



AGENDA

REGULAR MEETING

LA PALMA CITY COUNCIL

TUESDAY, NOVEMBER 5, 2024

Marshall Goodman
Mayor

Mark Waldman
Mayor Pro Tem

Debbie S. Baker
Council Member

Janet Keo Conklin
Council Member

Nitesh P. Patel
Council Member

5:30 PM Closed Session

6:30 PM Open Session

La Palma City Hall

Council Chambers

7822 Walker Street, La Palma

CALL TO ORDER

CLOSED SESSION

CS-1. CONFERENCE WITH REAL PROPERTY NEGOTIATIONS

(Pursuant to Government Code Section 54956.8)

Property: 5410-14 La Palma Avenue, La Palma, California

Agency negotiator:

Conal McNamara, City Manager

Ryan Hallett, Assistant City Manager

Negotiating parties:

Victor Chung, Elite Taekwondo Center, LLC

Under negotiations:

Price and/or terms of a lease

CS-2. CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to Government Code section 54957.6.

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

CS-3. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

(Pursuant to paragraph (1) of subdivision (d) of Section 54956.9)

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

CS-4. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

(Pursuant to Government Code Section 54956.8)

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

CS-5. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

-

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

OPEN SESSION TO BEGIN AT 6:30 PM

PLEDGE OF ALLEGIANCE

Council Member Patel

INVOCATION

Pastor Steve Bland, La Palma Christian Center
Council Member Waldman

ROLL CALL

PRESENTATIONS

- Recognition of Orange County Fire Authority Chief Steve Dohman for his 27 years of service.

ORAL COMMUNICATIONS (Time Limit: 5 Minutes Each)

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

CONSENT CALENDAR

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

1. *Waive the Reading of All Ordinances*

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

2. Approval of Council Minutes

It is recommended that the City Council approve the Minutes of the October 1, 2024, Regular Meeting, and October 22, Special Meeting of the City Council.

3. Approval of Register of Demands

It is recommended that the City Council adopt a Resolution approving the Register of Demands for October 15, 2024, and November 5, 2024.

4. First Quarter Cash and Investment Report, Fiscal Year 2024-25

It is recommended that the City Council receive and file the Cash and Investment Report for the first quarter of Fiscal Year 2024-25.

5. Additional Appropriation for the Service Line Inventory Assessment

It is recommended that the City Council appropriate an additional \$25,000 from the Water Fund for the previously ratified amendment with the Municipal Water District of Orange County (MWDOC) for the Service Line Inventory Assessment.

6. Resolution Adopting the Measure M2 Expenditure Report for Fiscal Year ending June 30, 2024

It is recommended that the City Council adopt a Resolution approving the annual Measure M2 expenditure report for Fiscal Year ending June 30, 2024.

7. Award a Contract to Golden Meters Service, Inc. for the Neptune MIU Endpoint & Antenna Installation.

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

1. Award a contract to Golden Meters Service, Inc. for an amount not to exceed \$57,200 for the Neptune Meter Interface Unit Endpoints and Antenna Installation;
2. Authorize a 15% contingency for unforeseen needs for materials and labor; and
3. Authorize the City Manager or his designee to execute the agreement and all necessary documents.

8. **Second Amendment to On-Call City Engineering Services Contract**

It is recommended that the City Council:

1. Approved the 2nd Amendment to the On-Call City Engineer Services contract for one (1) year with Infrastructure Engineers, a Bowman Company; and
2. Authorize the Mayor to sign the 2nd Amendment.

9. **Resolution Amending the City Council's Regular Meeting Schedule for January 2025.**

It is recommended that the City Council adopt a Resolution amending the City's Council's Regular Meeting Schedule for January 2025.

10. **Award a Contract for Water Leak Asphalt Repairs**

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

1. Award a Contract to G.M. Sager Construction Co., Inc. for an amount not to exceed \$28,727 for water leak asphalt repairs; and
2. Authorize the City Manager to execute all required documents

11. **Award of Contract for a Citywide Cost Allocation Plan and Comprehensive User Fee Study**

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

1. Authorize the City Manager to execute a Professional Services Agreement with Revenue & Cost Specialists (RCS) in the amount of not to exceed \$23,450 to complete a Citywide Cost Allocation Plan and Comprehensive User Fee Study, and
2. Allocate \$23,450 from the General Fund's unreserved fund balance to cover the cost of the project.

12. **Approval of Upgrades for Citywide Information Technology (IT) Infrastructure**

It is recommended that the City Council take the following actions to upgrade the City's Information Technology (IT) Infrastructure:

1. Approve and authorize the City Manager to execute an agreement to upgrade all City computers currently using Office 2019 to Office 365 for

\$14,040 annually, with a 5% annual increase for subscription services;

2. Approve and authorize the City Manager to execute a 36-month agreement with RingCentral to upgrade all City phones and phone support services for \$18,200 annually;
3. Approve and authorize the City Manager to execute an agreement with Verve for 100M Dedicated Backup Internet Access at a cost of \$8,100 annually;
4. Approve and authorize expenditures with Infinity Technologies to implement the IT infrastructure upgrades in the amount not to exceed \$40,000 and
5. Appropriate and transfer \$81,000 from the Information Technology Replacement Fund (IT Fund) unreserved fund balance to IT Fund's Office Equipment expense account (064-650-8030-00000).

13. Approval to Purchase Three Electronic Portable Message Boards

It is recommended that the City Council authorize the City Manager to execute the attached quote from All Traffic Solutions Inc. for the purchase of three electronic portable message boards.

PUBLIC HEARINGS

14. Review and Consideration of Conditional Use Permit 393 to Establish an Adult Day Care Use (My Day Program, Inc.) Located at 7252 Walker Street (APN 263-061-12)

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

- a) Open Public Hearing
- b) Receive Staff Report
- c) Council Member Comments and Questions
- d) Receive Public Input
- e) Close Public Hearing
- f) Adopt a Resolution approving Conditional Use Permit 393

CEQA exempt pursuant to Section 15301 Class 1 [Existing Facilities]

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

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

- a) Open Public Hearing
- b) Receive Staff Report
- c) Council Member Comments and Questions
- d) Receive Public Input
- e) Close Public Hearing
- f) Introduce an Ordinance amending portions of the City Zoning Code Chapter 44 of the La Palma Municipal Code) for parking, signage, and housing definitions in compliance with State Housing Laws and the City's Housing Element by (1) asking the City Clerk to read the title of the Ordinance; and (2) approving a motion to waive further reading of the Ordinance and to pass it on a second reading.

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

REGULAR ITEMS

16. **Award of Contract for Testing, Dynamic Profiling, and Pump and Motor Replacement for Water Quality Improvements at the City Yard**

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

- 1. Award a Contract to BESST Inc. for Testing, Dynamic Profiling, and Well Pump and Motor Replacement for Water Quality Improvements at the City Yard for an amount not to exceed \$321,000;
- 2. Authorize a 15% contingency for unforeseen issues;
- 3. Authorize the City Manager or his designee to execute all required documents; and
- 4. Approve reallocating \$321,000 in the FY 24/25 Capital Improvement

Program budget from the Water Treatment Feasibility Study account (055-900-9330-00000) to the Pump & Well Repair account (055-900-7100-00000).

17. Consideration of Agreement to Lease 5410-14 La Palma Avenue to Elite Taekwondo Center, Inc.

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

1. Adopt a Resolution approving an Agreement to Lease 5410-14 La Palma Ave by Elite Taekwondo Center, Inc.; and
2. Authorize the Mayor to execute the Lease Agreement and any other real estate documents to effectuate the provisions of the Lease Agreement.

18. Economic Development/Land Use Ad-Hoc Subcommittee Findings and Recommendations

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

1. Approve the update to the City of La Palma Economic Development Plan 2030 and direct City staff to implement its programs and policies;
2. Adopt a resolution to establish the Economic Development Oversight Task Force;
3. Direct staff to solicit Statements of Interest for the Economic Development Oversight Task Force; and
4. Direct staff to request proposals from qualified consulting firms to prepare an Economic and Market Analysis.

19. Good Governance Policy Discussion

Staff recommends that the City Council receive the report and provide direction to staff.

20. Council Member Request: La Palma Chamber of Commerce Presentation

It is recommended that the City Council consider Council Member Keo Conklin's request to receive the presentation and discuss the La Palma Chamber of Commerce.

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: November 5, 2024
TO: City Council
FROM: City Manager
SUBMITTED BY: Kimberly Kenney, City Clerk
AGENDA TITLE: Waive the Reading of All Ordinances

RECOMMENDED ACTION:

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

PURPOSE:

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: November 5, 2024

TO: City Council

FROM: City Manager

SUBMITTED BY: Kimberly Kenney, City Clerk

AGENDA TITLE: Approval of City Council Minutes

RECOMMENDED ACTION:

It is recommended that the City Council approve the Minutes of the October 1, 2024, Regular Meeting, and October 22, Special Meeting of the City Council.

FISCAL IMPACT:

None.

ATTACHMENTS:

1. City Council Meeting Minutes 10-1-2024
2. City Council Special Meeting Minutes 10-22-2024

MINUTES OF THE REGULAR MEETING
OF THE LA PALMA CITY COUNCIL
October 1, 2024

CALL TO ORDER: Mayor Goodman called the Regular Meeting of the La Palma City Council to order at 5:30 p.m. in the Council Chambers of La Palma City Hall, 7822 Walker Street, La Palma, California.

CLOSED SESSION

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

Name of Case: Janee L. Pacheco v. Anaheim Union High School District et al.
Case No. USDC 8:24-cv-00525-JFW-PVC

CS-2. CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION
Consideration of whether to initiate litigation pursuant to Government Code Section 54956.9(d)(4): (1 case)

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

Name of Case: Ross Byer v. City of La Palma
Orange County Superior Court Case No. 30-2024-01394359-CU-OE- CJC

CS-4. CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION
(Pursuant to paragraph (1) of subdivision (d) of Section 54956.9)

Name of Case: Torres vs. City of La Palma
Case No: OCSC TC24-3498

CS-5. CONFERENCE WITH LABOR NEGOTIATORS
(Pursuant to Government Code section 54957.6)

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

Employee Organizations: La Palma General Employees Association
La Palma Police Association
La Palma Professional Employees Association

Unrepresented Employees: Executive Management

CS-6. CONFERENCE WITH REAL PROPERTY NEGOTIATIONS

(Pursuant to Government Code Section 54956.8)

Property: 5410-14 La Palma Avenue, La Palma, California

Agency negotiator: Conal McNamara, City Manager
Ryan Hallett, Assistant City Manager

Negotiating parties: Victor Chung, Elite Taekwondo Center, LLC

Under negotiations: Price and/or terms of a lease

CS-7. CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION

(Pursuant to paragraph (1) of subdivision (d) of Section 54956.9)

Name of Case: Sarkis Tatarian v. City of La Palma, et al.

Case No. OCSC 30-2024-01375931-CU-WM-CJC

OPEN SESSION TO BEGIN AT 6:30PM

Mayor Goodman adjourned the Closed Session at 6:06 p.m.

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

City Attorney Thind noted that there were no reportable actions out of Closed Session.

PLEDGE OF ALLEGIANCE: Walker Junior High School Kindness Club

INVOCATION: Pastor Matthew Agosto, City Church

ROLL CALL: Council Members

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

Council Members absent: None

City Council Meeting
October 1, 2024
Page 2

City Officials present:

Conal McNamara, City Manager
Ajit Thind, City Attorney
Belinda Deines, Community Development Manager
Joe Cisneros, Deputy City Manager
Andy Ramirez, Public Works & Community Services
Director
Joe Guerrero, Police Chief
Kimberly Kenney, City Clerk

PRESENTATIONS:

- Mayor Goodman presented a Proclamation to Orange County Fire Authority Chief Dohman in Recognition of October 6-12 as "Fire Prevention Week".
- Mayor Goodman and Council Member Patel presented a Proclamation to Nitin Deshpande and the Hindu Swayamsevak Sangh group in recognition of October as Hindu Heritage Month.
- Public Works & Community Services Director introduced Gary Robinson as the City's new Water Worker.
- Noella Lew, La Palma Community Activities and Beautification Committee, Home Spotlight Committee, recognized the home of Wayne and Betty Zehner.
- Senator Nguyen gave a Legislative Update.

ORAL COMMUNICATIONS

Andi Chen, La Palma resident and business owner, addressed the City Council by announcing the formation of the new La Palma Chamber of Commerce as their C.E.O.; that she met Council Member Keo Conklin at Assemblywoman Sharon Quirk-Silva's Small Business Expo on August 16 and discussed the start of a La Palma Chamber of Commerce; introduced two volunteer board members; and hoped this venture would be a great opportunity for La Palma businesses.

Dr. Shauna Harris, a La Palma resident, addressed the City Council regarding the mission of the La Palma Chamber of Commerce; that she met Council Member Keo Conklin at Assemblywoman Sharon Quirk-Silva's Small Business Expo on August 16 and discussed the start of a La Palma Chamber of Commerce; and presented local engagement plans.

Jesse Alvarado, a Hawaiian Gardens Resident, addressed the City Council regarding the need for a Chamber of Commerce to assist and stimulate local businesses; that he met Council Member Keo Conklin at Assemblywoman Sharon Quirk-Silva's Small Business Expo on August 16 and discussed the start of a La Palma Chamber of Commerce; that he'd like to collaborate with other Chambers of Commerce from adjacent cities.

Kyle McCune, a La Palma resident, addressed the City Council regarding the unkept condition of City trees in the public right-of-way; complaint about loud neighbors having a party; that he called for police response three separate times; his opposition to having to call repeatedly and supports Orange County Sheriffs if local police cannot resolve complaints.

Robert Carruth, a La Palma resident, addressed the City Council regarding the history of the City's sign code ordinance regarding temporary signage; his opposition to the City Council's process moving Measure W forward to the voters; and his opposition to the lack of code enforcement regarding temporary signs.

CONSENT CALENDAR

1. Waive the Reading of All Ordinances

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

2. Approval of Council Minutes

Minutes of the September 3, 2024, Regular Meeting of the City Council.

4. Amendment to the Signal Maintenance Agreement with Crosstown Electric and Data, Inc.

Approve an amendment to the contract for the maintenance of traffic signal services with Crosstown Electric and Data, Inc., in an amount not to exceed \$20,000.

5. Agreement with the Southeast Area Animal Control Authority (SEAACA) for Animal Care Services

Approve and authorize the Mayor to execute a five-year agreement with the Southeast Area Animal Control Authority (SEAACA) for the delivery of animal care services in FY 2025-2029 with the option of terminating the agreement upon 90-days written notice.

6. Agreement with All City Management Services (ACMSJ. Inc. for Providing School Crossing Guard Services

Approve and authorize the City Manager, or designee, to execute an agreement with All City Management Services (ACMS), Inc. to provide school crossing guard services for one year, commencing July 1, 2024, through June 30, 2025.

7. Side Letter between the City and La Palma General Employees Association

Adopt Resolution No. 2024-40 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.

8. Various Median Islands Capita/Improvement Project Update

Appropriate \$202,800 from project savings to the project contingency funds.

9. Beverage Container Recycling Grant

Adopt Resolution No. 2024-40 authorizing the submittal of an application for the Cal Recycle Beverage Container Recycling Grant Program for \$54,995.84 for the installation of four (4) water refill stations in various locations within Central Park.

Council Member Patel made a motion to approve Consent Calendar Items 1 and 2, and 4 through 9.

The motion was seconded by Council Member Baker and carried on the following vote:

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

NOES: None

ITEMS PULLED FROM CONSENT CALENDAR

3. Approval of Register of Demands

It is recommended that the City Council adopt Resolution No. 2024- 39 approving the Register of Demands for September 17, 2024, and October 1, 2024.

Item 3 was pulled from the Consent Calendar to allow for Public Comment by a

resident.

Robert Carruth, a La Palma resident, requested to have this item pulled to address the City Council regarding his concerns regarding payment to Tripepi Smith and listed questions regarding the services provided.

Council Member Patel reported his concerns regarding some comments made by Mr. Carruth on social media that he viewed as inappropriate; that he encouraged Mr. Carruth to sign the Campaign Code of Conduct; and that La Palma celebrates and respects its diversity.

Council Member Patel made a motion to approve Consent Calendar Items 3.

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

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

NOES: Council Member Conklin

PUBLIC HEARINGS

None Scheduled.

REGULAR ITEMS

None Scheduled.

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

Council Member Keo Conklin clarified that the La Palma Chamber of Commerce that was founded by herself and other members, has no affiliation with the City; requested to have the matter placed on the next City Council agenda in order to collaborate efforts in supporting local businesses; attended a 9/11 Memorial Ceremony at the Civic Center; and the “Honoring our Fallen” gala recognizing our veterans.

Council Member Baker attended the Orange County Sanitation District (OC San) Operations Committee meeting; a surprise celebration for outgoing Police Chief Ron Wilkerson; the 9/11 Memorial Ceremony at the Civic Center; the La Palma Prayer

Breakfast at La Palma Christian Center; the Orange County Older Adults Advisory Commission (OCOAAC); the Cal Cities Orange County Division Board of Directors meeting; a search party event for missing La Palma resident Geetaben Patel; the Orange County Mosquito and Vector Control District (OCMVCD) Board of Trustees meeting; the Regional Military Affairs Committee (RMAC) meeting; the OC San Board of Directors Meeting; the Placentia State of the City; reminded the public of EDCO's ewaste, recycle, compost, and shredding event this weekend; and congratulated Police Chief Guerrero on his appointment.

Council Member Patel attended the Orange County Fire Authority (OCFA) Budget and Finance meeting; the La Palma Prayer Breakfast at La Palma Christian Center; a search party event for missing La Palma resident Geetaben Patel; the OCFA Board of Directors meeting; reported on the injuries of OCFA personnel from recent wild fires; and announced his daughter's celebration of her 16th birthday.

Mayor Pro Tern Waldman had nothing to report.

Mayor Goodman attended the Economic Development and Land Use Ad-Hoc committee meeting; the California Joint Powers Insurance Authority (CJPIA) Claims and Executive Committee meeting; the Placentia State of the City; the Black Chamber of Commerce Annual Dinner; and congratulated Police Chief Guerrero on his appointment.

CITY MANAGER REMARKS

City Manager McNamara announced the upcoming State of the City on October 22; and wished Council Member Patel's daughter a wonderful 16th Birthday.

CITY ATTORNEY REMARKS

City Attorney Thind had nothing to report.

ADJOURNMENT

Mayor Goodman adjourned the Regular Meeting of the City Council at 7:49 p.m.

Marshall Goodman
Mayor

City Council Meeting
October 1, 2024
Page 7

ATTEST:

Kimberly Kenney, CMC
City Clerk

MINUTES OF THE REGULAR MEETING
OF THE LA PALMA CITY COUNCIL

October 22, 2024

CALL TO ORDER (4:15 P.M.)

Mayor Goodman called the Special Meeting of the La Palma City Council to order at 4:15 p.m. in the Banquet Hall of the California Joint Powers Insurance Authority, 8081 Moody Street, La Palma, California with Council Member Keo Conklin being absent.

ROLL CALL

ORAL COMMUNICATIONS

No members of the public wished to speak.

RECESS UNTIL 5:00 P.M.

Mayor Goodman recessed the Special Meeting at 4:20 p.m.

RECONVENE FOR STATE OF THE CITY ADDRESS (5:00 P.M.)

Mayor Goodman reconvened the Special Meeting at 5:03 p.m.

City Manager McNamara gave an overview of the program.

PLEDGE OF ALLEGIANCE

INVOCATION

STATE OF THE CITY PRESENTATION

City Manager McNamara introduced City Council members in attendance, recognized State Dignitaries and Legislative Officials, School District officials, Staff, and Citizen Committee members.

Mayor Goodman gave a presentation on the vision and direction for the City of La Palma, and gave an overview of the City's 2024 Accomplishments.

Assistant City Manager Ryan Hallett gave a presentation on the City's Economic Outlook and Budget.

Police Chief Joe Guerrero gave a presentation on the Police Department's Focus for 2024; and gave an overview of the calls and responsiveness of the Department, arrests and citations, patrol strategy, traffic enforcement, the Department's School Resource Officer, the collaboration with local agencies and authorities to combat homelessness, technology, regional resource sharing, volunteer programs, and staffing and professional development.

Public Works & Community Development Director Ramirez gave a presentation on the

City's 2024 Community Service Youth and Senior Programs, community events, Capital Improvement Projects, the street rehabilitation program and upcoming projects.

Community Development Manager Belinda Deines gave a presentation on the City's 2024 Economic Development overview and plans, new businesses, innovation in online Community Development services including permits and licenses, and plans for new commercial upgrades and developments.

Mayor Goodman closed the State of the City Address and thanked everyone for their interest, their daily efforts, and continued progress in keeping the La Palma Community one of the greatest cities to live in.

ADJOURNMENT

Mayor Goodman adjourned the Special Meeting of the La Palma City Council at 6:21 p.m.

City of La Palma

Agenda Item No. 3



MEETING DATE: November 5, 2024

TO: City Council

FROM: City Manager

SUBMITTED BY: Ryan Hallett, Assistant City Manager

AGENDA TITLE: Approval of Register of Demands

RECOMMENDED ACTION:

It is recommended that the City Council adopt a Resolution approving the Register of Demands for October 15, 2024, and November 5, 2024.

SUMMARY:

The laws of the State of California governing General Law Cities and the La Palma Municipal Code provide that the City Council shall approve all payments made by the City. A Register of Demands is provided at each City Council Meeting describing each payment made or to be made by the City during the specified period.

FISCAL IMPACT:

Sufficient funds are available to process all payments.

ATTACHMENTS:

1. Resolution with Warrant Registers

RESOLUTION NO. 2024-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
LA PALMA APPROVING THE REGISTERS OF DEMANDS
FOR OCTOBER 15, 2024, AND NOVEMBER 5, 2024

WHEREAS, certain financial obligations are due and payable by the City of La Palma, a General Law City, as of October 15, 2024, and November 5, 2024; 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 October 15, and November 5, 2024, and incorporated herein by reference.

APPROVED AND ADOPTED by the City Council of the City of La Palma at a regular meeting held on the 5th day of November 2024.

Marshall Goodman
Mayor

ATTEST:

Kimberly Kenney, CMC
City Clerk

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

I, KIMBERLY KENNEY, City Clerk of the City of La Palma, California, DO HEREBY CERTIFY that the foregoing resolution was adopted by the City Council of said City at a regular meeting of said City Council held on the 5th day of November, 2024, and that it was so adopted by called vote as follows:

AYES:

NOES:

Kimberly Kenney, CMC
City Clerk



City of La Palma

Warrant Register

By Vendor Name

Payable Dates 10/2/2024 - 10/15/2024

Approval

Reviewed by

A handwritten signature in blue ink, appearing to read "Ryan Hallett", is written over a horizontal line.

Ryan Hallett - Assistant City Manager

A handwritten signature in blue ink, appearing to read "Conal McNamara", is written over a horizontal line.

Conal McNamara - City Manager

Warrant Register

Payable Dates: 10/2/2024 - 10/15/2024

Payment Date	Payment Number	Vendor Name	Description (Item)	Amount
Vendor: 05409 - ADNAN ABDEH				
10/15/2024	APA001707	ADNAN ABDEH	9/29 PAVILION DEPOSIT RFD	200.00
Vendor 05409 - ADNAN ABDEH Total:				200.00
Vendor: 01046 - AFFORDABLE GENERATOR SVCS INC				
10/15/2024	APA001708	AFFORDABLE GENERATOR SV...	9/28 GENERATOR SVC/CY	1,504.50
Vendor 01046 - AFFORDABLE GENERATOR SVCS INC Total:				1,504.50
Vendor: 01009 - AKAL CONSULTANTS				
10/15/2024	APA001710	AKAL CONSULTANTS	8/21 SLURRY SEAL PROJ/ST...	7,840.00
Vendor 01009 - AKAL CONSULTANTS Total:				7,840.00
Vendor: 05695 - ANGEL AN				
10/15/2024	APA001712	ANGEL AN	7/6-9/28 KOREAN DANCE	1,456.00
10/15/2024	APA001712	ANGEL AN	7/6-9/28 KOREAN DANCE	182.00
10/15/2024	APA001712	ANGEL AN	8/31-9/28 KOREAN DRUM	156.00
10/15/2024	APA001712	ANGEL AN	8/31-9/28 KOREAN DANCE	195.00
Vendor 05695 - ANGEL AN Total:				1,989.00
Vendor: 05411 - APRIL ORTEGA				
10/15/2024	APA001745	APRIL ORTEGA	9/29 GAZEBO DEPOSIT RFD	100.00
Vendor 05411 - APRIL ORTEGA Total:				100.00
Vendor: 01170 - B C TRAFFIC SPECIALIST				
10/15/2024	APA001713	B C TRAFFIC SPECIALIST	9/25 RMVL & INSTL GUARDRAIL/PW	16,239.00
Vendor 01170 - B C TRAFFIC SPECIALIST Total:				16,239.00
Vendor: 01171 - B L WALLACE DISTRIBUTOR INC				
10/15/2024	APA001714	B L WALLACE DISTRIBUTOR INC	9/20 MTR BOX LIDS/WTR	77.43
10/15/2024	APA001714	B L WALLACE DISTRIBUTOR INC	9/24 MTR BOX LIDS/WTR	66.30
10/15/2024	APA001714	B L WALLACE DISTRIBUTOR INC	9/27 MTR BOX LIDS/WTR	66.30
Vendor 01171 - B L WALLACE DISTRIBUTOR INC Total:				210.03
Vendor: 01240 - BUENA PARK PLAQUE AND TROPHY				
10/15/2024	APA001715	BUENA PARK PLAQUE AND T...	9/17 NAMEPLATE/PD	15.09
Vendor 01240 - BUENA PARK PLAQUE AND TROPHY Total:				15.09
Vendor: 01252 - C F P INC				
10/15/2024	APA001716	C F P INC	(2)SEP'24 BLOOD TESTS/PD	295.00
Vendor 01252 - C F P INC Total:				295.00
Vendor: 01273 - CA POLICE CHIEFS ASSN				
10/15/2024	APA001717	CA POLICE CHIEFS ASSN	FY24/25 DUES/PD CPT	155.00
Vendor 01273 - CA POLICE CHIEFS ASSN Total:				155.00
Vendor: 05610 - CAMILLE VALLEY				
10/15/2024	APA001762	CAMILLE VALLEY	9/9-9/30 BALLET & TAP	234.00
Vendor 05610 - CAMILLE VALLEY Total:				234.00
Vendor: 05703 - CARLOS CONTRERAS				
10/15/2024	APA001719	CARLOS CONTRERAS	12725 HOOPSTER TOTS RFD	115.00
10/15/2024	APA001719	CARLOS CONTRERAS	12725 PROCESSING FEE RFD	10.78
Vendor 05703 - CARLOS CONTRERAS Total:				125.78
Vendor: 05081 - CATHERINE ROCHA VELEZ				
10/15/2024	APA001751	CATHERINE ROCHA VELEZ	8/15-9/12 ZUMBA	29.25
Vendor 05081 - CATHERINE ROCHA VELEZ Total:				29.25
Vendor: 01304 - CAVENAUGH & ASSOCIATES				
10/15/2024	39689	CAVENAUGH & ASSOCIATES	11/4-11/8 DUI SEMINAR/PD	620.00
Vendor 01304 - CAVENAUGH & ASSOCIATES Total:				620.00
Vendor: 03604 - CINTAS CORPORATION				
10/15/2024	APA001718	CINTAS CORPORATION	9/5 UNIFORM SVC/PW	33.77
10/15/2024	APA001718	CINTAS CORPORATION	9/5 UNIFORM SVC/PW	33.77
10/15/2024	APA001718	CINTAS CORPORATION	9/5 UNIFORM SVC/PW	39.78
10/15/2024	APA001718	CINTAS CORPORATION	9/12 UNIFORM SVC/PW	33.77
10/15/2024	APA001718	CINTAS CORPORATION	9/12 UNIFORM SVC/PW	33.77
10/15/2024	APA001718	CINTAS CORPORATION	9/12 UNIFORM SVC/PW	39.78

Warrant Register

Payable Dates: 10/2/2024 - 10/15/2024

Payment Date	Payment Number	Vendor Name	Description (Item)	Amount
10/15/2024	APA001718	CINTAS CORPORATION	9/19 UNIFORM SVC/PW	33.77
10/15/2024	APA001718	CINTAS CORPORATION	9/19 UNIFORM SVC/PW	33.77
10/15/2024	APA001718	CINTAS CORPORATION	9/19 UNIFORM SVC/PW	39.78
10/15/2024	APA001718	CINTAS CORPORATION	9/26 UNIFORM SVC/PW	35.42
10/15/2024	APA001718	CINTAS CORPORATION	9/26 UNIFORM SVC/PW	35.42
10/15/2024	APA001718	CINTAS CORPORATION	9/26 UNIFORM SVC/PW	41.42
Vendor 03604 - CINTAS CORPORATION Total:				434.22
Vendor: 01356 - CITY OF LA PALMA FLEXIBLE				
10/03/2024	39687	CITY OF LA PALMA FLEXIBLE	Flexible Spending Contributions - Medical	98.07
Vendor 01356 - CITY OF LA PALMA FLEXIBLE Total:				98.07
Vendor: 01357 - CITY OF LA PALMA PETTY CASH				
10/15/2024	39694	CITY OF LA PALMA PETTY CASH	9/19 MTG SUPPLIES/PD	16.99
10/15/2024	39694	CITY OF LA PALMA PETTY CASH	9/30 ORAL BOARD SUPPLIES/PD	20.97
Vendor 01357 - CITY OF LA PALMA PETTY CASH Total:				37.96
Vendor: 05103 - CLEARGOV INC				
10/15/2024	39690	CLEARGOV INC	FY24/25 BUDGET SOFTWARE/FIN	26,400.00
Vendor 05103 - CLEARGOV INC Total:				26,400.00
Vendor: 01395 - COUNTY OF ORANGE				
10/15/2024	APA001744	COUNTY OF ORANGE	APR'24 PARKIN...	1,592.50
10/15/2024	APA001744	COUNTY OF ORANGE	SEP'24 OCATS/CLETS PHONE SVC/PD	1,104.51
10/15/2024	APA001744	COUNTY OF ORANGE	SEP'24 AFIS FEE/PD	458.00
10/15/2024	APA001744	COUNTY OF ORANGE	JUL'24 RADIO RPR/PD	71.94
Vendor 01395 - COUNTY OF ORANGE Total:				3,226.95
Vendor: 01396 - COUNTY OF ORANGE				
10/15/2024	39696	COUNTY OF ORANGE	FY24/25 HAZMAT FEES/CY	606.00
Vendor 01396 - COUNTY OF ORANGE Total:				606.00
Vendor: 05700 - DAWN AGUILAR				
10/15/2024	APA001709	DAWN AGUILAR	12724 SOCCER RFD	115.00
10/15/2024	APA001709	DAWN AGUILAR	12724 PROCESSING FEE RFD	9.04
Vendor 05700 - DAWN AGUILAR Total:				124.04
Vendor: 01499 - DISCOUNT TIRE AND SERVICE CENTERS				
10/15/2024	APA001720	DISCOUNT TIRE AND SERVICE ...	10/1 (4)TIRES/LP-51	1,058.21
Vendor 01499 - DISCOUNT TIRE AND SERVICE CENTERS Total:				1,058.21
Vendor: 04387 - DOG WASTE DEPOT				
10/15/2024	APA001721	DOG WASTE DEPOT	9/27 (4)CASES DOG WASTE BAGS/PW	85.87
Vendor 04387 - DOG WASTE DEPOT Total:				85.87
Vendor: 03270 - DYLAN COOK				
10/15/2024	2191	DYLAN COOK	4/29-30 LDRSHP & ACCOUNTABILITY TRNG/PD	127.74
Vendor 03270 - DYLAN COOK Total:				127.74
Vendor: 01611 - FEDERAL EXPRESS CORPORATION				
10/15/2024	APA001722	FEDERAL EXPRESS CORPORAT...	9/10 PRIORITY MAIL/PD	18.04
Vendor 01611 - FEDERAL EXPRESS CORPORATION Total:				18.04
Vendor: 01631 - FRANCHISE TAX BOARD				
10/03/2024	DFT0009228	FRANCHISE TAX BOARD	State Tax Withholding	9,414.42
Vendor 01631 - FRANCHISE TAX BOARD Total:				9,414.42
Vendor: 05702 - GLORIA RIDRIGUEZ				
10/15/2024	APA001750	GLORIA RIDRIGUEZ	12746 LESS CANCELLATION FEE	-11.00
10/15/2024	APA001750	GLORIA RIDRIGUEZ	12746 BALLET BARRE RFD	50.00
Vendor 05702 - GLORIA RIDRIGUEZ Total:				39.00

Warrant Register

Payable Dates: 10/2/2024 - 10/15/2024

Payment Date	Payment Number	Vendor Name	Description (Item)	Amount
Vendor: 01679 - GOVERNMENTAL FINANCIAL SVCS				
10/15/2024	2193	GOVERNMENTAL FINANCIAL ...	SEP'24 ACCOUNTING SVCS/ADM	3,811.50
10/15/2024	2193	GOVERNMENTAL FINANCIAL ...	SEP'24 ACCOUNTING SVCS/ADM	3,382.50
10/15/2024	2193	GOVERNMENTAL FINANCIAL ...	SEP'24 ACCOUNTING SVCS/FIN	2,425.50
10/15/2024	2193	GOVERNMENTAL FINANCIAL ...	SEP'24 ACCOUNTING SVCS/ADM	693.00
Vendor 01679 - GOVERNMENTAL FINANCIAL SVCS Total:				10,312.50
Vendor: 05704 - GREGORY PARKER				
10/15/2024	APA001746	GREGORY PARKER	9/28 COMM CTR DEPOSIT RFD	500.00
Vendor 05704 - GREGORY PARKER Total:				500.00
Vendor: 04470 - HELEN VILLEGAS				
10/15/2024	APA001766	HELEN VILLEGAS	9/28 PAVILION DEPOSIT RFD	100.00
Vendor 04470 - HELEN VILLEGAS Total:				100.00
Vendor: 02642 - HOME DEPOT				
10/15/2024	APA001725	HOME DEPOT	8/13 SUPPLIES/WTR	82.64
10/15/2024	APA001725	HOME DEPOT	9/23 TOOLS/PW	59.08
10/15/2024	APA001725	HOME DEPOT	9/23 JANITORIAL SUPPLIES/PW	32.28
10/15/2024	APA001725	HOME DEPOT	9/23 SUPPLIES/REC	45.57
10/15/2024	APA001725	HOME DEPOT	7/30 SUPPLIES/WTR	76.46
10/15/2024	APA001725	HOME DEPOT	8/8 JANITORIAL SUPPLIES/PW	3.20
10/15/2024	APA001725	HOME DEPOT	9/27 BLDG IMPROVEMENTS/PD	5.67
10/15/2024	APA001725	HOME DEPOT	8/8 JANITORIAL SUPPLIES/CY	51.12
10/15/2024	APA001725	HOME DEPOT	9/24 SUPPLIES/PW	51.66
Vendor 02642 - HOME DEPOT Total:				407.68
Vendor: 05623 - HOUSTON & HARRIS PCS INC				
10/15/2024	APA001726	HOUSTON & HARRIS PCS INC	9/9-18 SWR CLEANING/MAINT	6,970.00
Vendor 05623 - HOUSTON & HARRIS PCS INC Total:				6,970.00
Vendor: 01764 - INTERNAL REVENUE SERVICE				
10/03/2024	DFT0009227	INTERNAL REVENUE SERVICE	Federal Tax Withholding	25,219.39
10/03/2024	DFT0009229	INTERNAL REVENUE SERVICE	Medicare	6,311.96
Vendor 01764 - INTERNAL REVENUE SERVICE Total:				31,531.35
Vendor: 01775 - IRON MOUNTAIN				
10/15/2024	APA001727	IRON MOUNTAIN	OCT'24 RECORDS STORAGE	300.17
Vendor 01775 - IRON MOUNTAIN Total:				300.17
Vendor: 03177 - IVY ZHAO				
10/15/2024	2196	IVY ZHAO	9/23-24 LDRSHP&ACCOUNTABILITY TRNG/PD	125.06
Vendor 03177 - IVY ZHAO Total:				125.06
Vendor: 01801 - J H M SUPPLY INC				
10/15/2024	APA001728	J H M SUPPLY INC	9/17 SUPPLIES/WTR	51.16
10/15/2024	APA001729	J H M SUPPLY INC	9/30 SUPPLIES/WTR	365.27
Vendor 01801 - J H M SUPPLY INC Total:				416.43
Vendor: 05637 - J SQUARED CONSULTING				
10/15/2024	APA001730	J SQUARED CONSULTING	SEP'24 CONSULTING SERVICES	750.00
Vendor 05637 - J SQUARED CONSULTING Total:				750.00
Vendor: 03277 - JAMES ROCHE JR				
10/15/2024	2194	JAMES ROCHE JR	4/29-30 LDRSHP&ACCOUNTABILITY TRNG/PD	122.92
Vendor 03277 - JAMES ROCHE JR Total:				122.92
Vendor: 01846 - JENNA MACIAS				
10/15/2024	APA001735	JENNA MACIAS	9/21 GAZEBO DEPOSIT RFD	100.00
Vendor 01846 - JENNA MACIAS Total:				100.00

