 recorded through September 30 (10% of the $1.9 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 lower than at the end of the prior year's first quarter, where the revenue recorded was $206,000, which was 9% of the total fiscal year's revenue.

- *Transaction & Use Tax*: The transaction and use tax is the second largest budgeted revenue source. There is revenue of $147,000 recorded through September 30 (7% of the $2.2 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 lower than in the prior year, where the revenue recorded through the end of the first quarter was $176,000, which was 8% of the total fiscal year's revenue.
- *Utility Users Tax*: The fourth largest budgeted revenue source is the utility users tax. Payments received through September 30 total 18% of the budget at $214,000. This is lower than the $263,000 revenue that was reported through the first quarter of the prior year, which was 21% 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 (or Hotel Tax)*: Only a nominal amount of revenue has been recorded through September 30 for individual, private rentals. This payment is received on a quarterly basis in the month following the quarter's end, and the majority of the payments for the first quarter are received during the second quarter each year.
- *Licenses & Permits*: Through September 30, $233,000 has been collected, which is 51% 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.
- *Intergovernmental*: Through September 30, $26,000 has been received, which is 85% of the budget. This line item is proportionately high through the first quarter due to receiving the annual remittance of excess vehicle license fees earlier in the fiscal year than in the past.
- *Use of Money & Property*: Total revenue recorded through September 30, is $370,000 (63% of the $584,200 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 $225,000 annual payment received on the senior housing lease. Miscellaneous rental income totals $37,000, and investment income totals $108,000 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, 2025, the City recorded an unrealized gain of $295,000, a net change of $463,000 from the unrealized loss of $168,000 at June 30, 2024. At September 30, 2025, the unrecorded, unrealized gain on investments for the actively managed investment portfolio was $317,000.

Expenditures

The General Fund's expenditures total $4.7 million through September 30, 2025 (31% of the $14.9 million budget). In comparison, the prior year's expenditures totaled $4.3 million (32% of the $13.4 million annual expenditures) through the end of the first quarter.

The 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 $1.3 million, and expenditures through the first quarter total $188,000, 14% of the budget. In comparison, the prior year's first-quarter expenditures totaled $197,000, which were 17% of the year's total expenditures.
- The Administrative Services Department is comprised of the divisions for Administration, Community Promotions, Fiscal Services, Human Resources, Information Technology, and Communications. The budget for this department totals $4.1 million, and expenditures through the first quarter total $2.6 million. Expenditures are at 62% of the budget, which is similar to the prior year's first-quarter expenditures of $2.3 million, which were 64% 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 $6.3 million. As of September 30, expenditures totaled $1.3 million, which is 20% of the budget. In comparison, the prior year's first-quarter expenditures totaled $1.2 million, which were 20% of the year's total expenditures.
- The Community Services & Public Works 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 $2.6 million, and expenditures through the first quarter total $492,000, which is 19% of the budget. In comparison, the prior year's first-quarter expenditures totaled $469,000, which were 20% 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 $586,000, and expenditures through the first quarter total $142,000, which is 24% of the budget. In comparison, the prior year's first-quarter expenditures of $120,000 were 22% 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 $20,000 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 and the annual housing lease payment made early in the year.

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 $102,000 to capital projects, with the majority being spent on median rehabilitation. Expenditures for capital projects are budgeted to be $2.1 million for the year. 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. The spendable fund balance increased by a net of $349,000 at the end of the first quarter.

Water & Sewer Funds

The Water Fund began the year with a spendable fund balance of $3.5 million, which has been reduced by $397,000 to $3.1 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 4% of the budget while expenditures are at 10% of the budget through September 30, 2025. Consequently, the spendable fund balance has decreased by $397,000 during the first quarter.

The Sewer Fund had an increase of $75,000 in spendable fund balance, with an ending spendable fund balance of $4.9 million at September 30, 2025. 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 9% of the budget while expenditures are at 5% of the budget through September 30, 2025. 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 $5.1 million, which decreased to $4.5 million at September 30, 2025. 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:

This is a receive and file report which provides a summary of the year's fiscal activity through the end of the first fiscal quarter.

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

FIRST QUARTER FINANCIAL REPORT, FISCAL YEAR 2025-26
GENERAL FUND REVENUES BY TYPE
QUARTER ENDING SEPTEMBER 30, 2025

Revenue Type	FY 2025-26 Adopted Budget	FY 2025-26 Amended Budget	FY 2025-26 Year-to-Date Actual through 9/30/2025 (25% of FY)	FY 2025-26 Q1 Actual as a % of Budget	FY 2024-25 Prior Year Actual Annual Revenue	FY 2024-25 Prior YTD Actual through 9/30/2024 (25% of FY)	FY 2024-25 Q1 Actual as a % of Annual Revenue	Q1 Variance FY 2025-26 to FY 2024-25 Increase / <Decrease>
Property Tax	$ 5,095,000	$ 5,095,000	$ 62,200	1%	$ 4,966,529	$ 58,387	1%	$ 3,813
Sales Tax	1,921,000	1,921,000	182,722	10%	2,176,213	205,654	9%	(22,932)
Transaction & Use Tax	2,216,200	2,216,200	147,462	7%	2,248,514	175,632	8%	(28,170)
Utility Users Tax	1,160,000	1,160,000	213,604	18%	1,281,102	262,896	21%	(49,292)
Residual Property Tax	352,000	352,000	85	0%	323,731	31	0%	54
Franchise Fees	465,000	465,000	29,213	6%	483,644	26,888	6%	2,325
Transient Occupancy Tax	640,000	640,000	3,715	1%	673,963	-	0%	3,715
Licenses and Permits	452,900	452,900	232,653	51%	568,881	202,873	36%	29,780
Intergovernmental	31,000	31,000	26,229	85%	40,200	1,671	4%	24,558
Charges for Services	553,100	553,100	149,582	27%	600,668	145,959	24%	3,623
Fines and Forfeitures (Note 2)	100,100	100,100	8,180	8%	75,407	10,159	13%	(1,979)
Use of Money and Property (Note 1)	584,200	584,200	370,022	63%	1,354,675	365,347	27%	4,675
Other Revenue	388,800	388,800	90,926	23%	308,135	68,095	22%	22,831
Interfund Charges	783,000	783,000	195,725	25%	782,900	195,725	25%	-
Total Revenues	**$ 14,742,300**	**$ 14,742,300**	**$ 1,712,318**	**12%**	**$ 15,884,562**	**$ 1,719,317**	**11%**	**$ (6,999)**

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 2024-25, the City recorded an unrealized gain of $294,698, a net change of $462,652 from the unrealized loss at 6/30/24 of $167,954. At September 30, 2025, the unrealized gain on investments for the actively managed investment portfolio was $316,999.

FIRST QUARTER FINANCIAL REPORT, FISCAL YEAR 2025-26
GENERAL FUND EXPENDITURES BY DEPARTMENT
QUARTER ENDING SEPTEMBER 30, 2025

	FY 2025-26				FY 2024-25			Q1 Variance
Department	Adopted Budget	Amended Budget	Year-to-Date Actual through 9/30/2025 (25% of FY)	Q1 Actual as a % of Amended Budget	Prior Year Actual Annual Expenditures	Prior YTD Actual through 9/30/2024 (25% of FY)	Q1 Actual as a % of Annual Expenditures	FY 2025-26 to FY 2024-25 Increase / <Decrease>
General Government	$ 1,297,474	$ 1,297,474	$ 187,644	14%	$ 1,144,994	$ 197,365	17%	$ (9,721)
Administrative Services	4,116,615	4,116,615	2,572,867	62%	3,679,814	2,347,491	64%	225,376
Police	6,252,328	6,252,328	1,278,086	20%	5,734,644	1,154,048	20%	124,038
Community Services	2,611,471	2,611,471	492,459	19%	2,315,208	468,878	20%	23,581
Community Development	586,476	586,476	142,033	24%	546,924	119,826	22%	22,207
Total	**$ 14,864,364**	**$ 14,864,364**	**$ 4,673,089**	**31%**	**$ 13,421,584**	**$ 4,287,608**	**32%**	**$ 385,481**

FIRST QUARTER FINANCIAL REPORT, FISCAL YEAR 2025-26
GENERAL FUND EXPENDITURES BY CATEGORY
QUARTER ENDING SEPTEMBER 30, 2025