Warrant Register

Payable Dates: 10/2/2024 - 10/15/2024

Payment Date	Payment Number	Vendor Name	Description (Item)	Amount
Vendor: 04039 - JOSEPH CISNEROS				
10/15/2024	2190	JOSEPH CISNEROS	9/20-25 '24 INTL CITY COUNTY MGMT ASSOC/DCM	1,612.49
Vendor 04039 - JOSEPH CISNEROS Total:				1,612.49
Vendor: 05505 - JOSEPH L INDRAWAN				
10/15/2024	39693	JOSEPH L INDRAWAN	AUG'24 PROF ENG SVCS/PW	7,187.50
Vendor 05505 - JOSEPH L INDRAWAN Total:				7,187.50
Vendor: 03089 - JOSHUA GARCIA				
10/15/2024	2192	JOSHUA GARCIA	4/29-30 LDRSHP&ACCOUNTABILITY TRNG/PD	118.36
Vendor 03089 - JOSHUA GARCIA Total:				118.36
Vendor: 03684 - JUSTIN BRAASCH				
10/15/2024	2189	JUSTIN BRAASCH	9/23-24 LDRSHP&ACCOUNTABILITY TRNG/PD	102.82
Vendor 03684 - JUSTIN BRAASCH Total:				102.82
Vendor: 01936 - KELLY SPICERS STORES				
10/15/2024	APA001731	KELLY SPICERS STORES	PAPER/ADM	512.16
10/15/2024	APA001731	KELLY SPICERS STORES	PAPER/PD	931.45
10/15/2024	APA001731	KELLY SPICERS STORES	PAPER/CS	745.69
10/15/2024	APA001731	KELLY SPICERS STORES	PAPER/CD	512.16
Vendor 01936 - KELLY SPICERS STORES Total:				2,701.46
Vendor: 05331 - KIDZ TALENT ACADEMY				
10/15/2024	APA001732	KIDZ TALENT ACADEMY	9/3-9/24 GYMNASTICS & TUMBLING	234.00
10/15/2024	APA001732	KIDZ TALENT ACADEMY	9/3-9/24 KIDZ TALENT ACADEMY	154.05
10/15/2024	APA001732	KIDZ TALENT ACADEMY	9/3-9/24 BASKETBALL SKILLS & DRILLS	102.70
Vendor 05331 - KIDZ TALENT ACADEMY Total:				490.75
Vendor: 01975 - L P G E A				
10/03/2024	39685	L P G E A	LPGEA Dues Withheld	216.00
Vendor 01975 - L P G E A Total:				216.00
Vendor: 01976 - L P P E A				
10/03/2024	39686	L P P E A	LPPEA Dues Withheld	75.00
Vendor 01976 - L P P E A Total:				75.00
Vendor: 01988 - LA PALMA POLICE ASSN				
10/03/2024	39688	LA PALMA POLICE ASSN	LPPA Dues Withheld	1,246.88
Vendor 01988 - LA PALMA POLICE ASSN Total:				1,246.88
Vendor: 05102 - LEFTA SYSTEMS				
10/15/2024	APA001734	LEFTA SYSTEMS	OCT'24-OCT'25 LEFTA TRNG SOFTWARE LIC & SUBCRIP/PD	4,667.90
Vendor 05102 - LEFTA SYSTEMS Total:				4,667.90
Vendor: 04657 - LISA AMSELL				
10/15/2024	APA001711	LISA AMSELL	9/7-9/28 MARTIAL ARTS	32.50
Vendor 04657 - LISA AMSELL Total:				32.50
Vendor: 04755 - LORIE MCDONALD				
10/15/2024	APA001738	LORIE MCDONALD	9/22 GAZEBO DEPOSIT RFD	100.00
Vendor 04755 - LORIE MCDONALD Total:				100.00
Vendor: 05072 - MASTERLUBE CYPRESS				
10/15/2024	APA001736	MASTERLUBE CYPRESS	9/18 OIL CHANGE/#738	99.81
10/15/2024	APA001736	MASTERLUBE CYPRESS	9/24 OIL CHANGE/#748	107.08
10/15/2024	APA001736	MASTERLUBE CYPRESS	9/24 OIL CHANGE/#745	60.32
10/15/2024	APA001736	MASTERLUBE CYPRESS	9/25 OIL CHANGE/#740	60.32
Vendor 05072 - MASTERLUBE CYPRESS Total:				327.53

Warrant Register

Payable Dates: 10/2/2024 - 10/15/2024

Payment Date	Payment Number	Vendor Name	Description (Item)	Amount
Vendor: 02135 - MC PEEK'S DODGE OF ANAHEIM				
10/15/2024	APA001737	MC PEEK'S DODGE OF ANAHE...	9/19 REPL FNT BRK PDS, RPL AIR FILTER/#752	1,445.93
Vendor 02135 - MC PEEK'S DODGE OF ANAHEIM Total:				1,445.93
Vendor: 05699 - MIRANDA WUISAN				
10/15/2024	APA001769	MIRANDA WUISAN	12822 READING RFD	109.00
10/15/2024	APA001769	MIRANDA WUISAN	12822 LESS CANCELLATION FEE	-11.00
Vendor 05699 - MIRANDA WUISAN Total:				98.00
Vendor: 01752 - MISSION SQUARE - PLAN 302549				
10/03/2024	APA001704	MISSION SQUARE - PLAN 302...	Deferred Comp	1,173.07
10/03/2024	APA001704	MISSION SQUARE - PLAN 302...	Deferred Comp	2,079.23
10/03/2024	APA001704	MISSION SQUARE - PLAN 302...	Deferred Comp	2,757.47
Vendor 01752 - MISSION SQUARE - PLAN 302549 Total:				6,009.77
Vendor: 02203 - MYERS STEVENS & TOOHEY & CO INC				
10/15/2024	APA001740	MYERS STEVENS & TOOHEY &...	OCT'24 LTD/PD	671.80
Vendor 02203 - MYERS STEVENS & TOOHEY & CO INC Total:				671.80
Vendor: 02228 - NEXT DAY SIGNS				
10/15/2024	APA001741	NEXT DAY SIGNS	9/25 VEH LOGOS & NUMBERS/LP-61	42.37
10/15/2024	APA001741	NEXT DAY SIGNS	9/25 VEH LOGOS & NUMBERS/LP-62	42.38
10/15/2024	APA001741	NEXT DAY SIGNS	9/9 SELF-INKING STAMP/PD	65.70
Vendor 02228 - NEXT DAY SIGNS Total:				150.45
Vendor: 02268 - ORANGE COUNTY TAX COLLECTOR				
10/15/2024	39695	ORANGE COUNTY TAX COLLE...	'24-25 SWR FEES/5062 LP	371.00
10/15/2024	39695	ORANGE COUNTY TAX COLLE...	'24-25 SWR FEES/5410 LP	589.88
10/15/2024	39695	ORANGE COUNTY TAX COLLE...	'24-25 SWR FEES/7821 WALKER	3,564.54
10/15/2024	39695	ORANGE COUNTY TAX COLLE...	'24-25 SWR FEES/CIVIC CTR	5,738.20
10/15/2024	39695	ORANGE COUNTY TAX COLLE...	'24-25 SWR FEES/8441 MOODY	1,977.42
Vendor 02268 - ORANGE COUNTY TAX COLLECTOR Total:				12,241.04
Vendor: 02279 - P E R S RETIREMENT				
10/03/2024	DFT0009214	P E R S RETIREMENT	CalPERS Employee Contribution	1,938.17
10/03/2024	DFT0009215	P E R S RETIREMENT	CalPERS Employer Contribution	3,881.17
10/03/2024	DFT0009216	P E R S RETIREMENT	CalPERS Employee Contribution	1,690.69
10/03/2024	DFT0009217	P E R S RETIREMENT	CalPERS Employer Contribution	2,451.51
10/03/2024	DFT0009218	P E R S RETIREMENT	CalPERS Employee Contribution	3,790.52
10/03/2024	DFT0009219	P E R S RETIREMENT	CalPERS Employer Contribution	3,849.22
10/03/2024	DFT0009220	P E R S RETIREMENT	CalPERS Employee Contribution	1,737.32
10/03/2024	DFT0009221	P E R S RETIREMENT	CalPERS Employer Contribution	5,655.97
10/03/2024	DFT0009222	P E R S RETIREMENT	CalPERS Employee Contribution	395.69
10/03/2024	DFT0009223	P E R S RETIREMENT	CalPERS Employer Contribution	1,022.57
10/03/2024	DFT0009224	P E R S RETIREMENT	CalPERS Employee Contribution	6,737.98
10/03/2024	DFT0009225	P E R S RETIREMENT	CalPERS Employer Contribution	6,720.80
10/03/2024	DFT0009226	P E R S RETIREMENT	Employee Survivor Contribution Amount	45.57
Vendor 02279 - P E R S RETIREMENT Total:				39,917.18
Vendor: 02354 - R C S INVESTIGATIONS AND CONSULTING LLC				
10/15/2024	APA001748	R C S INVESTIGATIONS AND C...	9/17 BACKGROUND INVESTIGATIONS/(4)PD	7,600.00
Vendor 02354 - R C S INVESTIGATIONS AND CONSULTING LLC Total:				7,600.00

Warrant Register

Payable Dates: 10/2/2024 - 10/15/2024

Payment Date	Payment Number	Vendor Name	Description (Item)	Amount
Vendor: 04831 - RAY HIDALGO				
10/15/2024	APA001723	RAY HIDALGO	7/7-9/29 COMM CTR DEPOSIT RFD	400.00
Vendor 04831 - RAY HIDALGO Total:				400.00
Vendor: 05137 - READWRITE EDUCATIONAL SOLUTIONS INC.				
10/15/2024	APA001749	READWRITE EDUCATIONAL SO...	9/9-9/30 READING DEVELOPMENT	404.95
10/15/2024	APA001749	READWRITE EDUCATIONAL SO...	9/9-9/30 READING DEVELOPMENT	57.85
10/15/2024	APA001749	READWRITE EDUCATIONAL SO...	9/9-9/30 MAT...	115.70
Vendor 05137 - READWRITE EDUCATIONAL SOLUTIONS INC. Total:				578.50
Vendor: 05337 - REBECCA HIGA				
10/15/2024	APA001724	REBECCA HIGA	9/28 GAZEBO DEPOSIT RFD	100.00
Vendor 05337 - REBECCA HIGA Total:				100.00
Vendor: 05676 - ROSARIO LAMOUREUX				
10/15/2024	APA001733	ROSARIO LAMOUREUX	8/1-9/5 SEWING	468.00
Vendor 05676 - ROSARIO LAMOUREUX Total:				468.00
Vendor: 02535 - SMART & FINAL				
10/15/2024	APA001752	SMART & FINAL	9/18 KITCHEN SUPPLIES/PD	105.58
10/15/2024	APA001752	SMART & FINAL	8/7 TRNG SUPPLIES/PW	6.56
10/15/2024	APA001752	SMART & FINAL	9/26 RRW SUPPLIES/PD	300.00
10/15/2024	APA001752	SMART & FINAL	9/23 SUPPLIES/REC	166.49
10/15/2024	APA001752	SMART & FINAL	9/23 SUPPLIES/INSPOTEEN	5.77
Vendor 02535 - SMART & FINAL Total:				584.40
Vendor: 02640 - SO CAL GAS COMPANY				
10/15/2024	39691	SO CAL GAS COMPANY	10/2 8415 MEADOWLARK/BOOSTER	16.27
10/15/2024	39691	SO CAL GAS COMPANY	10/2 8441 MOODY/CY	39.72
10/15/2024	39691	SO CAL GAS COMPANY	10/2 7821 WALKER/REAR GEN	28.58
10/15/2024	39691	SO CAL GAS COMPANY	10/2 7792 WALKER/PD	1,039.15
10/15/2024	39691	SO CAL GAS COMPANY	10/2 7821 WALKER/CC&CP	80.42
10/15/2024	39691	SO CAL GAS COMPANY	10/4 6800 WALKER/WW	67.60
Vendor 02640 - SO CAL GAS COMPANY Total:				1,271.74
Vendor: 02556 - SOUTHERN CALIFORNIA EDISON				
10/15/2024	39698	SOUTHERN CALIFORNIA EDIS...	9/25 8400 MOODY/PED	22.74
10/15/2024	39698	SOUTHERN CALIFORNIA EDIS...	9/25 5712 LA PALMA TC1	62.95
10/15/2024	39698	SOUTHERN CALIFORNIA EDIS...	9/27 8415 MEADOWLARK/BSTR	15,774.79
10/15/2024	39698	SOUTHERN CALIFORNIA EDIS...	9/30 4772 LP AVE/SPRINKLERS	3.54
10/15/2024	39698	SOUTHERN CALIFORNIA EDIS...	10/1 LS-1/ALL NIGHT ADD'L LAMPS	49.65
10/15/2024	39698	SOUTHERN CALIFORNIA EDIS...	10/1 LS-1/ALL NIGHT	13,936.46
10/15/2024	39698	SOUTHERN CALIFORNIA EDIS...	10/1 LS-2/METERED	443.45
10/15/2024	39698	SOUTHERN CALIFORNIA EDIS...	10/1 WALKER/91 FWY LAMPS	126.90
10/15/2024	39698	SOUTHERN CALIFORNIA EDIS...	10/1 LS-2/8172 MOODY	36.20
10/15/2024	39698	SOUTHERN CALIFORNIA EDIS...	10/1 LS-2 8231-1/2 WALKER	18.08
10/15/2024	39698	SOUTHERN CALIFORNIA EDIS...	10/1 7711 MDY/ORGTHRPE SPRINKLER	38.65
10/15/2024	39698	SOUTHERN CALIFORNIA EDIS...	10/1 6750 WALKER SPRINKLER	15.11
10/15/2024	39698	SOUTHERN CALIFORNIA EDIS...	10/1 LP/COMSTOCK SPRINKLER	15.24
10/15/2024	39698	SOUTHERN CALIFORNIA EDIS...	10/1 7711 FURMAN RD POLE	99.87
10/15/2024	39698	SOUTHERN CALIFORNIA EDIS...	10/1 LAURELWOOD/SCE LAMPS	31.55
10/15/2024	39698	SOUTHERN CALIFORNIA EDIS...	10/1 7792 WALKER/PD	10,534.70
10/15/2024	39698	SOUTHERN CALIFORNIA EDIS...	10/1 7821 WALKER/CC&CP	7,344.41
10/15/2024	39698	SOUTHERN CALIFORNIA EDIS...	10/1 7872-1/2 DENNI SPRINKLER	15.24
10/15/2024	39698	SOUTHERN CALIFORNIA EDIS...	10/1 6800 WALKER/PUMP	12,029.33

Warrant Register

Payable Dates: 10/2/2024 - 10/15/2024

Payment Date	Payment Number	Vendor Name	Description (Item)	Amount
10/15/2024	39698	SOUTHERN CALIFORNIA EDIS...	10/1 BYRNE/WALKER LAMPS	112.83
Vendor 02556 - SOUTHERN CALIFORNIA EDISON Total:				60,711.69
Vendor: 02568 - STAPLES BUSINESS ADVANTAGE				
10/15/2024	APA001754	STAPLES BUSINESS ADVANTA...	9/18 OFFICE SUPPLIES/PD	67.88
10/15/2024	APA001754	STAPLES BUSINESS ADVANTA...	9/17 OFFICE SUPPLIES/REC	69.58
10/15/2024	APA001754	STAPLES BUSINESS ADVANTA...	9/17 OFFICE SUPPLIES/REC	139.91
10/15/2024	APA001754	STAPLES BUSINESS ADVANTA...	9/18 OFFICE SUPPLIES/PD	24.37
10/15/2024	APA001754	STAPLES BUSINESS ADVANTA...	9/18 OFFICE SUPPLIES/PD	21.63
10/15/2024	APA001754	STAPLES BUSINESS ADVANTA...	9/18 OFFICE SUPPLIES/PD	34.45
10/15/2024	APA001754	STAPLES BUSINESS ADVANTA...	9/18 OFFICE SUPPLIES/REC	126.40
10/15/2024	APA001754	STAPLES BUSINESS ADVANTA...	9/19 OFFICE SUPPLIES/REC	10.93
10/15/2024	APA001754	STAPLES BUSINESS ADVANTA...	9/19 OFFICE SUPPLIES/REC	7.08
Vendor 02568 - STAPLES BUSINESS ADVANTAGE Total:				502.23
Vendor: 02576 - STEP SAVER INC				
10/15/2024	APA001755	STEP SAVER INC	9/30 WTR TREATMENT SUPPLIES/CY	201.78
10/15/2024	APA001755	STEP SAVER INC	9/30 WTR TREATMENT SUPPLIES/WW	405.68
Vendor 02576 - STEP SAVER INC Total:				607.46
Vendor: 04122 - TAN NGUYEN OR WEST GROVE VOLLEYBALL LLC				
10/15/2024	APA001742	TAN NGUYEN OR WEST GROVE..	9/8-9/29 ADV VOLLEYBALL	95.55
10/15/2024	APA001742	TAN NGUYEN OR WEST GROVE..	9/8-9/29 INT VOLLEYBALL	31.85
Vendor 04122 - TAN NGUYEN OR WEST GROVE VOLLEYBALL LLC Total:				127.40
Vendor: 02700 - TYLER TECHNOLOGIES INC				
10/15/2024	APA001760	TYLER TECHNOLOGIES INC	OCT'24-APR'25 INCODE TCM MAINT/FIN	6,963.67
Vendor 02700 - TYLER TECHNOLOGIES INC Total:				6,963.67
Vendor: 02706 - U S BANK INSTITUTIONAL TRUST-WESTERN REGION				
10/03/2024	APA001705	U S BANK INSTITUTIONAL TRU...	PARS Part Time Retirement Contributions	687.42
Vendor 02706 - U S BANK INSTITUTIONAL TRUST-WESTERN REGION Total:				687.42
Vendor: 02712 - UNDERGROUND SERVICE ALERT				
10/15/2024	APA001761	UNDERGROUND SERVICE ALE...	(29)DIG-ALERT NOTICES/PW	31.83
10/15/2024	APA001761	UNDERGROUND SERVICE ALE...	(29)DIG-ALERT NOTICES/PW	31.82
Vendor 02712 - UNDERGROUND SERVICE ALERT Total:				63.65
Vendor: 05555 - UNISPEC CONSTRUCTION INC.				
10/15/2024	2195	UNISPEC CONSTRUCTION INC.	LESS 5% RETENTION/ST-371	-10,876.42
10/15/2024	2195	UNISPEC CONSTRUCTION INC.	MEDIAN ISLANDS PROJ/ST-371	217,528.56
Vendor 05555 - UNISPEC CONSTRUCTION INC. Total:				206,652.14
Vendor: 02730 - VALVERDE CONSTRUCTION				
10/15/2024	APA001763	VALVERDE CONSTRUCTION	9/10 EMERG WTR RPR/5831 CRESTVIEW	5,090.20
Vendor 02730 - VALVERDE CONSTRUCTION Total:				5,090.20
Vendor: 04645 - VARTANIAN ON WHEELS				
10/15/2024	APA001764	VARTANIAN ON WHEELS	9/19 QRTLY BIT INSPECTION/LP-61	95.00
10/15/2024	APA001764	VARTANIAN ON WHEELS	9/19 QTRLY BIT INSPECTION/LP-62	95.00
10/15/2024	APA001764	VARTANIAN ON WHEELS	9/19 QRTLY BIT INSPECTION/LP-56	95.00
10/15/2024	APA001764	VARTANIAN ON WHEELS	9/19 QRTLY BIT INSPECTION/LP-57	95.00
10/15/2024	APA001764	VARTANIAN ON WHEELS	9/19 QRTLY BIT INSPECTION/LP-56	95.00
10/15/2024	APA001764	VARTANIAN ON WHEELS	9/19 QRTLY BIT INSPECTION/LP-32	95.00
10/15/2024	APA001764	VARTANIAN ON WHEELS	9/19 QRTLY BIT INSPECTION/LP-33	95.00

Warrant Register

Payable Dates: 10/2/2024 - 10/15/2024

Payment Date	Payment Number	Vendor Name	Description (Item)	Amount
10/15/2024	APA001764	VARTANIAN ON WHEELS	9/19 QRTLY BIT INSPECTION/LP-20	95.00
10/15/2024	APA001764	VARTANIAN ON WHEELS	9/19 QRTLY BIT INSPECTION/LP-62	95.00
10/15/2024	APA001764	VARTANIAN ON WHEELS	9/19 QRTLY BIT INSPECTION/LP-64	95.00
Vendor 04645 - VARTANIAN ON WHEELS Total:				950.00
Vendor: 02742 - VERIZON WIRELESS				
10/15/2024	APA001765	VERIZON WIRELESS	9/16 CELL PHONES/REC	29.86
10/15/2024	APA001765	VERIZON WIRELESS	9/16 MACHINE TO MACHINE	150.15
10/15/2024	APA001765	VERIZON WIRELESS	9/17-10/16 DATA ACCESS/WTR	140.14
10/15/2024	APA001765	VERIZON WIRELESS	9/17-10/16 SEDARU DATA PLAN/WTR	46.20
Vendor 02742 - VERIZON WIRELESS Total:				366.35
Vendor: 05701 - WENDY MURAKAMI				
10/15/2024	APA001739	WENDY MURAKAMI	1275 HOOPSTER TOTS RFD	95.00
Vendor 05701 - WENDY MURAKAMI Total:				95.00
Vendor: 02763 - WEST COAST ARBORISTS INC				
10/15/2024	APA001767	WEST COAST ARBORISTS INC	7/24-25 TREE PRUNING & STUMP RMVL/HOUSTON	7,854.00
10/15/2024	APA001767	WEST COAST ARBORISTS INC	8/23 TREE PRUNING & STUMP RMVL/CITYWIDE	890.00
Vendor 02763 - WEST COAST ARBORISTS INC Total:				8,744.00
Vendor: 02801 - YOUNG LEADERS OF ORANGE COUNTY				
10/15/2024	APA001770	YOUNG LEADERS OF ORANGE ...	9/14-9/28 MATH COMPETITION	292.50
Vendor 02801 - YOUNG LEADERS OF ORANGE COUNTY Total:				292.50
Grand Total:				505,132.99



City of La Palma

Warrant Register

By Vendor Name

Payable Dates 10/16/2024 - 11/5/2024

Approval

Reviewed by

Ryan Hallett

By Ryan Hallett - Assistant City Manager

Conal McNamara, City Manager

By Conal McNamara - City Manager

Warrant Register				Payable Dates: 10/16/2024 - 11/5/2024	
Payment Date	Payment Number	Vendor Name	Description (Item)	Amount	
Vendor: 01024 - ABLE BUILDING MAINTENANCE CO					
11/05/2024	APA001777	ABLE BUILDING MAINTENANC...	SEP'24 JANITORIAL SERVICES/CY	172.23	
11/05/2024	APA001777	ABLE BUILDING MAINTENANC...	SEP'24 JANITORIAL SERVICES/CH	1,138.83	
11/05/2024	APA001777	ABLE BUILDING MAINTENANC...	SEP'24 JANITORIAL SERVICES/PD	1,827.73	
11/05/2024	APA001777	ABLE BUILDING MAINTENANC...	SEP'24 JANITORIAL SERVICES/REC	3,861.05	
Vendor 01024 - ABLE BUILDING MAINTENANCE CO Total:				6,999.84	
Vendor: 01046 - AFFORDABLE GENERATOR SVCS INC					
11/05/2024	APA001779	AFFORDABLE GENERATOR SV...	10/15 ROTARY SWITCH LABOR/CY	622.40	
Vendor 01046 - AFFORDABLE GENERATOR SVCS INC Total:				622.40	
Vendor: 01047 - AFLAC					
11/05/2024	APA001780	AFLAC	OCT'24 AFLAC/PD	577.32	
Vendor 01047 - AFLAC Total:				577.32	
Vendor: 01009 - AKAL CONSULTANTS					
11/05/2024	APA001781	AKAL CONSULTANTS	10/15 MEDIAN ISLANDS PROJ/ST-371	50,320.00	
Vendor 01009 - AKAL CONSULTANTS Total:				50,320.00	
Vendor: 05526 - ANGEL NHA NGUYEN					
11/05/2024	2206	ANGEL NHA NGUYEN	SUMMER '24 TUITION REIMBURSEMENT/AS	2,407.91	
Vendor 05526 - ANGEL NHA NGUYEN Total:				2,407.91	
Vendor: 05673 - ATEASE K9 TRAINING					
11/05/2024	APA001783	ATEASE K9 TRAINING	8/6-9/17 OBEDIENCE DOG TRAINING	390.00	
Vendor 05673 - ATEASE K9 TRAINING Total:				390.00	
Vendor: 01171 - B L WALLACE DISTRIBUTOR INC					
11/05/2024	APA001784	B L WALLACE DISTRIBUTOR INC	10/16 MTR BOX LIDS/WTR	161.91	
Vendor 01171 - B L WALLACE DISTRIBUTOR INC Total:				161.91	
Vendor: 05176 - BUREAU VERITAS NORTH AMERICA INC					
11/05/2024	APA001788	BUREAU VERITAS NORTH AM...	AUG'24 BLDG INSP MLGE/BS	197.65	
11/05/2024	APA001788	BUREAU VERITAS NORTH AM...	AUG'24 BLDG OFF SVCS/BS	3,220.00	
11/05/2024	APA001788	BUREAU VERITAS NORTH AM...	AUG'24 PERMIT TECH SVCS/BS	4,550.00	
11/05/2024	APA001788	BUREAU VERITAS NORTH AM...	AUG'24 BLDG INSP SVCS/BS	5,035.00	
11/05/2024	APA001788	BUREAU VERITAS NORTH AM...	AUG'24 PLAN CK SVCS HOURLY/BS	8,066.57	
11/05/2024	APA001788	BUREAU VERITAS NORTH AM...	SEP'24 PLAN CK SVCS/BS	8,875.18	
11/05/2024	APA001788	BUREAU VERITAS NORTH AM...	SEP'24 BLDG INSP SVCS/BS	7,362.50	
11/05/2024	APA001788	BUREAU VERITAS NORTH AM...	SEP'24 PERMIT TECH SVCS/BS	5,880.00	
11/05/2024	APA001788	BUREAU VERITAS NORTH AM...	SEP'24 BLDG OFF SVCS/BS	1,190.00	
11/05/2024	APA001788	BUREAU VERITAS NORTH AM...	SEP'24 SOLAR PLAN CK SVCS/BS	450.00	
11/05/2024	APA001788	BUREAU VERITAS NORTH AM...	SEP'24 BLDG INSP MLGE/BS	248.34	
11/05/2024	APA001788	BUREAU VERITAS NORTH AM...	SEP'24 PLAN CK SVCS HOURLY/BS	72.50	
Vendor 05176 - BUREAU VERITAS NORTH AMERICA INC Total:				45,147.74	
Vendor: 04615 - CA AUTO AND BRAKE INC					
11/05/2024	APA001789	CA AUTO AND BRAKE INC	10/1 VEH RPRS/LP-51	536.41	
11/05/2024	APA001789	CA AUTO AND BRAKE INC	10/1 VEH RPRS/LP-52	536.41	
11/05/2024	APA001789	CA AUTO AND BRAKE INC	10/10 VEH RPRS/LP-32	627.91	
Vendor 04615 - CA AUTO AND BRAKE INC Total:				1,700.73	
Vendor: 01262 - CA BUILDING STANDARDS COMM					
11/05/2024	39711	CA BUILDING STANDARDS C...	JUL-SEP'24 LESS 10% CITY COLLECTION FEE	-21.20	

Warrant Register				Payable Dates: 10/16/2024 - 11/5/2024
Payment Date	Payment Number	Vendor Name	Description (Item)	Amount
11/05/2024	39711	CA BUILDING STANDARDS C...	JUL-SEP'24 CBSC FEE/BSD	212.00
Vendor 01262 - CA BUILDING STANDARDS COMM Total:				190.80
Vendor: 05706 - CALANTUONO HIGHSMITH & WHATLEY PC				
11/05/2024	APA001790	CALANTUONO HIGHSMITH &...	9/11-30 ATTY SVCS/PITCHESS-POLICE MATTERS	4,415.20
11/05/2024	APA001790	CALANTUONO HIGHSMITH &...	9/23-26 ATTY SVCS/TELECOM MATTERS	90.00
11/05/2024	APA001790	CALANTUONO HIGHSMITH &...	9/9-30 ATTY SVCS/PW & UTILITIES	2,856.00
11/05/2024	APA001790	CALANTUONO HIGHSMITH &...	9/4-25 ATTY SVCS/TATARIAN V CITY OF LA PALMA	1,285.20
11/05/2024	APA001790	CALANTUONO HIGHSMITH &...	SEP'24 RETAINER	9,020.00
11/05/2024	APA001790	CALANTUONO HIGHSMITH &...	9/23-26 ATTY SVCS/SIGN CODE ISSUES	489.60
Vendor 05706 - CALANTUONO HIGHSMITH & WHATLEY PC Total:				18,156.00
Vendor: 01283 - CAMERON WELDING SUPPLY				
11/05/2024	APA001791	CAMERON WELDING SUPPLY	10/8 PROPANE FUEL/LP-54	138.21
Vendor 01283 - CAMERON WELDING SUPPLY Total:				138.21
Vendor: 05081 - CATHERINE ROCHA VELEZ				
11/05/2024	APA001826	CATHERINE ROCHA VELEZ	8/13-10/29 BALLET BARRE	234.00
Vendor 05081 - CATHERINE ROCHA VELEZ Total:				234.00
Vendor: 05455 - CHARTER COMMUNICATIONS				
11/05/2024	APA001792	CHARTER COMMUNICATIONS	10/11-11/10 Internet SVC/CH	1,132.47
11/05/2024	APA001792	CHARTER COMMUNICATIONS	10/11-11/10 Internet SVC/CY	485.34
Vendor 05455 - CHARTER COMMUNICATIONS Total:				1,617.81
Vendor: 03604 - CINTAS CORPORATION				
11/05/2024	APA001796	CINTAS CORPORATION	10/3 UNIFORM SVC/PW	35.44
11/05/2024	APA001796	CINTAS CORPORATION	10/3 UNIFORM SVC/PW	35.44
11/05/2024	APA001796	CINTAS CORPORATION	10/3 UNIFORM SVC/PW	39.69
11/05/2024	APA001796	CINTAS CORPORATION	10/10 MAT RENTAL/REC	150.93
11/05/2024	APA001796	CINTAS CORPORATION	10/10 UNIFORM SVC/PW	64.78
11/05/2024	APA001796	CINTAS CORPORATION	10/10 UNIFORM SVC/PW	64.78
11/05/2024	APA001796	CINTAS CORPORATION	10/10 UNIFORM SVC/PW	86.40
11/05/2024	APA001796	CINTAS CORPORATION	10/17 UNIFORM SVC/PW	34.52
11/05/2024	APA001796	CINTAS CORPORATION	10/17 UNIFORM SVC/PW	34.52
11/05/2024	APA001796	CINTAS CORPORATION	10/17 UNIFORM SVC/PW	50.02
Vendor 03604 - CINTAS CORPORATION Total:				596.52
Vendor: 03283 - CITY NATIONAL BANK				
10/17/2024	DFT0009245	CITY NATIONAL BANK	1YR SSL CERTIFICATE BU...	99.99
10/17/2024	DFT0009246	CITY NATIONAL BANK	1YR SSL CERTIFICATE CITYWIDE/IT	99.99
10/17/2024	DFT0009247	CITY NATIONAL BANK	9/13 ENG TECH JOB ADS/HR	375.00
10/17/2024	DFT0009248	CITY NATIONAL BANK	9/17 DOMAIN RENEWAL/IT	23.17
10/17/2024	DFT0009249	CITY NATIONAL BANK	10/2 CATERING DEPOSIT/EMPL RECOG	3,016.69
10/17/2024	DFT0009250	CITY NATIONAL BANK	9/26 PLACENTIA SOTC/(3) CCMBRS	165.00
10/17/2024	DFT0009251	CITY NATIONAL BANK	9/12 KITCHEN SUPPLIES/CH	21.99
10/17/2024	DFT0009252	CITY NATIONAL BANK	10/2 BUENA PARK SOTC/CCMBR	40.00
10/17/2024	DFT0009253	CITY NATIONAL BANK	10/2 BUENA PARK SOTC/CCMBR	40.00
10/17/2024	DFT0009254	CITY NATIONAL BANK	9/21 ICMA CONF TAXI/CM	18.93
10/17/2024	DFT0009255	CITY NATIONAL BANK	10/1 MTG SUPPLIES/CC	130.32
10/17/2024	DFT0009256	CITY NATIONAL BANK	10/17 LOCC CONF/PM	30.00
10/17/2024	DFT0009257	CITY NATIONAL BANK	9/17 OFFICE SUPPLIES/CD	46.75
10/17/2024	DFT0009258	CITY NATIONAL BANK	9/14 CMRTA CONF/PM	375.00
10/17/2024	DFT0009259	CITY NATIONAL BANK	10/3 PDAOC LEGISLATIVE UPDATE/CD	25.00

Warrant Register				Payable Dates: 10/16/2024 - 11/5/2024
Payment Date	Payment Number	Vendor Name	Description (Item)	Amount
10/17/2024	DFT0009260	CITY NATIONAL BANK	11/13 MMASC CAL-ICMA CONF/PM	65.00
Vendor 03283 - CITY NATIONAL BANK Total:				4,572.83
Vendor: 01356 - CITY OF LA PALMA FLEXIBLE				
10/17/2024	39702	CITY OF LA PALMA FLEXIBLE	Flexible Spending	70.41
10/31/2024	39708	CITY OF LA PALMA FLEXIBLE	Contributions - Medical Flexible Spending Contributions - Medical	44.31
Vendor 01356 - CITY OF LA PALMA FLEXIBLE Total:				114.72
Vendor: 01357 - CITY OF LA PALMA PETTY CASH				
11/05/2024	39712	CITY OF LA PALMA PETTY CASH	7/22 SUPPLIES/TT	7.37
11/05/2024	39712	CITY OF LA PALMA PETTY CASH	7/25 SUPPLIES/DC	8.15
11/05/2024	39712	CITY OF LA PALMA PETTY CASH	8/6 SUPPLIES/VOLUNTEENS	29.25
11/05/2024	39712	CITY OF LA PALMA PETTY CASH	8/7 SUPPLIES/TT	35.90
11/05/2024	39712	CITY OF LA PALMA PETTY CASH	9/5 SUPPLIES/REC	10.94
11/05/2024	39712	CITY OF LA PALMA PETTY CASH	9/11 SUPPLIES/REC	32.45
11/05/2024	39712	CITY OF LA PALMA PETTY CASH	9/11 SUPPLIES/REC	4.16
11/05/2024	39712	CITY OF LA PALMA PETTY CASH	9/11 SUPPLIES/REC	47.05
11/05/2024	39712	CITY OF LA PALMA PETTY CASH	9/12 SUPPLIES/INSPOTEENS	43.09
11/05/2024	39712	CITY OF LA PALMA PETTY CASH	9/16 SUPPLIES/INSPOTEENS	17.69
11/05/2024	39712	CITY OF LA PALMA PETTY CASH	9/17 SUPPLIES/TT	30.96
11/05/2024	39712	CITY OF LA PALMA PETTY CASH	9/19 SUPPLIES/HALLOWEEN	42.96
11/05/2024	39712	CITY OF LA PALMA PETTY CASH	9/23 SUPPLIES/INSPOTEENS	46.52
11/05/2024	39712	CITY OF LA PALMA PETTY CASH	10/7 SUPPLIES/INSPOTEENS	15.49
Vendor 01357 - CITY OF LA PALMA PETTY CASH Total:				371.98
Vendor: 04769 - CONAL MCNAMARA				
11/05/2024	2204	CONAL MCNAMARA	9/20-24 ICMA CONF HOTEL/CM	1,111.50
11/05/2024	2204	CONAL MCNAMARA	10/16-17 CAL CITIES CONF HOTEL&PARK/CM	631.42
Vendor 04769 - CONAL MCNAMARA Total:				1,742.92
Vendor: 01453 - DAVID MORGAN				
11/05/2024	2205	DAVID MORGAN	10/8 Vision CLM	75.00
11/05/2024	2205	DAVID MORGAN	10/8 Vision CLM	195.00
11/05/2024	2205	DAVID MORGAN	10/8 Vision CLM	30.00
Vendor 01453 - DAVID MORGAN Total:				300.00
Vendor: 04768 - DEBORAH BAKER				
11/05/2024	2198	DEBORAH BAKER	10/16-17 CAL CITIES CONF/CCMBR	647.45
11/05/2024	2198	DEBORAH BAKER	10/8-11 CIPIA RISK MGMT FORUM/CCMBR	1,382.77
Vendor 04768 - DEBORAH BAKER Total:				2,030.22
Vendor: 04476 - DENISE LAGLEVA				
11/05/2024	APA001812	DENISE LAGLEVA	12769 FLAG FOOTBALL RFD	189.00
11/05/2024	APA001812	DENISE LAGLEVA	12769 PROCESSING FEE RFD	14.40
Vendor 04476 - DENISE LAGLEVA Total:				203.40
Vendor: 04787 - ENTERPRISE FM TRUST				
11/05/2024	APA001799	ENTERPRISE FM TRUST	OCT'24 LEASE PMT/LP-61	1,220.47
11/05/2024	APA001799	ENTERPRISE FM TRUST	OCT'24 LEASE PMT/LP-56	814.61
11/05/2024	APA001799	ENTERPRISE FM TRUST	OCT'24 LEASE PMT/LP-60	658.26
11/05/2024	APA001799	ENTERPRISE FM TRUST	OCT'24 LEASE PMT/LP-62	1,226.70
11/05/2024	APA001799	ENTERPRISE FM TRUST	OCT'24 LEASE PMT/LP-64	1,431.25
11/05/2024	APA001799	ENTERPRISE FM TRUST	OCT'24 LEASE PMT/LP-58	679.38
11/05/2024	APA001799	ENTERPRISE FM TRUST	OCT'24 MAINT MGMT FEE/PW&WTR	72.00
11/05/2024	APA001799	ENTERPRISE FM TRUST	OCT'24 LEASE PMT/LP-57	672.79
11/05/2024	APA001799	ENTERPRISE FM TRUST	OCT'24 LEASE PMT/LP-63	1,375.74
Vendor 04787 - ENTERPRISE FM TRUST Total:				8,151.20