	FY 2025-26				FY 2024-25			Q1 Variance
Expenditure Type	Adopted Budget	Amended Budget	Year-to-Date Actual through 9/30/2025 (25% of FY)	Q1 Actual as a % of Amended Budget	Prior Year Actual Annual Expenditures	Prior YTD Actual through 9/30/2024 (25% of FY)	Q1 Actual as a % of Annual Expenditures	FY 2025-26 to FY 2024-25 Increase / <Decrease>
Personnel Services	$ 9,754,686	$ 9,754,686	$ 3,650,060	37%	$ 8,656,015	$ 3,410,369	39%	$ 239,691
Maintenance and Operations	5,098,678	5,098,678	1,023,029	20%	4,689,215	876,275	19%	146,754
Capital Outlay/Improvements	11,000	11,000	-	0%	76,354	964	1%	(964)
Total	**$ 14,864,364**	**$ 14,864,364**	**$ 4,673,089**	**31%**	**$ 13,421,584**	**$ 4,287,608**	**32%**	**$ 385,481**

FIRST QUARTER FINANCIAL REPORT, FISCAL YEAR 2025-26
SPENDABLE FUND BALANCE - FISCAL YEAR CHANGE
THROUGH THE QUARTER ENDING SEPTEMBER 30, 2025

Fund #	Fund Title	Balance 6/30/2025	Balance 9/30/2025	FY Change through 9/30/2025
1	General Fund	$ 4,676,902	$ 1,716,132	$ (2,960,770)
3	Emergency Reserve Fund	10,067,700	10,067,700	-
5	Economic Development Fund	186,282	186,282	-
17	General Fund Budget Reserves	4,761,525	4,791,069	29,544
	Subtotal General Funds	**19,692,409**	**16,761,183**	**(2,931,226)**
10	Road Maintenance & Rehabilitation Account (RMRA)	$ 1,443,009	$ 1,486,436	43,427
11	Streets Fund	289,890	319,445	29,555
12	Measure M2	236,282	297,670	61,388
15	Air Quality Fund	309,177	311,073	1,896
16	PEG Fund	429,840	432,499	2,659
20	Asset Seizure Fund	24,740	21,528	(3,212)
21	Public Safety Augmentation Fund	408,099	396,528	(11,571)
22	Supplemental Law Enforcement Fund	400,957	381,675	(19,282)
23	SVC Authority for Abandoned Vehicles	30,562	30,752	190
24	BSCC Local Law Enforcement Grant	53,894	54,228	334
25	Community Foundation Public Safety Grant	52,904	20,659	(32,245)
33	Park Development Fund	5	5	-
38	SA Housing Entity Fund	1,809,089	1,755,589	(53,500)
	Subtotal Special Revenue Funds	**5,488,448**	**5,508,087**	**19,639**
35	Capital Outlay Reserve Fund	3,210,720	3,129,218	(81,502)
37	Civic Center Rehabilitation Reserve Fund	2,551,221	2,981,314	430,093
	Subtotal Capital Projects Funds	**5,761,941**	**6,110,532**	**348,591**
50	Water Fund	725,957	243,166	(482,791)
55	Water Capital reserve Fund	2,801,443	2,887,230	85,787
	Subtotal Water Related Funds	**3,527,400**	**3,130,396**	**(397,004)**
52	Sewer Fund	2,416,196	2,412,683	(3,513)
56	Sewer Capital Reserve Fund	2,356,422	2,439,426	83,004
	Subtotal Sewer Related Funds	**4,772,618**	**4,852,109**	**79,491**
60	Risk Management/Insurance	1,283,816	551,858	(731,958)
61	Employee Benefits Fund	341,856	343,977	2,121
62	Building Maintenance & Replacement Fund	60,399	60,774	375
63	Vehicle Replacement Fund	2,170,387	2,245,833	75,446
64	Technology Replacement Fund	1,236,310	1,272,040	35,730
	Subtotal Internal Service Funds Funds	**5,092,768**	**4,474,482**	**(618,286)**
	Total All Funds	**$ 44,335,584**	**$ 40,836,789**	**$ (3,498,795)**

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

City of La Palma

Agenda Item No. 8

MEETING DATE:	January 13, 2026
TO:	City Council
FROM:	City Manager
SUBMITTED BY:	Joseph Cisneros, Deputy City Manager
AGENDA TITLE:	Resolution Approving a Side Letter Between the City and La Palma General Employees Association

---

RECOMMENDED ACTION:

Adopt a Resolution amending the Memorandum of Understanding for the La Palma General Employees Association and authorize the City Manager, or designee, to sign the Side Letter on behalf of the City.

SUMMARY:

In October 2024, the City Council adopted a resolution amending the Memorandum of Understanding with the La Palma General Employees Association (LPGEA) to add a full-time Custodian position. Prior to this change, the City contracted out janitorial and custodial services. The shift to an in-house custodian was based on the expectation that the City would receive increased custodial coverage and more flexible service hours at a comparable or lower cost than an external contract, thereby improving service levels and operational efficiency.

In February 2025, the City hired a Custodian. In October 2025, the Custodian resigned to pursue other employment opportunities. During this period (Feb–Oct 2025), several challenges emerged with the Custodian position and workload, including issues related to scheduling, workload management, timeliness of cleaning, and other logistical issues. As a result, LPGEA has requested that the City eliminate the full-time Custodian position and return to contracted janitorial services to address the operational challenges experienced with the in-house position.

Per the request of the LPGEA, the attached resolution formally documents the elimination of the custodian position and updates the LPGEA MOU to reflect this change. Upon approval, the City will issue a request for proposals to establish a multiple-year agreement for janitorial services.

FISCAL IMPACT:

The total annual cost of the custodian position was approximately $80,000. A multi-year agreement for contracted janitorial services is expected to be comparable in annual costs and will be incorporated into the Fiscal Year 2025–26 budget through a mid-year budget adjustment at the March 2026 City Council meeting, with ongoing annual costs included in future budget years.

ATTACHMENTS:

1. Resolution

RESOLUTION NO. 2026-xx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA PALMA AMENDING THE JULY 1, 2025 – JUNE 30, 2028 MEMORANDUM OF UNDERSTANDING BETWEEN LA PALMA AND THE LA PALMA GENERAL EMPLOYEES ASSOCIATION

WHEREAS, the City and the La Palma General Employees Association (LPGEA) entered into a Memorandum of Understanding effective July 1, 2025, through June 30, 2028 (the "MOU"), and

WHEREAS, the City of La Palma and the LPGEA have met and conferred in good faith and have come to agreement that the LPGEA will no longer represent the "Custodian" classification, and, accordingly, that the "Custodian" classification and its corresponding salary schedule should be removed from the MOU.

NOW, THEREFORE, the City Council of the City of La Palma does resolve as follows:

SECTION 1. The City Council hereby approves, and authorizes the City Manager or designee to execute, the Side Letter of Agreement between the City of La Palma and the General Employees Association as set forth in Exhibit "A." **SECTION 2**. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the Office of the City Clerk.

SECTION 3. This Resolution shall take effect upon adoption.

APPROVED AND ADOPTED by the City Council of the City of La Palma at a regular meeting held on the 13th day of January 2026.

Nitesh Patel
Mayor

ATTEST:

Norma I. Alley, MMC
City Clerk

430221.1

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

I, NORMA I. ALLEY, 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 13th day of January 2026, and that it was so adopted by called vote as follows:

AYES:

NOES:

Norma I. Alley, MMC
City Clerk

Attachment A

SIDE LETTER AGREEMENT

CITY OF LA PALMA
AND
LA PALMA GENERAL EMPLOYEES ASSOCIATION

WHEREAS, the City and the La Palma General Employees Association ("LPGEA") entered into a Memorandum of Understanding effective July 1, 2025, through June 30, 2028 (the "MOU"); and

WHEREAS, the City and the LPGEA have agreed that the LPGEA will no longer represent the "Custodian" classification, and, accordingly, the parties wish to amend certain provisions of the MOU to remove the "Custodian" classification and its corresponding salary schedule from the MOU.

NOW, THEREFORE, the LPGEA and the City agree as follows:

1. ARTICLE II (RECOGNITION) of the LPGEA MOU is hereby amended to remove reference to the "Custodian" classification.

2. Attachments A, B, and C of the LPGEA MOU are amended to remove reference to the "Custodian" classification.

3. LPGEA will no longer represent the "Custodian" classification.

4. All other terms and conditions of the MOU not modified herein shall remain in full force and effect throughout the term of the MOU.

LA PALMA GENERAL EMPLOYEES ASSOCIATION

Signed by:
Jesus Fernandez
2467D9FE982B4C9...
Jesus Fernandez, President

Dated: January 5, 2026

CITY OF LA PALMA

____
Peter L. Kim, City Manager

Dated:____________________

City of La Palma
Agenda Item No. 9

MEETING DATE: January 13, 2026

TO: City Council

FROM: City Manager

SUBMITTED BY: Joseph Cisneros, Deputy City Manager

AGENDA TITLE: Resolution Approving a Side Letter Between the City and La Palma Police Association

---

RECOMMENDED ACTION:

Adopt a Resolution approving a Side Letter Amendment with the La Palma Police Association regarding hiring bonuses and authorize the City Manager or designee to sign the Side Letter on behalf of the City.