Warrant Register				Payable Dates: 10/16/2024 - 11/5/2024	
Payment Date	Payment Number	Vendor Name	Description (Item)	Amount	
Vendor: 05713 - EVELYN CO					
11/05/2024	APA001797	EVELYN CO	10/5 COMM CTR DEPOSIT RFD		300.00
				Vendor 05713 - EVELYN CO Total:	300.00
Vendor: 05071 - FLEETCOR TECHNOLOGIES INC - ARCO					
10/17/2024	DFT0009278	FLEETCOR TECHNOLOGIES INC...	10/3 GASOLINE/PD		779.40
10/17/2024	DFT0009278	FLEETCOR TECHNOLOGIES INC...	10/3 GASOLINE/REC		55.28
10/17/2024	DFT0009278	FLEETCOR TECHNOLOGIES INC...	10/3 GASOLINE/PW		260.95
10/17/2024	DFT0009278	FLEETCOR TECHNOLOGIES INC...	10/3 GASOLINE/CD		76.49
10/17/2024	DFT0009278	FLEETCOR TECHNOLOGIES INC...	10/3 GASOLINE/WTR		133.00
				Vendor 05071 - FLEETCOR TECHNOLOGIES INC - ARCO Total:	1,305.12
Vendor: 05272 - FLEETCOR TECHNOLOGIES INC - VP RACING					
10/17/2024	DFT0009277	FLEETCOR TECHNOLOGIES INC...	10/15 VOLUME DISCOUNT		-2.23
10/17/2024	DFT0009277	FLEETCOR TECHNOLOGIES INC...	10/15 GASOLINE/PD		329.43
				Vendor 05272 - FLEETCOR TECHNOLOGIES INC - VP RACING Total:	327.20
Vendor: 01631 - FRANCHISE TAX BOARD					
10/17/2024	DFT0009235	FRANCHISE TAX BOARD	State Tax Withholding		47.42
10/17/2024	DFT0009241	FRANCHISE TAX BOARD	State Tax Withholding		46.37
10/17/2024	DFT0009275	FRANCHISE TAX BOARD	State Tax Withholding	10,447.57	
10/31/2024	DFT0009310	FRANCHISE TAX BOARD	State Tax Withholding		13.30
10/31/2024	DFT0009328	FRANCHISE TAX BOARD	State Tax Withholding	10,233.34	
				Vendor 01631 - FRANCHISE TAX BOARD Total:	20,788.00
Vendor: 01695 - HDL COREN & CONE					
11/05/2024	APA001801	HDL COREN & CONE	OCT-DEC'24 PROPERTY TAX SVCS		2,035.01
				Vendor 01695 - HDL COREN & CONE Total:	2,035.01
Vendor: 02642 - HOME DEPOT					
11/05/2024	APA001802	HOME DEPOT	9/30 SUPPLIES/WTR		104.35
11/05/2024	APA001802	HOME DEPOT	9/30 SUPPLIES/PW		84.99
11/05/2024	APA001802	HOME DEPOT	9/30 SUPPLIES/REC		22.71
11/05/2024	APA001802	HOME DEPOT	10/9 SUPPLIES/WTR		165.83
11/05/2024	APA001802	HOME DEPOT	10/9 SUPPLIES/HALLOWEEN		7.52
11/05/2024	APA001802	HOME DEPOT	10/3 SUPPLIES/HALLOWEEN		55.80
11/05/2024	APA001802	HOME DEPOT	8/28 JANITORIAL SUPPLIES/CY		137.93
11/05/2024	APA001802	HOME DEPOT	10/7 SUPPLIES/INSPOTEEN		33.19
11/05/2024	APA001802	HOME DEPOT	9/14 SUPPLIES/PW		23.55
11/05/2024	APA001802	HOME DEPOT	10/14 SUPPLIES/ HALLOWEEN		22.89
11/05/2024	APA001802	HOME DEPOT	10/14 SUPPLIES/REC		96.62
				Vendor 02642 - HOME DEPOT Total:	755.38
Vendor: 01764 - INTERNAL REVENUE SERVICE					
10/17/2024	DFT0009234	INTERNAL REVENUE SERVICE	Federal Tax Withholding		105.93
10/17/2024	DFT0009236	INTERNAL REVENUE SERVICE	Medicare		14.90
10/17/2024	DFT0009240	INTERNAL REVENUE SERVICE	Federal Tax Withholding		99.69
10/17/2024	DFT0009242	INTERNAL REVENUE SERVICE	Medicare		14.40
10/17/2024	DFT0009274	INTERNAL REVENUE SERVICE	Federal Tax Withholding		27,851.59
10/17/2024	DFT0009276	INTERNAL REVENUE SERVICE	Medicare		6,896.22
10/31/2024	DFT0009309	INTERNAL REVENUE SERVICE	Federal Tax Withholding		24.17
10/31/2024	DFT0009311	INTERNAL REVENUE SERVICE	Medicare		6.34
10/31/2024	DFT0009327	INTERNAL REVENUE SERVICE	Federal Tax Withholding		24,419.52
10/31/2024	DFT0009329	INTERNAL REVENUE SERVICE	Medicare		6,649.53
				Vendor 01764 - INTERNAL REVENUE SERVICE Total:	66,082.29
Vendor: 01801 - J H M SUPPLY INC					
11/05/2024	APA001805	J H M SUPPLY INC	10/8 SUPPLIES/WTR		13.13
11/05/2024	APA001805	J H M SUPPLY INC	10/10 IRRIGATION RPR SUPPLIES/LP AVE		166.67
				Vendor 01801 - J H M SUPPLY INC Total:	179.80

Warrant Register				Payable Dates: 10/16/2024 - 11/5/2024	
Payment Date	Payment Number	Vendor Name	Description (Item)	Amount	
Vendor: 05093 - JEFFREY BACANI					
11/05/2024	APA001785	JEFFREY BACANI	10/12 GAZEBO DEPOSIT RFD	100.00	
				Vendor 05093 - JEFFREY BACANI Total:	100.00
Vendor: 01856 - JESSE AMEND					
11/05/2024	2197	JESSE AMEND	10/4 Vision CLM	100.00	
				Vendor 01856 - JESSE AMEND Total:	100.00
Vendor: 05711 - JESSICA KIM					
11/05/2024	APA001808	JESSICA KIM	10/12 PAVILION DEPOSIT RFD	100.00	
				Vendor 05711 - JESSICA KIM Total:	100.00
Vendor: 04039 - JOSEPH CISNEROS					
11/05/2024	2201	JOSEPH CISNEROS	10/9-11 '24 CJPIA CONF/ATCM	1,268.18	
				Vendor 04039 - JOSEPH CISNEROS Total:	1,268.18
Vendor: 03684 - JUSTIN BRAASCH					
11/05/2024	2199	JUSTIN BRAASCH	10/14 FIREARMS&TACTIC	38.59	
11/05/2024	2199	JUSTIN BRAASCH	TRNG MLGE/PD		
11/05/2024			8/30-10/11 LDRSHP DEVELOP	229.80	
11/05/2024			TRNG/PD		
				Vendor 03684 - JUSTIN BRAASCH Total:	268.39
Vendor: 01959 - KONICA MINOLTA PREMIER					
11/05/2024	APA001809	KONICA MINOLTA PREMIER	10/15-11/14 COPIER	598.50	
			RENTAL/CH,PD,REC		
				Vendor 01959 - KONICA MINOLTA PREMIER Total:	598.50
Vendor: 01975 - L P G E A					
10/17/2024	39700	L P G E A	LPGEA Dues Withheld	216.00	
10/31/2024	39707	L P G E A	LPGEA Dues Withheld	216.00	
				Vendor 01975 - L P G E A Total:	432.00
Vendor: 01988 - LA PALMA POLICE ASSN					
10/17/2024	39703	LA PALMA POLICE ASSN	LPPA Dues Withheld	1,316.11	
10/31/2024	39709	LA PALMA POLICE ASSN	LPPA Dues Withheld	1,316.11	
				Vendor 01988 - LA PALMA POLICE ASSN Total:	2,632.22
Vendor: 01976 - LPPEA					
10/17/2024	39701	LPPEA	LPPEA Dues Withheld	75.00	
10/31/2024	39710	LPPEA	LPPEA Dues Withheld	75.00	
				Vendor 01976 - LPPEA Total:	150.00
Vendor: 05708 - MANDAR MANJAREKAR					
11/05/2024	APA001813	MANDAR MANJAREKAR	10/5 PAVILION DEPOSIT RFD	200.00	
				Vendor 05708 - MANDAR MANJAREKAR Total:	200.00
Vendor: 01752 - MISSION SQUARE - PLAN 302549					
10/17/2024	APA001771	MISSION SQUARE - PLAN 302...	Deferred Comp	4.92	
10/17/2024	APA001771	MISSION SQUARE - PLAN 302...	Deferred Comp	1,173.07	
10/17/2024	APA001771	MISSION SQUARE - PLAN 302...	Deferred Comp	2,079.23	
10/17/2024	APA001771	MISSION SQUARE - PLAN 302...	Deferred Comp	2,759.11	
10/31/2024	APA001773	MISSION SQUARE - PLAN 302...	Deferred Comp	1,173.07	
10/31/2024	APA001773	MISSION SQUARE - PLAN 302...	Deferred Comp	2,079.23	
10/31/2024	APA001773	MISSION SQUARE - PLAN 302...	Deferred Comp	2,759.11	
				Vendor 01752 - MISSION SQUARE - PLAN 302549 Total:	12,027.74
Vendor: 02201 - MUNICIPAL WATER DISTRICT OF					
11/05/2024	39713	MUNICIPAL WATER DISTRICT ...	SEP'24 WATER RTS CHARGE	264.50	
11/05/2024	39713	MUNICIPAL WATER DISTRICT ...	SEP'24 CAPACIT...	500.72	
				Vendor 02201 - MUNICIPAL WATER DISTRICT OF Total:	765.22
Vendor: 02227 - NEWS ENTERPRISE					
11/05/2024	APA001819	NEWS ENTERPRISE	10/16 LEGAL AD/CUP 393	220.00	
11/05/2024	APA001819	NEWS ENTERPRISE	10/16 LEGAL AD/INTRO ORD	220.00	
			ZONE CODE CHGS		
				Vendor 02227 - NEWS ENTERPRISE Total:	440.00

Warrant Register				Payable Dates: 10/16/2024 - 11/5/2024	
Payment Date	Payment Number	Vendor Name	Description (Item)	Amount	
Vendor: 05716 - NOAH PALMQUIST					
11/05/2024	2207	NOAH PALMQUIST	9/24-25 PATROL RIFLE TRNG/PD		177.80
				Vendor 05716 - NOAH PALMQUIST Total:	177.80
Vendor: 05712 - OGECHI OLOMA OZOGU					
11/05/2024	APA001821	OGECHI OLOMA OZOGU	10/12 GAZEBO DEPOSIT RFD		100.00
				Vendor 05712 - OGECHI OLOMA OZOGU Total:	100.00
Vendor: 02279 - PERS RETIREMENT					
10/17/2024	DFT0009231	PERS RETIREMENT	CalPERS Employee Contribution		32.19
10/17/2024	DFT0009232	PERS RETIREMENT	CalPERS Employer Contribution		32.70
10/17/2024	DFT0009237	PERS RETIREMENT	CalPERS Employee Contribution		38.07
10/17/2024	DFT0009238	PERS RETIREMENT	CalPERS Employer Contribution		38.64
10/17/2024	DFT0009261	PERS RETIREMENT	CalPERS Employee Contribution		1,938.17
10/17/2024	DFT0009262	PERS RETIREMENT	CalPERS Employer Contribution		3,881.18
10/17/2024	DFT0009263	PERS RETIREMENT	CalPERS Employee Contribution		1,690.69
10/17/2024	DFT0009264	PERS RETIREMENT	CalPERS Employer Contribution		2,451.51
10/17/2024	DFT0009265	PERS RETIREMENT	CalPERS Employee Contribution		3,991.27
10/17/2024	DFT0009266	PERS RETIREMENT	CalPERS Employer Contribution		4,053.05
10/17/2024	DFT0009267	PERS RETIREMENT	CalPERS Employee Contribution		1,811.53
10/17/2024	DFT0009268	PERS RETIREMENT	CalPERS Employer Contribution		5,897.55
10/17/2024	DFT0009269	PERS RETIREMENT	CalPERS Employee Contribution		395.69
10/17/2024	DFT0009270	PERS RETIREMENT	CalPERS Employer Contribution		1,022.57
10/17/2024	DFT0009271	PERS RETIREMENT	CalPERS Employee Contribution		7,194.04
10/17/2024	DFT0009272	PERS RETIREMENT	CalPERS Employer Contribution		7,175.67
10/17/2024	DFT0009273	PERS RETIREMENT	Employee Survivor Contribution Amount		46.50
10/31/2024	DFT0009306	PERS RETIREMENT	CalPERS Employee Contribution		16.93
10/31/2024	DFT0009307	PERS RETIREMENT	CalPERS Employer Contribution		17.19
10/31/2024	DFT0009314	PERS RETIREMENT	CalPERS Employee Contribution		1,938.17
10/31/2024	DFT0009315	PERS RETIREMENT	CalPERS Employer Contribution		3,881.18
10/31/2024	DFT0009316	PERS RETIREMENT	CalPERS Employee Contribution		1,690.69
10/31/2024	DFT0009317	PERS RETIREMENT	CalPERS Employer Contribution		2,451.50
10/31/2024	DFT0009318	PERS RETIREMENT	CalPERS Employee Contribution		3,963.76
10/31/2024	DFT0009319	PERS RETIREMENT	CalPERS Employer Contribution		4,025.12
10/31/2024	DFT0009320	PERS RETIREMENT	CalPERS Employee Contribution		1,737.32
10/31/2024	DFT0009321	PERS RETIREMENT	CalPERS Employer Contribution		5,655.97
10/31/2024	DFT0009322	PERS RETIREMENT	CalPERS Employee Contribution		395.69
10/31/2024	DFT0009323	PERS RETIREMENT	CalPERS Employer Contribution		1,022.57
10/31/2024	DFT0009324	PERS RETIREMENT	CalPERS Employee Contribution		6,868.13
10/31/2024	DFT0009325	PERS RETIREMENT	CalPERS Employer Contribution		6,850.62
10/31/2024	DFT0009326	PERS RETIREMENT	Employee Survivor Contribution Amount		44.64
				Vendor 02279 - PERS RETIREMENT Total:	82,250.50
Vendor: 03055 - PURISIMA MAURICIO					
11/05/2024	APA001817	PURISIMA MAURICIO	12/7 LESS CANCELLATION FEE		-50.00

Warrant Register				Payable Dates: 10/16/2024 - 11/5/2024
Payment Date	Payment Number	Vendor Name	Description (Item)	Amount
11/05/2024	APA001817	PURISIMA MAURICIO	12/7 COMM CTR DEPOSIT RFD	300.00
Vendor 03055 - PURISIMA MAURICIO Total:				250.00
Vendor: 05646 - RUTH JENG				
11/05/2024	APA001806	RUTH JENG	12785 LESS CANCELLATION FEE	-11.00
11/05/2024	APA001806	RUTH JENG	12785 BALLET & TAP RFD	60.00
Vendor 05646 - RUTH JENG Total:				49.00
Vendor: 03931 - RYAN HALLETT				
11/05/2024	2202	RYAN HALLETT	10/9-10/11 CJPIA RISK MGMT FORUM/ACM	899.58
11/05/2024	2202	RYAN HALLETT	9/20-9/25 ICMA CONF/ACM	1,355.77
11/05/2024	2202	RYAN HALLETT	9/20-9/25 ICMA CONF/ACM	1,355.78
Vendor 03931 - RYAN HALLETT Total:				3,611.13
Vendor: 05709 - SAM CHI HO SZETO				
11/05/2024	APA001795	SAM CHI HO SZETO	10/5 GAZEBO DEPOSIT RFD	100.00
Vendor 05709 - SAM CHI HO SZETO Total:				100.00
Vendor: 02535 - SMART & FINAL				
11/05/2024	APA001827	SMART & FINAL	10/2 MTG SUPPLIES/PW	77.10
11/05/2024	APA001827	SMART & FINAL	9/30 SUPPLIES/INSPOTEEN	17.80
11/05/2024	APA001827	SMART & FINAL	10/14 SUPPLIES/INSPOTEEN	51.58
Vendor 02535 - SMART & FINAL Total:				146.48
Vendor: 04797 - SMART CIENEGA LLC				
11/05/2024	APA001828	SMART CIENEGA LLC	NOV'24 CAM & INS/5414 LP	435.00
Vendor 04797 - SMART CIENEGA LLC Total:				435.00
Vendor: 02809 - SO CAL FIRST AID & SAFETY (FORMERLY ZEE MEDICAL)				
11/05/2024	APA001829	SO CAL FIRST AID & SAFETY (F...	10/17 FIRST AID SUPPLIES/CH	43.59
Vendor 02809 - SO CAL FIRST AID & SAFETY (FORMERLY ZEE MEDICAL) Total:				43.59
Vendor: 02556 - SOUTHERN CALIFORNIA EDISON				
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	10/11 6998 WALKER TC1	19.78
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	10/9 5872 LA PALMA/MEDIAN	21.92
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	10/9 8172 MOODY/WINDSONG TC1	129.35
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	10/9 7502 WALKER/HOUSTON TC1	71.48
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	10/9 MISC ELECTR FEE	1.44
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	10/7 MOODY/SHARON SIGNAL	75.67
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	10/7 5002 HOUSTON	84.87
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	10/7 E/S V V/ORANGETHORPE SGNL	36.07
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	10/7 LP/REDFORD SIGNAL	74.97
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	10/7 5498 LA PALMA TC1	100.86
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	10/7 LP/WALKER SIGNAL	48.08
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	10/7 MOODY/LA LUNA SIGNAL	27.75
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	10/7 5001 CRESCENT SIGNAL	94.31
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	10/7 7903 WALKER/REC SIGNAL	60.19
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	10/7 ORANGETHORPE/WALKE...	81.26
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	10/7 LP/MOODY SIGNAL	90.92
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	10/7 S/S ORANGETHORPE/V V SIGNAL	59.29
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	10/7 8231-1/2 WALKER	60.19
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	10/7 7701 WALKER/HOSPITAL SIGNAL	94.56
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	10/7 WALKER/183RD SIGNAL	65.29
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	10/7 LP/DENNI SIGNAL	91.17
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	10/7 8171 WALKER/LA LUNA SIGNAL	72.05
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	9/6 MOODY/SHARON SIGNAL	77.64
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	9/6 5002 HOUSTON	86.63

Warrant Register

Payable Dates: 10/16/2024 - 11/5/2024

Payment Date	Payment Number	Vendor Name	Description (Item)	Amount
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	9/6 E/S V V/ORANGETHORPE SGNL	97.43
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	9/6 LP/REDFORD SIGNAL	77.40
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	9/6 5498 LA PALMA TC1	103.38
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	9/6 LP/WALKER SIGNAL	49.74
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	9/6 MOODY/LA LUNA SIGNAL	28.62
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	9/6 5001 CRESCENT SIGNAL	96.83
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	9/6 7903 WALKER/REC SIGNAL	62.36
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	9/6 LP/MOODY SIGNAL	94.88
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	9/6 S/S ORANGETHORPE/V V SIGNAL	83.72
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	9/6 8231-1/2 WALKER	61.40
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	9/6 7701 WALKER/HOSPITAL SIGNAL	96.10
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	9/6 WALKER/183RD SIGNAL	66.73
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	9/6 LP/DENNI SIGNAL	92.47
10/17/2024	39704	SOUTHERN CALIFORNIA EDIS...	9/6 8171 WALKER/LA LUNA SIGNAL	74.99
11/05/2024	39714	SOUTHERN CALIFORNIA EDIS...	10/17 7831 WALKER/CP	168.08
11/05/2024	39714	SOUTHERN CALIFORNIA EDIS...	10/24 5712 LA PALMA TC1	70.16
11/05/2024	39714	SOUTHERN CALIFORNIA EDIS...	10/28 8415 MEADOWLARK/BSTR	11,828.28
Vendor 02556 - SOUTHERN CALIFORNIA EDISON Total:				14,778.31
Vendor: 02568 - STAPLES BUSINESS ADVANTAGE				
11/05/2024	APA001830	STAPLES BUSINESS ADVANTA...	8/14 OFFICE SUPPLIES/CD	307.61
11/05/2024	APA001830	STAPLES BUSINESS ADVANTA...	8/14	67.95
Vendor 02568 - STAPLES BUSINESS ADVANTAGE Total:				375.56
Vendor: 02576 - STEP SAVER INC				
11/05/2024	APA001831	STEP SAVER INC	10/14 WTR TREATMENT SUPPLIES/CY	170.98
11/05/2024	APA001831	STEP SAVER INC	10/14 WTR TREATMENT SUPPLIES/WW	156.11
Vendor 02576 - STEP SAVER INC Total:				327.09
Vendor: 05705 - STETSON STEEL LLC				
11/05/2024	APA001832	STETSON STEEL LLC	FENCE RPR PARTS/CP	31.69
Vendor 05705 - STETSON STEEL LLC Total:				31.69
Vendor: 02635 - THE BEE MAN				
11/05/2024	APA001786	THE BEE MAN	10/3 BEE REMOVAL/CY	225.00
Vendor 02635 - THE BEE MAN Total:				225.00
Vendor: 04630 - T-MOBILE USA INC				
11/05/2024	39715	T-MOBILE USA INC	8/21-9/20 2024 UAS DATA PLAN/PD	32.80
11/05/2024	39715	T-MOBILE USA INC	9/16-10/15 TABLET DATA PLAN/CEO	21.61
Vendor 04630 - T-MOBILE USA INC Total:				54.41
Vendor: 02700 - TYLER TECHNOLOGIES INC				
11/05/2024	APA001835	TYLER TECHNOLOGIES INC	10/11 A/R CONDUCT PROCESS TRNG/FIN	290.00
Vendor 02700 - TYLER TECHNOLOGIES INC Total:				290.00
Vendor: 02706 - U S BANK INSTITUTIONAL TRUST-WESTERN REGION				
10/17/2024	APA001772	U S BANK INSTITUTIONAL TRU...	PARS Part Time Retirement Contributions	791.12
10/31/2024	APA001774	U S BANK INSTITUTIONAL TRU...	PARS Part Time Retirement Contributions	673.62
Vendor 02706 - U S BANK INSTITUTIONAL TRUST-WESTERN REGION Total:				1,464.74
Vendor: 04984 - ULINE INC				
11/05/2024	APA001836	ULINE INC	9/17 (12)TABLES&(1)BUCKET WRINGER/REC	2,076.70
Vendor 04984 - ULINE INC Total:				2,076.70

Warrant Register				Payable Dates: 10/16/2024 - 11/5/2024	
Payment Date	Payment Number	Vendor Name	Description (Item)	Amount	
Vendor: 05555 - UNISPEC CONSTRUCTION INC.					
11/05/2024	2210	UNISPEC CONSTRUCTION INC.	LESS 5% RETENTION/ST-371	-13,711.92	
11/05/2024	2210	UNISPEC CONSTRUCTION INC.	MEDIAN ISLANDS PROJ/ST-371	274,238.54	
Vendor 05555 - UNISPEC CONSTRUCTION INC. Total:				260,526.62	
Vendor: 04008 - VERITIV OPERATING COMPANY					
11/05/2024	APA001838	VERITIV OPERATING COMPANY	10/3 JANITORIAL FUEL SURCHARGE/PW	8.16	
Vendor 04008 - VERITIV OPERATING COMPANY Total:				8.16	
Vendor: 02742 - VERIZON WIRELESS					
11/05/2024	39716	VERIZON WIRELESS	10/11-11/10 DATA ACCESS/ENG TECH	45.01	
Vendor 02742 - VERIZON WIRELESS Total:				45.01	
Vendor: 05707 - VICTOR MASAYA					
11/05/2024	APA001815	VICTOR MASAYA	12637 SOCCER RFD	196.00	
11/05/2024	APA001815	VICTOR MASAYA	12637 PROCESSING FEE RFD	15.92	
Vendor 05707 - VICTOR MASAYA Total:				211.92	
Vendor: 05593 - WATERWORKFORCE					
11/05/2024	APA001839	WATERWORKFORCE	SEP'24 WATER CONSULTING SVC/PW	10,624.50	
Vendor 05593 - WATERWORKFORCE Total:				10,624.50	
Vendor: 02788 - WRIGHT EXPRESS					
10/17/2024	DFT0009244	WRIGHT EXPRESS	9/30 GASOLINE/PD	4,724.89	
10/17/2024	DFT0009244	WRIGHT EXPRESS	9/30 GASOLINE/PW	274.24	
10/17/2024	DFT0009244	WRIGHT EXPRESS	9/30 GASOLINE REBATE	-30.34	
10/17/2024	DFT0009244	WRIGHT EXPRESS	9/30 GASOLINE/WTR	1,476.84	
Vendor 02788 - WRIGHT EXPRESS Total:				6,445.63	
Vendor: 05710 - YVETTE PEREZ					
11/05/2024	APA001825	YVETTE PEREZ	10/6 PAVILION DEPOSIT RFD	200.00	
Vendor 05710 - YVETTE PEREZ Total:				200.00	
Grand Total:				642,452.35	

City of La Palma

Agenda Item No. 4



MEETING DATE: November 5, 2024

TO: City Council

FROM: City Manager

SUBMITTED BY: Ryan Hallett, Assistant City Manager

AGENDA TITLE: First Quarter Cash and Investment Report, Fiscal Year 2024-25

RECOMMENDED ACTION:

It is recommended that the City Council receive and file the Cash and Investment Report for the first quarter of Fiscal Year 2024-25.

SUMMARY:

In accordance with the City's Statement of Investment Policy, a quarterly report is prepared to provide the status of the investment portfolio. The cash and investments of all funds are pooled, and no assets are held by fiscal agents. Guided by state law and the City's Investment Policy, the primary investment objective is to safeguard the principal of the invested funds. The secondary objective is to meet the liquidity needs of the entities, and the third objective is to achieve a return on the invested funds. Although all investments contain an element of risk, the pooled investments are designed to limit exposure to risk and provide liquidity while still generating investment income.

A combination of demand deposit accounts and the Local Agency Investment Fund (LAIF) is used to provide sufficient liquidity to meet the City's short-term operating requirements. Funds that are unlikely to be spent in the near future are kept in a portfolio that is actively managed by an investment advisor in accordance with the Investment Policy.

Information on the investment portfolio as of September 30, 2024, is as follows:

Short-term Operating Requirements

- Monies held in demand deposit accounts and cash on hand total \$2,807,416
- Monies held by Corpay total \$208,133
- Monies held in the Local Agency Investment Fund total \$16,414,258
 - Market value totals \$16,448,089
 - LAIF fund effective yield for each month during the quarter:
 - 4.516%, month 1
 - 4.579% month
 - 24.575%, month 3
 - LAIF fund average life is 231 days

Managed Portfolio

- Book value totals \$26,582,928
- Market value totals \$26,960,813 per US Bank (custodian) and \$26,956,966 per PFM (investment manager)
 - \$13,713,974 US Treasury Bond/Note (50.87%)
 - \$2,390,242 Federal Agency Commercial (8.87%)
 - \$5,402,663 Corporate Note (20.04%)
 - \$714,891 Certificates of Deposit (2.65%)
 - \$4,648,734 Asset-Backed Security (17.25%)
 - \$86,462 Money Market (0.32%)
- Yield to maturity (based on cost) is 4.44%
- Yield to maturity (based on market value) is 3.92%
- Weighted average maturity is 836 days
- All investments mature within five years of the quarter-end

Interest Rate Yield

The following table presents U.S. Treasury yields as of September 30, 2024, and for all quarters back to September 30, 2022. After making no change to interest rates since July 2023, the Federal Reserve lowered interest rates at its September 18, 2024 meeting for the first time in four years. Consequently, yield rates at the end of the quarter were lower for all maturity levels.

Treasury Yield Curve Rates

Quarter End Date	6 Month	1 Year	2 Year	3 Year	5 Year	10 Year
September 30, 2022	3.92%	4.05%	4.22%	4.25%	4.06%	3.83%
December 31, 2022	4.76%	4.73%	4.41%	4.22%	3.99%	3.88%
March 31, 2023	4.94%	4.64%	4.06%	3.81%	3.60%	3.48%
June 30, 2023	5.47%	5.40%	4.87%	4.49%	4.13%	3.81%
September 30, 2023	5.53%	5.46%	5.03%	4.80%	4.60%	4.59%
December 31, 2023	5.26%	4.79%	4.23%	4.01%	3.84%	3.88%
March 31, 2024	5.38%	5.03%	4.59%	4.40%	4.21%	4.20%
June 30, 2024	5.33%	5.09%	4.71%	4.52%	4.33%	4.36%
September 30, 2024	4.38%	3.98%	3.66%	3.58%	3.58%	3.81%

This table can be used to compare the LAIF and managed portfolio yields against the U.S. Treasury yields. At the quarter end, the LAIF fund's effective yield (4.575%) and the managed portfolio's yield based on cost (4.44%) were higher than Treasury yield rates for all maturities. The managed portfolio's yield based on market (3.92%) was lower than Treasury yield rates for maturities of one year and less and was higher than all other maturity levels.

Managed Portfolio Market Value

Until investments are sold, any difference between market and book value is an unrealized gain or

loss. During the first quarter of fiscal year 2024-25, the City's investment managers sold certain investments before their maturity date and realized net losses totaling \$14,657.

For the first time within the past two years, market values are above book value, resulting in an unrealized gain at the end of the quarter. Since market values have an inverse relationship with interest rates, as interest rates decrease, market values increase. The following chart shows the comparison of the managed portfolio's book value versus market value over the past two years:

Quarter End Date	Book Value	Market Value per Custodian (US Bank)	Unrealized Gain/(Loss)
September 30, 2022	\$25,862,890	\$24,627,866	(\$1,235,024)
December 31, 2022	\$25,871,233	\$24,816,260	(\$1,054,973)
March 31, 2023	\$25,882,344	\$25,139,728	(\$742,616)
June 30, 2023	\$25,853,547	\$25,070,092	(\$783,455)
September 30, 2023	\$25,892,819	\$25,254,108	(\$638,711)
December 31, 2023	\$25,942,487	\$25,871,881	(\$70,606)
March 31, 2024	\$26,101,690	\$25,988,635	(\$113,055)
June 30, 2024	\$26,290,427	\$26,191,407	(\$99,020)
September 30, 2024	\$26,582,928	\$26,960,813	\$377,885

FISCAL IMPACT:

There is no fiscal impact.

ATTACHMENTS:

1. Cash and Investment Report – September 30, 2024
2. Cash and Investment Portfolio Book Value by Type Chart – September 30, 2024
3. PFM Funds, Managed Account Detail of Securities Held – September 30, 2024

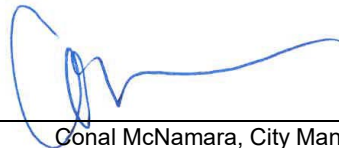
CITY OF LA PALMA

Cash and Investment Report
September 30, 2024

Investment Type	Issuer	Purchase Date	Maturity Date	Interest Rate	Face Value	Book Value	Market Value	Source of Market Valuation
<u>Pooled Deposits and Investments*</u>								
Local Agency Investment Fund	State	NA	NA	4.710%	\$ 16,414,258	\$ 16,414,258	\$ 16,448,089	LAIF
Various eligible securities	PFM Fund Manager (various issuers)	NA	various	4.440%	26,732,302	26,582,928	26,960,813	US Bank
Deposit accounts	NA	NA	NA	NA	2,799,991	2,799,991	2,799,991	NA
Cash on hand	NA	NA	NA	NA	7,425	7,425	7,425	NA
Funds with Corpay	NA	NA	NA	NA	208,133	208,133	208,133	NA
Total Pooled Deposits and Investments					<u>\$ 46,162,109</u>	<u>\$ 46,012,735</u>	<u>\$ 46,424,451</u>	

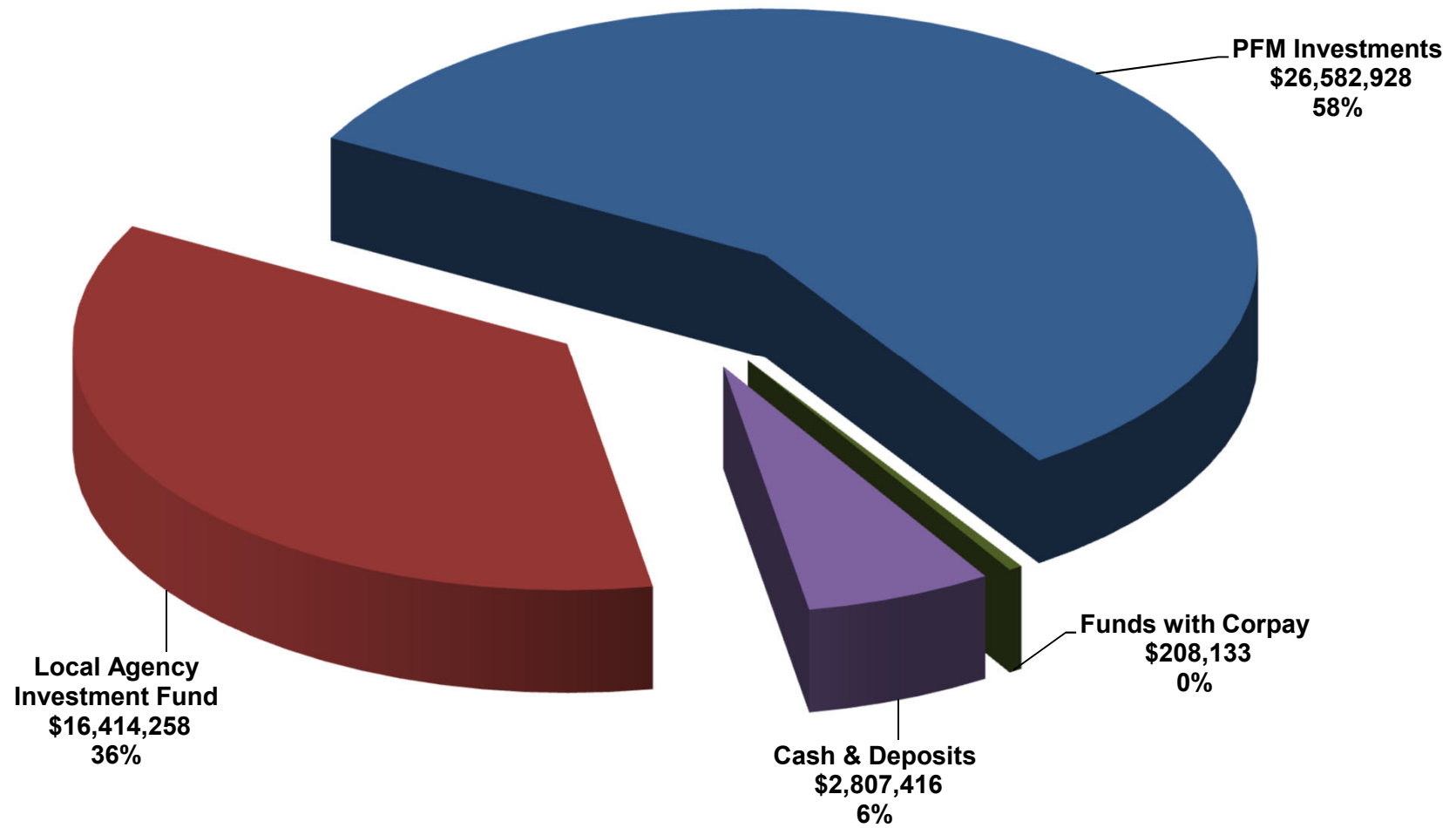
* The City and Successor Agency pool all cash and investments and neither has monies held by a fiscal agent. Amounts from the pool are available to each entity on demand.

I certify that this investment portfolio is in conformity with the January 2022 Statement of Investment Policy of the City of La Palma as stated in City Council Resolution No. 2022-02. The Investment Program provides sufficient liquidity to meet the next six months' estimated expenditures.



Conal McNamara, City Manager

**Cash and Investment Portfolio
Book Value by Type
September 30, 2024**





Customer Service
PO Box 11813
Harrisburg, PA 17108-1813

ACCOUNT STATEMENT

For the Month Ending

September 30, 2024

CITY OF LA PALMA

Client Management Team

Richard Babbe, CCM
Senior Managing Consultant
633 W 5th St., 25th Floor
Los Angeles, CA 90071
949-230-6896
babber@pfmam.com

Contents

- Cover/Disclosures
- Summary Statement
- Individual Accounts

Accounts included in Statement

995341 OPERATING PORTFOLIO

Important Messages

PFM AM will be closed on 10/14/2024 for Columbus Day.
PFM AM will be closed on 11/11/2024 for Veterans Day.

CITY OF LA PALMA
MR. RYAN HALLETT HINTON
7822 WALKER STREET
LA PALMA, CA 90623

Online Access www.pfmam.com

Customer Service 1-800-338-3383

Important Disclosures

This statement is for general information purposes only and is not intended to provide specific advice or recommendations. PFM Asset Management LLC ("PFMAM") is an investment adviser registered with the U.S. Securities and Exchange Commission and a subsidiary of U.S. Bancorp Asset Management, Inc. ("USBAM"). USBAM is a subsidiary of U.S. Bank National Association ("U.S. Bank"). U.S. Bank is a separate entity and subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, services or performance of PFMAM. PFMAM maintains a written disclosure statement of our background and business experience. If you would like to receive a copy of our current disclosure statement, please contact Service Operations at the address below.

Proxy Voting PFMAM does not normally receive proxies to vote on behalf of its clients. However, it does on occasion receive consent requests. In the event a consent request is received the portfolio manager contacts the client and then proceeds according to their instructions. PFMAM's Proxy Voting Policy is available upon request by contacting Service Operations at the address below.

Questions About an Account PFMAM's monthly statement is intended to detail our investment advisory activity as well as the activity of any accounts held by clients in pools that are managed by PFMAM. The custodian bank maintains the control of assets and executes (i.e., settles) all investment transactions. The custodian statement is the official record of security and cash holdings and transactions. PFMAM recognizes that clients may use these reports to facilitate record keeping and that the custodian bank statement and the PFMAM statement should be reconciled and differences resolved. Many custodians use a settlement date basis which may result in the need to reconcile due to a timing difference.

Account Control PFMAM does not have the authority to withdraw funds from or deposit funds to the custodian outside the scope of services provided by PFMAM. Our clients retain responsibility for their internal accounting policies; implementing and enforcing internal controls and generating ledger entries or otherwise recording transactions.

Market Value Generally, PFMAM's market prices are derived from closing bid prices as of the last business day of the month as supplied by ICE Data Services. There may be differences in the values shown for investments due to accrued but uncollected income and the use of differing valuation sources and methods. Non-negotiable FDIC-insured bank certificates of deposit are priced at par. Although PFMAM believes the prices to be reliable, the values of the securities may not represent the prices at which the securities could have been bought or sold. Explanation of the valuation methods for a registered investment company or local government investment program is contained in the appropriate fund offering documentation or information statement.

Amortized Cost The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short term securities (those with less than one year to maturity at time of issuance) is amortized on a straightline basis. Such discount or premium with respect to longer term securities is amortized using the constant yield basis.

Important Disclosures

Tax Reporting Cost data and realized gains / losses are provided for informational purposes only. Please review for accuracy and consult your tax advisor to determine the tax consequences of your security transactions. PFMAM does not report such information to the IRS or other taxing authorities and is not responsible for the accuracy of such information that may be required to be reported to federal, state or other taxing authorities.

Financial Situation In order to better serve you, PFMAM should be promptly notified of any material change in your investment objective or financial situation.

Callable Securities Securities subject to redemption prior to maturity may be redeemed in whole or in part before maturity, which could affect the yield represented.

Portfolio The securities in this portfolio, including shares of mutual funds, are not guaranteed or otherwise protected by PFMAM, the FDIC (except for certain non-negotiable certificates of deposit) or any government agency. Investment in securities involves risks, including the possible loss of the amount invested. Actual settlement values, accrued interest, and amortized cost amounts may vary for securities subject to an adjustable interest rate or subject to principal paydowns. Any changes to the values shown may be reflected within the next monthly statement's beginning values.

Rating Information provided for ratings is based upon a good faith inquiry of selected sources, but its accuracy and completeness cannot be guaranteed. Shares of some local government investment programs and TERM funds are marketed through representatives of PFMAM's affiliate, PFM Fund Distributors, Inc. which is registered with the SEC as a broker/dealer and is a member of the Financial Industry Regulatory Authority ("FINRA") and the Municipal Securities Rulemaking Board ("MSRB"). You may reach the FINRA by calling the FINRA Hotline at 1-800-289-9999 or at the FINRA website address <https://www.finra.org/investors/investor-contacts>. A brochure describing the FINRA Regulation Public Disclosure Program is also available from FINRA upon request.

Key Terms and Definitions

Dividends on local government investment program funds consist of interest earned, plus any discount ratably amortized to the date of maturity, plus all realized gains and losses on the sale of securities prior to maturity, less ratably amortization of any premium and all accrued expenses to the fund. Dividends are accrued daily and may be paid either monthly or quarterly. The monthly earnings on this statement represent the estimated dividend accrued for the month for any program that distributes earnings on a quarterly basis. There is no guarantee that the estimated amount will be paid on the actual distribution date.

Current Yield is the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical fund account with a balance of one share over the seven-day base period including the statement date, expressed as a percentage of the value of one share (normally \$1.00 per share) at the beginning of the seven-day period. This resulting net change in account value is then annualized by multiplying it by 365 and dividing the result by 7. The yields quoted should not be considered a representation of the yield of the fund in the future, since the yield is not fixed.

Average maturity represents the average maturity of all securities and investments of a portfolio, determined by multiplying the par or principal value of each security or investment by its maturity (days or years), summing the products, and dividing the sum by the total principal value of the portfolio. The stated maturity date of mortgage backed or callable securities are used in this statement. However the actual maturity of these securities could vary depending on the level or prepayments on the underlying mortgages or whether a callable security has or is still able to be called.

Monthly distribution yield represents the net change in the value of one share (normally \$1.00 per share) resulting from all dividends declared during the month by a fund expressed as a percentage of the value of one share at the beginning of the month. This resulting net change is then annualized by multiplying it by 365 and dividing it by the number of calendar days in the month.

YTM at Cost The yield to maturity at cost is the expected rate of return, based on the original cost, the annual interest receipts, maturity value and the time period from purchase date to maturity, stated as a percentage, on an annualized basis.

YTM at Market The yield to maturity at market is the rate of return, based on the current market value, the annual interest receipts, maturity value and the time period remaining until maturity, stated as a percentage, on an annualized basis.

Managed Account A portfolio of investments managed discretely by PFMAM according to the client's specific investment policy and requirements. The investments are directly owned by the client and held by the client's custodian.

Unsettled Trade A trade which has been executed however the final consummation of the security transaction and payment has not yet taken place.

In August 2024, PFMAM converted its portfolio accounting system from FIS Investment Accounting Manager to SS&C PORTIA. The new system has recalculated the amortized cost and yield to maturity at cost of each security, based upon original cost and settlement date. Some securities, including some factored securities and previously exchanged securities, are now on a modified amortization schedule as compared with that of the past. Where transfers have occurred between your portfolios we have returned their settlement dates to the settlement dates of the original purchases in order to minimize any impact to their amortization schedules.

Please review the detail pages of this statement carefully. If you think your statement is wrong, missing account information, or if you need more information about a transaction, please contact PFMAM within 60 days of receipt. If you have other concerns or questions regarding your account, or to request an updated copy of PFMAM's current disclosure statement, please contact a member of your client management team at PFMAM Service Operations at the address below.

PFM Asset Management LLC
Attn: Service Operations
213 Market Street
Harrisburg, PA 17101

NOT FDIC INSURED NO BANK GUARANTEE MAY LOSE VALUE

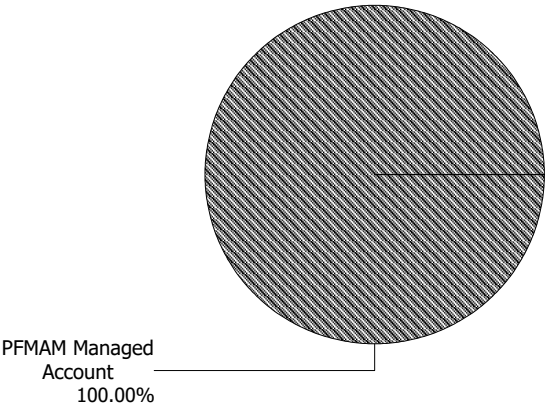
Account Statement - Transaction Summary

For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341

PFMAM Managed Account	
Opening Market Value	26,694,435.46
Purchases	1,829,414.97
Redemptions	(1,775,241.99)
Unsettled Trades	0.00
Change in Value	121,895.49
Closing Market Value	\$26,870,503.93
Cash Dividends and Income	103,244.13

Asset Summary		
	September 30, 2024	August 31, 2024
PFMAM Managed Account	26,870,503.93	26,694,435.46
Total	\$26,870,503.93	\$26,694,435.46
Asset Allocation		



Managed Account Summary Statement

For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)

Transaction Summary - Money Market		Transaction Summary - Managed Account		Account Total	
Opening Market Value	\$0.00	Opening Market Value	\$26,694,435.46	Opening Market Value	\$26,694,435.46
Purchases	0.00	Maturities/Calls	(206,279.52)		
Redemptions	0.00	Principal Dispositions	(1,568,962.47)		
		Principal Acquisitions	1,829,414.97		
		Unsettled Trades	0.00		
		Change in Current Value	121,895.49		
Closing Market Value	\$0.00	Closing Market Value	\$26,870,503.93	Closing Market Value	\$26,870,503.93
Dividend	0.00				

Earnings Reconciliation (Cash Basis) - Managed Account		Cash Balance	
Interest/Dividends/Coupons Received	97,115.21	Closing Cash Balance	\$86,461.86
Less Purchased Interest Related to Interest/Coupons	(2,883.83)		
Plus Net Realized Gains/Losses	9,012.75		
Total Cash Basis Earnings	\$103,244.13		

Earnings Reconciliation (Accrual Basis)		Managed Account	Total	Cash Transactions Summary- Managed Account	
Ending Amortized Value of Securities	26,552,074.45	26,552,074.45		Maturities/Calls	0.00
Ending Accrued Interest	235,580.61	235,580.61		Sale Proceeds	1,584,776.42
Plus Proceeds from Sales	1,584,776.42	1,584,776.42		Coupon/Interest/Dividend Income	81,301.26
Plus Proceeds of Maturities/Calls/Principal Payments	206,279.52	206,279.52		Principal Payments	206,279.52
Plus Coupons/Dividends Received	81,301.26	81,301.26		Security Purchases	(1,832,298.80)
Less Cost of New Purchases	(1,832,298.80)	(1,832,298.80)		Net Cash Contribution	(518.00)
Less Beginning Amortized Value of Securities	(26,489,600.97)	(26,489,600.97)		Reconciling Transactions	0.00
Less Beginning Accrued Interest	(236,905.34)	(236,905.34)			
Dividends	0.00	0.00			
Total Accrual Basis Earnings	\$101,207.15	\$101,207.15			

Portfolio Summary and Statistics

For the Month Ending September 30, 2024

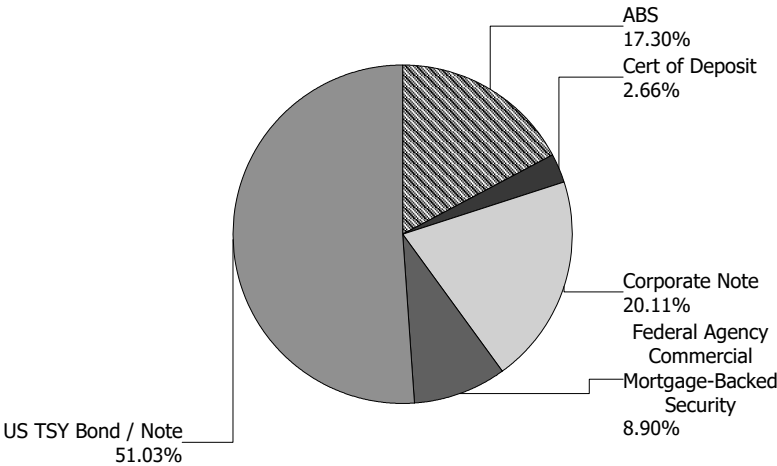
CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)

Account Summary

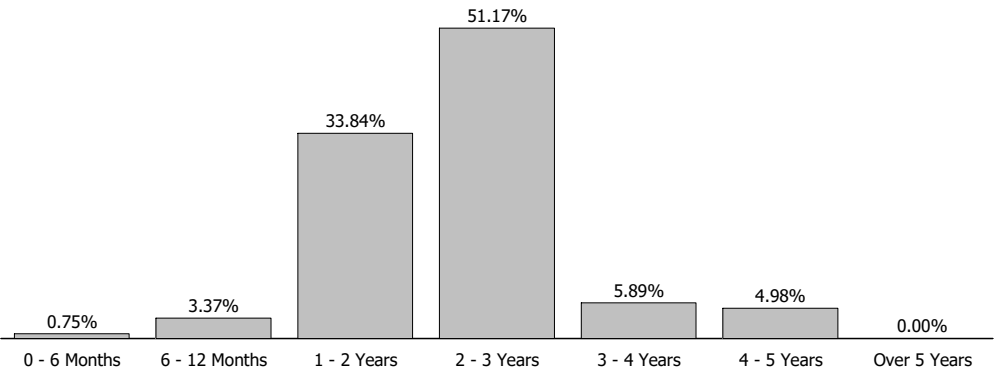
Description	Par Value	Market Value	Percent
U.S. Treasury Bond / Note	13,525,000.00	13,713,974.08	51.03
Federal Agency Commercial Mortgage-Backed Security	2,429,844.66	2,390,242.29	8.90
Corporate Note	5,360,000.00	5,402,663.08	20.11
Certificate of Deposit	700,000.00	714,890.65	2.66
Asset-Backed Security	4,630,995.82	4,648,733.83	17.30
Managed Account Sub-Total	26,645,840.48	26,870,503.93	100.00%
Accrued Interest		235,580.61	
Total Portfolio	26,645,840.48	27,106,084.54	

Unsettled Trades 0.00 0.00

Sector Allocation



Maturity Distribution



Characteristics

Yield to Maturity at Cost	4.44%
Yield to Maturity at Market	3.92%
Weighted Average Days to Maturity	836

Managed Account Issuer Summary

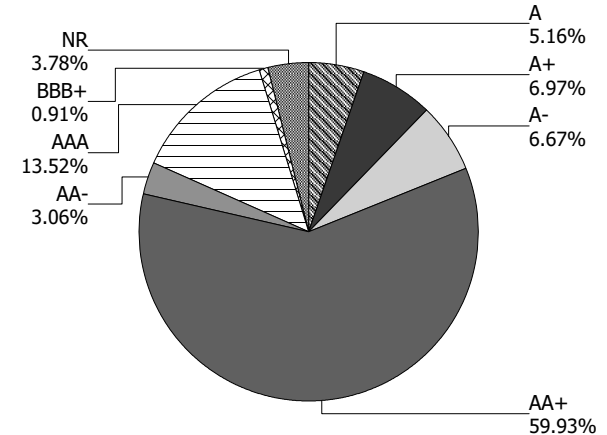
For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)

Issuer Summary

Issuer	Market Value of Holdings	Percent
Adobe Inc	81,912.96	0.30
Ally Auto Receivables Trust	420,378.57	1.56
American Express Co	246,370.30	0.92
ANZ Group Holdings Ltd	273,512.97	1.02
BA Credit Card Trust	142,115.61	0.53
Bank of America Corp	148,944.60	0.55
BlackRock Inc	132,493.40	0.49
BMW Vehicle Lease Trust	78,060.20	0.29
BP PLC	143,931.48	0.54
Bristol-Myers Squibb Co	40,840.16	0.15
Capital One Financial Corp	377,169.03	1.40
CarMax Inc	330,085.36	1.23
Caterpillar Inc	171,735.42	0.64
Charles Schwab Corp	95,314.20	0.35
Cintas Corp	54,592.07	0.20
Cisco Systems Inc	163,475.52	0.61
CNH Equipment Trust	3,763.55	0.01
Cooperatieve Rabobank UA	393,350.10	1.46
Deere & Co	178,130.19	0.66
Discover Card Execution Note Trust	282,838.23	1.05
Eli Lilly & Co	131,755.91	0.49
Federal Home Loan Mortgage Corp	2,261,980.27	8.43
Federal National Mortgage Association	128,262.02	0.48
Fifth Third Auto Trust	177,480.80	0.66
Ford Credit Auto Owner Trust	195,806.84	0.73
General Dynamics Corp	167,338.68	0.62
GM Financial Consumer Automobile Receiv	528,891.71	1.98
Goldman Sachs Group Inc	81,284.32	0.30
Groupe BPCE	206,604.40	0.77
Harley-Davidson Inc	140,754.48	0.52
Home Depot Inc	97,108.08	0.36
Honda Auto Receivables Owner Trust	121,141.08	0.45

Credit Quality (S&P Ratings)



Managed Account Issuer Summary

For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)

Issuer	Market Value of Holdings	Percent
Honda Motor Co Ltd	137,599.76	0.51
Honeywell International Inc	132,589.21	0.49
Hormel Foods Corp	112,046.76	0.42
Hyundai Auto Receivables Trust	304,682.99	1.13
International Business Machines Corp	179,209.80	0.67
JPMorgan Chase & Co	656,924.12	2.45
Mastercard Inc	60,428.04	0.22
Mercedes-Benz Auto Receivables Trust	226,895.76	0.84
Morgan Stanley	148,572.45	0.55
National Rural Utilities Cooperative Fi	183,371.90	0.68
Nissan Auto Receivables Owner Trust	469,825.83	1.75
Nordea Bank Abp	254,064.25	0.95
PACCAR Inc	71,051.40	0.26
PNC Financial Services Group Inc	95,051.57	0.35
State Street Corp	344,289.17	1.28
Texas Instruments Inc	116,811.94	0.43
Toronto-Dominion Bank	254,222.00	0.95
Toyota Auto Receivables Owner Trust	367,454.24	1.37
Toyota Motor Corp	133,186.92	0.50
Truist Financial Corp	165,762.23	0.62
Unilever PLC	100,973.40	0.38
United States Treasury	13,713,974.08	51.05
UnitedHealth Group Inc	198,528.33	0.74
Volkswagen Auto Loan Enhanced Trust	23,854.96	0.09
Wells Fargo & Co	395,362.42	1.47
World Omni Auto Trust	26,347.89	0.10
Total	\$26,870,503.93	100.00%

Managed Account Detail of Securities Held

For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY N/B DTD 04/17/2023 3.750% 04/15/2026	91282CGV7	25,000.00	AA+	Aaa	05/16/23	05/18/23	24,978.52	3.78	432.89	24,988.66	24,999.03
US TREASURY N/B DTD 04/17/2023 3.750% 04/15/2026	91282CGV7	250,000.00	AA+	Aaa	06/12/23	06/13/23	246,494.14	4.28	4,328.89	248,103.39	249,990.25
US TREASURY N/B DTD 05/15/2023 3.625% 05/15/2026	91282CHB0	625,000.00	AA+	Aaa	06/01/23	06/05/23	618,798.83	3.98	8,557.66	621,590.80	623,950.00
US TREASURY N/B DTD 06/15/2023 4.125% 06/15/2026	91282CHH7	200,000.00	AA+	Aaa	05/08/24	05/10/24	197,242.19	4.82	2,434.43	197,739.49	201,336.00
US TREASURY N/B DTD 06/15/2023 4.125% 06/15/2026	91282CHH7	525,000.00	AA+	Aaa	06/29/23	06/30/23	521,390.63	4.37	6,390.37	522,923.19	528,507.00
US TREASURY N/B DTD 07/17/2023 4.500% 07/15/2026	91282CHM6	100,000.00	AA+	Aaa	08/23/24	08/26/24	100,871.09	4.01	953.80	100,827.41	101,371.10
US TREASURY N/B DTD 07/17/2023 4.500% 07/15/2026	91282CHM6	150,000.00	AA+	Aaa	05/23/24	05/28/24	148,869.14	4.87	1,430.71	149,044.08	152,056.65
US TREASURY N/B DTD 07/17/2023 4.500% 07/15/2026	91282CHM6	250,000.00	AA+	Aaa	08/03/23	08/04/23	249,443.36	4.58	2,384.51	249,662.71	253,427.75
US TREASURY N/B DTD 07/17/2023 4.500% 07/15/2026	91282CHM6	350,000.00	AA+	Aaa	07/26/23	07/27/23	349,726.56	4.53	3,338.32	349,835.53	354,798.85
US TREASURY N/B DTD 07/17/2023 4.500% 07/15/2026	91282CHM6	500,000.00	AA+	Aaa	08/01/23	08/03/23	499,062.50	4.57	4,769.02	499,432.45	506,855.50
US TREASURY N/B DTD 08/15/2023 4.375% 08/15/2026	91282CHU8	300,000.00	AA+	Aaa	09/27/23	09/28/23	295,957.03	4.88	1,676.29	297,375.14	303,714.90
US TREASURY N/B DTD 08/15/2023 4.375% 08/15/2026	91282CHU8	500,000.00	AA+	Aaa	09/07/23	09/12/23	495,527.34	4.70	2,793.82	497,139.68	506,191.50
US TREASURY N/B DTD 08/15/2023 4.375% 08/15/2026	91282CHU8	500,000.00	AA+	Aaa	09/12/23	09/15/23	495,292.97	4.72	2,793.82	496,981.31	506,191.50
US TREASURY N/B DTD 09/15/2023 4.625% 09/15/2026	91282CHY0	600,000.00	AA+	Aaa	10/03/23	10/05/23	595,781.25	4.88	1,226.52	597,133.02	610,687.80

Managed Account Detail of Securities Held

For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY N/B DTD 10/16/2023 4.625% 10/15/2026	91282CJC6	850,000.00	AA+	Aaa	11/07/23	11/10/23	848,041.02	4.71	18,152.49	848,609.99	865,904.35
US TREASURY N/B DTD 11/15/2023 4.625% 11/15/2026	91282CJK8	800,000.00	AA+	Aaa	12/06/23	12/08/23	806,343.75	4.33	13,975.54	804,663.59	815,812.80
US TREASURY N/B DTD 12/15/2023 4.375% 12/15/2026	91282CJP7	650,000.00	AA+	Aaa	01/04/24	01/08/24	654,113.28	4.14	8,391.39	653,135.44	660,156.25
US TREASURY N/B DTD 01/16/2024 4.000% 01/15/2027	91282CJT9	725,000.00	AA+	Aaa	02/01/24	02/06/24	725,538.09	3.97	6,146.74	725,425.48	730,777.52
US TREASURY N/B DTD 02/15/2024 4.125% 02/15/2027	91282CKA8	225,000.00	AA+	Aaa	02/13/24	02/16/24	223,330.08	4.39	1,185.38	223,661.54	227,540.03
US TREASURY N/B DTD 02/15/2024 4.125% 02/15/2027	91282CKA8	750,000.00	AA+	Aaa	03/07/24	03/11/24	746,396.48	4.30	3,951.26	747,050.89	758,466.75
US TREASURY N/B DTD 03/15/2024 4.250% 03/15/2027	91282CKE0	125,000.00	AA+	Aaa	04/01/24	04/03/24	124,106.45	4.51	234.81	124,247.97	126,899.37
US TREASURY N/B DTD 03/15/2024 4.250% 03/15/2027	91282CKE0	325,000.00	AA+	Aaa	04/10/24	04/12/24	320,543.95	4.76	610.50	321,217.09	329,938.37
US TREASURY N/B DTD 04/15/2024 4.500% 04/15/2027	91282CKJ9	300,000.00	AA+	Aaa	05/08/24	05/10/24	298,675.78	4.66	6,233.61	298,843.69	306,445.20
US TREASURY N/B DTD 05/15/2024 4.500% 05/15/2027	91282CKR1	100,000.00	AA+	Aaa	06/25/24	06/26/24	99,972.66	4.51	1,699.73	99,975.05	102,230.50
US TREASURY N/B DTD 05/15/2024 4.500% 05/15/2027	91282CKR1	900,000.00	AA+	Aaa	06/06/24	06/10/24	899,648.44	4.51	15,297.55	899,685.17	920,074.50
US TREASURY N/B DTD 06/17/2024 4.625% 06/15/2027	91282CKV2	250,000.00	AA+	Aaa	06/27/24	06/28/24	250,869.14	4.50	3,411.89	250,797.29	256,670.00
US TREASURY N/B DTD 06/17/2024 4.625% 06/15/2027	91282CKV2	275,000.00	AA+	Aaa	07/10/24	07/11/24	276,654.30	4.40	3,753.07	276,535.31	282,337.00
US TREASURY N/B DTD 06/17/2024 4.625% 06/15/2027	91282CKV2	300,000.00	AA+	Aaa	07/08/24	07/09/24	301,828.13	4.40	4,094.26	301,693.12	308,004.00

Managed Account Detail of Securities Held

For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY N/B DTD 06/17/2024 4.625% 06/15/2027	91282CKV2	375,000.00	AA+	Aaa	07/01/24	07/05/24	375,424.80	4.58	5,117.83	375,392.46	385,005.00
US TREASURY N/B DTD 07/15/2024 4.375% 07/15/2027	91282CKZ3	125,000.00	AA+	Aaa	08/01/24	08/02/24	126,435.55	3.96	1,159.14	126,360.38	127,578.13
US TREASURY N/B DTD 07/15/2024 4.375% 07/15/2027	91282CKZ3	250,000.00	AA+	Aaa	08/08/24	08/09/24	253,349.61	3.89	2,318.27	253,193.67	255,156.25
US TREASURY N/B DTD 08/15/2024 3.750% 08/15/2027	91282CLG4	475,000.00	AA+	Aaa	09/05/24	09/06/24	476,781.25	3.61	2,274.97	476,743.14	477,115.18
US TREASURY N/B DTD 08/15/2024 3.750% 08/15/2027	91282CLG4	850,000.00	AA+	Aaa	09/04/24	09/05/24	852,722.66	3.63	4,070.99	852,661.00	853,785.05
Security Type Sub-Total		13,525,000.00					13,500,210.97	4.37	145,590.47	13,512,669.13	13,713,974.08
Federal Agency Commercial Mortgage-Backed Security											
FHMS K041 A2 DTD 12/01/2014 3.171% 10/01/2024	3137BFE98	48,837.51	AA+	Aaa	08/30/22	09/02/22	48,194.61	3.81	129.05	48,817.55	48,673.81
FHMS K046 A2 DTD 06/01/2015 3.205% 03/01/2025	3137BJP64	123,672.41	AA+	Aaa	08/03/22	08/08/22	122,749.69	3.50	330.31	123,502.87	122,649.39
FHMS K047 A2 DTD 07/01/2015 3.329% 05/01/2025	3137BKRJ1	173,120.53	AA+	Aaa	05/19/22	05/24/22	174,229.58	3.11	480.27	173,360.60	171,584.26
FHMS K049 A2 DTD 10/01/2015 3.010% 07/01/2025	3137BLMZ8	247,432.59	AA+	Aaa	08/11/22	08/16/22	243,943.40	3.51	620.64	246,463.92	244,425.54
FHMS K733 A2 DTD 11/01/2018 3.750% 08/01/2025	3137FJX07	116,147.48	AA+	Aaa	03/06/23	03/09/23	112,499.71	5.10	362.96	114,813.53	115,334.79
FHMS K051 A2 DTD 12/01/2015 3.308% 09/01/2025	3137BM7C4	121,657.18	AA+	Aaa	08/05/22	08/10/22	120,773.27	3.55	335.37	121,379.05	120,310.19
FHMS K053 A2 DTD 03/01/2016 2.995% 12/01/2025	3137BN6G4	175,000.00	AA+	Aaa	08/04/22	08/09/22	172,983.40	3.35	436.77	174,263.68	172,400.55
FHMS K054 A2 DTD 04/01/2016 2.745% 01/01/2026	3137BNGT5	125,000.00	AA+	Aaa	03/01/23	03/06/23	117,714.84	4.90	285.94	121,676.45	122,667.00

Managed Account Detail of Securities Held

For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Commercial Mortgage-Backed Security											
FNA 2016-M3 A2 DTD 03/01/2016 2.702% 02/01/2026	3136ARTE8	130,923.96	AA+	Aaa	10/06/22	10/12/22	123,518.57	4.51	294.80	127,847.03	128,262.02
FHMS K057 A2 DTD 09/01/2016 2.570% 07/01/2026	3137BROJ7	125,000.00	AA+	Aaa	03/02/23	03/07/23	116,240.23	4.81	267.71	120,296.48	121,956.00
FHMS K057 A2 DTD 09/01/2016 2.570% 07/01/2026	3137BROJ7	125,000.00	AA+	Aaa	05/18/23	05/23/23	118,857.42	4.22	267.71	121,482.27	121,956.00
FHMS K736 A2 DTD 09/01/2019 2.282% 07/01/2026	3137FNWX4	125,000.00	AA+	Aaa	10/05/23	10/11/23	115,981.45	5.05	237.71	119,125.37	121,415.38
FHMS K058 A2 DTD 11/01/2016 2.653% 08/01/2026	3137BSP72	175,000.00	AA+	Aaa	04/12/23	04/17/23	167,036.13	4.10	386.90	170,490.66	170,597.35
FHMS K059 A2 DTD 11/01/2016 3.120% 09/01/2026	3137BSRE5	125,000.00	AA+	Aaa	11/15/23	11/20/23	118,393.55	5.11	325.00	120,285.89	122,857.63
FHMS K061 A2 DTD 01/01/2017 3.347% 11/01/2026	3137BTUM1	83,386.50	AA+	Aaa	05/19/23	05/24/23	80,819.76	4.29	232.58	81,811.04	82,121.94
FHMS K063 A2 DTD 03/01/2017 3.430% 01/01/2027	3137BVZ82	190,000.00	AA+	Aaa	10/17/23	10/20/23	179,134.38	5.33	543.08	182,287.72	187,725.51
FHMS K068 A2 DTD 10/01/2017 3.244% 08/01/2027	3137FBBX3	125,000.00	AA+	Aaa	06/17/24	06/21/24	119,248.05	4.80	337.92	119,714.13	122,663.63
FHMS K069 A2 DTD 11/01/2017 3.187% 09/01/2027	3137FBU79	94,666.50	AA+	Aaa	06/17/24	06/21/24	90,088.49	4.78	251.42	90,449.28	92,641.30
Security Type Sub-Total		2,429,844.66					2,342,406.53	4.27	6,126.14	2,378,067.52	2,390,242.29
Corporate Note											
AMERICAN EXPRESS CO (CALLABLE) DTD 03/04/2022 2.250% 03/04/2025	025816CO0	30,000.00	BBB+	A2	03/01/22	03/04/22	29,969.70	2.29	50.63	29,995.71	29,688.30
CINTAS CORPORATION NO. 2 (CALLABLE) DTD 05/03/2022 3.450% 05/01/2025	17252MAP5	55,000.00	A-	A3	04/26/22	05/03/22	54,987.90	3.46	790.63	54,997.64	54,592.07

Managed Account Detail of Securities Held

For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
NATIONAL RURAL UTIL COOP DTD 05/04/2022 3.450% 06/15/2025	63743HFE7	20,000.00	A-	A2	04/27/22	05/04/22	19,994.60	3.92	203.17	19,998.78	19,854.52
IBM CORP DTD 07/27/2022 4.000% 07/27/2025	459200KS9	180,000.00	A-	A3	07/20/22	07/27/22	180,000.00	4.00	1,280.00	180,000.00	179,209.80
PNC FINANCIAL SERVICES (CALLABLE) DTD 10/28/2022 5.671% 10/28/2025	693475BH7	80,000.00	A-	A3	10/25/22	10/28/22	80,000.00	5.67	1,928.14	80,000.00	79,998.00
NATIONAL RURAL UTIL COOP DTD 10/31/2022 5.450% 10/30/2025	63743HFF4	25,000.00	A-	A2	10/20/22	10/31/22	24,966.50	5.50	571.49	24,987.93	25,322.20
BANK OF AMERICA CORP (CALLABLE) DTD 12/06/2021 1.530% 12/06/2025	06051GKE8	150,000.00	A-	A1	12/01/21	12/06/21	150,000.00	1.53	733.13	150,000.00	148,944.60
COOPERAT RABOBANK UA/NY DTD 01/09/2024 4.850% 01/09/2026	21688ABA9	390,000.00	A+	Aa2	01/02/24	01/09/24	389,851.80	4.87	4,308.42	389,904.53	393,350.10
STATE STREET CORP (CALLABLE) DTD 02/07/2022 1.746% 02/06/2026	857477BR3	50,000.00	A	A1	02/02/22	02/07/22	50,000.00	1.75	133.38	50,000.00	49,411.20
MORGAN STANLEY (CALLABLE) DTD 02/18/2022 2.630% 02/18/2026	61747YEM3	150,000.00	A-	A1	02/16/22	02/18/22	150,000.00	2.63	471.21	150,000.00	148,572.45
NATIONAL RURAL UTIL COOP (CALLABLE) DTD 02/09/2023 4.450% 03/13/2026	63743HFH0	20,000.00	A-	A2	02/02/23	02/09/23	19,985.80	4.47	44.50	19,993.35	20,097.88
AUST & NZ BANKING GRP NY DTD 03/18/2024 5.000% 03/18/2026	05253JB26	270,000.00	AA-	Aa2	03/11/24	03/18/24	270,000.00	5.00	487.50	270,000.00	273,512.97
STATE STREET CORP (CALLABLE) DTD 10/29/2020 2.901% 03/30/2026	857477BM4	75,000.00	A	A1	02/03/22	02/07/22	77,286.75	2.13	6.04	75,361.28	74,216.10
STATE STREET CORP (CALLABLE) DTD 10/29/2020 2.901% 03/30/2026	857477BM4	125,000.00	A	A1	02/17/22	02/22/22	127,516.25	2.38	10.07	125,402.87	123,693.50
WELLS FARGO & COMPANY DTD 04/22/2016 3.000% 04/22/2026	949746RW3	100,000.00	BBB+	A1	03/28/23	03/30/23	94,080.00	5.11	1,325.00	96,986.28	98,229.00
JPMORGAN CHASE & CO (CALLABLE) DTD 04/26/2022 4.080% 04/26/2026	46647PCZ7	100,000.00	A-	A1	04/19/22	04/26/22	100,000.00	4.08	1,756.67	100,000.00	99,497.50