SUMMARY:

Prior to the Memorandum of Understanding (MOU) effective July 1, 2025, through June 30, 2028, the City and the La Palma Police Association (LPPA) implemented an employee attraction and retention bonus program for Police Officers and Police Dispatchers. The program concluded on June 30, 2025, and was not incorporated into the current MOU. As a result, the LPPA requested reinstatement and formal inclusion of the bonus program to further support the Department's recruitment efforts.

Staff has also found that many police departments in the region continue to offer hiring incentives to attract both entry-level and lateral candidates. Additionally, through the City's interactions with non-sponsored recruits enrolled in local police academies, candidates are often drawn to agencies offering higher salaries, expanded special assignments, and hiring bonuses. Maintaining a competitive hiring incentive allows the La Palma Police Department to effectively compete for qualified candidates. Timely filling of vacancies is critical to departmental operations, as prolonged vacancies lead to increased overtime, employee burnout, and diminished morale.

As a result, staff recommends the following programs will be retroactively incorporated into the MOU, via a Side Letter with the LPPA, by adding a new category of Special Compensation under Article III, Section 5 (P), effective July 1, 2025, through June 30, 2028:

Police Dispatcher
The City will pay a hiring bonus of $10,000 to a new Police Dispatcher hired between July 1, 2025, and June 30, 2028. The bonus will be paid in three installments:

1. $4,000 on the first paycheck following the dispatcher's hire;

2. $3,000 upon successful completion of probation; and

3. $3,000 after forty-two (42) months of continuous full-time employment as a Police Dispatcher.

Police Officer
The City will pay a hiring bonus of $13,000 to a new Police Officer hired between July 1, 2025, and June 30, 2028. The bonus will be paid in three installments:

1. $5,000 on the first paycheck following the officer's hire;
2. $4,000 upon successful completion of probation; and
3. $4,000 after forty-two (42) months of continuous full-time employment as a full-time sworn Police Officer.

The City will apply all required federal and state tax deductions and report all payments made under this Agreement in accordance with applicable law.

A Side Letter with the La Palma Police Association memorializing this hiring bonus program is attached for City Council approval.

FISCAL IMPACT:

Because these bonuses apply only to new hires and are directly associated with existing vacancies, staff anticipates that a significant portion of the cost will be offset by salary savings during vacancy periods. In addition, the bonus payments are distributed over a forty-two (42) month period, which limits the fiscal impact in any single fiscal year. Following approval, staff will incorporate these changes into the Fiscal Year 2025–26 Mid-Year Budget Adjustment for consideration at the March 2026 City Council meeting, with anticipated costs included in future budget years.

ATTACHMENTS:

1. Side Letter
2. Resolution

SIDE LETTER AGREEMENT

CITY OF LA PALMA
AND
LA PALMA POLICE ASSOCIATION

WHEREAS, the City and the La Palma Police Association ("LPPA") entered into a Memorandum of Understanding effective July 1, 2025, through June 30, 2028 (the "MOU"), and

WHEREAS, the City and the LPPA wish to amend certain provisions of the MOU to implement a new employee attraction and retention bonus program.

NOW, THEREFORE, the LPPA and the City agree as follows:

1. Article III, Section 5, subd. (P), is hereby added to the MOU to read as follows:

> The City will pay Police Dispatchers, hired between July 1, 2025, and June 30, 2028, and who enter into a Hiring Bonus Payment Agreement with the City upon hire, a hiring bonus of a maximum of $10,000, to be paid in three installments as follows: 1) $4,000 to be paid on the first paycheck following the dispatcher's hire, 2) $3,000 to be paid on the first paycheck following successful completion of probation, and 3) $3,000 on the first paycheck following forty-two (42) months of continuous employment as a full-time Police Dispatcher. The City will pay Police Officers, hired between July 1, 2025, and June 30, 2028, and who enter into a Hiring Bonus Payment Agreement with the City upon hire, a hiring bonus of a maximum of $13,000, to be paid in three installments as follows: 1) $5,000 to be paid on the first paycheck following the officer's hire, 2) $4,000 to be paid on the first paycheck following successful completion of probation, and 3) $4,000 on the first paycheck following forty-two (42) months of continuous employment as a full-time sworn Police Officer.

2. The Hiring Bonus Payment Agreement is set forth in Attachment A.

3. All other terms and conditions of the MOU not modified herein shall remain in full force and effect throughout the term of the MOU.

LA PALMA POLICE ASSOCIATION

Signed by:

D100E33EE3B84FE...

Joshua Garcia, President

Dated: January 5, 2026

CITY OF LA PALMA

____

Peter L. Kim, City Manager

Dated:____________________

Attachment A

City of La Palma
Hiring Bonus Payment Agreement

This Agreement is made on this ____ day of __________ 20____ between the City of La Palma ("City") and ________________________ ("Employee").

WHEREAS, the Employee begins employment for the City in the Police Department ("Department'') as a Police ________________on ____________ __, 20___;

WHEREAS, the City has offered the Employee a hiring bonus ("Hiring Bonus") as an incentive to accept employment at the City and remain satisfactorily employed in the Department for at least three and a half years;

WHEREAS, the Employee acknowledges that acceptance of the Hiring Bonus is voluntary and is not a condition of employment with the City;

WHEREAS, the Employee wishes to accept the Hiring Bonus offered by the City.

NOW, THEREFORE, the City and the Employee agree to the following terms:

1. The City shall provide a hiring bonus of a maximum of $10,000 for Police Dispatchers and a maximum of $13,000 for Police Officers. The bonus shall be paid in three installments, as follows:

    a. On the first paycheck following the employee's hire:
        i. $4,000 for Police Dispatchers.
        ii. $5,000 for Police Officers.
    b. On the first paycheck following successful completion of the employee's probationary period:
        i. $3,000 for Police Dispatchers.
        ii. $4,000 for Police Officers.
    c. On the first paycheck following forty-two (42) months of continuous employment:
        i. $3,000 for Police Dispatchers.
        ii. $4,000 for Police Officers.

2. The City will apply all required federal and state tax deductions and report all payments made under this Agreement as required by law.

Agreed to and Accepted:

By: ____________________________ (Employee)

By: ____________________________ City Manager

Date: ___________________________

Date: ___________________________

RESOLUTION NO. 2026-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA PALMA, CALIFORNIA, AMENDING THE JULY 1, 2025 – JUNE 30, 2028 MEMORANDUM OF UNDERSTANDING BETWEEN LA PALMA AND THE LA PALMA POLICE ASSOCIATION

WHEREAS, the City and the La Palma Police Association (LPPA) entered into a Memorandum of Understanding effective July 1, 2025, through June 30, 2028 (the "MOU"), and

WHEREAS, the City and LPPA have met and conferred in good faith and have agreed on amending certain provisions of the MOU to implement a new employee attraction and retention bonus program, and

NOW, THEREFORE, the City Council of the City of La Palma does resolve as follows:

SECTION 1. The City Council hereby approves, and authorizes the City Manager or designee to execute, the Side Letter of Agreement between the City of La Palma and the La Palma Police Association as set forth in Exhibit "A."

SECTION 2. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the Office of the City Clerk.

SECTION 3. This Resolution shall take effect upon adoption.

APPROVED AND ADOPTED by the City Council of the City of La Palma at a regular meeting held on the 13th day of January 2026.

____
Nitesh Patel
Mayor

ATTEST:

____
Norma I. Alley, MMC
City Clerk

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

I, NORMA I. ALLEY, 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 13th day of January 2026, and that it was so adopted by called vote as follows:

AYES:

NOES:

Norma I. Alley, MMC
City Clerk

City of La Palma

Agenda Item No. 10

MEETING DATE:	January 13, 2026
TO:	City Council
FROM:	City Manager
SUBMITTED BY:	Joseph Cisneros, Deputy City Manager
AGENDA TITLE:	Resolution Amending the Salary for Part-Time Employees

---

RECOMMENDED ACTION:

Adopt a Resolution amending salaries for certain part-time positions.

SUMMARY:

The City Council adopted Resolution No. 2023-43 on December 12, 2023, and Resolution No. 2025-02 on January 14, 2025, amending salary and benefit provisions for part-time employees. Effective January 1, 2026, California's minimum wage increased from $16.50 to $16.90 per hour. As a result, certain part-time positions require salary adjustments to comply with state law. The attached resolution updates the salaries for the affected positions to $16.90 per hour.