Managed Account Detail of Securities Held

For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
CHARLES SCHWAB CORP (CALLABLE) DTD 05/13/2021 1.150% 05/13/2026	808513BR5	100,000.00	A-	A2	08/01/24	08/02/24	93,667.00	4.91	440.83	94,226.41	95,314.20
CATERPILLAR FINL SERVICE DTD 05/15/2023 4.350% 05/15/2026	14913UAA8	75,000.00	A	A2	05/08/23	05/15/23	74,964.75	4.37	1,232.50	74,980.94	75,432.30
GENERAL DYNAMICS CORP (CALLABLE) DTD 05/10/2021 1.150% 06/01/2026	369550BN7	175,000.00	A	A2	10/31/23	11/02/23	157,043.25	5.47	670.83	163,402.53	167,338.68
JOHN DEERE CAPITAL CORP DTD 06/08/2023 4.750% 06/08/2026	24422EWX3	65,000.00	A	A1	06/05/23	06/08/23	64,962.30	4.77	969.13	64,978.81	65,906.10
AMERICAN HONDA FINANCE DTD 07/07/2023 5.250% 07/07/2026	02665WEK3	55,000.00	A-	A3	07/05/23	07/07/23	54,932.35	5.29	673.75	54,960.16	56,041.92
TRUIST FINANCIAL CORP (CALLABLE) DTD 07/28/2022 4.260% 07/28/2026	89788MAH5	80,000.00	A-	Baa1	07/25/22	07/28/22	80,000.00	4.26	596.40	80,000.00	79,674.40
TOYOTA MOTOR CREDIT CORP DTD 08/09/2024 4.550% 08/07/2026	89236TMJ1	30,000.00	A+	A1	08/06/24	08/09/24	29,981.40	4.58	197.17	29,982.75	30,314.22
HOME DEPOT INC (CALLABLE) DTD 12/04/2023 4.950% 09/30/2026	437076CV2	55,000.00	A	A2	11/27/23	12/04/23	54,879.55	5.04	7.56	54,913.15	56,087.40
TRUIST FINANCIAL CORP (CALLABLE) DTD 10/28/2022 5.900% 10/28/2026	89788MAJ1	85,000.00	A-	Baa1	10/26/22	10/28/22	85,000.00	5.90	2,131.38	85,000.00	86,087.83
STATE STREET CORP (CALLABLE) DTD 11/04/2022 5.751% 11/04/2026	857477BX0	25,000.00	A	A1	11/01/22	11/04/22	25,000.00	5.75	587.08	25,000.00	25,331.35
AMERICAN EXPRESS CO (CALLABLE) DTD 11/04/2021 1.650% 11/04/2026	025816CM9	100,000.00	BBB+	A2	06/18/24	06/20/24	92,036.00	5.26	673.75	92,927.14	95,062.00
NATIONAL RURAL UTIL COOP (CALLABLE) DTD 11/02/2023 5.600% 11/13/2026	63743HFK3	40,000.00	A-	A2	10/30/23	11/02/23	39,986.00	5.61	858.67	39,990.00	41,186.52
TOYOTA MOTOR CREDIT CORP DTD 11/20/2023 5.400% 11/20/2026	89236TLD5	100,000.00	A+	A1	11/15/23	11/20/23	99,910.00	5.43	1,965.00	99,934.52	102,872.70
WELLS FARGO BANK NA (CALLABLE) DTD 12/11/2023 5.254% 12/11/2026	94988J6F9	290,000.00	A+	Aa2	12/04/23	12/11/23	290,000.00	5.25	4,655.63	290,000.00	297,133.42

Managed Account Detail of Securities Held

For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
CATERPILLAR FINL SERVICE DTD 01/08/2024 4.500% 01/08/2027	14913UAE0	95,000.00	A	A2	01/02/24	01/08/24	94,897.40	4.54	985.63	94,921.20	96,303.12
PNC FINANCIAL SERVICES (CALLABLE) DTD 01/24/2023 4.758% 01/26/2027	693475BL8	15,000.00	A-	A3	01/19/23	01/24/23	15,000.00	4.76	128.86	15,000.00	15,053.57
TEXAS INSTRUMENTS INC (CALLABLE) DTD 02/08/2024 4.600% 02/08/2027	882508CE2	115,000.00	A+	Aa3	02/05/24	02/08/24	114,926.40	4.62	778.81	114,941.70	116,811.94
ELI LILLY & CO (CALLABLE) DTD 02/09/2024 4.500% 02/09/2027	532457CJ5	130,000.00	A+	A1	02/07/24	02/09/24	129,931.10	4.52	845.00	129,945.42	131,755.91
BRISTOL-MYERS SQUIBB CO (CALLABLE) DTD 02/22/2024 4.900% 02/22/2027	110122EE4	40,000.00	A	A2	02/14/24	02/22/24	39,956.80	4.94	212.33	39,965.14	40,840.16
CISCO SYSTEMS INC (CALLABLE) DTD 02/26/2024 4.800% 02/26/2027	17275RBO4	160,000.00	AA-	A1	02/21/24	02/26/24	159,792.00	4.85	746.67	159,831.42	163,475.52
JOHN DEERE CAPITAL CORP DTD 03/07/2024 4.850% 03/05/2027	24422EXM6	110,000.00	A	A1	03/04/24	03/07/24	109,897.70	4.88	385.31	109,916.12	112,224.09
AMERICAN HONDA FINANCE DTD 03/13/2024 4.900% 03/12/2027	02665WFD8	80,000.00	A-	A3	03/11/24	03/13/24	79,956.00	4.92	206.89	79,963.72	81,557.84
STATE STREET CORP (CALLABLE) DTD 03/18/2024 4.993% 03/18/2027	857477CL5	70,000.00	A	A1	03/13/24	03/18/24	70,000.00	4.99	126.21	70,000.00	71,637.02
HORMEL FOODS CORP (CALLABLE) DTD 03/08/2024 4.800% 03/30/2027	440452AK6	55,000.00	A-	A1	03/05/24	03/08/24	54,946.65	4.84	7.33	54,957.87	56,023.38
HORMEL FOODS CORP (CALLABLE) DTD 03/08/2024 4.800% 03/30/2027	440452AK6	55,000.00	A-	A1	03/05/24	03/08/24	54,946.65	4.84	7.33	54,957.87	56,023.38
ADOBE INC (CALLABLE) DTD 04/04/2024 4.850% 04/04/2027	00724PAE9	80,000.00	A+	A1	04/01/24	04/04/24	79,960.00	4.87	1,907.67	79,966.20	81,912.96
UNITEDHEALTH GROUP INC (CALLABLE) DTD 03/21/2024 4.600% 04/15/2027	91324PEY4	195,000.00	A+	A2	03/19/24	03/21/24	193,640.85	4.85	4,734.17	193,861.15	198,528.33
NATIONAL RURAL UTIL COOP (CALLABLE) DTD 05/10/2024 5.100% 05/06/2027	63743HFR8	75,000.00	A-	A2	05/07/24	05/10/24	74,953.50	5.12	1,498.13	74,959.28	76,910.78

Managed Account Detail of Securities Held

For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
GOLDMAN SACHS BANK USA (CALLABLE) DTD 05/21/2024 5.414% 05/21/2027	38151LAG5	80,000.00	A+	A1	05/15/24	05/21/24	80,000.00	5.41	1,564.04	80,000.00	81,284.32
HOME DEPOT INC (CALLABLE) DTD 06/25/2024 4.875% 06/25/2027	437076DB5	40,000.00	A	A2	06/17/24	06/25/24	39,867.60	5.00	520.00	39,878.73	41,020.68
BLACKROCK FUNDING INC (CALLABLE) DTD 07/26/2024 4.600% 07/26/2027	09290DAH4	130,000.00	AA-	Aa3	07/17/24	07/26/24	129,996.10	4.60	1,079.72	129,996.60	132,493.40
HONEYWELL INTERNATIONAL (CALLABLE) DTD 08/01/2024 4.650% 07/30/2027	438516CX2	130,000.00	A	A2	07/29/24	08/01/24	129,996.10	4.65	1,007.50	129,996.59	132,589.21
PACCAR FINANCIAL CORP DTD 08/06/2024 4.450% 08/06/2027	69371RT30	70,000.00	A+	A1	08/01/24	08/06/24	69,906.90	4.50	475.90	69,911.54	71,051.40
UNILEVER CAPITAL CORP (CALLABLE) DTD 08/12/2024 4.250% 08/12/2027	904764BU0	100,000.00	A+	A1	08/08/24	08/12/24	99,869.00	4.30	578.47	99,874.65	100,973.40
JPMORGAN CHASE & CO (CALLABLE) DTD 10/23/2023 6.070% 10/22/2027	46647PDW3	120,000.00	A-	A1	10/16/23	10/23/23	120,000.00	6.07	3,217.10	120,000.00	124,354.32
BP CAP MARKETS AMERICA (CALLABLE) DTD 05/17/2024 5.017% 11/17/2027	10373OBY5	140,000.00	A-	A1	05/15/24	05/17/24	140,000.00	5.02	2,614.41	140,000.00	143,931.48
MASTERCARD INC (CALLABLE) DTD 09/05/2024 4.100% 01/15/2028	57636OBA1	60,000.00	A+	Aa3	09/03/24	09/05/24	59,967.00	4.12	177.67	59,967.82	60,428.04
JPMORGAN CHASE & CO (CALLABLE) DTD 04/22/2024 5.571% 04/22/2028	46647PEE2	100,000.00	A-	A1	04/15/24	04/22/24	100,000.00	5.57	2,460.53	100,000.00	103,076.70
AMERICAN EXPRESS CO (CALLABLE) DTD 07/26/2024 5.043% 07/26/2028	025816DV8	20,000.00	BBB+	A2	07/22/24	07/26/24	20,000.00	5.04	182.11	20,000.00	20,428.90
Security Type Sub-Total		5,360,000.00					5,323,409.65	4.62	56,207.45	5,330,737.80	5,402,663.08
Certificate of Deposit											
TORONTO DOMINION BANK NY DTD 10/31/2022 5.600% 10/27/2025	89115B6K1	250,000.00	A	A1	10/27/22	10/31/22	250,000.00	5.60	13,300.00	250,000.00	254,222.00
NORDEA BANK ABP NEW YORK DTD 11/03/2022 5.530% 11/03/2025	65558UYF3	250,000.00	AA-	Aa3	11/02/22	11/03/22	250,000.00	5.53	5,683.61	250,000.00	254,064.25

Managed Account Detail of Securities Held

For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Certificate of Deposit											
NATIXIS NY BRANCH DTD 09/20/2023 5.610% 09/18/2026	63873OP65	200,000.00	A+	A1	09/18/23	09/20/23	200,000.00	5.61	405.17	200,000.00	206,604.40
Security Type Sub-Total		700,000.00					700,000.00	5.58	19,388.78	700,000.00	714,890.65
Asset-Backed Security											
CNH 2021-A A3 DTD 03/15/2021 0.400% 12/15/2025	12598AAC4	3,770.56	AAA	NR	03/09/21	03/15/21	3,769.68	0.40	0.67	3,770.34	3,763.55
CARMX 2021-2 A3 DTD 04/21/2021 0.520% 02/17/2026	14314OAC8	5,097.94	AAA	NR	04/13/21	04/21/21	5,096.84	0.52	1.18	5,097.62	5,078.82
TAOT 2021-D A3 DTD 11/15/2021 0.710% 04/15/2026	89238JAC9	21,583.79	AAA	NR	11/09/21	11/15/21	21,583.33	0.71	6.81	21,583.63	21,326.97
HART 2021-C A3 DTD 11/17/2021 0.740% 05/15/2026	44935FAD6	14,109.92	AAA	NR	11/09/21	11/17/21	14,106.77	0.75	4.64	14,108.78	13,979.81
CARMX 2021-3 A3 DTD 07/28/2021 0.550% 06/15/2026	14317DAC4	27,752.56	AAA	Aaa	07/21/21	07/28/21	27,747.99	0.56	6.78	27,750.96	27,355.39
VALET 2021-1 A3 DTD 12/13/2021 1.020% 06/22/2026	92868KAC7	24,110.53	AAA	Aaa	12/07/21	12/13/21	24,109.58	1.02	7.51	24,110.17	23,854.96
BMWOT 2022-A A3 DTD 05/18/2022 3.210% 08/25/2026	05602RAD3	32,721.90	AAA	Aaa	05/10/22	05/18/22	32,720.20	3.21	17.51	32,721.15	32,501.03
COPAR 2021-1 A3 DTD 10/27/2021 0.770% 09/15/2026	14044CAC6	24,412.17	AAA	Aaa	10/19/21	10/27/21	24,411.71	0.77	8.35	24,411.99	24,040.03
TAOT 2022-B A3 DTD 04/13/2022 2.930% 09/15/2026	89238FAD5	40,976.84	AAA	Aaa	04/07/22	04/13/22	40,975.88	2.93	53.36	40,976.42	40,640.71
GMCAR 2021-4 A3 DTD 10/21/2021 0.680% 09/16/2026	362554AC1	19,562.97	AAA	Aaa	10/13/21	10/21/21	19,562.48	0.68	5.54	19,562.77	19,273.50
WOART 2021-D A3 DTD 11/03/2021 0.810% 10/15/2026	98163KAC6	26,694.98	AAA	NR	10/26/21	11/03/21	26,691.33	0.82	9.61	26,693.48	26,347.89

Managed Account Detail of Securities Held

For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Asset-Backed Security											
HART 2022-A A3 DTD 03/16/2022 2.220% 10/15/2026	448977AD0	66,036.53	AAA	NR	03/09/22	03/16/22	66,034.00	2.22	65.16	66,035.40	65,308.15
ALLYA 2022-1 A3 DTD 05/18/2022 3.310% 11/15/2026	02008JAC0	75,955.18	AAA	Aaa	05/10/22	05/18/22	75,940.48	3.31	111.74	75,948.24	75,438.16
GMCAR 2022-1 A3 DTD 01/19/2022 1.260% 11/16/2026	380146AC4	21,970.33	AAA	NR	01/11/22	01/19/22	21,968.41	1.26	11.53	21,969.48	21,671.44
HART 2022-B A3 DTD 07/20/2022 3.720% 11/16/2026	44918MAD2	54,024.26	AAA	NR	07/12/22	07/20/22	54,024.24	3.72	89.32	54,024.25	53,785.75
HDMOT 2022-A A3 DTD 04/20/2022 3.060% 02/15/2027	41284YAD8	55,778.25	AAA	Aaa	04/12/22	04/20/22	55,768.97	3.06	75.86	55,773.68	55,381.67
GMCAR 2022-2 A3 DTD 04/13/2022 3.100% 02/16/2027	362585AC5	39,107.62	AAA	Aaa	04/05/22	04/13/22	39,099.44	0.00	50.51	39,103.61	38,775.75
CARMX 2022-2 A3 DTD 04/28/2022 3.490% 02/16/2027	14317HAC5	54,141.49	AAA	Aaa	04/21/22	04/28/22	54,133.26	3.49	83.98	54,137.42	53,764.61
TAOT 2022-C A3 DTD 08/16/2022 3.760% 04/15/2027	89231CAD9	43,622.99	AAA	NR	08/08/22	08/16/22	43,615.69	3.76	72.90	43,619.02	43,392.22
COPAR 2022-1 A3 DTD 05/04/2022 3.170% 04/15/2027	14043OAC6	50,848.50	AAA	NR	04/26/22	05/04/22	50,837.38	3.17	71.64	50,842.79	50,349.52
HART 2023-A A3 DTD 04/12/2023 4.580% 04/15/2027	448979AD6	80,000.00	AAA	NR	04/04/23	04/12/23	79,992.19	4.58	162.84	79,995.05	80,087.20
CARMX 2022-3 A3 DTD 07/20/2022 3.970% 04/15/2027	14318MAD1	106,118.42	AAA	NR	07/12/22	07/20/22	106,115.92	3.97	187.24	106,117.08	105,632.51
GMCAR 2022-3 A3 DTD 07/13/2022 3.640% 04/16/2027	36265WAD5	62,238.97	NR	Aaa	07/06/22	07/13/22	62,238.54	3.64	94.40	62,238.74	61,902.07
DCENT 2022-A2 A DTD 05/26/2022 3.320% 05/15/2027	254683CS2	125,000.00	NR	Aaa	05/19/22	05/26/22	124,989.84	3.32	184.44	124,994.64	123,985.75
COPAR 2022-2 A3 DTD 08/10/2022 3.660% 05/17/2027	14043GAD6	63,536.78	AAA	Aaa	08/02/22	08/10/22	63,532.23	3.66	103.35	63,534.27	63,108.28

Managed Account Detail of Securities Held

For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Asset-Backed Security											
NAROT 2022-B A3 DTD 09/28/2022 4.460% 05/17/2027	65480JAC4	109,851.53	AAA	Aaa	09/20/22	09/28/22	109,828.80	4.46	217.75	109,838.65	109,759.48
ALLYA 2022-2 A3 DTD 10/12/2022 4.760% 05/17/2027	02008MAC3	173,719.07	AAA	Aaa	10/04/22	10/12/22	173,716.92	4.76	367.51	173,717.84	173,768.06
DCENT 2022-A3 A3 DTD 08/09/2022 3.560% 07/15/2027	254683CW3	160,000.00	AAA	Aaa	08/02/22	08/09/22	159,980.14	3.56	253.16	159,988.77	158,852.48
CARMX 2022-4 A3 DTD 10/31/2022 5.340% 08/16/2027	14318UAD3	137,446.12	AAA	NR	10/26/22	10/31/22	137,413.89	5.35	326.21	137,426.78	138,254.03
MBART 2022-1 A3 DTD 11/22/2022 5.210% 08/16/2027	58768PAC8	171,794.77	AAA	Aaa	11/15/22	11/22/22	171,760.78	5.21	397.80	171,774.13	172,655.29
GMCAR 2022-4 A3 DTD 10/12/2022 4.820% 08/16/2027	36265OAD8	214,777.00	AAA	NR	10/04/22	10/12/22	214,741.79	4.82	431.34	214,756.10	215,073.17
TAOT 2023-A A3 DTD 01/30/2023 4.630% 09/15/2027	891940AC2	80,000.00	AAA	NR	01/24/23	01/30/23	79,999.96	4.63	164.62	79,999.97	80,192.56
MBART 2023-1 A3 DTD 01/25/2023 4.510% 11/15/2027	58770AAC7	54,233.86	AAA	NR	01/18/23	01/25/23	54,227.35	4.51	108.71	54,229.63	54,240.47
NAROT 2023-A A3 DTD 04/26/2023 4.910% 11/15/2027	65480WAD3	155,000.00	NR	Aaa	04/18/23	04/26/23	154,972.61	4.91	338.24	154,981.22	155,796.55
HDMOT 2023-A A3 DTD 02/23/2023 5.050% 12/15/2027	41285JAD0	85,000.00	NR	Aaa	02/13/23	02/23/23	84,991.44	5.05	190.78	84,994.30	85,372.81
TAOT 2023-B A3 DTD 05/23/2023 4.710% 02/15/2028	891941AD8	100,000.00	NR	Aaa	05/16/23	05/23/23	99,994.41	4.71	209.33	99,996.01	100,519.70
GMCAR 2023-2 A3 DTD 04/12/2023 4.470% 02/16/2028	362583AD8	70,000.00	AAA	Aaa	04/04/23	04/12/23	69,998.08	4.47	130.38	69,998.66	70,096.88
BMWOT 2023-A A3 DTD 07/18/2023 5.470% 02/25/2028	05592XAD2	45,000.00	AAA	NR	07/11/23	07/18/23	44,992.03	5.47	41.03	44,994.11	45,559.17
BACCT 2023-A1 A1 DTD 06/16/2023 4.790% 05/15/2028	05522RDG0	70,000.00	AAA	NR	06/08/23	06/16/23	69,984.15	4.79	149.02	69,988.32	70,714.77

Managed Account Detail of Securities Held

For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)											
Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Asset-Backed Security											
FORDO 2023-B A3 DTD 06/26/2023 5.230% 05/15/2028	344930AD4	75,000.00	AAA	NR	06/21/23	06/26/23	74,998.99	5.23	174.33	74,999.25	75,905.48
ALLYA 2023-1 A3 DTD 07/19/2023 5.460% 05/15/2028	02007WAC2	90,000.00	NR	Aaa	07/11/23	07/19/23	89,984.66	5.48	218.40	89,988.48	91,193.85
AMXCA 2023-1 A DTD 06/14/2023 4.870% 05/15/2028	02582JJZ4	100,000.00	AAA	NR	06/07/23	06/14/23	99,991.13	4.87	216.44	99,993.47	101,191.10
FITAT 2023-1 A3 DTD 08/23/2023 5.530% 08/15/2028	31680EAD3	175,000.00	AAA	Aaa	08/15/23	08/23/23	174,989.15	5.53	430.11	174,991.56	177,480.80
CHAIT 2023-A1 A DTD 09/15/2023 5.160% 09/15/2028	161571HT4	100,000.00	AAA	NR	09/07/23	09/15/23	99,972.28	5.17	229.33	99,977.51	102,159.70
BACCT 2023-A2 A2 DTD 12/14/2023 4.980% 11/15/2028	05522RDH8	70,000.00	NR	Aaa	12/07/23	12/14/23	69,990.60	4.98	154.93	69,992.19	71,400.84
NAROT 2024-A A3 DTD 05/22/2024 5.280% 12/15/2028	65479UAD0	200,000.00	NR	Aaa	05/14/24	05/22/24	199,981.32	5.28	469.33	199,982.69	204,269.80
CHAIT 2024-A1 A DTD 01/31/2024 4.600% 01/16/2029	161571HV9	225,000.00	AAA	NR	01/24/24	01/31/24	224,965.73	4.60	460.00	224,970.26	227,835.90
TAOT 2024-C A3 DTD 07/30/2024 4.880% 03/15/2029	89237OAD2	80,000.00	AAA	NR	07/23/24	07/30/24	79,999.95	4.88	173.51	80,000.00	81,382.08
HART 2024-B A3 DTD 07/24/2024 4.840% 03/15/2029	44934OAD3	90,000.00	AAA	NR	07/16/24	07/24/24	89,986.42	4.84	193.60	89,987.04	91,522.08
HAROT 2024-3 A3 DTD 08/21/2024 4.570% 03/21/2029	43813YAC6	120,000.00	NR	Aaa	08/09/24	08/21/24	119,981.15	4.57	152.33	119,981.59	121,141.08
GMCAR 2024-3 A3 DTD 07/10/2024 5.130% 04/16/2029	38013KAD2	100,000.00	AAA	Aaa	07/02/24	07/10/24	99,984.61	5.13	213.75	99,985.44	102,098.90
FORDO 2024-C A3 DTD 09/20/2024 4.070% 07/15/2029	34532UAD1	120,000.00	AAA	NR	09/17/24	09/20/24	119,999.18	4.07	149.23	119,999.48	119,901.36
ALLYA 2024-2 A3 DTD 09/27/2024 4.140% 07/16/2029	02007NAC2	80,000.00	AAA	NR	09/24/24	09/27/24	79,991.73	4.14	36.80	79,992.02	79,978.50

Managed Account Detail of Securities Held

For the Month Ending September 30, 2024

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)											
Security Type/Description			S&P	Moody's	Trade	Settle	Original	YTM	Accrued	Amortized	Market
Dated Date/Coupon/Maturity	CUSIP	Par	Rating	Rating	Date	Date	Cost	at Cost	Interest	Cost	Value
Asset-Backed Security											
COMET 2024-A1 A	14041NGE5	240,000.00	AAA	NR	09/17/24	09/24/24	239,953.15	3.92	182.93	239,953.55	239,671.20
DTD 09/24/2024 3.920% 09/17/2029											
Security Type Sub-Total		4,630,995.82					4,630,438.78	4.33	8,267.77	4,630,600.00	4,648,733.83
Managed Account Sub-Total		26,645,840.48					26,496,465.93	4.44	235,580.61	26,552,074.45	26,870,503.93
Securities Sub-Total		\$26,645,840.48					\$26,496,465.93	4.44%	\$235,580.61	\$26,552,074.45	\$26,870,503.93
Accrued Interest											\$235,580.61
Total Investments											\$27,106,084.54

Managed Account Fair Market Value & Analytics

For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)

Security Type/Description	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	YTM at Mkt
Dated Date/Coupon/Maturity										
U.S. Treasury Bond / Note										
US TREASURY N/B	91282CGV7	25,000.00	JPMorgan		100.00	24,999.03	20.51	10.37	1.47	3.67
DTD 04/17/2023 3.750% 04/15/2026										
US TREASURY N/B	91282CGV7	250,000.00	JPMorgan		100.00	249,990.25	3,496.11	1,886.86	1.47	3.67
DTD 04/17/2023 3.750% 04/15/2026										
US TREASURY N/B	91282CHB0	625,000.00	JPMorgan		99.83	623,950.00	5,151.17	2,359.20	1.55	3.66
DTD 05/15/2023 3.625% 05/15/2026										
US TREASURY N/B	91282CHH7	200,000.00	JPMorgan		100.67	201,336.00	4,093.81	3,596.51	1.63	3.63
DTD 06/15/2023 4.125% 06/15/2026										
US TREASURY N/B	91282CHH7	525,000.00	Citigrou		100.67	528,507.00	7,116.37	5,583.81	1.63	3.63
DTD 06/15/2023 4.125% 06/15/2026										
US TREASURY N/B	91282CHM6	100,000.00	JPMorgan		101.37	101,371.10	500.01	543.69	1.70	3.62
DTD 07/17/2023 4.500% 07/15/2026										
US TREASURY N/B	91282CHM6	150,000.00	JPMorgan		101.37	152,056.65	3,187.51	3,012.57	1.70	3.62
DTD 07/17/2023 4.500% 07/15/2026										
US TREASURY N/B	91282CHM6	250,000.00	WellsFar		101.37	253,427.75	3,984.39	3,765.04	1.70	3.62
DTD 07/17/2023 4.500% 07/15/2026										
US TREASURY N/B	91282CHM6	350,000.00	WellsFar		101.37	354,798.85	5,072.29	4,963.32	1.70	3.62
DTD 07/17/2023 4.500% 07/15/2026										
US TREASURY N/B	91282CHM6	500,000.00	WellsFar		101.37	506,855.50	7,793.00	7,423.05	1.70	3.62
DTD 07/17/2023 4.500% 07/15/2026										
US TREASURY N/B	91282CHU8	300,000.00	TD Secur		101.24	303,714.90	7,757.87	6,339.76	1.78	3.60
DTD 08/15/2023 4.375% 08/15/2026										
US TREASURY N/B	91282CHU8	500,000.00	JPMorgan		101.24	506,191.50	10,664.16	9,051.82	1.78	3.60
DTD 08/15/2023 4.375% 08/15/2026										
US TREASURY N/B	91282CHU8	500,000.00	MorganSt		101.24	506,191.50	10,898.53	9,210.19	1.78	3.60
DTD 08/15/2023 4.375% 08/15/2026										
US TREASURY N/B	91282CHY0	600,000.00	BMO		101.78	610,687.80	14,906.55	13,554.78	1.86	3.59
DTD 09/15/2023 4.625% 09/15/2026										
US TREASURY N/B	91282CJC6	850,000.00	MorganSt		101.87	865,904.35	17,863.33	17,294.36	1.90	3.58
DTD 10/16/2023 4.625% 10/15/2026										
US TREASURY N/B	91282CJK8	800,000.00	BMO		101.98	815,812.80	9,469.05	11,149.21	1.98	3.56
DTD 11/15/2023 4.625% 11/15/2026										
US TREASURY N/B	91282CJP7	650,000.00	MorganSt		101.56	660,156.25	6,042.97	7,020.81	2.07	3.54
DTD 12/15/2023 4.375% 12/15/2026										

Managed Account Fair Market Value & Analytics

For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	YTM at Mkt
U.S. Treasury Bond / Note										
US TREASURY N/B DTD 01/16/2024 4.000% 01/15/2027	91282CJT9	725,000.00	MorganSt		100.80	730,777.52	5,239.43	5,352.04	2.16	3.54
US TREASURY N/B DTD 02/15/2024 4.125% 02/15/2027	91282CKA8	225,000.00	RBC Capi		101.13	227,540.03	4,209.95	3,878.49	2.24	3.53
US TREASURY N/B DTD 02/15/2024 4.125% 02/15/2027	91282CKA8	750,000.00	MorganSt		101.13	758,466.75	12,070.27	11,415.86	2.24	3.53
US TREASURY N/B DTD 03/15/2024 4.250% 03/15/2027	91282CKE0	125,000.00	MorganSt		101.52	126,899.37	2,792.92	2,651.40	2.31	3.51
US TREASURY N/B DTD 03/15/2024 4.250% 03/15/2027	91282CKE0	325,000.00	Nomura		101.52	329,938.37	9,394.42	8,721.28	2.31	3.51
US TREASURY N/B DTD 04/15/2024 4.500% 04/15/2027	91282CKJ9	300,000.00	MorganSt		102.15	306,445.20	7,769.42	7,601.51	2.34	3.52
US TREASURY N/B DTD 05/15/2024 4.500% 05/15/2027	91282CKR1	100,000.00	WellsFar		102.23	102,230.50	2,257.84	2,255.45	2.42	3.51
US TREASURY N/B DTD 05/15/2024 4.500% 05/15/2027	91282CKR1	900,000.00	Nomura		102.23	920,074.50	20,426.06	20,389.33	2.42	3.51
US TREASURY N/B DTD 06/17/2024 4.625% 06/15/2027	91282CKV2	250,000.00	MorganSt		102.67	256,670.00	5,800.86	5,872.71	2.50	3.49
US TREASURY N/B DTD 06/17/2024 4.625% 06/15/2027	91282CKV2	275,000.00	JPMorgan		102.67	282,337.00	5,682.70	5,801.69	2.50	3.49
US TREASURY N/B DTD 06/17/2024 4.625% 06/15/2027	91282CKV2	300,000.00	MorganSt		102.67	308,004.00	6,175.87	6,310.88	2.50	3.49
US TREASURY N/B DTD 06/17/2024 4.625% 06/15/2027	91282CKV2	375,000.00	BOFAML		102.67	385,005.00	9,580.20	9,612.54	2.50	3.49
US TREASURY N/B DTD 07/15/2024 4.375% 07/15/2027	91282CKZ3	125,000.00	MorganSt		102.06	127,578.13	1,142.58	1,217.75	2.59	3.50
US TREASURY N/B DTD 07/15/2024 4.375% 07/15/2027	91282CKZ3	250,000.00	JPMorgan		102.06	255,156.25	1,806.64	1,962.58	2.59	3.50
US TREASURY N/B DTD 08/15/2024 3.750% 08/15/2027	91282CLG4	475,000.00	WellsFar		100.45	477,115.18	333.93	372.04	2.69	3.50
US TREASURY N/B DTD 08/15/2024 3.750% 08/15/2027	91282CLG4	850,000.00	CABRERA		100.45	853,785.05	1,062.39	1,124.05	2.69	3.50
Security Type Sub-Total		13,525,000.00				13,713,974.08	213,763.11	201,304.95	2.09	3.56

Managed Account Fair Market Value & Analytics

For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)

Security Type/Description	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	YTM at Mkt
Dated Date/Coupon/Maturity										
Federal Agency Commercial Mortgage-Backed Security										
FHMS K041 A2 DTD 12/01/2014 3.171% 10/01/2024	3137BFE98	48,837.51	MorganSt		99.66	48,673.81	479.20	(143.74)	0.07	5.01
FHMS K046 A2 DTD 06/01/2015 3.205% 03/01/2025	3137BJP64	123,672.41	MorganSt		99.17	122,649.39	(100.30)	(853.48)	0.42	4.68
FHMS K047 A2 DTD 07/01/2015 3.329% 05/01/2025	3137BKRJ1	173,120.53	MorganSt		99.11	171,584.26	(2,645.32)	(1,776.34)	0.53	4.57
FHMS K049 A2 DTD 10/01/2015 3.010% 07/01/2025	3137BLMZ8	247,432.59	MorganSt		98.78	244,425.54	482.14	(2,038.38)	0.69	4.45
FHMS K733 A2 DTD 11/01/2018 3.750% 08/01/2025	3137FJXO7	116,147.48	CantorFi		99.30	115,334.79	2,835.08	521.26	0.78	4.29
FHMS K051 A2 DTD 12/01/2015 3.308% 09/01/2025	3137BM7C4	121,657.18	WellsFar		98.89	120,310.19	(463.08)	(1,068.86)	0.85	4.31
FHMS K053 A2 DTD 03/01/2016 2.995% 12/01/2025	3137BN6G4	175,000.00	MorganSt		98.51	172,400.55	(582.85)	(1,863.13)	1.04	4.17
FHMS K054 A2 DTD 04/01/2016 2.745% 01/01/2026	3137BNGT5	125,000.00	CantorFi		98.13	122,667.00	4,952.16	990.55	1.15	4.15
FNA 2016-M3 A2 DTD 03/01/2016 2.702% 02/01/2026	3136ARTE8	130,923.96	MorganSt		97.97	128,262.02	4,743.45	414.99	1.29	4.14
FHMS K057 A2 DTD 09/01/2016 2.570% 07/01/2026	3137BROJ7	125,000.00	CantorFi		97.56	121,956.00	5,715.77	1,659.52	1.56	3.96
FHMS K057 A2 DTD 09/01/2016 2.570% 07/01/2026	3137BROJ7	125,000.00	JPMorgan		97.56	121,956.00	3,098.58	473.73	1.56	3.96
FHMS K736 A2 DTD 09/01/2019 2.282% 07/01/2026	3137FNWX4	125,000.00	INTL_FC		97.13	121,415.38	5,433.93	2,290.01	1.52	4.01
FHMS K058 A2 DTD 11/01/2016 2.653% 08/01/2026	3137BSP72	175,000.00	CantorFi		97.48	170,597.35	3,561.22	106.69	1.78	3.90
FHMS K059 A2 DTD 11/01/2016 3.120% 09/01/2026	3137BSRE5	125,000.00	MorganSt		98.29	122,857.63	4,464.08	2,571.74	1.80	3.89
FHMS K061 A2 DTD 01/01/2017 3.347% 11/01/2026	3137BTUM1	83,386.50	Citigrou		98.48	82,121.94	1,302.18	310.90	1.93	3.94
FHMS K063 A2 DTD 03/01/2017 3.430% 01/01/2027	3137BVZ82	190,000.00	TD Secur		98.80	187,725.51	8,591.13	5,437.79	2.06	3.84
FHMS K068 A2 DTD 10/01/2017 3.244% 08/01/2027	3137FBBX3	125,000.00	WellsFar		98.13	122,663.63	3,415.58	2,949.50	2.66	3.80

Managed Account Fair Market Value & Analytics

For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	YTM at Mkt
Federal Agency Commercial Mortgage-Backed Security										
FHMS K069 A2 DTD 11/01/2017 3.187% 09/01/2027	3137FBU79	94,666.50	BOFAML		97.86	92,641.30	2,552.81	2,192.02	2.70	3.83
Security Type Sub-Total		2,429,844.66				2,390,242.29	47,835.76	12,174.77	1.34	4.15
Corporate Note										
AMERICAN EXPRESS CO (CALLABLE) DTD 03/04/2022 2.250% 03/04/2025	025816CQ0	30,000.00	Barclays	02/01/25	98.96	29,688.30	(281.40)	(307.41)	0.42	4.73
CINTAS CORPORATION NO. 2 (CALLABLE) DTD 05/03/2022 3.450% 05/01/2025	17252MAP5	55,000.00	KEYB	04/01/25	99.26	54,592.07	(395.83)	(405.57)	0.55	4.71
NATIONAL RURAL UTIL COOP DTD 05/04/2022 3.450% 06/15/2025	63743HFE7	20,000.00	RBC Capi		99.27	19,854.52	(140.08)	(144.26)	0.70	4.41
IBM CORP DTD 07/27/2022 4.000% 07/27/2025	459200KS9	180,000.00	JPMorgan		99.56	179,209.80	(790.20)	(790.20)	0.79	4.46
PNC FINANCIAL SERVICES (CALLABLE) DTD 10/28/2022 5.671% 10/28/2025	693475BH7	80,000.00	PNCBank	10/28/24	100.00	79,998.00	(2.00)	(2.00)	0.08	5.92
NATIONAL RURAL UTIL COOP DTD 10/31/2022 5.450% 10/30/2025	63743HFF4	25,000.00	PNCBank		101.29	25,322.20	355.70	334.27	1.03	4.12
BANK OF AMERICA CORP (CALLABLE) DTD 12/06/2021 1.530% 12/06/2025	06051GKE8	150,000.00	BOFAML	12/06/24	99.30	148,944.60	(1,055.40)	(1,055.40)	0.19	5.49
COOPERAT RABOBANK UA/NY DTD 01/09/2024 4.850% 01/09/2026	21688ABA9	390,000.00	JPMorgan		100.86	393,350.10	3,498.30	3,445.57	1.21	4.07
STATE STREET CORP (CALLABLE) DTD 02/07/2022 1.746% 02/06/2026	857477BR3	50,000.00	GoldmanS	02/06/25	98.82	49,411.20	(588.80)	(588.80)	0.37	5.26
MORGAN STANLEY (CALLABLE) DTD 02/18/2022 2.630% 02/18/2026	61747YEM3	150,000.00	MorganSt	02/18/25	99.05	148,572.45	(1,427.55)	(1,427.55)	0.39	5.59
NATIONAL RURAL UTIL COOP (CALLABLE) DTD 02/09/2023 4.450% 03/13/2026	63743HFH0	20,000.00	Scotiaca	02/13/26	100.49	20,097.88	112.08	104.53	1.34	4.09
AUST & NZ BANKING GRP NY DTD 03/18/2024 5.000% 03/18/2026	05253JB26	270,000.00	RBC Capi		101.30	273,512.97	3,512.97	3,512.97	1.39	3.99
STATE STREET CORP (CALLABLE) DTD 10/29/2020 2.901% 03/30/2026	857477BM4	75,000.00	KEYB	03/30/25	98.95	74,216.10	(3,070.65)	(1,145.18)	0.49	6.61
STATE STREET CORP (CALLABLE) DTD 10/29/2020 2.901% 03/30/2026	857477BM4	125,000.00	CSFirstB	03/30/25	98.95	123,693.50	(3,822.75)	(1,709.37)	0.49	6.61

Managed Account Fair Market Value & Analytics

For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	YTM at Mkt
Corporate Note										
WELLS FARGO & COMPANY DTD 04/22/2016 3.000% 04/22/2026	949746RW3	100,000.00	WellsFar		98.23	98,229.00	4,149.00	1,242.72	1.49	4.19
JPMORGAN CHASE & CO (CALLABLE) DTD 04/26/2022 4.080% 04/26/2026	46647PCZ7	100,000.00	JPMorgan	04/26/25	99.50	99,497.50	(502.50)	(502.50)	0.55	5.75
CHARLES SCHWAB CORP (CALLABLE) DTD 05/13/2021 1.150% 05/13/2026	808513BR5	100,000.00	Citigrou	04/13/26	95.31	95,314.20	1,647.20	1,087.79	1.57	4.10
CATERPILLAR FINL SERVICE DTD 05/15/2023 4.350% 05/15/2026	14913UAA8	75,000.00	SGSA		100.58	75,432.30	467.55	451.36	1.53	3.89
GENERAL DYNAMICS CORP (CALLABLE) DTD 05/10/2021 1.150% 06/01/2026	369550BN7	175,000.00	INTL_FC	05/01/26	95.62	167,338.68	10,295.43	3,936.15	1.61	3.91
JOHN DEERE CAPITAL CORP DTD 06/08/2023 4.750% 06/08/2026	24422EWX3	65,000.00	JPMorgan		101.39	65,906.10	943.80	927.29	1.59	3.81
AMERICAN HONDA FINANCE DTD 07/07/2023 5.250% 07/07/2026	02665WEK3	55,000.00	MIZU		101.89	56,041.92	1,109.57	1,081.76	1.66	4.04
TRUIST FINANCIAL CORP (CALLABLE) DTD 07/28/2022 4.260% 07/28/2026	89788MAH5	80,000.00	Suntrust	07/28/25	99.59	79,674.40	(325.60)	(325.60)	0.81	5.66
TOYOTA MOTOR CREDIT CORP DTD 08/09/2024 4.550% 08/07/2026	89236TMJ1	30,000.00	MIZU		101.05	30,314.22	332.82	331.47	1.76	3.85
HOME DEPOT INC (CALLABLE) DTD 12/04/2023 4.950% 09/30/2026	437076CV2	55,000.00	JPMorgan	08/30/26	101.98	56,087.40	1,207.85	1,174.25	1.83	3.85
TRUIST FINANCIAL CORP (CALLABLE) DTD 10/28/2022 5.900% 10/28/2026	89788MAJ1	85,000.00	Suntrust	10/28/25	101.28	86,087.83	1,087.83	1,087.83	1.02	5.54
STATE STREET CORP (CALLABLE) DTD 11/04/2022 5.751% 11/04/2026	857477BX0	25,000.00	Deutsche	11/04/25	101.33	25,331.35	331.35	331.35	1.04	5.25
AMERICAN EXPRESS CO (CALLABLE) DTD 11/04/2021 1.650% 11/04/2026	025816CM9	100,000.00	Suntrust	10/04/26	95.06	95,062.00	3,026.00	2,134.86	2.00	4.05
NATIONAL RURAL UTIL COOP (CALLABLE) DTD 11/02/2023 5.600% 11/13/2026	63743HFK3	40,000.00	MIZU	10/13/26	102.97	41,186.52	1,200.52	1,196.52	1.89	4.12
TOYOTA MOTOR CREDIT CORP DTD 11/20/2023 5.400% 11/20/2026	89236TLD5	100,000.00	BNPPSA		102.87	102,872.70	2,962.70	2,938.18	1.98	3.91
WELLS FARGO BANK NA (CALLABLE) DTD 12/11/2023 5.254% 12/11/2026	94988J6F9	290,000.00	WellsFar	11/09/26	102.46	297,133.42	7,133.42	7,133.42	1.98	4.00
CATERPILLAR FINL SERVICE DTD 01/08/2024 4.500% 01/08/2027	14913UAE0	95,000.00	JPMorgan		101.37	96,303.12	1,405.72	1,381.92	2.12	3.77

Managed Account Fair Market Value & Analytics

For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	YTM at Mkt
Corporate Note										
PNC FINANCIAL SERVICES (CALLABLE) DTD 01/24/2023 4.758% 01/26/2027	693475BL8	15,000.00	PNCBank	01/26/26	100.36	15,053.57	53.57	53.57	1.27	3.54
TEXAS INSTRUMENTS INC (CALLABLE) DTD 02/08/2024 4.600% 02/08/2027	882508CE2	115,000.00	BOFAML	01/08/27	101.58	116,811.94	1,885.54	1,870.24	2.16	3.83
ELI LILLY & CO (CALLABLE) DTD 02/09/2024 4.500% 02/09/2027	532457CJ5	130,000.00	Deutsche	01/09/27	101.35	131,755.91	1,824.81	1,810.49	2.16	3.82
BRISTOL-MYERS SQUIBB CO (CALLABLE) DTD 02/22/2024 4.900% 02/22/2027	110122EE4	40,000.00	Citigrou	01/22/27	102.10	40,840.16	883.36	875.02	2.18	3.89
CISCO SYSTEMS INC (CALLABLE) DTD 02/26/2024 4.800% 02/26/2027	17275RBO4	160,000.00	Deutsche	01/26/27	102.17	163,475.52	3,683.52	3,644.10	2.19	3.82
JOHN DEERE CAPITAL CORP DTD 03/07/2024 4.850% 03/05/2027	24422EXM6	110,000.00	Barclays		102.02	112,224.09	2,326.39	2,307.97	2.26	3.88
AMERICAN HONDA FINANCE DTD 03/13/2024 4.900% 03/12/2027	02665WFD8	80,000.00	TD Secur		101.95	81,557.84	1,601.84	1,594.12	2.28	3.99
STATE STREET CORP (CALLABLE) DTD 03/18/2024 4.993% 03/18/2027	857477CL5	70,000.00	MorganSt	02/18/27	102.34	71,637.02	1,637.02	1,637.02	2.25	3.91
HORMEL FOODS CORP (CALLABLE) DTD 03/08/2024 4.800% 03/30/2027	440452AK6	55,000.00	WellsFar	02/28/27	101.86	56,023.38	1,076.73	1,065.51	2.28	3.93
HORMEL FOODS CORP (CALLABLE) DTD 03/08/2024 4.800% 03/30/2027	440452AK6	55,000.00	WellsFar	02/28/27	101.86	56,023.38	1,076.73	1,065.51	2.28	3.93
ADOBE INC (CALLABLE) DTD 04/04/2024 4.850% 04/04/2027	00724PAE9	80,000.00	BOFAML	03/04/27	102.39	81,912.96	1,952.96	1,946.76	2.24	3.82
UNITEDHEALTH GROUP INC (CALLABLE) DTD 03/21/2024 4.600% 04/15/2027	91324PEY4	195,000.00	BOFAML	03/15/27	101.81	198,528.33	4,887.48	4,667.18	2.28	3.79
NATIONAL RURAL UTIL COOP (CALLABLE) DTD 05/10/2024 5.100% 05/06/2027	63743HFR8	75,000.00	RBC Capi	04/27/26	102.55	76,910.78	1,957.28	1,951.50	2.33	4.03
GOLDMAN SACHS BANK USA (CALLABLE) DTD 05/21/2024 5.414% 05/21/2027	38151LAG5	80,000.00	GoldmanS	05/21/26	101.61	81,284.32	1,284.32	1,284.32	1.54	4.77
HOME DEPOT INC (CALLABLE) DTD 06/25/2024 4.875% 06/25/2027	437076DB5	40,000.00	MorganSt	05/25/27	102.55	41,020.68	1,153.08	1,141.95	2.46	3.80
BLACKROCK FUNDING INC (CALLABLE) DTD 07/26/2024 4.600% 07/26/2027	09290DAH4	130,000.00	BOFAML	06/26/27	101.92	132,493.40	2,497.30	2,496.80	2.55	3.80
HONEYWELL INTERNATIONAL (CALLABLE) DTD 08/01/2024 4.650% 07/30/2027	438516CX2	130,000.00	Deutsche	06/30/27	101.99	132,589.21	2,593.11	2,592.62	2.56	3.85

Managed Account Fair Market Value & Analytics

For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	YTM at Mkt
Corporate Note										
PACCAR FINANCIAL CORP DTD 08/06/2024 4.450% 08/06/2027	69371RT30	70,000.00	MUFG		101.50	71,051.40	1,144.50	1,139.86	2.64	3.80
UNILEVER CAPITAL CORP (CALLABLE) DTD 08/12/2024 4.250% 08/12/2027	904764BU0	100,000.00	JPMorgan	07/12/27	100.97	100,973.40	1,104.40	1,098.75	2.62	3.80
JPMORGAN CHASE & CO (CALLABLE) DTD 10/23/2023 6.070% 10/22/2027	46647PDW3	120,000.00	JPMorgan	10/22/26	103.63	124,354.32	4,354.32	4,354.32	1.88	4.82
BP CAP MARKETS AMERICA (CALLABLE) DTD 05/17/2024 5.017% 11/17/2027	10373QBY5	140,000.00	Deutsche	10/17/27	102.81	143,931.48	3,931.48	3,931.48	2.78	3.97
MASTERCARD INC (CALLABLE) DTD 09/05/2024 4.100% 01/15/2028	57636OBA1	60,000.00	BOFAML	12/15/27	100.71	60,428.04	461.04	460.22	3.01	3.79
JPMORGAN CHASE & CO (CALLABLE) DTD 04/22/2024 5.571% 04/22/2028	46647PEE2	100,000.00	JPMorgan	04/22/27	103.08	103,076.70	3,076.70	3,076.70	2.32	4.66
AMERICAN EXPRESS CO (CALLABLE) DTD 07/26/2024 5.043% 07/26/2028	025816DV8	20,000.00	MorganSt	07/26/27	102.14	20,428.90	428.90	428.90	2.59	4.54
Security Type Sub-Total		5,360,000.00				5,402,663.08	79,253.43	71,925.28	1.66	4.33
Certificate of Deposit										
TORONTO DOMINION BANK NY DTD 10/31/2022 5.600% 10/27/2025	89115B6K1	250,000.00	TD Secur		101.69	254,222.00	4,222.00	4,222.00	1.01	3.93
NORDEA BANK ABP NEW YORK DTD 11/03/2022 5.530% 11/03/2025	65558UYF3	250,000.00	WellsFar		101.63	254,064.25	4,064.25	4,064.25	1.04	3.98
NATIXIS NY BRANCH DTD 09/20/2023 5.610% 09/18/2026	63873OP65	200,000.00	WellsFar		103.30	206,604.40	6,604.40	6,604.40	1.88	3.81
Security Type Sub-Total		700,000.00				714,890.65	14,890.65	14,890.65	1.27	3.91
Asset-Backed Security										
CNH 2021-A A3 DTD 03/15/2021 0.400% 12/15/2025	12598AAC4	3,770.56	Citigrou		99.81	3,763.55	(6.13)	(6.79)	0.06	3.47
CARMX 2021-2 A3 DTD 04/21/2021 0.520% 02/17/2026	14314QAC8	5,097.94	BOFAML		99.63	5,078.82	(18.02)	(18.80)	0.08	5.26
TAOT 2021-D A3 DTD 11/15/2021 0.710% 04/15/2026	89238JAC9	21,583.79	RBC Capi		98.81	21,326.97	(256.36)	(256.66)	0.32	4.66

Managed Account Fair Market Value & Analytics

For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	YTM at Mkt
Asset-Backed Security										
HART 2021-C A3 DTD 11/17/2021 0.740% 05/15/2026	44935FAD6	14,109.92	SMBC		99.08	13,979.81	(126.96)	(128.97)	0.23	4.78
CARMX 2021-3 A3 DTD 07/28/2021 0.550% 06/15/2026	14317DAC4	27,752.56	RBC Capi		98.57	27,355.39	(392.60)	(395.57)	0.31	5.15
VALET 2021-1 A3 DTD 12/13/2021 1.020% 06/22/2026	92868KAC7	24,110.53	WellsFar		98.94	23,854.96	(254.62)	(255.21)	0.28	4.87
BMWOT 2022-A A3 DTD 05/18/2022 3.210% 08/25/2026	05602RAD3	32,721.90	RBC Capi		99.33	32,501.03	(219.17)	(220.12)	0.47	4.65
COPAR 2021-1 A3 DTD 10/27/2021 0.770% 09/15/2026	14044CAC6	24,412.17	JPMorgan		98.48	24,040.03	(371.68)	(371.96)	0.38	4.80
TAOT 2022-B A3 DTD 04/13/2022 2.930% 09/15/2026	89238FAD5	40,976.84	SUMITR		99.18	40,640.71	(335.17)	(335.71)	0.50	4.64
GMCAR 2021-4 A3 DTD 10/21/2021 0.680% 09/16/2026	362554AC1	19,562.97	JPMorgan		98.52	19,273.50	(288.98)	(289.27)	0.37	4.68
WOART 2021-D A3 DTD 11/03/2021 0.810% 10/15/2026	98163KAC6	26,694.98	WellsFar		98.70	26,347.89	(343.44)	(345.59)	0.33	4.89
HART 2022-A A3 DTD 03/16/2022 2.220% 10/15/2026	448977AD0	66,036.53	BOFAML		98.90	65,308.15	(725.85)	(727.25)	0.43	4.80
ALLYA 2022-1 A3 DTD 05/18/2022 3.310% 11/15/2026	02008JAC0	75,955.18	Barclays		99.32	75,438.16	(502.32)	(510.08)	0.44	4.87
GMCAR 2022-1 A3 DTD 01/19/2022 1.260% 11/16/2026	380146AC4	21,970.33	BNPPSA		98.64	21,671.44	(296.97)	(298.04)	0.40	4.62
HART 2022-B A3 DTD 07/20/2022 3.720% 11/16/2026	44918MAD2	54,024.26	Barclays		99.56	53,785.75	(238.49)	(238.50)	0.52	4.58
HDMOT 2022-A A3 DTD 04/20/2022 3.060% 02/15/2027	41284YAD8	55,778.25	WellsFar		99.29	55,381.67	(387.30)	(392.01)	0.42	4.74
GMCAR 2022-2 A3 DTD 04/13/2022 3.100% 02/16/2027	362585AC5	39,107.62	RBC Capi		99.15	38,775.75	(323.69)	(327.86)	0.56	4.59
CARMX 2022-2 A3 DTD 04/28/2022 3.490% 02/16/2027	14317HAC5	54,141.49	BOFAML		99.30	53,764.61	(368.65)	(372.81)	0.55	4.76
TAOT 2022-C A3 DTD 08/16/2022 3.760% 04/15/2027	89231CAD9	43,622.99	Citigrou		99.47	43,392.22	(223.47)	(226.80)	0.72	4.50
COPAR 2022-1 A3 DTD 05/04/2022 3.170% 04/15/2027	14043QAC6	50,848.50	WellsFar		99.02	50,349.52	(487.86)	(493.27)	0.66	4.64

Managed Account Fair Market Value & Analytics

For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)

Security Type/Description	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	YTM at Mkt
Dated Date/Coupon/Maturity										
Asset-Backed Security										
HART 2023-A A3 DTD 04/12/2023 4.580% 04/15/2027	448979AD6	80,000.00	BOFAML		100.11	80,087.20	95.01	92.15	0.82	4.45
CARMX 2022-3 A3 DTD 07/20/2022 3.970% 04/15/2027	14318MAD1	106,118.42	RBC Capi		99.54	105,632.51	(483.41)	(484.57)	0.67	4.65
GMCAR 2022-3 A3 DTD 07/13/2022 3.640% 04/16/2027	36265WAD5	62,238.97	BOFAML		99.46	61,902.07	(336.47)	(336.67)	0.57	4.59
DCENT 2022-A2 A DTD 05/26/2022 3.320% 05/15/2027	254683CS2	125,000.00	RBC Capi		99.19	123,985.75	(1,004.09)	(1,008.89)	0.60	4.65
COPAR 2022-2 A3 DTD 08/10/2022 3.660% 05/17/2027	14043GAD6	63,536.78	JPMorgan		99.33	63,108.28	(423.95)	(425.99)	0.74	4.56
NAROT 2022-B A3 DTD 09/28/2022 4.460% 05/17/2027	65480JAC4	109,851.53	WellsFar		99.92	109,759.48	(69.32)	(79.17)	0.73	4.57
ALLYA 2022-2 A3 DTD 10/12/2022 4.760% 05/17/2027	02008MAC3	173,719.07	JPMorgan		100.03	173,768.06	51.14	50.22	0.62	4.73
DCENT 2022-A3 A3 DTD 08/09/2022 3.560% 07/15/2027	254683CW3	160,000.00	BOFAML		99.28	158,852.48	(1,127.66)	(1,136.29)	0.76	4.47
CARMX 2022-4 A3 DTD 10/31/2022 5.340% 08/16/2027	14318UAD3	137,446.12	Barclays		100.59	138,254.03	840.14	827.25	0.77	4.58
MBART 2022-1 A3 DTD 11/22/2022 5.210% 08/16/2027	58768PAC8	171,794.77	SMBC		100.50	172,655.29	894.51	881.16	0.76	4.57
GMCAR 2022-4 A3 DTD 10/12/2022 4.820% 08/16/2027	36265OAD8	214,777.00	RBC Capi		100.14	215,073.17	331.38	317.07	0.69	4.62
TAOT 2023-A A3 DTD 01/30/2023 4.630% 09/15/2027	891940AC2	80,000.00	BOFAML		100.24	80,192.56	192.60	192.59	0.93	4.37
MBART 2023-1 A3 DTD 01/25/2023 4.510% 11/15/2027	58770AAC7	54,233.86	SUMITR		100.01	54,240.47	13.12	10.84	0.84	4.48
NAROT 2023-A A3 DTD 04/26/2023 4.910% 11/15/2027	65480WAD3	155,000.00	MIZU		100.51	155,796.55	823.94	815.33	1.00	4.37
HDMOT 2023-A A3 DTD 02/23/2023 5.050% 12/15/2027	41285JAD0	85,000.00	JPMorgan		100.44	85,372.81	381.37	378.51	0.86	4.53
TAOT 2023-B A3 DTD 05/23/2023 4.710% 02/15/2028	891941AD8	100,000.00	RBC Capi		100.52	100,519.70	525.29	523.69	1.27	4.25
GMCAR 2023-2 A3 DTD 04/12/2023 4.470% 02/16/2028	362583AD8	70,000.00	BOFAML		100.14	70,096.88	98.80	98.22	1.07	4.31

Managed Account Fair Market Value & Analytics

For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	YTM at Mkt
Asset-Backed Security										
BMWOT 2023-A A3 DTD 07/18/2023 5.470% 02/25/2028	05592XAD2	45,000.00	TD Secur		101.24	45,559.17	567.14	565.06	1.12	4.35
BACCT 2023-A1 A1 DTD 06/16/2023 4.790% 05/15/2028	05522RDG0	70,000.00	BOFAML		101.02	70,714.77	730.62	726.45	1.53	4.10
FORDO 2023-B A3 DTD 06/26/2023 5.230% 05/15/2028	344930AD4	75,000.00	Citigrou		101.21	75,905.48	906.49	906.23	1.27	4.26
ALLYA 2023-1 A3 DTD 07/19/2023 5.460% 05/15/2028	02007WAC2	90,000.00	BOFAML		101.33	91,193.85	1,209.19	1,205.37	1.22	4.35
AMXCA 2023-1 A DTD 06/14/2023 4.870% 05/15/2028	02582JJZ4	100,000.00	RBC Capi		101.19	101,191.10	1,199.97	1,197.63	1.53	4.06
FITAT 2023-1 A3 DTD 08/23/2023 5.530% 08/15/2028	31680EAD3	175,000.00	JPMorgan		101.42	177,480.80	2,491.65	2,489.24	1.36	4.48
CHAIT 2023-A1 A DTD 09/15/2023 5.160% 09/15/2028	161571HT4	100,000.00	JPMorgan		102.16	102,159.70	2,187.42	2,182.19	1.83	3.96
BACCT 2023-A2 A2 DTD 12/14/2023 4.980% 11/15/2028	05522RDH8	70,000.00	BOFAML		102.00	71,400.84	1,410.24	1,408.65	1.98	3.94
NAROT 2024-A A3 DTD 05/22/2024 5.280% 12/15/2028	65479UAD0	200,000.00	MIZU		102.13	204,269.80	4,288.48	4,287.11	1.88	4.12
CHAIT 2024-A1 A DTD 01/31/2024 4.600% 01/16/2029	161571HV9	225,000.00	JPMorgan		101.26	227,835.90	2,870.17	2,865.64	2.13	3.97
TAOT 2024-C A3 DTD 07/30/2024 4.880% 03/15/2029	89237OAD2	80,000.00	MUFG		101.73	81,382.08	1,382.13	1,382.08	2.11	4.00
HART 2024-B A3 DTD 07/24/2024 4.840% 03/15/2029	44934QAD3	90,000.00	Citigrou		101.69	91,522.08	1,535.66	1,535.04	2.11	4.01
HAROT 2024-3 A3 DTD 08/21/2024 4.570% 03/21/2029	43813YAC6	120,000.00	JPMorgan		100.95	121,141.08	1,159.93	1,159.49	2.08	4.07
GMCAR 2024-3 A3 DTD 07/10/2024 5.130% 04/16/2029	38013KAD2	100,000.00	RBC Capi		102.10	102,098.90	2,114.29	2,113.46	2.05	4.13
FORDO 2024-C A3 DTD 09/20/2024 4.070% 07/15/2029	34532UAD1	120,000.00	Citigrou		99.92	119,901.36	(97.82)	(98.12)	2.26	4.05
ALLYA 2024-2 A3 DTD 09/27/2024 4.140% 07/16/2029	02007NAC2	80,000.00	BOFAML		99.97	79,978.50	(13.23)	(13.52)	2.04	4.20
COMET 2024-A1 A DTD 09/24/2024 3.920% 09/17/2029	14041NGE5	240,000.00	BOFAML		99.86	239,671.20	(281.95)	(282.35)	2.74	3.91

Managed Account Fair Market Value & Analytics

For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	YTM at Mkt
Security Type Sub-Total		4,630,995.82				4,648,733.83	18,295.05	18,133.83	1.23	4.37
Managed Account Sub-Total		26,645,840.48				26,870,503.93	374,038.00	318,429.48	1.77	3.92
Securities Sub-Total		\$26,645,840.48				\$26,870,503.93	\$374,038.00	\$318,429.48	1.77	3.92%
Accrued Interest						\$235,580.61				
Total Investments						\$27,106,084.54				

Managed Account Security Transactions & Interest

For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L	Realized G/L	Sale Method
Trade	Settle							Cost	Amort Cost	
BUY										
09/03/24	09/05/24	MASTERCARD INC (CALLABLE) DTD 09/05/2024 4.100% 01/15/2028	57636QBA1	60,000.00	(59,967.00)	0.00	(59,967.00)			
09/04/24	09/05/24	US TREASURY N/B DTD 08/15/2024 3.750% 08/15/2027	91282CLG4	850,000.00	(852,722.66)	(1,818.95)	(854,541.61)			
09/05/24	09/06/24	US TREASURY N/B DTD 08/15/2024 3.750% 08/15/2027	91282CLG4	475,000.00	(476,781.25)	(1,064.88)	(477,846.13)			
09/17/24	09/20/24	FORDO 2024-C A3 DTD 09/20/2024 4.070% 07/15/2029	34532UAD1	120,000.00	(119,999.18)	0.00	(119,999.18)			
09/17/24	09/24/24	COMET 2024-A1 A DTD 09/24/2024 3.920% 09/17/2029	14041NGE5	240,000.00	(239,953.15)	0.00	(239,953.15)			
09/24/24	09/27/24	ALLYA 2024-2 A3 DTD 09/27/2024 4.140% 07/16/2029	02007NAC2	80,000.00	(79,991.73)	0.00	(79,991.73)			
Transaction Type Sub-Total				1,825,000.00	(1,829,414.97)	(2,883.83)	(1,832,298.80)			
INTEREST										
09/01/24	09/01/24	EXXON MOBIL CORPORATION (CALLABLE) DTD 03/03/2016 3.043% 03/01/2026	30231GAT9		0.00	3,043.00	3,043.00			
09/01/24	09/25/24	FHMS K041 A2 DTD 12/01/2014 3.171% 10/01/2024	3137BFE98		0.00	269.65	269.65			
09/01/24	09/25/24	FHMS K063 A2 DTD 03/01/2017 3.430% 01/01/2027	3137BVZ82		0.00	543.08	543.08			
09/01/24	09/25/24	FHMS K068 A2 DTD 10/01/2017 3.244% 08/01/2027	3137FBBX3		0.00	337.92	337.92			
09/01/24	09/25/24	FHMS K058 A2 DTD 11/01/2016 2.653% 08/01/2026	3137BSP72		0.00	386.90	386.90			
09/01/24	09/25/24	FHMS K059 A2 DTD 11/01/2016 3.120% 09/01/2026	3137BSRE5		0.00	325.00	325.00			
09/01/24	09/25/24	FHMS K054 A2 DTD 04/01/2016 2.745% 01/01/2026	3137BNGT5		0.00	285.94	285.94			
09/01/24	09/25/24	FHMS K057 A2 DTD 09/01/2016 2.570% 07/01/2026	3137BROJ7		0.00	535.42	535.42			
09/01/24	09/25/24	FHMS K733 A2 DTD 11/01/2018 3.750% 08/01/2025	3137FJXQ7		0.00	363.12	363.12			

Managed Account Security Transactions & Interest

For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L	Realized G/L	Sale
Trade	Settle							Cost	Amort Cost	Method
INTEREST										
09/01/24	09/25/24	FHMS K051 A2 DTD 12/01/2015 3.308% 09/01/2025	3137BM7C4		0.00	336.05	336.05			
09/01/24	09/25/24	FHMS K047 A2 DTD 07/01/2015 3.329% 05/01/2025	3137BKRJ1		0.00	481.23	481.23			
09/01/24	09/25/24	FHMS K069 A2 DTD 11/01/2017 3.187% 09/01/2027	3137FBU79		0.00	251.82	251.82			
09/01/24	09/25/24	FHMS K736 A2 DTD 09/01/2019 2.282% 07/01/2026	3137FNWX4		0.00	237.71	237.71			
09/01/24	09/25/24	FHMS K061 A2 DTD 01/01/2017 3.347% 11/01/2026	3137BTUM1		0.00	233.03	233.03			
09/01/24	09/25/24	FHMS K053 A2 DTD 03/01/2016 2.995% 12/01/2025	3137BN6G4		0.00	436.77	436.77			
09/01/24	09/25/24	FNA 2016-M3 A2 DTD 03/01/2016 2.702% 02/01/2026	3136ARTE8		0.00	295.25	295.25			
09/01/24	09/25/24	FHMS K046 A2 DTD 06/01/2015 3.205% 03/01/2025	3137BJP64		0.00	330.92	330.92			
09/01/24	09/25/24	FHMS K049 A2 DTD 10/01/2015 3.010% 07/01/2025	3137BLMZ8		0.00	621.87	621.87			
09/03/24	09/03/24	MONEY MARKET FUND DTD 01/01/2010 0.000% --	MONEY0002		0.00	402.74	402.74			
09/04/24	09/04/24	AMERICAN EXPRESS CO (CALLABLE) DTD 03/04/2022 2.250% 03/04/2025	025816CQ0		0.00	337.50	337.50			
09/05/24	09/05/24	JOHN DEERE CAPITAL CORP DTD 03/07/2024 4.850% 03/05/2027	24422EXM6		0.00	2,637.86	2,637.86			
09/12/24	09/12/24	AMERICAN HONDA FINANCE DTD 03/13/2024 4.900% 03/12/2027	02665WFD8		0.00	1,949.11	1,949.11			
09/13/24	09/13/24	NATIONAL RURAL UTIL COOP (CALLABLE) DTD 02/09/2023 4.450% 03/13/2026	63743HFH0		0.00	445.00	445.00			
09/15/24	09/15/24	CHAIT 2023-A1 A DTD 09/15/2023 5.160% 09/15/2028	161571HT4		0.00	430.00	430.00			
09/15/24	09/15/24	HART 2022-B A3 DTD 07/20/2022 3.720% 11/16/2026	44918MAD2		0.00	182.98	182.98			

Managed Account Security Transactions & Interest

For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L	Realized G/L	Sale Method
Trade	Settle							Cost	Amort Cost	
INTEREST										
09/15/24	09/15/24	CARMX 2022-3 A3 DTD 07/20/2022 3.970% 04/15/2027	14318MAD1		0.00	376.90	376.90			
09/15/24	09/15/24	DCENT 2022-A3 A3 DTD 08/09/2022 3.560% 07/15/2027	254683CW3		0.00	474.67	474.67			
09/15/24	09/15/24	CARMX 2022-2 A3 DTD 04/28/2022 3.490% 02/16/2027	14317HAC5		0.00	171.32	171.32			
09/15/24	09/15/24	TAOT 2021-D A3 DTD 11/15/2021 0.710% 04/15/2026	89238JAC9		0.00	14.63	14.63			
09/15/24	09/15/24	HDMOT 2022-A A3 DTD 04/20/2022 3.060% 02/15/2027	41284YAD8		0.00	157.81	157.81			
09/15/24	09/15/24	MBART 2023-1 A3 DTD 01/25/2023 4.510% 11/15/2027	58770AAC7		0.00	206.71	206.71			
09/15/24	09/15/24	FITAT 2023-1 A3 DTD 08/23/2023 5.530% 08/15/2028	31680EAD3		0.00	806.46	806.46			
09/15/24	09/15/24	BACCT 2023-A1 A1 DTD 06/16/2023 4.790% 05/15/2028	05522RDG0		0.00	279.42	279.42			
09/15/24	09/15/24	CARMX 2021-3 A3 DTD 07/28/2021 0.550% 06/15/2026	14317DAC4		0.00	14.62	14.62			
09/15/24	09/15/24	US TREASURY N/B DTD 03/15/2024 4.250% 03/15/2027	91282CKE0		0.00	9,562.50	9,562.50			
09/15/24	09/15/24	TAOT 2022-C A3 DTD 08/16/2022 3.760% 04/15/2027	89231CAD9		0.00	145.70	145.70			
09/15/24	09/15/24	ALLYA 2022-2 A3 DTD 10/12/2022 4.760% 05/17/2027	02008MAC3		0.00	740.93	740.93			
09/15/24	09/15/24	COPAR 2022-1 A3 DTD 05/04/2022 3.170% 04/15/2027	14043OAC6		0.00	144.18	144.18			
09/15/24	09/15/24	TAOT 2024-C A3 DTD 07/30/2024 4.880% 03/15/2029	89237QAD2		0.00	325.33	325.33			
09/15/24	09/15/24	DCENT 2022-A2 A DTD 05/26/2022 3.320% 05/15/2027	254683CS2		0.00	345.83	345.83			
09/15/24	09/15/24	TAOT 2023-A A3 DTD 01/30/2023 4.630% 09/15/2027	891940AC2		0.00	308.67	308.67			
09/15/24	09/15/24	ALLYA 2022-1 A3 DTD 05/18/2022 3.310% 11/15/2026	02008JAC0		0.00	230.64	230.64			

Managed Account Security Transactions & Interest

For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L	Realized G/L	Sale Method
Trade	Settle							Cost	Amort Cost	
INTEREST										
09/15/24	09/15/24	HART 2023-A A3 DTD 04/12/2023 4.580% 04/15/2027	448979AD6		0.00	305.33	305.33			
09/15/24	09/15/24	HART 2022-A A3 DTD 03/16/2022 2.220% 10/15/2026	448977AD0		0.00	135.65	135.65			
09/15/24	09/15/24	ALLYA 2023-1 A3 DTD 07/19/2023 5.460% 05/15/2028	02007WAC2		0.00	409.50	409.50			
09/15/24	09/15/24	AMXCA 2023-1 A DTD 06/14/2023 4.870% 05/15/2028	02582JJZ4		0.00	405.83	405.83			
09/15/24	09/15/24	COPAR 2021-1 A3 DTD 10/27/2021 0.770% 09/15/2026	14044CAC6		0.00	17.66	17.66			
09/15/24	09/15/24	CARMX 2021-1 A3 DTD 01/27/2021 0.340% 12/15/2025	14316NAC3		0.00	0.20	0.20			
09/15/24	09/15/24	WOART 2021-D A3 DTD 11/03/2021 0.810% 10/15/2026	98163KAC6		0.00	20.46	20.46			
09/15/24	09/15/24	HDMOT 2023-A A3 DTD 02/23/2023 5.050% 12/15/2027	41285JAD0		0.00	357.71	357.71			
09/15/24	09/15/24	TAOT 2023-B A3 DTD 05/23/2023 4.710% 02/15/2028	891941AD8		0.00	392.50	392.50			
09/15/24	09/15/24	COPAR 2022-2 A3 DTD 08/10/2022 3.660% 05/17/2027	14043GAD6		0.00	207.01	207.01			
09/15/24	09/15/24	MBART 2022-1 A3 DTD 11/22/2022 5.210% 08/16/2027	58768PAC8		0.00	798.74	798.74			
09/15/24	09/15/24	CARMX 2021-2 A3 DTD 04/21/2021 0.520% 02/17/2026	14314OAC8		0.00	3.42	3.42			
09/15/24	09/15/24	CNH 2021-A A3 DTD 03/15/2021 0.400% 12/15/2025	12598AAC4		0.00	2.12	2.12			
09/15/24	09/15/24	FORDO 2023-B A3 DTD 06/26/2023 5.230% 05/15/2028	344930AD4		0.00	326.88	326.88			
09/15/24	09/15/24	NAROT 2024-A A3 DTD 05/22/2024 5.280% 12/15/2028	65479UAD0		0.00	880.00	880.00			
09/15/24	09/15/24	TAOT 2022-B A3 DTD 04/13/2022 2.930% 09/15/2026	89238FAD5		0.00	109.28	109.28			
09/15/24	09/15/24	BACCT 2023-A2 A2 DTD 12/14/2023 4.980% 11/15/2028	05522RDH8		0.00	290.50	290.50			