FISCAL IMPACT:

The change affects two positions encompassing nine part-time employees, and only a minor fiscal impact to the City's budget is anticipated.

ATTACHMENTS:

1. Resolution

RESOLUTION NO. 2026-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA PALMA, CALIFORNIA, AMENDING RESOLUTION 2025-02 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, on January 14, 2025, the La Palma City Council adopted Resolution 2025-02 amending salaries for part-time employees to meet the California's minimum wage increase effective January 1, 2025; and

WHEREAS, effective January 1, 2026, California's minimum wage increased from $16.50 to $16.90 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 the City Council of the City of La Palma does hereby:

1. Amend the Fiscal Year 2025/2026 publicly available salary schedule (Attachment A), effective January 1, 2026.

2. Attachment A to Resolution 2023-43 is hereby replaced with Attachment A to this Resolution, effective January 1, 2026.

APPROVED AND ADOPTED by the City Council of La Palma at a regular meeting on the 13th day of January, 2026.

____
Nitesh Patel
Mayor

ATTEST:

____
Norma I. Alley, MMC
City Clerk

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

I, NORMA I. ALLEY, 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 13th day of January 2026, and that it was so adopted by called vote as follows:

AYES:

NOES:

Norma I. Alley, MMC
City Clerk

ATTACHMENT A

SALARY SCHEDULE

Effective January 1, 2026							
Title	Step A	Step B	Step C	Step D	Step E	Step F	Step G
Intern	$16.90						
Cashier/Office Aide	$16.90	$17.75	$18.63	$19.56	$20.54		
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	$16.90	$17.75	$18.63	$19.56	$20.54		
Park Ranger	$16.90						
Per Diem Dispatcher	$29.91	$31.40	$32.97	$34.62	$36.35	$38.17	
Police Services Aide	$17.00						
Recreation Leader	$16.90	$17.75	$18.63	$19.56	$20.54		
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. 11

MEETING DATE:	January 13, 2026
TO:	City Council
FROM:	City Manager
SUBMITTED BY:	Alan Rivera, Management Analyst
AGENDA TITLE:	Award of Contract for Professional Services to Gladwell Governmental Services, Inc. for the update of the City's Records Management Policy and Schedule

---

RECOMMENDED ACTION:

Authorize the City Manager to execute an agreement with Gladwell Governmental Services, Inc., (GGS) to provide professional consulting services to update the Citywide Records Management Policy and Schedule for an amount not to exceed $13,200.

BACKGROUND:

Records management includes the creation, maintenance, retrieval, retention, preservation, and lawful destruction of all municipal records. A records retention schedule provides staff with clear timelines for managing physical and electronic records and serves as an administrative tool that authorizes record disposal while ensuring compliance with applicable laws and regulations.

In California, records retention for local agencies is governed by state law and administrative regulations. Government Code § 34090 establishes a general minimum two-year retention period for city records, subject to legislative approval and exceptions for legal, audit, or litigation needs. Government Code §§ 6200–6201 prohibit the unlawful destruction or alteration of records, and the Public Records Act requires records to be retained long enough to respond to public records requests.

The City's current Records Management Policy and Schedule was last updated and adopted by the City Council on September 15, 2009.

ANALYSIS:

In September 2025, staff solicited proposals from qualified consultants to update the Citywide Records Management Policy and Schedule and received four responses. Following review, staff determined that Gadwell Governmental Services (GGS), Inc. as the most qualified and cost-effective firm to complete the update.

Under the proposed agreement, the updated Policy and Schedule are anticipated to be completed and ready for Council review and approval in spring 2026. GGS also offers an optional subscription service ($1,000 per year) to conduct annual reviews and provide ongoing procedural guidance to ensure the Policy remains current.

FISCAL IMPACT:

Funding for the agreement will be included in the Fiscal Year 2025–26 Mid-Year Budget Adjustment for consideration on March 3, 2026, in the amount of $13,200 under Account No. 001-150-6000-00000. Additionally, future budget years will include subscription funding of $1,000 for the optional annual Policy review and update.

ATTACHMENTS:

1. Professional Services Agreement - Gladwell Governmental Services, Inc.
2. Proposal - Gladwell Governmental Services, Inc.

AGREEMENT FOR CONSULTANT SERVICES
GLADWELL GOVERNMENTAL SERVICES, INC.

THIS AGREEMENT FOR CONSULTANT SERVICES (hereinafter, the "Agreement"), is entered into as of January 13, 2026, by and between the CITY OF LA PALMA, a municipal corporation (hereinafter, the "City"), and GLADWELL GOVERNMENTAL SERVICES, INC., a corporation (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. This Agreement shall commence on January 13, 2026**,** and the Consultant shall perform all Consultant Services, and each component thereof, within a reasonable timeframe.

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 City Manager of the City or his 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:

DIANE R. GALDWELL, MMC
Gladwell Governmental Services, Inc., President

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. Consultant's pre-existing copyrights are excluded and remain the property of the Consultant.

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, 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: City Manager's Office
If to the Consultant:	Gladwell Governmental Services, Inc. PO Box 62, 1028 Tirol Lane Lake Arrowhead, CA 92352 Attn: Diane Gladwell, President

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:___________________________________
Peter L. Kim
City Manager

ATTEST:

____
Norma I. Alley, MMC
City Clerk

CONSULTANT

DocuSigned by:
By: Diane R. Gladwell, MMC November 24, 2025
63826A9DCEBF4BA...
Diane R. Gladwell
President

APPROVED AS TO FORM:

COLANTUONO, HIGHSMITH & WHATLEY, PC

By:________________________________
City Attorney, City of La Palma

EXHIBIT A &B

A. Scope of Work & B. Fee Schedule

PROPOSAL FOR LA PALMA
RECORDS RETENTION, TRAINING AND SUBSCRIPTION

A recent Coopers & Lybrand study showed that records and information systems often represent 50% of the total cost of doing business, and the average office makes 19 copies of each document.
Average Costs:

• $20 to file each document
• $1.50 to retrieve each document
($20 x 19 copies = $380 to file)

The average office loses 1 out of 20 office documents. It then costs:

• $120 to search for the document
• $250 to recreate it, if lost
(1 lost document = $370)

This proposal will result in the following benefits to La Palma:

1. Ensure efficiency and consistency.
2. Free Office and Storage Space.
3. Ensure fast response times and excellent customer service levels.
4. Provide an efficient "base" for operations in future years.

The President of Gladwell Governmental Services, Inc., Diane R. Gladwell, is a Master Municipal Clerk that has developed records management programs for over 200 California Special Districts and cities. Ms Gladwell was a City Clerk for six years, and has an excellent knowledge of government operations and document imaging. She is recognized as a leading expert in records management and has an excellent knowledge of the industry, products and vendors as well as hands-on user and administration experience with many systems. Ms. Gladwell is the author of several publications on records management, business process reengineering (BPR), and document imaging, and is a noted speaker (including AIIM, ARMA, and COMDEX). In addition, Ms. Gladwell has received multiple awards for document imaging / records management and administration.

GGS's legal research and knowledge in the retention of California government records is unsurpassed, as noted by one of our clients:

> "*Her knowledge of municipal government and its structure are immense and her legal research was flawless.*"

Ms. Gladwell has no vendor affiliations, and therefore can provide objective advice and recommendations, where appropriate.

SCOPE OF WORK
RECORDS RETENTION SCHEDULES, TRAINING, SUBSCRIPTION

Phase 1: Records Retention – e-Records, Legal Compliance, Best Practices

The City's records retention schedule is not compliant with current law, is missing many important records series, and requires the retention of records longer than necessary.

Gladwell Governmental Services, Inc. (GGS) will provide all services via e-mail and video conference and will meet with departments and provide requested changes to GGS, who will ensure the legal sufficiency and consistency with Best Practices in other California cities.

Pre-existing copyright-protected records retention schedules developed by GGS will be customized to be organized to reflect the City's organizational structure, and schedules will include all current laws and will show which records could be scanned into the document imaging system, and will identify if, and when, the paper version should be destroyed after imaging. Vital records will be identified, assisting the City in developing their disaster recovery plan.

Deliverables:
- Records Retention Schedules for all City Departments
- Index to retention schedules
- Draft resolution of adoption
- Draft staff report
- Unlimited Videoconferences with each Department

Cost: $9,250

Phase 2: Implementation / Destruction Procedures - Videoconference

GGS will create, or review and update all written instructions, policies, procedures and forms to ensure all laws, policies and procedures of the City are followed in the most cost-effective manner possible.

Deliverables:
- Updated Policies, Procedures and Forms for destroying records in compliance with laws and "best practices"
- Two Videoconferences City-wide training meeting provided

Cost: $725

Subscription to Keep Retention Schedules Up-to-Date (the year after initial update)

The Records Retention Subscription includes:

- Legal review of all State and Federal Law and other Regulations, and "Best Practices" updates from over 250 other California municipal government agencies for the year (presented in "Track Change" format),
- Additional routine changes requested by your employees (excludes major restructuring),
- Approval forms and assistance,
- Re-writing of the index to your schedules to reflect the changes made (excludes major restructuring),
- Unlimited e-mail and telephone assistance / Q&A throughout the year (excludes Videoconference meetings).
- GGS's Errors & Omissions and Professional Liability coverage to protect all records retention schedules.

$950 a year (July 1 – June 30); Subscription continues until cancelled by the City.
*Most cities do not require GGS to obtain a business license. If a business license is required,, the fee will increase so the net cost of the subscription is $854 a year.

METHODOLOGY

All work is performed by the President of Gladwell Governmental Services, Inc. Assignments are not delegated to less skilled personnel or subcontractors, assuring the project is well-coordinated without communication problems or scheduling conflicts among various consultants and their other projects. In addition, this also assures the highest quality work.

The consultant proposes to build on the progress already made in the organization and the pre-existing intellectual property of GGS, ensuring consistency and high levels of quality for the project.

The project will be structured to increase participation, expedite results, minimize costs and ensure the successful implementation of an excellent program by temporarily employing the skills and knowledge of the contractor as needed.

This approach is customized for the Agency to ensure the program:

- Is interactive, producing a high level of participation and ownership.
- Matches the organization's values and structure.
- Provides appropriate solutions.
- Can be implemented quickly;
- Will achieve long-term viability; and
- Has the highest cost/benefit ratio and return on investment.

Drafts of all work will be released to the Agency during the course of the project. the Agency will have an opportunity to edit and comment on these drafts, assuring that (1) the City will maintain control of the project, and (2) the current work of the organization supports the final program. In addition, on-site visits, e-mail, and telephone communications will keep the Agency apprised of the work progress.

"...a records management program is actually a money saver - a protection against ineffective operations. It is even more significant as a safeguard against disaster and lawsuits"

-ICMA (International City/County Management Association)

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-ICMA (International City/County Management Association)

RESUME

SUMMARY

Diane R. Gladwell is a Master Municipal Clerk with over twenty years experience managing in public and private sectors. Recipient of multiple awards recognizing excellence in municipal clerk administration. Facilitator, author and instructor for document imaging, best practices and reengineering in over 200 organizations, including AIIM, ARMA and COMDEX.

PROFESSIONAL BACKGROUND

Gladwell Governmental Services, Inc. **1989 to present**
President

Clients have included over 200 California Cities, Special Districts and Counties. Projects have included:

1. Organization-wide and Department-level Records Management Programs:
   Retention Schedules, Procedures, Manuals and Training
2. ECMS / Document Imaging / Trustworthy Electronic Records System Acquisition or Remediation
3. E-mail and electronic records
4. Educational Programs and Publications in Technology, Business Process Reengineering,
   Best Practices, Records Management and other subjects.
5. Facilitation of Business Process Reengineering.
6. Elections Management.

City of San Luis Obispo **1992 to 1995**
City Clerk

As a member of the management team, responsible for records management, election administration, municipal code maintenance, FPPC disclosures, special event permits, City Council support, and coordination of over 20 boards and commissions for the City of San Luis Obispo. Administration of the agenda process and all public notification and advertisement.

Received the Presidents Award of Distinction for Excellence in Organization and Administration from the California Clerks Association (1994). Reduced expenses by 22% while increasing services to the public; developed "InfoSLO" computerized information kiosk, electronic advertising and electronic agendas; reengineered all programs and processes in the Division.

City of Glendale **1989 to 1992**
Assistant City Clerk

As a member of management, responsible for records management, election administration, municipal code maintenance, FPPC disclosures, business licensing, film permits and special events for Glendale (population 187,000). Supervised Council and Redevelopment Agency agendas, packets and minutes preparation as required; administrated publication and mailing of legal notices, bids, and process claims for the City. Develop, presented and administrated City Clerk annual budget of $800,000. Acted as Public Information Officer for the City during emergencies (Glendale fire, storm damage). Supervised a staff of nine who serve a culturally diverse community.
Developed, implemented, and administrated a Citywide records management program based on optical disk technology which has received international, national and state awards for exceptional records management programs.

Food 4 Less / Market Basket / Viva / Boys Markets **1980-1989**
Credit Management Services Supervisor

Administered payment systems and collections for a chain of 50 grocery stores (over five million transactions annually.) Records management for payment transactions, criminal and civil incidents for chain. A key member of the management team that developed and implemented computerized Electronic Funds Transfer for checks and credit cards as well as several custom applications to track returned items and issue check cashing cards. Budget development and administration for four Divisions representing expenditures of over $8,000,000.

EDUCATION
Pacific Southern University, Los Angeles: Bachelor of Science, Business Administration
California Polytechnic University, Pomona: Business administration courses
Citrus College, Azusa: Associate of Science, Business Administration
UCLA: Business management courses
Institution de Technologico, Yucatan, Mexico: Attended institute as a foreign exchange student
ESRI Geographic Information Systems (GIS) training

HONORS
Olsten Award for Excellence in Records Management Programs;
Association of Records Management Administrators (ARMA)
President's Award of Distinction for Excellence in Organization and Administration;
City Clerks Association of California (CCAC)
Records Management Award for Exceptional Municipal Programs Utilizing Alternative Technologies;
International Institute of Municipal Clerks (IIMC)
President's Award for Excellence in Public Presentations and Published Articles;
City Clerks Association of California (CCAC);
Rotary, International, Lake Arrowhead Chapter: (2) Special Service Awards for Projects which raised over $40,000 for fire victims.
(3) Honorary Service Awards (California PTA, for outstanding service to youth and community)
Life Member: Delta Mu Delta, Alpha Gama Sigma and California Scholarship Federation
Listed in Who's Who of Executives and Professionals
2017 Woman of Distinction Award, California 23rd Senate District
Rotarian of the Year, 2022, Rotary Club of Lake Arrowhead

PRESENTATIONS AND PUBLICATIONS
University of Riverside, Extension / Technical Track for Clerks: Records Management, Elections
AIIM (Association for Information and Image Management)
ARMA (Association of Records Mangers and Administrators)
IIMC (International Institute of Municipal Clerks)
CCAC (City Clerks Association of California)
Government Technology Conference
Co-Author: Ballot Counting Procedures and Guidelines (various voting systems)
Author: Document Imaging
Efficient Filing
Funding Records Management Projects
Various articles published by ARMA, ICMA, IIMC and NAGARA

PROFESSIONAL MEMBERSHIPS
AIIM Professional Level Member
Association of Records Managers and Administrators
City Clerks Association of California *(Past First Vice President, Past Second Vice President)*
International Institute of Municipal Clerks *(Past Chair, Resource Committee, Membership Task Force, Past Chair, Records Management Committee)*
National Association of Government Archives and Records Administrators (NAGARA)
Rotary, International

City of La Palma
Agenda Item No. 12

MEETING DATE:	January 13, 2026
TO:	City Council
FROM:	City Manager
SUBMITTED BY:	Jake Chavira, Acting Community Development & Public Works Director
AGENDA TITLE:	Contract amendment with Casc Engineering Inc., for the Management of the National Pollutant Discharge Elimination System (NPDES) Stormwater Permit Program and the Countywide Fats, Oils, and Grease (FOG) Program

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RECOMMENDED ACTION:

Authorize the City Manager to execute a contract amendment with Casc Engineering Inc., for the management of the National Pollutant Discharge Elimination System (NPDES) Stormwater Permit Program and the countywide Fats, Oils, and Grease (FOG) Program for an amount not to exceed $112,800.

SUMMARY:

The City of La Palma is committed to protecting water quality and maintaining clean ocean waters. The Community Development & Public Works Director oversees the City's participation in the National Pollutant Discharge Elimination System (NPDES) Stormwater Permit Program and the countywide Fats, Oils, and Grease (FOG) Program. Locally, the City reports to and complies with permit requirements administered by the Santa Ana Regional Water Quality Control Board (SARWQCB). Current permit obligations include inspections of commercial, industrial, and municipal facilities; construction site oversight; field programs; data collection and reporting; performance measure analysis; stormwater monitoring; and staff training.