Managed Account Security Transactions & Interest

For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L	Realized G/L	Sale
Trade	Settle							Cost	Amort Cost	Method
INTEREST										
09/15/24	09/15/24	CHAIT 2024-A1 A DTD 01/31/2024 4.600% 01/16/2029	161571HV9		0.00	862.50	862.50			
09/15/24	09/15/24	US TREASURY N/B DTD 09/15/2023 4.625% 09/15/2026	91282CHY0		0.00	13,875.00	13,875.00			
09/15/24	09/15/24	HART 2021-C A3 DTD 11/17/2021 0.740% 05/15/2026	44935FAD6		0.00	10.48	10.48			
09/15/24	09/15/24	NAROT 2023-A A3 DTD 04/26/2023 4.910% 11/15/2027	65480WAD3		0.00	634.21	634.21			
09/15/24	09/15/24	CARMX 2022-4 A3 DTD 10/31/2022 5.340% 08/16/2027	14318UAD3		0.00	650.35	650.35			
09/15/24	09/15/24	NAROT 2022-B A3 DTD 09/28/2022 4.460% 05/17/2027	65480JAC4		0.00	434.75	434.75			
09/15/24	09/15/24	HART 2024-B A3 DTD 07/24/2024 4.840% 03/15/2029	44934OAD3		0.00	363.00	363.00			
09/16/24	09/16/24	GMCAR 2022-1 A3 DTD 01/19/2022 1.260% 11/16/2026	380146AC4		0.00	25.62	25.62			
09/16/24	09/16/24	GMCAR 2022-3 A3 DTD 07/13/2022 3.640% 04/16/2027	36265WAD5		0.00	204.09	204.09			
09/16/24	09/16/24	GMCAR 2023-2 A3 DTD 04/12/2023 4.470% 02/16/2028	362583AD8		0.00	260.75	260.75			
09/16/24	09/16/24	GMCAR 2022-4 A3 DTD 10/12/2022 4.820% 08/16/2027	36265QAD8		0.00	912.08	912.08			
09/16/24	09/16/24	GMCAR 2022-2 A3 DTD 04/13/2022 3.100% 02/16/2027	362585AC5		0.00	109.06	109.06			
09/16/24	09/16/24	GMCAR 2021-4 A3 DTD 10/21/2021 0.680% 09/16/2026	362554AC1		0.00	12.43	12.43			
09/16/24	09/16/24	GMCAR 2024-3 A3 DTD 07/10/2024 5.130% 04/16/2029	38013KAD2		0.00	427.50	427.50			
09/18/24	09/18/24	NATIXIS NY BRANCH DTD 09/20/2023 5.610% 09/18/2026	63873OP65		0.00	11,344.67	11,344.67			
09/18/24	09/18/24	AUST & NZ BANKING GRP NY DTD 03/18/2024 5.000% 03/18/2026	05253JB26		0.00	6,750.00	6,750.00			
09/18/24	09/18/24	STATE STREET CORP (CALLABLE) DTD 03/18/2024 4.993% 03/18/2027	857477CL5		0.00	1,747.55	1,747.55			

Managed Account Security Transactions & Interest

For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L	Realized G/L	Sale Method
Trade	Settle							Cost	Amort Cost	
INTEREST										
09/20/24	09/20/24	VALET 2021-1 A3 DTD 12/13/2021 1.020% 06/22/2026	92868KAC7		0.00	24.05	24.05			
09/21/24	09/21/24	HAROT 2024-3 A3 DTD 08/21/2024 4.570% 03/21/2029	43813YAC6		0.00	457.00	457.00			
09/25/24	09/25/24	BMWOT 2023-A A3 DTD 07/18/2023 5.470% 02/25/2028	05592XAD2		0.00	205.13	205.13			
09/25/24	09/25/24	BMWOT 2022-A A3 DTD 05/18/2022 3.210% 08/25/2026	05602RAD3		0.00	97.14	97.14			
09/30/24	09/30/24	HOME DEPOT INC (CALLABLE) DTD 12/04/2023 4.950% 09/30/2026	437076CV2		0.00	1,361.25	1,361.25			
09/30/24	09/30/24	STATE STREET CORP (CALLABLE) DTD 10/29/2020 2.901% 03/30/2026	857477BM4		0.00	2,901.00	2,901.00			
09/30/24	09/30/24	HORMEL FOODS CORP (CALLABLE) DTD 03/08/2024 4.800% 03/30/2027	440452AK6		0.00	2,962.67	2,962.67			
Transaction Type Sub-Total					0.00	81,301.26	81,301.26			
PAYDOWNS										
09/01/24	09/25/24	FHMS K051 A2 DTD 12/01/2015 3.308% 09/01/2025	3137BM7C4	247.57	247.57	0.00	247.57	1.80	0.62	
09/01/24	09/25/24	FHMS K049 A2 DTD 10/01/2015 3.010% 07/01/2025	3137BLMZ8	490.76	490.76	0.00	490.76	6.92	2.12	
09/01/24	09/25/24	FHMS K733 A2 DTD 11/01/2018 3.750% 08/01/2025	3137FJXQ7	52.28	52.28	0.00	52.28	1.65	0.66	
09/01/24	09/25/24	FNA 2016-M3 A2 DTD 03/01/2016 2.702% 02/01/2026	3136ARTE8	200.91	200.91	0.00	200.91	11.37	5.01	
09/01/24	09/25/24	FHMS K046 A2 DTD 06/01/2015 3.205% 03/01/2025	3137BJP64	227.58	227.58	0.00	227.58	1.70	0.37	
09/01/24	09/25/24	FHMS K061 A2 DTD 01/01/2017 3.347% 11/01/2026	3137BTUM1	161.94	161.94	0.00	161.94	4.98	3.18	
09/01/24	09/25/24	FHMS K041 A2 DTD 12/01/2014 3.171% 10/01/2024	3137BFE98	53,205.06	53,205.06	0.00	53,205.06	700.40	48.93	
09/01/24	09/25/24	FHMS K069 A2 DTD 11/01/2017 3.187% 09/01/2027	3137FBU79	150.08	150.08	0.00	150.08	7.26	6.86	

Managed Account Security Transactions & Interest

For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L	Realized G/L	Sale Method
Trade	Settle							Cost	Amort Cost	
PAYDOWNS										
09/01/24	09/25/24	FHMS K047 A2 DTD 07/01/2015 3.329% 05/01/2025	3137BKRJ1	349.31	349.31	0.00	349.31	(2.23)	(0.54)	
09/15/24	09/15/24	NAROT 2022-B A3 DTD 09/28/2022 4.460% 05/17/2027	65480JAC4	7,122.26	7,122.26	0.00	7,122.26	1.47	0.85	
09/15/24	09/15/24	ALLYA 2022-2 A3 DTD 10/12/2022 4.760% 05/17/2027	02008MAC3	13,070.13	13,070.13	0.00	13,070.13	0.16	0.10	
09/15/24	09/15/24	TAOT 2021-D A3 DTD 11/15/2021 0.710% 04/15/2026	89238JAC9	3,150.82	3,150.82	0.00	3,150.82	0.07	0.03	
09/15/24	09/15/24	CARMX 2021-2 A3 DTD 04/21/2021 0.520% 02/17/2026	14314OAC8	2,791.45	2,791.45	0.00	2,791.45	0.60	0.18	
09/15/24	09/15/24	HART 2022-B A3 DTD 07/20/2022 3.720% 11/16/2026	44918MAD2	4,999.95	4,999.95	0.00	4,999.95	0.00	0.00	
09/15/24	09/15/24	HART 2021-C A3 DTD 11/17/2021 0.740% 05/15/2026	44935FAD6	2,877.56	2,877.56	0.00	2,877.56	0.64	0.23	
09/15/24	09/15/24	HART 2022-A A3 DTD 03/16/2022 2.220% 10/15/2026	448977AD0	7,288.69	7,288.69	0.00	7,288.69	0.28	0.12	
09/15/24	09/15/24	HDMOT 2022-A A3 DTD 04/20/2022 3.060% 02/15/2027	41284YAD8	6,106.09	6,106.09	0.00	6,106.09	1.01	0.51	
09/15/24	09/15/24	WOART 2021-D A3 DTD 11/03/2021 0.810% 10/15/2026	98163KAC6	3,621.01	3,621.01	0.00	3,621.01	0.49	0.21	
09/15/24	09/15/24	TAOT 2022-C A3 DTD 08/16/2022 3.760% 04/15/2027	89231CAD9	2,877.70	2,877.70	0.00	2,877.70	0.48	0.27	
09/15/24	09/15/24	TAOT 2022-B A3 DTD 04/13/2022 2.930% 09/15/2026	89238FAD5	3,780.56	3,780.56	0.00	3,780.56	0.09	0.04	
09/15/24	09/15/24	CARMX 2022-4 A3 DTD 10/31/2022 5.340% 08/16/2027	14318UAD3	8,700.38	8,700.38	0.00	8,700.38	2.04	1.24	
09/15/24	09/15/24	MBART 2022-1 A3 DTD 11/22/2022 5.210% 08/16/2027	58768PAC8	12,175.63	12,175.63	0.00	12,175.63	2.40	1.48	
09/15/24	09/15/24	COPAR 2022-2 A3 DTD 08/10/2022 3.660% 05/17/2027	14043GAD6	4,333.88	4,333.88	0.00	4,333.88	0.31	0.18	
09/15/24	09/15/24	CARMX 2021-1 A3 DTD 01/27/2021 0.340% 12/15/2025	14316NAC3	692.84	692.84	0.00	692.84	0.14	0.03	
09/15/24	09/15/24	CARMX 2022-3 A3 DTD 07/20/2022 3.970% 04/15/2027	14318MAD1	7,804.53	7,804.53	0.00	7,804.53	0.19	0.10	

Managed Account Security Transactions & Interest

For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)

Transaction Type		Security Description	CUSIP	Par	Principal	Accrued	Total	Realized G/L	Realized G/L	Sale
Trade	Settle				Proceeds	Interest		Cost	Amort Cost	
PAYDOWNS										
09/15/24	09/15/24	CNH 2021-A A3 DTD 03/15/2021 0.400% 12/15/2025	12598AAC4	2,578.36	2,578.36	0.00	2,578.36	0.60	0.16	
09/15/24	09/15/24	CARMX 2021-3 A3 DTD 07/28/2021 0.550% 06/15/2026	14317DAC4	4,154.73	4,154.73	0.00	4,154.73	0.68	0.24	
09/15/24	09/15/24	MBART 2023-1 A3 DTD 01/25/2023 4.510% 11/15/2027	58770AAC7	766.14	766.14	0.00	766.14	0.09	0.06	
09/15/24	09/15/24	CARMX 2022-2 A3 DTD 04/28/2022 3.490% 02/16/2027	14317HAC5	4,765.31	4,765.31	0.00	4,765.31	0.72	0.36	
09/15/24	09/15/24	COPAR 2022-1 A3 DTD 05/04/2022 3.170% 04/15/2027	14043OAC6	3,731.36	3,731.36	0.00	3,731.36	0.81	0.42	
09/15/24	09/15/24	COPAR 2021-1 A3 DTD 10/27/2021 0.770% 09/15/2026	14044CAC6	3,110.40	3,110.40	0.00	3,110.40	0.06	0.03	
09/15/24	09/15/24	ALLYA 2022-1 A3 DTD 05/18/2022 3.310% 11/15/2026	02008JAC0	7,661.33	7,661.33	0.00	7,661.33	1.48	0.71	
09/16/24	09/16/24	GMCAR 2022-2 A3 DTD 04/13/2022 3.100% 02/16/2027	362585AC5	3,108.56	3,108.56	0.00	3,108.56	0.65	0.32	
09/16/24	09/16/24	GMCAR 2022-1 A3 DTD 01/19/2022 1.260% 11/16/2026	380146AC4	2,434.07	2,434.07	0.00	2,434.07	0.21	0.09	
09/16/24	09/16/24	GMCAR 2021-4 A3 DTD 10/21/2021 0.680% 09/16/2026	362554AC1	2,368.71	2,368.71	0.00	2,368.71	0.06	0.03	
09/16/24	09/16/24	GMCAR 2022-3 A3 DTD 07/13/2022 3.640% 04/16/2027	36265WAD5	5,042.59	5,042.59	0.00	5,042.59	0.03	0.02	
09/16/24	09/16/24	GMCAR 2022-4 A3 DTD 10/12/2022 4.820% 08/16/2027	36265OAD8	12,297.63	12,297.63	0.00	12,297.63	2.01	1.21	
09/20/24	09/20/24	VALET 2021-1 A3 DTD 12/13/2021 1.020% 06/22/2026	92868KAC7	4,188.16	4,188.16	0.00	4,188.16	0.16	0.06	
09/25/24	09/25/24	BMWOT 2022-A A3 DTD 05/18/2022 3.210% 08/25/2026	05602RAD3	3,593.20	3,593.20	0.00	3,593.20	0.19	0.08	
Transaction Type Sub-Total				206,279.52	206,279.52	0.00	206,279.52	751.97	76.57	
SELL										
09/03/24	09/04/24	FLORIDA ST BRD OF ADM DTD 09/16/2020 1.258% 07/01/2025	341271AD6	65,000.00	63,152.70	143.10	63,295.80	(1,847.30)	(1,847.30)	FIFO

Managed Account Security Transactions & Interest

For the Month Ending **September 30, 2024**

CITY OF LA PALMA - OPERATING PORTFOLIO - 995341 - (14205145)

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
SELL										
09/04/24	09/05/24	AMXCA 2022-2 A DTD 05/24/2022 3.390% 05/15/2027	02582JJT8	195,000.00	192,973.83	367.25	193,341.08	(1,983.04)	(2,002.81)	FIFO
09/04/24	09/05/24	CITIGROUP INC FLOATING (CALLABLE) DTD 10/30/2020 5.526% 10/30/2024	172967MT5	125,000.00	125,033.75	775.16	125,808.91	33.75	33.75	FIFO
09/04/24	09/05/24	US TREASURY N/B DTD 04/01/2024 4.500% 03/31/2026	91282CKH3	300,000.00	302,625.00	5,827.87	308,452.87	3,738.28	3,511.80	FIFO
09/04/24	09/05/24	EXXON MOBIL CORPORATION (CALLABLE) DTD 03/03/2016 3.043% 03/01/2026	30231GAT9	200,000.00	196,892.00	67.62	196,959.62	4,476.00	554.18	FIFO
09/05/24	09/06/24	US TREASURY N/B DTD 04/17/2023 3.750% 04/15/2026	91282CGV7	25,000.00	24,954.10	368.85	25,322.95	(6.84)	(24.69)	FIFO
09/05/24	09/06/24	NATIONAL AUSTRALIA BK/NY DTD 01/12/2023 4.966% 01/12/2026	63253QAA2	305,000.00	307,684.00	2,271.95	309,955.95	2,684.00	2,684.00	FIFO
09/05/24	09/06/24	US TREASURY N/B DTD 04/17/2023 3.750% 04/15/2026	91282CGV7	90,000.00	89,834.77	1,327.87	91,162.64	123.05	(9.82)	FIFO
09/05/24	09/06/24	AMERICAN HONDA FINANCE DTD 10/04/2023 5.800% 10/03/2025	02665WEQ0	40,000.00	40,534.00	986.00	41,520.00	571.20	558.06	FIFO
09/17/24	09/20/24	US TREASURY N/B DTD 04/17/2023 3.750% 04/15/2026	91282CGV7	175,000.00	175,170.90	2,832.99	178,003.89	321.29	251.82	FIFO
09/24/24	09/27/24	US TREASURY N/B DTD 04/17/2023 3.750% 04/15/2026	91282CGV7	50,000.00	50,107.42	845.29	50,952.71	150.39	130.26	FIFO
Transaction Type Sub-Total				1,570,000.00	1,568,962.47	15,813.95	1,584,776.42	8,260.78	3,839.25	
Managed Account Sub-Total					(54,172.98)	94,231.38	40,058.40	9,012.75	3,915.82	
Total Security Transactions						(\$54,172.98)	\$94,231.38	\$40,058.40	\$9,012.75	\$3,915.82

City of La Palma

Agenda Item No. 5



MEETING DATE: November 5, 2024

TO: City Council

FROM: City Manager

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

AGENDA TITLE: Additional Appropriation for the Service Line Inventory Assessment

RECOMMENDED ACTION:

It is recommended that the City Council appropriate an additional \$25,000 from the Water Fund for the previously ratified amendment with the Municipal Water District of Orange County (MWDOC) for the Service Line Inventory Assessment.

BACKGROUND:

On January 15, 2021, the U.S. Environmental Protection Agency (EPA) revised the Lead and Copper Rule (LCRR), requiring all community water systems to inventory both public and private service line materials. The LCRR mandates identifying any lead, galvanized steel pipe, or "lead status unknown" service lines, with online publication required for systems serving over 50,000 people. La Palma's water system successfully completed its Initial Service Line Inventory (SLI) Assessment by the October 16, 2024, deadline in coordination with the Municipal Water District of Orange County (MWDOC) through a contractual partnership.

SUMMARY:

At the September 2024 meeting, the City Council ratified the original agreement and amendment with MWDOC for the SLI. Although the amendment cost allocation in the attached report was accurate, the staff presented the contract amount as \$125,000 instead of \$150,000. Therefore, staff is requesting an additional \$25,000 appropriation.

FISCAL IMPACT:

Sufficient funding is available in the Water Fund (050) to cover the additional \$25,000 appropriation.

ATTACHMENTS:

1. September 3, 2024 Staff Report

City of La Palma

Agenda Item



MEETING DATE: September 3, 2024

TO: City Council

FROM: City Manager

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

AGENDA TITLE: Ratification of Agreements for Lead Service Inventory Completion

RECOMMENDED ACTION:

It is recommended that the City Council:

1. Ratify two agreements between the City and the Municipal Water District of Orange County ("MWDOC") for lead service inventory completion, and
2. Allocate \$125,000 from the Water Fund to support the project.

BACKGROUND:

On January 15, 2021, the United States Environmental Protection Agency (USEPA) published revisions to the Lead and Copper Rule, known as the Lead Copper Rule Revisions (LCRR). Under the LCRR, the US EPA requires all community water systems to conduct a comprehensive inventory of both publicly owned and privately owned service line materials, regardless of ownership.

This was codified under 40 CFR Sec 141.84(a)(8), which requires water systems to identify any lead galvanized steel pipe requiring replacement or "lead status unknown" service lines and make the inventory publicly available, and if a water system serves more than 50,000 people, provide the inventory online. This requires each water system, including the City of La Palma's water system the responsibility of preparing the Initial Service Line Inventory (SLIs) by October 16, 2024.

Due to the expertise required and staffing, it is recommended to participate with the Municipal Water District of Orange County (MWDOC) who the City has collaborated with on projects in the past. The participating agencies are:

	Agency
1.	City of Anaheim
2.	El Toro Water District

3.	City of Fountain Valley
4.	City of Fullerton
5.	City of Garden Grove
6.	City of La Habra
7.	City of La Palma
8.	City of Orange
9.	City of San Clemente
10.	South Coast Water District
11.	Trabuco Canyon Water District
12.	City of Westminster
13.	Yorba Linda Water District

MWDOC, with cooperation of participating agencies (including La Palma), developed the scope of work and issued a request for proposals. In September 2023, MWDOC entered into an agreement with Hazen and Sawyer to complete the scope of work. Hazen and Sawyer was determined the most responsive of five consulting firms by MWDOC.

Due to a recent State mandate, the City entered into an agreement with MWDOC to conduct required Lead and Copper testing. Staff is requesting the ratification of two agreements to share costs proportionally among the participating agencies based on the number of services, along with appropriating \$125,000 from the Water Fund to fund the project.

FISCAL IMPACT:

Staff requests the appropriation of \$125,000 from the Water Fund to fund the project.

ATTACHMENTS:

1. Amendment #1 Cost Sharing Agreement for LCRR Inventory_La Palma - Executed
2. Cost Sharing Agreement for Completion of Initial LCRR Inventory - La Palma Rev - Executed

City of La Palma

Agenda Item No. 6



MEETING DATE: November 5, 2024

TO: City Council

FROM: City Manager

SUBMITTED BY: Ryan Hallett, Assistant City Manager

AGENDA TITLE: Resolution Adopting the Measure M2 Expenditure Report for Fiscal Year ending June 30, 2024

RECOMMENDED ACTION:

It is recommended that the City Council adopt a Resolution approving the annual Measure M2 expenditure report for Fiscal Year ending June 30, 2024.

BACKGROUND:

In November 1990, Orange County voters approved Measure M, a half-cent local transportation sales tax. The initial implementation period of this transportation sales tax was twenty years. When the original implementation for Measure M expired in 2011, Measure M2 was put before the voters of Orange County and subsequently approved. Measure M2 is a thirty-year transportation investment plan that focuses solely on improving the County's transportation system. The Measure includes taxpayer safeguards, one of which is a requirement to report progress publicly regularly. Within six months of the close of the fiscal year, each agency must complete and submit a "Measure M2 Expenditure Report and Accompanying Resolution" to the City Council for adoption and approval.

For fiscal year ended June 30, 2024 (FY24), the City received \$327,329 of Measure M Fair Share revenue. The report (Attachment 2) documents \$352,727 in Measure M2 expenditures in FY24. In FY24, the City was required to use at least \$205,036 in local funds for Maintenance of Effort (MOE) for transportation improvements in order to continue receiving Measure M2 revenues, which it did. As a result, the Measure M2 Fund balance on June 30, 2024, was \$619,868.

FISCAL IMPACT:

There is no fiscal impact related to approving and adopting the Measure M2 expenditure report. Adopting the Report and Resolution will ensure that the City receives future Measure M2 allocations.

ATTACHMENTS:

1. Resolution

2. Expenditure Report

RESOLUTION NO. 2024-__**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF LA PALMA CONCERNING THE MEASURE M2 (M2)
EXPENDITURE REPORT FOR THE CITY OF LA PALMA**

WHEREAS, local jurisdictions are required to meet eligibility requirements and submit eligibility verification packages to Orange County Transportation Authority (OCTA) in order to remain eligible to receive M2 funds; and

WHEREAS, local jurisdictions are required to adopt an annual M2 Expenditure Report as part of one of the eligibility requirements; and

WHEREAS, local jurisdictions are required to account for Net Revenues, developer/traffic impact fees, and funds expended by local jurisdiction in the M2 Expenditure Report that satisfy the Maintenance of Effort requirements; and

WHEREAS, the M2 Expenditure Report shall include all Net Revenue fund balances, interest earned and expenditures identified by type and program or project; and

WHEREAS, the M2 Expenditure Report must be adopted and submitted to the OCTA each year within six months of the end of the local jurisdiction's fiscal year to be eligible to receive Net Revenues as part of M2.

NOW, THEREFORE, BE IT RESOLVED that the City Council for the City of La Palma does hereby inform OCTA that:

- a) The M2 Expenditure Report is in conformance with the template provided in the Measure M2 Eligibility Guidelines and accounts for Net Revenues including interest earned, expenditures during the fiscal year and balances at the end of fiscal year.
- b) The M2 Expenditure Report is hereby adopted by the City of La Palma.
- c) The City of La Palma Assistant City Manager is hereby authorized to sign and submit the M2 Expenditure Report to OCTA for the fiscal year ended June 30, 2024.

PASSED, APPROVED AND ADOPTED by the City Council of the City of La Palma at a regular meeting held on the 5th day of November, 2024.

Marshall Goodman
Mayor

ATTEST:

Kimberly Kenney, CMC
City Clerk

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

I, KIMBERLY KENNEY, City Clerk of the City of La Palma, California, DO HEREBY CERTIFY that the foregoing Resolution was adopted by the City Council of said City at a regular meeting of said City Council held on the 5th day of November, 2024, and that it was so adopted by called vote as follows:

AYES:

NOES:

Kimberly Kenney, CMC
City Clerk

M2 Expenditure Report
Fiscal Year Ended June 30, 2024
Report Checks

Schedule 1 Check

Project	Description	Ending Balance Check	Ending Balance Interest Check
A-M	Freeway Projects	\$ -	\$ -
O	Regional Capacity Program (RCP)	\$ -	\$ -
P	Regional Traffic Signal Synchronization Program (RTSSP)	\$ -	\$ -
Q	Local Fair Share	\$ -	\$ -
R	High Frequency Metrolink Service	\$ -	\$ -
S	Transit Extensions to Metrolink	\$ -	\$ -
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	\$ -	\$ -
U	Senior Mobility Program or Senior Non-Emergency	\$ -	\$ -
V	Community Based Transit/Circulators	\$ -	\$ -
W	Safe Transit Stops	\$ -	\$ -
X	Environmental Cleanup Program (Water Quality)	\$ -	\$ -

Schedule 2 Check

Project	Description	Revenue/Expenses Check	Revenue/Expenses Interest Check
Q	Local Fair Share	\$ -	\$ -

Schedule 3 Check

Project	Description	Expenses Check	Interest Check
O	Regional Capacity Program (RCP)	\$ -	\$ -
P	Regional Traffic Signal Synchronization Program (RTSSP)	\$ -	\$ -
Q	Local Fair Share	\$ -	\$ -
X	Environmental Cleanup Program (Water Quality)	\$ -	\$ -
A-M, R, S, T, U, V, W	Other M2 Projects (A-M, R, S, T, U, V, W)	\$ -	\$ -
Other	Expenses Not M2 Related	\$ -	\$ -

Schedule 4 Check

Project	Description	Expenses Check
Q	Local Fair Share	\$ 0

M2 Expenditure Report

Fiscal Year Ended June 30, 2024

Beginning and Ending Balances

Description	Line No.	Amount	Interest
Balances at Beginning of Fiscal Year			
A-M Freeway Projects	1	\$ -	\$ -
O Regional Capacity Program (RCP)	2	\$ 397,749.15	\$ -
P Regional Traffic Signal Synchronization Program (RTSSP)	3	\$ -	\$ -
Q Local Fair Share	4	\$ 574,074.85	\$ -
R High Frequency Metrolink Service	5	\$ -	\$ -
S Transit Extensions to Metrolink	6	\$ -	\$ -
T Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	7	\$ -	\$ -
U Senior Mobility Program or Senior Non-Emergency Medical Program	8	\$ -	\$ -
V Community Based Transit/Circulators	9	\$ -	\$ -
W Safe Transit Stops	10	\$ -	\$ -
X Environmental Cleanup Program (Water Quality)	11	\$ -	\$ -
Other*	12	\$ -	\$ -
Balances at Beginning of Fiscal Year	13	\$ 971,824.00	\$ -
Monies Made Available During Fiscal Year	14	\$ 327,328.87	\$ 37,607
Total Monies Available (Sum Lines 13 & 14)	15	\$ 1,299,152.87	\$ 37,607
Expenditures During Fiscal Year	16	\$ 315,119.57	\$ 37,607
Balances at End of Fiscal Year			
A-M Freeway Projects	17	\$ -	\$ -
O Regional Capacity Program (RCP)	18	\$ 364,164.82	\$ -
P Regional Traffic Signal Synchronization Program (RTSSP)	19	\$ -	\$ -
Q Local Fair Share	20	\$ 619,868.48	\$ -
R High Frequency Metrolink Service	21	\$ -	\$ -
S Transit Extensions to Metrolink	22	\$ -	\$ -
T Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	23	\$ -	\$ -
U Senior Mobility Program or Senior Non-Emergency Medical Program	24	\$ -	\$ -
V Community Based Transit/Circulators	25	\$ -	\$ -
W Safe Transit Stops	26	\$ -	\$ -
X Environmental Cleanup Program (Water Quality)	27	\$ -	\$ -
Other*	28	\$ -	\$ -

* Please provide a specific description

M2 Expenditure Report

Fiscal Year Ended June 30, 2024

Sources and Uses

Description		Line No.	Amount	Interest
Revenues:				
A-M	Freeway Projects	1	\$ -	\$ -
O	Regional Capacity Program (RCP)	2	\$ -	\$ -
P	Regional Traffic Signal Synchronization Program (RTSSP)	3	\$ -	\$ -
Q	Local Fair Share	4	\$ 327,329	\$ 37,607
R	High Frequency Metrolink Service	5	\$ -	\$ -
S	Transit Extensions to Metrolink	6	\$ -	\$ -
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	7	\$ -	\$ -
U	Senior Mobility Program or Senior Non-Emergency Medical Program	8	\$ -	\$ -
V	Community Based Transit/Circulators	9	\$ -	\$ -
W	Safe Transit Stops	10	\$ -	\$ -
X	Environmental Cleanup Program (Water Quality)	11	\$ -	\$ -
	Other*	12	\$ -	\$ -
TOTAL REVENUES (Sum lines 1 to 12)		13	\$ 327,329	\$ 37,607
Expenditures:				
A-M	Freeway Projects	14	\$ -	\$ -
O	Regional Capacity Program (RCP)	15	\$ 33,584	\$ -
P	Regional Traffic Signal Synchronization Program (RTSSP)	16	\$ -	\$ -
Q	Local Fair Share	17	\$ 281,535	\$ 37,607
R	High Frequency Metrolink Service	18	\$ -	\$ -
S	Transit Extensions to Metrolink	19	\$ -	\$ -
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	20	\$ -	\$ -
U	Senior Mobility Program or Senior Non-Emergency Medical Program	21	\$ -	\$ -
V	Community Based Transit/Circulators	22	\$ -	\$ -
W	Safe Transit Stops	23	\$ -	\$ -
X	Environmental Cleanup Program (Water Quality)	24	\$ -	\$ -
	Other*	25	\$ -	\$ -
TOTAL EXPENDITURES (Sum lines 14 to 25)		26	\$ 315,120	\$ 37,607
TOTAL BALANCE (Subtract line 26 from 13)		27	\$ 12,209	\$ -

* Please provide a specific description

M2 Expenditure Report
Fiscal Year Ended June 30, 2024
Streets and Roads Detailed Use of Funds

Type of Expenditure	Line No.	MOE	Developer / Impact Fees ⁺	O	O Interest	P	P Interest	Q	Q Interest	X	X Interest	Other M2 ²	Other M2 Interest	Other*	TOTAL
Indirect and/or Overhead	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction & Right-of-Way															
New Street Construction	2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Street Reconstruction	3	\$ -	\$ -	\$ 33,584.33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,584
Signals, Safety Devices, & Street Lights	4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pedestrian Ways & Bikepaths	5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Storm Drains	6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Storm Damage	7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Construction ¹	8	\$ -	\$ -	\$ 33,584.33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,584
Right of Way Acquisition	9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Construction & Right-of-Way	10	\$ -	\$ -	\$ 33,584.33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,584
Maintenance															
Patching	11	\$ 17,833.79	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,834
Overlay & Sealing	12	\$ 44,177.36	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 275,555.24	\$ 37,607.05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 357,340
Street Lights & Traffic Signals	13	\$ 178,073.67	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 178,074
Storm Damage	14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Street Purpose Maintenance	15	\$ 177,401.05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,980.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 183,381
Total Maintenance ¹	16	\$ 417,485.87	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 281,535.24	\$ 37,607.05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 736,628
Other	17		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GRAND TOTALS (Sum Lines 1, 10, 16, 17)	18	\$ 417,486	\$ -	\$ 33,584	\$ -	\$ -	\$ -	\$ 281,535	\$ 37,607	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 770,212
Finance Director Confirmation	19	Any California State Constitution Article XIX streets and road eligible expenditure may be "counted" in local jurisdictions' calculation of MOE if the activity is supported (funded) by a local jurisdictions' discretionary funds (e.g. general fund). The California State Controller also provides useful information on Article XIX and the Streets and Highways Code eligible expenditures in its "Guidelines Relating to Gas Tax Expenditures for Cities and Counties". I have reviewed and am aware of these guidelines and their applicability in calculating and reporting on Maintenance of Effort expenditures. Assistant City Manager initial: _____													

¹ Includes direct charges for staff time
² Other M2 includes A-M, R,S,T,U,V, and W
+ Transportation related only
* Please provide a specific description

Legend	
Project	Description
A-M	Freeway Projects
O	Regional Capacity Program (RCP)
P	Regional Traffic Signal Synchronization Program (RTSSP)
Q	Local Fair Share
R	High Frequency Metrolink Service
S	Transit Extensions to Metrolink
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems
U	Senior Mobility Program or Senior Non-Emergency Medical Program
V	Community Based Transit/Circulators
W	Safe Transit Stops
X	Environmental Cleanup Program (Water Quality)

[illegible]

M2 Expenditure Report
Fiscal Year Ended June 30, 2024

I hereby certify that:

- X** All the information attached herein and included in schedules 1 through 4 is true and accurate to the best of my knowledge;
- X** The interest earned on Net Revenues allocated pursuant to the Ordinance shall be expended only for those purposes for which the Net Revenues were allocated;
- X** The City of La Palma is aware of the State Controller’s “Guidelines Relating to Gas Tax Expenditures for Cities and Counties”, which is a guide for determining MOE Expenditures for M2 Eligibility purposes;
- X** The City’s Expenditure Report is in compliance with direction provided in the State Controller’s “Guidelines Relating to Gas Tax Expenditures for Cities and Counties;” and
- X** The City of La Palma has expended in this fiscal year an amount of local discretionary funds for streets and roads purposes at least equal to or exceeding the FY 2023-24 MOE benchmark dollar amount¹¹.

Ryan Hallett
Assistant City Manager (Print Name)

11/5/2024
Date

Signature

¹¹ Jurisdictions are encouraged to submit MOE eligible expenditures higher than their MOE benchmark, so that should certain expenses be ruled ineligible during an MOE audit, the local jurisdiction still has sufficient MOE expenditures to demonstrate continued achievement of the MOE benchmark.

City of La Palma

Agenda Item No. 7



MEETING DATE: November 5, 2024

TO: City Council

FROM: City Manager

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

AGENDA TITLE: Award a Contract to Golden Meters Service, Inc. for the Neptune MIU Endpoint & Antenna Installation

RECOMMENDED ACTION:

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

1. Award a contract to Golden Meters Service, Inc. for an amount not to exceed \$57,200 for the Neptune Meter Interface Unit Endpoints and Antenna Installation;
2. Authorize a 15% contingency for unforeseen needs for materials and labor; and
3. Authorize the City Manager or his designee to execute the agreement and all necessary documents.

BACKGROUND:

As part of the City's 2024-2025 Capital Improvement Plan (CIP), the Water Division identified a critical need for the upgrade and conversion of Neptune Water Meter Interface Unit (MIU) endpoints and antennas used for the City's remote Advanced Metering Infrastructure (AMI). The City purchased 1,101 of the MIU endpoints and antennas in Fiscal Year 2023-2024 and has recently secured bids for the installation of the replacement components.

SUMMARY:

The updated MIU component includes a small gray box and an antenna which are installed inside the water meter boxes at the meter in front of residential and commercial locations. This system enables the water meter to transmit a radio signal to a data collector which relays the meter reading information to the City's AMI to properly account for usage and billing. The installations will provide proper endpoint communication and integration to the City's new R900 data collectors that were installed in 2022.

Three quotes were obtained from a very limited number of potential vendors who provide this type of service. The three vendors and associated costs are as follows:

Golden Meters Service, Inc.	\$57,200.00
Concord Utility Services	\$74,875.00
Ferguson Waterworks	\$90,200.00

FISCAL IMPACT

The Fiscal Year 2024-25 Capital Improvement Program (CIP) allocates \$102,000 for the Neptune MIU Endpoint & Antenna Installation (Account No. 055-900-8040-00000).

ATTACHMENTS:

1. Concord Services Quote
2. Golden Meters Service Inc Quote
3. Ferguson Quote

Carlo,

This is for budgetary purposes only.

39.50 for radio and antenna install.	$\$39.50 \times 1,100 =$	\$43,450
\$7,500 - Work Order Management System programming and set up (one-time fee)		\$7,500
\$7,500 - WOMS Integration (one-time fee)		\$7,500
\$1.75 - Implementation fee (1,100 services per work order charge)	$\$1.75 \times 1,100 =$	\$1,925
\$10.00 per spice kit (unless utility is providing)		
9,500 per month Project Management fee		\$9,500
5,000 for mobilization (one-time fee)		\$5,000
		TOTAL = \$74,875

Assumptions:

Utility is providing a warehouse

No lid replacement or modification is included in the numbers above.

Any costs outside of the scope above will need to be given a line itemed price.

Happy to have a call to discuss further!

Jordan Bell

Director of Sales at Concord Utility Services

p. **843-475-5851**

e. jordan@concordus-inc.com

For more info go to concordus-inc.com

Follow Us!