Due to the increasing complexity and regulatory stringency of NPDES and FOG requirements, the City issued a Request for Proposals (RFP) in June 2024 to solicit qualified professional environmental consulting firms to provide program management, technical expertise, and compliance support. Following a competitive selection process, Casc Engineering and Consulting, Inc. was selected as the most qualified firm, and the City entered into a professional services agreement for these services on August 6, 2024.

Following City Council approval on August 6, 2024, staff identified errors in the agreement related to the contract term and total cost, which were incorrectly carried over from the RFP into the staff report. Staff is therefore requesting Council approval of an amendment to correct the agreement term and amount to accurately reflect the original RFP and the City's intended contract period and cost. No changes to the scope of work or agreed-upon pricing are being requested.

ENVIRONMENTAL IMPACT:

The approval of this amendment to the agreement for NPDES and FOG Programs with Casc Engineering Inc. is categorically exempt from CEQA pursuant to (i) CEQA Guidelines 15306 and 15061(b)(3) as the agreement consists of basic data and information collection which does not result in a serious or major disturbance to an environmental resource; and (ii) CEQA Guidelines 15309 as the agreement consists of inspections to check for performance of an operation, or quality, health, or safety of certain sites.

FISCAL IMPACT:

The Adopted Fiscal Year 2025–26 Budget includes funding to manage the City's NPDES and FOG programs in Account No. 001-405-6000-40030 and 052-480-6000-38020. The FOG Program is funded at $99,100, and the NPDES Program is funded at $13,700.

ATTACHMENTS:

1. Amendment No. 1 CASC 2026
2. Agreement NPDES FOG Program

AMENDMENT NO.1 TO AGREEMENT FOR CONSULTING SERVICES FOR NPDES AND FOG PROGRAMS

CASC ENGINEERING, INC.

This Amendment No. 1 ("Amendment") to Agreement for Consulting Services ("Agreement") is made on this 13th day of January, 2026 at La Palma, California, by and between the City of La Palma ("City") and Casc Engineering and Consulting, Inc., ("Consultant").

This Amendment modifies the original Agreement between City and the Consultant dated August 6, 2024, in the following fashion:

RECITALS

A. City and Consultant desire to amend the Agreement by modifying section 1.2 – "Time" of the Agreement to read as follows:

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. Consultant will perform all tasks included in the Scope of Work prior to August 6, 2027, with possible two one-year extensions.

B. City and Consultant desire to amend the Agreement by modifying section 2.1 – "Payment by the City" of the Agreement to read as follows:

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" for an amount not to exceed $112,800.00.

C. Integration. This Amendment amends, as set forth herein, the Agreement and except as specifically amended hereby the Agreement shall remain in full force and effect. To the extent there is any conflict between this Amendment and the Agreement, the terms and provisions of this Amendment shall control. This Amendment and the Agreement, including any exhibits attached to the Agreement and this Amendment, integrate all the terms and conditions of the Parties' agreement and supersede all negotiations with respect hereto.

IN WITNESS WHEREOF, this Amendment has been executed as of the date first written above.

429765.3

CITY OF LA PALMA

By ______________________________
Peter L. Kim
City Manager

ATTEST:

____
Norma I. Alley
City Clerk, MMC

Casc Engineering Inc.

By ______________________________
Melanie Sotelo
Associate Vice President

429765.3

AGREEMENT FOR CONSULTING SERVICES

CASC ENGINEERING AND CONSULTING, INC.

THIS AGREEMENT FOR CONSULTANT SERVICES (hereinafter, the "Agreement"), is entered into as of August 6, 2024, by and between the CITY OF LA PALMA, a municipal corporation (hereinafter, the "City"), and **Casc Engineering and Consulting, Inc.,** (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. Consultant will perform all tasks included in the Scope of Work prior to June 30, 2024.

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 **Director of Public Works & Community Services** of the City or their 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:

Melanie Sotelo, Associate Vice President

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" for an amount not to exceed $100,000.

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, or 3.9.2, 3.93, 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, or 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, 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:	Casc Engineering and Consulting, Inc. 18 Technology Drive, Suite 135 Irvine, CA 92618 Attn: Melanie Sotelo, Associate Vice President

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

CONSULTANT

Signed by:

By:__________________________________
59402F88B1E8471...

Melanie Sotelo
Associate Vice President

APPROVED AS TO FORM:

RUTAN & TUCKER

By:______________________________
Ajit Thind
City Attorney

EXHIBIT A

Scope of Work

It is anticipated that the selected consultant will support the City with a combination of in-house, field work, meetings, and satellite services. The Department anticipates an allocation of 16 to 24 hours per week with the selected provider. Any work involving private development or Public Works construction projects is additional and performed on a time and material basis. This allows the Department to contract for more complex expertise.

GENERAL SCOPE OF SERVICES

1. The Consultant shall provide Professional Stormwater Quality Services on a monthly services costs and time/material costs, Not to Exceed basis, to the City of La Palma, including the following;
2. The Consultant shall coordinate with City staff and Departments regarding the programs related tasks and prepare and submit monthly program status reports to the City.
3. Review and be familiar with the State and Federal permits, regulations and guidelines, and provide the City staff with technical memorandums regarding any changes or updates.
4. The consultant shall utilize wireless devices to connect to the City's online database to enter in inspection information in real-time but no later than the same day the inspection is performed. The wireless devices shall be either a laptop, tablet type or smart phone device that has the ability to print the inspection directly in the field to provide to the facility representative. This requirement may be waived at the discretion of the Public Works Director depending upon the device chosen. The devices are subject to the approval of the Public Works Director. These requirements do not relieve the consultant of any required paper documentation that is necessary or required for compliance with eh NPDES permits, WDR's, FOG Program. In addition, all data collected shall become the property of the Public Works Department and shall be provided to the City in a format approved by the City.
5. Prior to starting any work, the Consultant shall submit a proposed, detailed Task Order scope of services, fee proposal, schedule and over-al project estimate, to the Contract Officer for approval. Not work shall begin until written approval by the Public Works Department.
6. Scope of Services and number of hours for each Task shall be upon mutual agreement by the City and Consultant.
7. The Consultant understands that this is not an exclusive contract and that the City may use its own forces or others at its discretion.
8. Consultant's employees shall maintain a neat, well groomed, appearance at all times while performing duties related to this program. Hair (including facial hair) shall be maintained in a neat, well groomed, fashion. The employees' clothing shall be professional and maintained in a clean and neat order with no rips, tears, or permanent stains present. Employees with tattoos and/or body piercing that is determined by the Authorized Representative to potentially present an unprofessional appearance, or one which is not in keeping with professional image the City wishes to present, shall be immediately replaces

with an employee who meets all criteria required in these specifications.

9. Consultant's employees shall act in a courteous, professional, manner at all times while working on the project. Every effort shall be made to perform the work causing the least disturbance to the business being inspected. Any employee, who is determined to be incompetent, disorderly, intemperate, or otherwise objectionable, shall immediately be removed and replaced with a satisfactory employee.
10. The Public Works Director, at his/her discretion, may remove any employee deemed unsuitable and the consultant shall replace said employee with new personnel.
11. Other tasks, including office work (when not at the City of La Palma, non-routine fieldwork (i.e. special site inspections and some follow-up inspections) may be performed outside of time restrictions as follows between the hours of 7:30 am to 5:30 pm, Monday through Thursday and 8:00 am to 5:00 pm on Fridays.
12. Consultant shall present an official form of identification at all times when conducting inspections.
13. Consultant shall maintain an office at some fixed place and shall maintain a telephone at this office, which should be in the telephone director in the firm's commonly known name, an shall at all times have a responsible person(s), employed by the consultant, to take all necessary action regarding all inquiries and complaints that may be received from the City and/or business owners during normal working hours. These inquires will likely include but not limited to the following:
    a. Questions from the Field Staff asking for clarifications of program requirements.
    b. Questions from City Staff regarding staffing, data management, and billing issues.
14. Because of the potential technical nature of these questions, the individual(s) responsible for this effort shall be thoroughly knowledgeable about the NPDES and FOG programs, especially as it applies to the City of La Palma's programs.
15. The Consultant's field inspections shall be equipped with a cellular phone to allow immediate contact by City of La Palma's contract officer. The Consultant's staff shall be reachable between the hours of 7:30 am to 5:30 pm, Monday through Thursday and 8:00 am to 5:00 pm on Fridays.
16. Any complaints or questions that cannot be resolved by the Consultant shall be referred to the City Representative.
17. Employees shall be trained to recognize typical hazards associated with commercial, industrial and food service establishment activities. It shall be the Consultant's responsibility to train employees to identify hazards at locations noted above. Any hazards present, that would prevent the employees from safely conducting the inspection, shall be reported to the Authorized City Representative. An inspection shall not be conducted while this hazard or safety concern exists.
18. General safety precautions (i.e. proper driving practices, wearing hard hats, ear protection, etc. in prescribed area, avoiding confined spaces, etc.) shall be exercised by Consultant staff at all times.
19. Any and all photographs taken by the consultant shall be geolocated.

NPDES SCOPE OF SERVICES

1. The Consultant shall provide NPDES/Stormwater inspections and audit compliance that are in compliance with State of California Regional Water Quality Control Board, Santa

Ana Region Order No. R8-2009-0030, NPDES Permit No. CAS618030 as Amended by Order No. R8-210-0062, land, state and redevelopment law. More specifically, attention is directed to Section IX, Municipal Inspections of Industrial Facilities and Section X, Municipal Inspections of Commercial. If the Consultant provides building and grading inspection services for the City, the Consultant shall coordinate all activities related to NPDES Permit compliance that affect such.

2. The Consultant shall provide construction and water quality management plan compliance/verification support services and ensure compliance with the WQMP requirements as established by the latest NPDES Permit.
3. The Consultant shall provide personnel that have extensive knowledge of NPDES Permit and WDR's and applicable laws and regulations to actively manage, inspect, document and report regarding NPDES compliance with Sewers and Storm Drains regulations, Chapter 34 of the La Palma Municipal Code as shown in Appendix "C".
4. When required, the Consultant's personnel shall hold the appropriate licenses and certifications as required by the work and be properly trained in accordance with the NPDES permit and WDR's. Documentation to that affect shall be provided before start of the contract with annual updates prior to July 1, each year for submittal to the City's annual report to the Regional Board.
5. Consultant shall provide all dischargers and/or consultants with all relevant documents pertaining to the City of La Palma's Municipal Code requirements. These documents shall be drafted, approved and supplied by the City of La Palma. All pictures, video, documentation, etc., shall be made available to the City of La Palma at all times and become the project of the City.
6. Consultant shall keep all written records and all computer files/discs for a minimum of three (3) years. All records will be made available to the City of La Palma at all times and submitted to the City after the end each reporting year.
7. Review and evaluate existing Stormwater program and provide recommendations and implementation procedures.
8. Provide recommendations for the development of Code Enforcement procedures in compliance with the City's Municipal Codes for environmental programs.
9. Represent the City at local and regional meetings, such as the Stormwater General Permittee, sub-committee, and Regional Water Board meetings.
10. Serve as the City's liaison with the Regional Water Board, County of Orange, and other local agencies on matters related to environmental programs.
11. Prepare and submit the required permit-related reports including quarterly progress and annual Stormwater program reports.
12. Prepare staff reports for City Council meetings and other reports, as requested by the City.
13. Prepare and submit other documentation as requested by the City.
14. Provide educational trainings and workshops on pollution prevention measures to City staff.
15. Coordinate with the County of Orange to develop and distribute outreach materials to residents and businesses.
16. Assist the City in the development and maintenance of an efficient database system with GPS coordinates and maps to track the City's activities related to environmental programs.
17. Develop accurately depicted maps to enhance reports or other documentation.
18. Conduct IC/ID inspection, investigation, Code Enforcement, and prepare the required

notifications and reports.

19. Prepare necessary water quality inspection and reporting for municipal, commercial, industrial facilities, residential developments, multi-family developments and construction projects, to assure the implementation of best management practices for pollution prevention as required by the National Pollutant Discharge Elimination System (NPDES) permit and the State Construction General permit (CGP).
20. Develop the necessary templates for pollution prevention plans during construction and post construction phases. Coordinate with other City departments to ensure all new development and redevelopment projects meet NPDES permits and City requirements.
21. Review and approve Water Quality Management Plan (WQMP) for development, redevelopment, and projects.
22. Review and approve Stormwater Pollution Prevention Plan for high priority construction projects and Water Pollution Control Plans (WPCPs) for medium and low priority projects.
23. The Consultant shall be on-site for any emergency responses within 45 minutes of being notified.
24. The Consultant shall provide all inspection services.
25. The Consultant shall provide all follow-up inspection services as needed.

FOG PROGRAM SCOPE OF SERVICES

1. The Consultant shall provide Fats, Oils and Grease (FOG) inspection that are in compliance with the State of California Regional Water Quality Control Board (RWQCB), Santa Ana Region Order No. R8-2002-0014, General Waste Discharge Requirements (WDR) for all Sewage Collection Agencies in Orange County within the Santa Ana Region and State Water Resources Control Board (State Water Board) adopted Statewide General Waste Discharge Requirements (WDRs) for Sanitary Sewer Systems, Water Quality Order No. 2006-0003 (Sanitary Sewer Systems WDR).
2. The Consultant shall furnish all labor, equipment, materials, tools, services, and special skills required to perform “FOG Compliance” inspections, at food services establishments within the City of La Palma, as prescribed by the WDR Order and the specifications includes in this document. The Consultant shall provide sufficient personnel, materials, and supplies to accomplish the inspections approximately 50 food service establishments. It is anticipated that there will be follow-up inspections conducted when violations are observed during routine inspections.
3. The Consultant shall provide professional Fats, Oils & Grease/Environmental Compliance Inspections and Plan Check Services on a Time and Material, not to exceed basis, to the City of La Palma, including but not limited to:
    - Attending meetings upon request of the Contract Officer
    - Permit and Grant Application Services as directed
    - Public Outreach Services as directed
4. The Consultant shall furnish adequately trained inspectors with the knowledge, skills, and abilities to perform inspections at food service establishments for compliance with local surface water quality FOG regulations (City of La Palma Ordinance No. 2022-13, which can be found under Chapter 34 of the La Palma Municipal Code and take appropriate enforcement actions based on observed violations. Consultant will inspect all Grease Interceptors and Grease Traps within the City of La Palma sewer service area every four

months. Consultant shall also perform Grease Best Management Practices Inspections on an annual basis.

5. Consultant shall coordinate with the Authorized City Representative and provide schedules that will accomplish the inspections within the required timeframe. The Consultant shall perform inspections every four months on behalf of the City of La Palma and will perform the following minimum actions at all inspections:
   - Contact Food Service Establishment representative
   - Determine capacity and condition of grease interceptor/trap and required inspection results/findings
   - Review recent pumping manifests and/or grease receipts and input into database.
   - Obtain pH sample and record results from Grease interceptors only
   - Inform Food Service Establishment representative of all findings and/or actions.
   - Issue Notice of Non-Compliance if necessary and provide follow up as required.
6. Consultant shall provide database updates to the Authorized City Representative upon conclusion of each round of inspections. The database will include all food service establishments which do and/or do not discharge waste water containing fats, oils or grease (FOG) into the sanitary sewer collection system. This database will include, but not limited to, the following information:
   - Name and location of food service establishment
   - Property owner, manager, contact person name(s) and phone number(s).
   - Grease interceptor/trap location, number of inspection points and volume in gallons of grease control device
   - Date of inspections, most recent pumping date, and condition of interceptor/trap
   - Waste hauler names, addresses and phone numbers
   - Notice of Non-Compliance issuance dates(s), re-inspection dates, and findings as well as any/all relevant information
7. Consultant shall keep all written records and all computer files/discs for a minimum of three years. All records will be made available to the City of La Palma at all times and submitted to the City of La Palma after three-year period. Consultant shall gather, maintain and provide a complete database of all food service establishments which do and/or do not discharge wastewater containing fats, oils, and grease (FOG) into the sanitary sewer collection system.
8. Consultant shall perform on-site Grease Best Management Practices inspections at all food service establishments listed currently, or in the future within the City of La Palma food service establishment database, on an annual basis. Consultant shall inspect each food service establishment a total of two time, the initial inspection and then the follow-up inspection if the facility is found non-compliant. If compliance is not obtained by the food service establishment after the second inspection, the Consultant shall notify the City of La Palma of such food service establishments, along with all relevant information, including the reason(s) for the issuance of the Notice of Non-Compliance.
9. Consultant shall conduct field inspections of food service establishment to ensure compliance with applicable local surface water quality regulations and related Grease Best Management Practices (GBMPs). Consultant shall inspect for the following during these inspections: (1) Removal of garbage grinder, (2) Inspect grease collection maintenance logs, exhaust hood maintenance logs and employee training logs, (3) Inspect for installation and maintenance of all drain screens, (4) Inspect to ensure food waste BMPs are followed,

(5) Inspect to ensure dry wiping BMP is followed, (6) Inspect for emergency spill materials or spill response kit, (7) Inspect to ensure Stormwater/Grease BMP poster(s) are located in approved areas. The inspection findings shall be entered into an electronic inspection tracking system prepared by the City and that can feasibly be used by the City for its monitoring purposes.

10. Consultant shall notify all dischargers found to be in non-compliance or subject to notice of violation. Consultant shall not provide any form of legal enforcement or take part in any form of enforcement action(s). All legal enforcement and actions taken against any discharger by the City of La Palma, after the notice of non-compliance procedures have been fulfilled by the Consultant, will be the sole responsibility of the City of La Palma. Consultant shall cooperate in full with the City in all matters regarding possible enforcement action(s) and other general matters regarding the City's sanitary sewer ordinance requirements.
11. Consultant shall be available to provide consultation for items such as City Council meeting, workshops, or community meetings, at a rate approved by the City of La Palma and Consultant.
12. The Consultant shall provide a representative (project manager) to review inspection activities as necessary for the purpose of determining compliance with these specifications. The topics to be addressed include bur are not limited to the following:
    - Providing complete site reviews to ensure compliance with applicable regulations.
    - Providing appropriate notification to food service establishments being inspected.
    - Providing courteous and professional inspections at food service establishments.
    - Providing the appropriate rate of inspections to ensure all sites which require inspections during the fiscal year are inspected as prescribed by the program.
    - Providing a summary of unusual or outstanding issues concerning non-compliance or other ongoing issues of concern.
    - Provide information or suggestions for modification or revisions of the database maintenance and information processing program.
13. Review and evaluate existing FOG program and provide recommendations and implementation procedures.
14. Provide recommendations for the development of Code Enforcement procedures in compliance with the City's Municipal Codes for environmental programs.
15. Serve as the City's liaison with the Regional Water Board, County of Orange, and other local agencies on matters related to environmental programs.
16. Prepare and submit the required permit-related reports including quarterly progress and annual FOG program reports.
17. Prepare staff reports for City Council meetings and other reports, as requested by the City.
18. Prepare and submit other documentation as requested by the City.
19. Provide educational trainings and workshops on FOG pollution prevention measures to City staff.
20. Coordinate with the County of Orange to develop and distribute outreach materials to residents and businesses.
21. Assist the City in the development and maintenance of an efficient database system with GPS coordinates and maps to track the City's activities related to environmental programs.
22. Develop accurately depicted maps to enhance reports or other documentation.
23. The Consultant shall be on-site for any emergency responses within 45 minutes of being

notified.

24. The Consultant shall provide all inspection services.
25. The Consultant shall provide all follow-up inspection services as needed.

EXHIBIT B

Budget and Fee Schedule

See attached

Project		Annual Estimate and Billing Rates										Other Direct Costs					
City of La Palma NPDES and FOG Support Services ANNUAL FEE ESTIMATE* CASC Engineering and Consulting, Inc. 2024 Confidential Proposal		Position and Name >>>	Senior Project Manager	Project Manager	Sr. Engineer	Assistant Engineer	Lead Inspector	Field Inspector/ Program Support	GIS Speacialist	Project Coordinator	**Labor Subtotal**		ODC-Printing Material - Inspection reports/Educational Material/Etc.	ODC - Permits/Fees/Rental Equipment & Supplies	Mileage	**Other Direct Cost Subtotal**	**Total by Task**
Task	**Task Description**	**Billing Rate >>>**	$150.00	$135.00	$165.00	$150.00	$119.00	$112.00	$115.00	$99.00		Unit Rate >>>	$ 1.00	$ 1.00	$ 0.67		
I	**NPDES and FOG Inspections**																
	Database Management	Est. Hours >>>		10							10	Est. Units >>>					
		Est. Amount >>>	$ -	$ 1,350.00	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,350.00	Est. Amount >>>	$ -	$ -	$ -	$ -	$ 1,350.00
	NPDES Inspection Services for commercial and industrial sites (Assumes 20% follow-up)	Est. Hours >>>		2			2	350			354	Est. Units >>>			330		
		Est. Amount >>>		$ 270.00	$ -	$ -	$ 238.00	$ 39,200.00	$ -	$ -	$ 39,708.00	Est. Amount >>>	$ -	$ -	$ 221.10	$ 221.10	$ 39,929.10
	FOG + NPDES Inspection Services for FOG sites (Assumes 20% follow-up)	Est. Hours >>>		2			4	320			326	Est. Units >>>			792		
		Est. Amount >>>	$ -	$ 270.00	$ -	$ -	$ 476.00	$ 35,840.00	$ -	$ -	$ 36,586.00	Est. Amount >>>	$ -	$ -	$ 530.64	$ 530.64	$ 37,116.64
	Additional NPDES Inspections: Construction, ICID investigations	Est. Hours >>>					2	60			62	Est. Units >>>					
		Est. Amount >>>	$ -	$ -	$ -	$ -	$ 238.00	$ 6,720.00	$ -	$ -	$ 6,958.00	Est. Amount >>>	$ -	$ -	$ -	$ -	$ 6,958.00
II	**As Needed NPDES and FOG Adminstrative Support Services**	Est. Hours >>>	24	15	15	10	15	10		20	109	Est. Units >>>			132		
		Est. Amount >>>	$ 3,600.00	$ 2,025.00	$ 2,475.00	$ 1,500.00	$ 1,785.00	$ 1,120.00	$ -	$ 1,980.00	$ 14,485.00	Est. Amount >>>	$ -	$ -	$ 88.44	$ 88.44	$ 14,573.44
Annual Project Estimate Summary Totals		Est. Hours >>>	24.0	29.0	15.0	10.0	23.0	740.0	0.0	20.0	861.0	Est. Units >>>			1,254.0		
		Est. Amount >>>	$3,600	$3,915	$2,475	$1,500	$2,737	$82,880	$0	$1,980	$99,087.00	Est. Amount >>>	$ -	$ -	$ 840.18	$ 840.18	**$ 99,927.18**
III	**OPTIONAL SERVICES (Not proposed as part of this scope.)**																
	Development of GIS Web and Mobile Applications (Not proposed as part of this scope.)	Est. Hours >>>		20	0	0			55		75	Est. Units >>>					
		Est. Amount >>>	$ -	$ 2,700.00	$ -	$ -	$ -	$ -	$ 6,325.00	$ -	$ 9,025.00	Est. Amount >>>	$ -	$ -	$ -	$ -	$ 9,025.00

REIMBURSABLE EXPENSES:

The following expenses will be billed at cost plus 5% unless otherwise noted:

Permits, Applications, and Fees: Includes fees for Notices of Intent (NOI), Notices of Termination (NOT), application fees, submittal fees, permit fees, and other fees required as part of the project and not paid directly by Client.

Commercial Delivery Services: Including Express Mail, Federal Express, UPS and independent courier services.

In-House Pick-Up and Delivery Services: When provided by the firm, these services will be billed at $50.00 per hour plus current IRS mileage reimbursement rates per mile round trip, with no additional markup.

NOTES:

Prevailing Wage: Projects and/or portions thereof designated by Client to be subject to Prevailing Wage shall be billed at the Prevailing Wage rate, plus a multiplier of approximately 3.4 for overhead and profit. The Prevailing Wage rate shall be based upon the Wage Rate Determination issued by California's Director of Industrial Relations for the locality and employee classification at the time the work is performed. Please contact CASC for specific project prevailing wage rates.

Litigation Support and Expert Witness shall be at 2.0 times the above noted hourly rates.

Task estimates: Line items for task estimates may be adjusted as required by the City's need for support services. Requested support services must not exceed the total project budget.

City of La Palma
Agenda Item No. 13

MEETING DATE:	January 13, 2026
TO:	City Council
FROM:	City Manager
SUBMITTED BY:	Council Member Baker
AGENDA TITLE:	Council Member Request - Discuss Moving La Palma's Annual Tree Lighting Ceremony Date

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RECOMMENDED ACTION:

It is recommended that the City Council discuss and provide direction to staff.

BACKGROUND:

In 2025, Council Member Baker, with the support of Mayor Pro Tem Patel, requested that an item be placed on the October 7, 2025, City Council agenda to discuss changing the date of La Palma's Annual Tree Lighting Ceremony.

Following discussion at the October 7, 2025, City Council meeting, staff was directed to return the item to the Council for further consideration following the 2025 Holiday Tree Lighting Ceremony, which would allow for adequate planning should the Council wish to transition the event to a different weekday beginning in December 2026.

Staff is requesting Council direction on whether to move the event from the first Wednesday of December to the first Tuesday of December, or another date to be discussed. Upon receiving direction, staff will coordinate with local schools and vendors to plan for the selected date starting with the December 2026 event.

FISCAL IMPACT:

There is no fiscal impact associated with discussing this matter and the event costs will be incorporated into the Fiscal Year 2026–27 Budget.

ATTACHMENTS:

None