Golden Meters Service Inc.
107 S Edward Ave
Fullerton, CA 92833
+17146532900
GoldenMetersService@gmail.com
www.GoldenMeters.com

ADDRESS

City of La Palma
City of La Palma
7822 Walker Street
La Palma, CA 90623

Estimate 2121

DATE 09/19/2024

DESCRIPTION	QTY	RATE	AMOUNT
PRICE BASED ON PREPROGRAMMED REGISTERS & ENDPOINTS LABOR ONLY, CITY TO PROVIDE ALL MATERIALS			
NEPTUNE MXU ENDPOINT & ANTENNA INSTALLATION	1,100	52.00	57,200.00
NO PROGRAMMING INCLUDED NECESSARY- MAGNET SWIPE ONLY			
NO WATER SHUT OFF			
DATA COLLECTED: CURRENT READ & PICTURE OF REGISTER			
GMS WILL RETURN ALL REMOVED ENDPOINTS TO CITY. GMS TO PROVIDE ALL DATA VIA CSV FILE.			
RATES DO NOT INCLUDE BONDING.			
RATES BASES ON NON PREVAILING WAGE.			
Thank you for your inquiry. Feel free to reach out to us with any questions or concerns.	SUBTOTAL		57,200.00
	TAX		0.00
	TOTAL		\$57,200.00

THANK YOU FOR YOUR BUSINESS!

Accepted By

Accepted Date

THANK YOU FOR YOUR BUSINESS!



11909 Tech Center Ct.
Poway, CA 92064
Phone: 949.467.4758
Fax: 858.391.5958

Quotation # La Palma, City of 09202024

Date: 9/20/2024

Ship to:

Carlo Nafarrete
La Palma, City of
8415 Meadowlark Ln.
La Palma, CA 90623

Project: MIU Installation Quote
AMI Specialists: Adam Milauskas
Valid Until: 90 Days
Terms: Net Thirty Days

Item	Quantity	Product or Service Description	Per Item	Extended
1	1,100	Neptune MIU Installation - Labor Only (See terms & conditions below)	\$82.00	\$90,200.00
2				
3				
4				
5				
6				
Sub Total				\$90,200.00
Taxable Freight				
Estimated Sales Tax				8.75%
Freight				
Total Investment				\$90,200.00

Ship Date
N/a

Terms & Conditions:



11909 Tech Center Ct.

Poway, CA 92064

Phone: 949.467.4758

Fax: 952 201 5052

MIU installation only, no meter changeouts

Magnet swipe only

Old MIU's to be returned to City for disposal

No bonding or prevailing wage included

No tax charged on labor only

Quotation # La Palma, City of 09202024

Date: 9/20/2024

Prices quoted are for this project only and do not include sales or use taxes, if any. Quoted prices are based upon receipt of the total quantity for immediate shipment or shipments within thirty (30) days of a bid opening only, and are offered contingent upon the Buyer's acceptance of Seller's terms and conditions. Seller objects to all terms and conditions. Future shipments subject to price changes. Seller not responsible for delays caused beyond our control. Purchaser's sole warranties, if any, are those provided by the manufacturer. SELLER DISCLAIMS ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING ALL IMPLIED WARRANTIES OF MERCHANT ABILITY OR FITNESS OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT WILL SELLER BE LIABLE FOR ANY INCIDENTAL, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING DIRECTLY OR INDIRECTLY FROM THE OPERATION OR USE OF THE PRODUCT. SELLER'S LIABILITY, IF ANY, SHALL BE LIMITED TO THE NET SALES PRICE RECEIVED BY SELLER. All returns are subject to Ferguson and/or Manufactures return policy and maybe subject to a restocking fee. Complete terms and conditions are available upon request or can be view at www.ferguson.com/sales-terms.html

City of La Palma

Agenda Item No. 8



MEETING DATE: November 5, 2024

TO: City Council

FROM: City Manager

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

AGENDA TITLE: Second Amendment to On-Call City Engineering Services Contract

RECOMMENDED ACTION:

It is recommended that the City Council:

1. Approved the 2nd Amendment to the On-Call City Engineer Services contract for one (1) year with Infrastructure Engineers, a Bowman Company; and
2. Authorize the Mayor to sign the 2nd Amendment.

SUMMARY

The contract with Infrastructure Engineers provides for the City Engineer to be on-site a minimum of one day per week, with additional hours available as required by the City for fast-tracking plan checks and monitoring scheduled projects. In addition, to specific engineering duties and related work, the City Engineer attends weekly department staff meetings and participates in the coordination of specialized projects with staff and other contracted engineering firms (traffic, streets, storm water, etc.).

The City and Infrastructure Engineers entered into an Agreement for On-Call Engineering services, dated November 1, 2022. The Agreement included provisions allowing for two optional one-year extensions, granting the City flexibility to continue services if needed. The City and Infrastructure Engineers exercised the first option ("Amendment No. 1") on February 26, 2024, extending the term through November 2024. Now, the City and Infrastructure Engineers desire to exercise the second option to extend the term of the Agreement through November, 1, 2025.

Therefore, staff recommends approving the Second Amendment to extend the current contract for one year in an amount not to exceed \$70,000.

FISCAL IMPACT

The FY 2024-25 Budget allocates sufficient funding for on-call city engineering services, with costs distributed as follows: 50% to the General Fund (001-380-6000-38010), 20% to the Water Fund (050-

430-6000-00000), 20% to the Gas Tax Fund (011-410-6000-41010), and 10% to the Sewer Fund (052-480-6000-00000). Hours dedicated to specific Capital Improvement Projects, however, will be billed directly to the respective project's account using the rates provided in the attached rate sheet.

ATTACHMENTS:

1. Extension Letter & Rate Sheet
2. 2nd Amendment

October 31, 2024

Mr. Connel McNamara
City Manager
7821 Walker Street
La Palma, CA 90623

RE: Professional Services Agreement for City Engineering – Second Amendment Contract Extension

Dear Mr. McNamara:

On behalf of Infrastructure Engineers, a Bowman Company (IE), I would like to extend our appreciation for the opportunity to provide professional city engineering services and staff augmentation services to the City of La Palma and community.

Our Professional Services Agreement (Agreement) for City Engineering Services has been in place since November 7, 2017, and has ended on November 6, 2022. On November 1, 2022, the contract was renewed for a one (1) year term and including two (2) one-year extensions, which extended our contract through November 2024.

Per staff discussions, the City is requesting IE to extend the contract through November 2025.

With this letter, we are kindly requesting the approval to extend the contract through November 2025 at the current billing rate of \$150/hour. All other terms are to conform to the existing agreement.

Infrastructure Engineers, a Bowman Company would be honored to continue providing professional city engineering services to the City of La Palma, and we look forward to receiving confirmation from the City that would allow us that opportunity. With respect and appreciation.

Sincerely,



Farzad Dorrani, MS
Principal of Operations

Cc: Andy Ramirez, Public Works & Community Services Director
Ajit Thind, City Attorney

FD/om

HOURLY RATE SCHEDULE
(effective January 1, 2024)

General



Principal-in-Charge \$365

Civil / Traffic Engineering

Project Manager \$185
Principal Engineer \$180
Senior Engineer \$170
Senior Plan Check Engineer \$175
Plan Check Engineer \$165
Associate Engineer \$155
Assistant Engineer \$140
Engineering Associate \$135
Engineering Assistant \$115
GIS Analyst \$150
CAD Manager \$155
CAD Designer \$110
CAD Technician \$100
Engineering Technician \$105
Principal Traffic Engineer \$185
Senior Traffic Engineer \$180
Traffic Engineer \$155

Water / Wastewater / NPDES

Senior Water Engineer \$175
Water Engineer \$158
Program Manager (NPDES) \$175
Inspector (NPDES) \$115
Environmental Scientist \$105

Land Surveying & Mapping

Project Manager \$185
Licensed Land Surveyor \$185
Survey Analyst \$150
Survey Crew (2-person) \$236
Survey Crew (2-person, prevailing wage) \$278

Construction Management

Construction Manager \$198
Resident Engineer \$198
Schedule / Controller \$173
Utilities Coordinator \$158
Senior PW Observer / Inspector \$148
Senior PW Observer / Inspector (prevailing wages) \$199
PW Observer / Inspector \$135
PW Observer / Inspector (prevailing wage) \$179

Community Development - Environmental & Planning

Director \$195
Project Manager \$173
Planning Manager \$167
Principal Planner \$163
Planner III \$153
Planner II \$139
Planner I \$129
Planning Technician \$98
Environmental Specialist \$175
Environmental Planner III \$165
Environmental Planner II \$155
Environmental Planner I \$144
Environmental Technician \$100

Municipal Engineering

Interim City Manager \$430
Assistant / Deputy City Manager \$399
City Engineer \$189
City Traffic Engineer \$179
Deputy City Engineer \$179
Deputy City Traffic Engineer \$169
Plan Check Engineer \$179
Plans Examiner \$169
CIP Manager \$180
Office Engineer \$169
Associate Engineer \$158
Engineering Associate \$150
Engineering Assistant \$140
Engineering Technician \$136

Building & Safety

Building Official \$175
Deputy Building Officer \$155
Plan Check Engineer \$165
Landscape Architect \$155
Senior Certified Access Specialist \$165
Certified Access Specialist \$155
Senior Plans Examiner \$145
Plans Examiner \$135
Code Enforcement Manager \$145
Code Enforcement Officer \$130
Senior Building Inspector \$135
Building Inspector \$125
Grading Inspector \$125
Counter Technician \$105

Fire Prevention

Fire Marshal \$165
Fire Investigator \$154
Fire Plans Examiner \$140
Senior Fire Inspector \$140
Fire Inspector \$125
Counter Technician \$105

Architectural Services

Director \$200
Studio Manager \$184
Senior Project Manager / Senior Architect \$176
Project Manager / Project Architect \$155
Senior Job Captain \$126
Job Captain \$105
Drafter \$90

Program Management / Public Outreach

Program Director \$184
Web Designer \$150
Media Specialist \$145
Program Coordinator \$135
Photographer \$128
Outreach Specialist \$125
Interpreter / Translator \$125
Production Assistant \$85
Fund Administrator \$138
Labor Compliance Coordinator \$105

Administrative & Clerical

Organizer / Supervisor \$108
Administrative Assistant \$90
Clerk Typist \$80

Other Charges

Delivery \$110
Mileage (current federal guideline rate @ time of billing) / mile
Travel Cost + 15%
Reimbursements Cost + 15%

Additional billing classifications may be added to the above list throughout the year as new positions are created. The above schedule is for straight time. Overtime will be charged at 1.5 times. Sundays and Holidays are charged at 2.0 times the standard time. Deposition and court appearances will be charged at 1.5 times the listed billing rates.

AMENDMENT NO. 2**AGREEMENT FOR ON-CALL ENGINEERING SERVICES**

THIS AMENDMENT NO. 2 TO THE AGREEMENT FOR ON-CALL ENGINEERING SERVICES ("Amendment No. 2") is made and entered into as of November 5, 2024, by and between the CITY OF LA PALMA ("City"), a municipal corporation, and INFRASTRUCTURE ENGINEERS, a BOWMAN COMPANY, a California corporation ("Contractor"). The City and Contractor are hereinafter together referred to as the "Parties" and each individually as "Party."

RECITALS

- A. The Parties hereto have previously entered into an Agreement for On-Call Engineering services, dated November 1, 2022 (the "Agreement"). A true and correct copy of the Agreement is attached as Attachment A and incorporated herein by reference.
- B. The Agreement included provisions allowing for two optional one-year extensions, granting the City flexibility to continue services if needed.
- C. The Parties exercised the first option ("Amendment No. 1") on February 26, 2024, extending the term through November 2024. A true and correct copy of the Agreement is attached as Attachment A and incorporated herein by reference.
- D. Now, the Parties desire to exercise the second option to extend the term of the Agreement through November, 1, 2025.
- E. The Parties desire to maintain an hourly billing rate of \$150.

WHEREFORE, the Parties desire to amend said Agreement as follows:

- 1. Extend the Agreement date through November 1, 2025.
- 2. The Parties agree that, under this Amendment No. 2, the hourly billing rate will remain at \$150, with the total contract amount not to exceed \$70,000.
- 3. Except as noted above, all other terms of the Agreement and Amendment No. 1 shall remain in full force and effect.

IN WITNESS WHEREOF, this Amendment No. 2 has been executed as of the date first written above.

CITY OF LA PALMA:

ATTEST:

Kimberly Kenney, CMC
City Clerk

By _____
Marshall Goodman
Mayor

Infrastructure Engineers, a Bowman Company

By _____
Farzad Dorrani
Principal of Operations

Attachment A

[See next page]

AGREEMENT FOR CONSULTANT SERVICES INFRASTRUCTURE ENGINEERS

THIS AGREEMENT FOR CONSULTANT SERVICES (hereinafter, the “Agreement”), is entered into as of **NOVEMBER 1, 2022**, by and between the CITY OF LA PALMA, a municipal corporation (hereinafter, the “City”), and **INFRASTRUCTURE ENGINEERS**, 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 for On-Call City Engineering Services.

1.2 Time. Time is of the essence for this Agreement. The Consultant shall perform all Consultant Services, and each component thereof, within the time periods set forth in the Scope of Work.

1.3 Standard of Performance. The Parties mutually acknowledge that the City has retained the Consultant to perform the Consultant Services based upon the special skills, expertise, and experience of the Consultant. Accordingly, in performing the Consultant Services, the Consultant shall use the skill and care that a highly specialized professional with significant expertise in the field, would use under similar circumstances. To the extent that the Consultant retains sub-consultants or subcontractors to perform any portion of any of the Consultant Services, to the extent permitted hereunder, the Consultant has a duty to the City to ensure that the tasks and services performed by such sub-consultants and subcontractors meet the same highly specialized professional level, skill, and expertise expected of the Consultant.

1.4 Licenses, Permits, Fees, and Approvals. The Consultant shall obtain at its sole cost and expense such licenses, permits, and approvals as may be required by law for the performance of the Consultant Services prior to commencing work. The Consultant and its employees, agents, and sub-consultants or subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required for the performance of the Consultant Services. The Consultant shall have the sole obligation to pay for any fees, assessments, and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Consultant's performance of the Consultant Services, and shall indemnify, defend and hold harmless the City and City Personnel against any such fees, assessments, taxes, penalties or interest levied, assessed, or imposed against the City hereunder.

1.5 Personnel. The Consultant shall at all times allocate sufficient qualified personnel as required to perform the Consultant Services. The Consultant represents that the Consultant Services will be performed by the Consultant or under its direct supervision, and that all personnel engaged in such work shall be fully qualified and shall be authorized and permitted under applicable Federal, State and local law to perform such tasks and services. The Consultant shall pay all wages, salaries, and other amounts due to such personnel in connection with their performance of the Consultant Services and as required by law.

1.6 Materials. The Consultant shall equip itself with all necessary goods, materials, equipment and personal property to perform the services specified in this Agreement. The Consultant shall at all times ensure that all goods, materials, equipment and personal property included within the Consultant Services shall be of good quality, fit for the purpose intended.

1.7 Warranty. By executing this Agreement, the Consultant warrants that the Consultant (i) has thoroughly investigated and considered the Consultant Services to be performed, (ii) has carefully considered how the Consultant Services should be performed, and (iii) fully understands the facilities, difficulties, and restrictions attending performance of the Consultant Services.

1.8 Coordination With City. In the performance of the Consultant Services, the Consultant shall report to and receive instructions from the COMMUNITY SERVICES DIRECTOR of the City or his or her designee ("Contract Administrator"). Tasks or services other than those specifically described in the Scope of Work shall not be performed by the Consultant or any sub-consultant or subcontractor without the prior written approval of the Contract Administrator pursuant to Section 1.11 herein.

1.9 Subcontracting Prohibited. The Consultant shall not subcontract the performance of any of the Consultant Services without the prior written approval of the Contract Administrator.

1.10 Project Manager. The Consultant agrees that the following person shall be the project manager on behalf of the Consultant under this Agreement, and shall be principally responsible for performing the Consultant Services:

FARZAD DORRANI, MS – CHIEF EXECUTIVE OFFICER

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 in an amount not to exceed \$70,000 per Fiscal year for a one (1) year term, and including two (2) one-year extensions with allowable annual adjustments per the percentage change in the Los Angeles-Long Beach-Anaheim Consumer Price Index (CPI) for the prior twelve month period for each Agreement extension commencing on October 1, for a total amount that shall not exceed \$210,000. Schedule attached hereto as Exhibit "A".

2.2 Invoices. The Consultant shall invoice the City on a monthly basis for all work performed by the Consultant under this Agreement. Invoices shall include billings for all charges, including authorized direct costs incurred by the Consultant during the month covered by the invoice. All charges for labor or professional services shall describe with specificity the services rendered and shall set forth the number of hours worked and hourly rates in accordance with the Budget and Fee Schedule. Within thirty (30) days of receipt of an invoice, and upon determination by the City that the invoice is in order and that the Consultant has performed all requested or required services in a timely and competent manner, the City shall pay such invoice.

2.3 Record of Payment. The Consultant shall maintain records on all services for and charges to the City under this Agreement for a period of not less than twenty-four (24) months, or for any longer period required by law, after the termination of this Agreement, and make such records available for review and audit if requested by the City at any time during the term, or within twenty-four (24) months, or for any longer period required by law, after the termination of this Agreement. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible.

3. LEGAL RESPONSIBILITIES

3.1 Compliance with Law. The Consultant shall keep fully informed of all Federal and State laws and regional, county, and municipal ordinances and regulations which may in any manner affect those employed by the Consultant or the performance by the Consultant of any tasks or services for or on behalf of the City. The Consultant shall at all times observe and comply with all such laws, ordinances, and regulations, and shall be responsible for the compliance therewith of all work and services performed by the Consultant by or on behalf of the City.

3.2 Independent Contractor. The Consultant is retained as an independent contractor only, for the sole purpose of rendering the Consultant Services, and is not an employee of the City. The City shall have the right to control the Consultant only as to results of the Consultant's services rendered pursuant to this Agreement, and the City shall not have the right to control the means by which the Consultant accomplishes the services performed under this Agreement.

3.3 Non-Discrimination. The Consultant shall not discriminate against any employee or applicant for employment because of any impermissible classification pursuant to Federal or State law, including, but not limited to, race, color, religion, national origin, gender, physical or mental disability, age, military status, sexual orientation, gender identity, gender expression, or marital or familial status. The Consultant shall incorporate the foregoing provisions in all subcontracts.

3.4 Proprietary Information. All proprietary information developed by the Consultant in connection with, or resulting from, this Agreement, including but not limited to inventions, discoveries, improvements, copyrights, patents, maps, reports, textual material, or software programs, shall be the sole and exclusive property of the City, without restriction or limitation upon their use. The Consultant agrees that the compensation to be paid pursuant to this Agreement includes adequate and sufficient compensation for any proprietary information developed in connection with or resulting from the performance of the Consultant Services under this Agreement. The Consultant further understands and agrees that full disclosure of all proprietary information developed in connection with, or resulting from, the performance of services by the Consultant under this Agreement shall be made to the City, and that the Consultant shall do all things necessary and proper to perfect and maintain ownership of such proprietary information by the City. The Consultant hereby agrees to deliver such proprietary information to the City upon the expiration or termination of this Agreement. It is understood and agreed that the proprietary information prepared pursuant to this Agreement is prepared specifically for the City and is not necessarily suitable for any future or other use. The Parties agree that, until final approval by the City, all data, plans, specifications, reports, and other documents are confidential and will not be released to third parties without prior written consent of both Parties unless required by law.

3.5 Patented and Copyright Materials. The Consultant shall assume all costs arising from the use of patented or copyrighted materials, including but not limited to equipment, devices, processes, and software programs, used or incorporated in the services or work performed

by the Consultant under this Agreement. Pursuant to Section 3.7 herein, the Consultant shall indemnify, defend (with legal counsel acceptable to the City), and hold the City and its elected and appointed boards, members, officials, officers, agents, representatives, employees, and volunteers (“City Personnel”) harmless from any and all suits, actions, or proceedings of every nature for or on account of the use of any patented or copyrighted materials.

3.6 Prevailing Wages. The Parties have determined that prevailing wage laws do not apply to this Agreement because the Consultant Services do not include construction, alteration, demolition, installation, or repair work or other otherwise exempt under California’s prevailing wage laws (Lab. Code, § 1720 *et seq.*). Notwithstanding the foregoing, it is agreed by the Parties that, in connection with performance of the Consultant Services, including, without limitation, any and all public works (as defined by applicable law), the Consultant shall bear all risks of payment or non-payment of prevailing wages under California law and/or the implementation of Labor Code Section 1781, as the same may be amended from time to time, and/or any other similar law. Pursuant to Section 3.7 herein, the Consultant shall indemnify, defend (with legal counsel acceptable to the City), and hold the City and City Personnel harmless from and against any liability, loss, damage, cost or expenses (including but not limited to reasonable attorneys’ fees, expert witness fees, court costs, and costs incurred related to any inquiries or proceedings) arising from or related to (i) the noncompliance by the Consultant or any party performing the Consultant Services of any applicable local, state, and/or federal law, including, without limitation, any applicable federal and/or state labor laws (including, without limitation, the requirement to pay state prevailing wages and hire apprentices); (ii) the implementation of Section 1781 of the Labor Code, as the same may be amended from time to time, or any other similar law; and/or (iii) failure by the Consultant or any party performing the Consultant Services on the Consultant’s behalf to provide any required disclosure or identification as required by Labor Code Section 1781, as the same may be amended from time to time, or any other similar law.

3.7 Indemnification.

3.7.1 Indemnification of the City. Except as set forth in subdivision 3.7.2, the Consultant shall indemnify, defend (with legal counsel acceptable to the City), and hold harmless the City and City Personnel from and against any and all actions, suits, claims, demands, judgments, attorneys fees, costs, damages to persons or property, losses penalties, obligations, expenses, or liabilities (“Claims”) that may be asserted or claimed by any person or entity arising out of the Consultant’s performance of any tasks or services for or on behalf of the City, whether or not there is concurrent active or passive negligence on the part of the City and/or any City Personnel, but excluding any Claims arising from the sole negligence or willful misconduct of the City or any City Personnel. The Consultant shall defend any action or actions filed in connection with any such claims or liabilities, and shall pay all costs and expenses, including attorney’s fees incurred in connection therewith. The Consultant shall promptly pay any judgment rendered against the City or any City Personnel for any such claims or liabilities. In the event the City and/or any City Personnel is made a party to any action or proceeding filed or prosecuted for any such Claims arising out of or in connection with the work being performed or services being provided under this Agreement, the Consultant shall pay to the City any and all costs and

expenses incurred by the City or City Personnel in such action or proceeding, together with reasonable attorney's fees and expert witness fees.

3.7.2 Design Professionals. The provisions of this subdivision 3.7.2 apply only in the event that the Consultant is a "design professional" within the meaning of the California Civil Code Section 2782.8(c). If the Consultant is a "design professional" within the meaning of Section 2782.8(c), then notwithstanding subdivision 3.7.1 above, to the fullest extent permitted by law (including, without limitation, Civil Code Sections 2782 and 2782.6), the Consultant shall defend (with legal counsel reasonably acceptable to the City), indemnify, and hold harmless the City and City Personnel from and against any Claim that arises out of, pertains to, or relates to, directly or indirectly, in whole or in part, the negligence, recklessness, or willful misconduct of the Consultant, any sub-consultant, subcontractor, or any other person directly or indirectly employed by them, or any person that any of them control, arising out of the Consultant's performance of any task or service for or on behalf of the City under this Agreement. Such obligations to defend, hold harmless, and indemnify the City or any City Personnel, shall not apply to the extent that such Claims are caused in part by the sole negligence or willful misconduct of the City or such City Personnel. The Consultant's cost to defend the City and/or City Personnel against any such Claim shall not exceed the Consultant's proportionate percentage of fault with respect to that Claim; however, pursuant to Civil Code section 2782.8(a), in the event that one or more defendants is unable to pay its share of defense costs due to bankruptcy or dissolution of the business, the Consultant shall meet and confer with the City (and, if applicable, other parties) regarding any unpaid defense costs. To the extent the Consultant has a duty to indemnify the City or any City Personnel under this subdivision (b), the Consultant shall be responsible for all incidental and consequential damages resulting directly or indirectly, in whole or in part, from the Consultant's negligence, recklessness, or willful misconduct.

3.8 Retention of Funds. The Consultant hereby authorizes the City to deduct from any amount payable to the Consultant (whether arising out of this Agreement or otherwise) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate the City for any losses, costs, liabilities, or damages suffered by the City, and all amounts for which the City may be liable to third parties, by reason of the Consultant's negligent acts, errors, or omissions, or willful misconduct, in performing or failing to perform the Consultant's obligations under this Agreement. The City in its sole and absolute discretion, may withhold from any payment due to the Consultant, without liability for interest, an amount sufficient to cover such claim. The failure of the City to exercise such right to deduct or withhold shall not act as a waiver of the Consultant's obligation to pay the City any sums the Consultant owes the City.

3.9 Insurance. The Consultant shall not commence the performance of any work or services under this Agreement until the Consultant has obtained all insurance required hereunder, nor shall the Consultant allow any sub-consultant or subcontractor to commence services until all such insurance has been obtained by the sub-consultant or subcontractor. Current certification of insurance shall be kept on file with the City at all times during the term of this Agreement. The City reserves the right to require complete, certified copies of all required insurance policies, at any time. All insurance policies shall be issued by an insurance company currently authorized by the California Department of Insurance to transact business of insurance

or is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VI (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager. The Consultant shall take out and maintain at all times during the performance of this Agreement the following policies of insurance:

3.9.1 Workers Compensation Insurance to cover the Consultant's employees as required by law; and the Consultant shall require all subcontractors to provide such compensation insurance for all of the latter's employees. Each such policy of worker compensation insurance shall carry the following endorsements:

(a) "The insurer waives all rights of subrogation against THE CITY OF LA PALMA, its officers, officials, agents, employees, and representatives."

(b) "This insurance policy shall not be canceled, limited or nonrenewed by the insurer until thirty (30) days after receipt by THE CITY OF LA PALMA of a written notice of such cancellation, limitation, or reduction of coverage."

3.9.2 Comprehensive General Liability Insurance for bodily injury, death, and property damage which may arise from the negligent performance of the Consultant, its employees, agents representatives, successors, and assigns while performing work or services under this Agreement, in an amount not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate. Each such policy of insurance shall be in a form satisfactory to the City and shall contain the following endorsements:

(a) "THE CITY OF LA PALMA, its officers, officials, employees, and representatives, are hereby declared to be additional insureds under the terms of this policy with respect to the operations and activities of the named insured at or from the premises of THE CITY OF LA PALMA described above."

(b) "This insurance policy shall not be canceled, limited, or not renewed until thirty (30) days after receipt by THE CITY OF LA PALMA of a written notice of such cancellation, limitation, or reduction of coverage."

(c) "This insurance policy is primary insurance and no insurance held or owned by the designated additional insureds shall be called upon or looked to cover a loss under said policy; THE CITY OF LA PALMA shall not be liable for the payment of premiums or assessments on this policy."

3.9.3 Comprehensive Automobile Liability Insurance, including owned, non-owned, and hired automobiles, in a minimum Combined Single Limit of \$1,000,000 per occurrence for bodily injury, death, and property damage. Each such policy of insurance shall be in a form satisfactory to the City and shall contain the following endorsements:

(a) “THE CITY OF LA PALMA, its officers, officials, employees, and representatives, are hereby declared to be additional insureds under the terms of this policy with respect to the operations and activities of the named insured at or from the premises of THE CITY OF LA PALMA described above.”

(b) “This insurance policy shall not be canceled, limited, or not renewed until thirty (30) days after receipt by THE CITY OF LA PALMA of a written notice of such cancellation, limitation, or reduction of coverage.”

(c) “This insurance policy is primary insurance and no insurance held or owned by the designated additional insureds shall be called upon or looked to cover a loss under said policy; THE CITY OF LA PALMA shall not be liable for the payment of premiums or assessments on this policy.”

3.9.4 Professional Liability Insurance to protect the City from the Consultant’s negligent acts, errors, and omissions of a professional nature, with coverage in a minimum amount of \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this Agreement and the Consultant agrees to maintain continuous coverage through a period no less than three (3) years after completion of the services required by this Agreement.

3.9.5 Renewal of Insurance. At least thirty (30) days prior to the expiration of any policy of insurance required under Paragraph 3.9.1, 3.9.2, 3.9.3 or 3.9.4, a signed complete certificate of insurance, with all endorsements provided herein, showing that such insurance coverage has been renewed or extended, shall be filed with the City.

3.9.6 Prohibited Insurance Provisions. Insurance policies required under Paragraph 3.9.1, 3.9.2, 3.9.3 or 3.9.4, shall not include any limiting provision or endorsement that has not been submitted to the City for approval. By way of example, additional insured endorsements shall not be limited to “ongoing operations,” exclude contractual liability, restrict coverage to the “sole” liability of the Consultant, or contain any other limitation contrary to this Agreement.

3.9.7 Variations to Insurance Requirements. The City may, but is not required to, approve in writing a variation in the foregoing insurance requirements, upon a determination that the coverage, scope, limits, and forms of such insurance are either not commercially available, or that the City’s interests are otherwise fully protected.

3.10 Conflicts of Interest.

3.10.1 City Personnel. No City Personnel shall have any financial interest, direct or indirect, in this Agreement, or participate in any decision relating to this Agreement that affects his or her financial interest or the financial interest of any corporation, partnership, association or other entity in which he or she is interested, in violation of any federal, state or city statute, ordinance or regulation. The Consultant shall not employ any such person while this Agreement is in effect.

3.10.2 Consultant. The Consultant represents, warrants and covenants that he, she or it presently has no interest, direct or indirect, which would interfere with or impair in any manner or degree the performance of the Consultant's obligations and responsibilities under this Agreement. The Consultant further agrees that while this Agreement is in effect, the Consultant shall not acquire or otherwise obtain any interest, direct or indirect, that would interfere with or impair in any manner or degree the performance of the Consultant's obligations and responsibilities under this Agreement. The Consultant acknowledges that pursuant to the provisions of the Political Reform Act (Government Code section 87100 *et seq.*), the City may determine the Consultant to be a "consultant" as that term is defined by the Act. In the event the City makes such a determination, the Consultant agrees to complete and file a "Statement of Economic Interest" with the City Clerk to disclose such financial interests as required by the City. In such event, the Consultant further agrees to require any other person doing work under this Agreement to complete and file a "Statement of Economic Interest" to disclose such other person's financial interests as required by the City.

3.11 No Undue Influence. The Consultant declares and warrants that no undue influence or pressure is used against or in concert with any officer or employee of the City in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the City shall receive compensation, directly or indirectly, from the Consultant, or from any officer, employee, or agent of the Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. The Consultant further warrants that it has not employed or retained any company or person other than a bona fide employee working for the Consultant, to solicit or secure this Agreement and that it has not paid or agreed to pay any company or person any fee, commission, percentage, brokerage fee, gift, or any other consideration contingent upon, or resulting from, the award or making of this Agreement. For breach or violation of this warranty, the City shall have the right to annul this Agreement without liability or, in its discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

3.12 No Benefit to Arise to City Employees. No member, officer, or employee of the City, or their designees or agents, and no public official who exercises authority over or has responsibilities with respect to this Agreement during his/her tenure or for one (1) year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for the Consultant Services to be performed under this Agreement.

4. RIGHTS AND REMEDIES

4.1 Termination By the City. The City reserves and has the right and privileges, at its sole discretion and with or without cause at any time during the term of this Agreement, of suspending, canceling or terminating this Agreement or any work in connection with this Agreement with or without any breach or failure to perform of the Consultant. Upon receipt of any notice of termination from the City, the Consultant shall immediately cease all services hereunder except such as may be specifically approved in writing by the Contract Administrator. In the event of termination under this Section 4.1, all finished or unfinished data, studies, maps, reports, and other items prepared by the Consultant shall become the property of the City, and the

Consultant shall promptly deliver such items to the City. In the event of termination under this Section 4.1, the City shall pay the Consultant for all authorized services performed and for all authorized and invoiced expenses incurred up to the date of termination of this Agreement, on a time and materials basis in accordance with the Budget and Fee Schedule attached hereto as Exhibit "B".

4.2 Performance to the City's Satisfaction. The Consultant agrees to perform all work to the reasonable satisfaction of the City. If the services performed under this Agreement are not satisfactory, 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: Community Services Director

If to the Consultant:

INFRASTRUCTURE ENGINEERS
3060 Saturn Street, Suite 250
Brea, CA 92821
Attn: Farzad Dorrani, MS
Chief Executive Officer

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: DocuSigned by:

E5C9A71858CD4BE...
Michele Steggell, Mayor

ATTEST:

DocuSigned by:

A8BDE008E4C24D6...
Kimberly Kenney, CMC
City Clerk

INFRASTRUCTURE ENGINEERS

By: DocuSigned by:

983B9C542C814D3...
Sid Mousavi

[Title]
By: DocuSigned by:

64F3583FF44E45E...
COO
[Title]

APPROVED AS TO FORM:

RUTAN & TUCKER

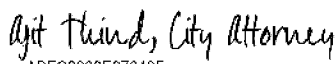
By: DocuSigned by:

ABFC2008E27048F...
City Attorney, City of La Palma

EXHIBIT A

Budget and Fee Schedule



**INFRASTRUCTURE
ENGINEERS**

3060 Saturn Street, Suite 250
Brea, CA 92821
Tel.: (714) 940-0100
Fax: (714) 940-0700
www.infrastructure-engineers.com

October 20, 2022

Michael Belknap
Community Services Director
Community Service Department
7821 Walker Street
La Palma, CA 90623

Subject: Professional Services Agreement for City Engineering Services - Contract Renewal

Dear Mr. Belknap,

On behalf of Infrastructure Engineers (IE), I would like to extend our appreciation for the opportunity to provide professional city engineering services and staff augmentation services to the City of La Palma and the community.

As a courtesy reminder, our Professional Services Agreement (Agreement) for City Engineering Services has been in place since November 7, 2017, and will be ending on November 6, 2022.

With this letter, we are kindly requesting the approval of a new one-year Agreement with two (2) one-year extensions for City Engineering Services, effective November 7, 2022, through June 30, 2023 and continue on an as-needed basis from July 1, 2023 through November 7, 2023.

For the past five years of the agreement, the billing rate has remained unchanged at \$110 per hour. This was a discounted rate utilized from the previous 5-year contract as the assigned staff person changed companies and he remained assigned to La Palma. The current IE billing rate for a City Engineer is \$173 per hour per the current IE rate sheet. As IE has worked with the City, we offer a discounted rate of \$150 per hour with CPI increases annually for City Engineer duties in accordance with the Agreement.

Infrastructure Engineers would be honored to continue providing professional city engineering services to the City of La Palma, and we look forward to receiving confirmation from the City that would allow us that opportunity. With respect and appreciation.

Sincerely,

Farzad Dorrani, MS
Chief Operating Officer

Cc: Conal McNamara, City Manager
Ajit Thind, City Attorney

FD/db

AMENDMENT NO. 1

AGREEMENT BETWEEN THE CITY OF LA PALMA AND INFRASTRUCTURE ENGINEERS, A BOWMAN COMPANY

THIS AMENDMENT NO. 1 ("Amendment No. 1") is made and entered into as of February 6, 2024, by and between the CITY OF LA PALMA ("City"), a municipal corporation and Infrastructure Engineers, a Bowman Company, a California Corporation ("Contractor").

RECITALS

WHEREAS, The parties hereto have previously entered into an Agreement (the "Agreement") for on-call city engineering services on November 1, 2022. A true and correct copy of this Agreement is attached hereto as reference.

WHEREAS, The contractor has provided on-call city engineering services to the City since November 7, 2017, with a renewed contract on November 1, 2022 for two one-year extensions. The City and Contractor desire to extend their Agreement through November 2024.

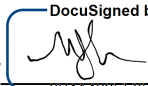
WHEREAS, The City and Contractor may amend the Agreement at any time, by either party, and for any reason. A true and correct copy of this Agreement is attached hereto as reference.

WHEREFORE, the parties desire to amend said Agreement as follows:

1. Extend the Agreement dated November 1, 2022 through November, 2024.
2. As of this writing, the City and Contractor agree the Amendment shall retain the current billing rate of \$150 per hour, with allowable CPI adjustments per the percentage change in the Los Angeles-Long Beach-Anaheim Consumer Price Index (CPI) in accordance with the Agreement.
3. Except as noted above, all other terms of the Agreement dated November 1, 2022, all terms, conditions, and provisions set forth in the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment No. 1 as evidenced by the signatures of their authorized representatives set forth below.

CITY OF LA PALMA:

DocuSigned by:
By 
9B4A422EF855452...
Marshall Goodman
Mayor

ATTEST:

DocuSigned by:



A8BDE008E4C24D6...

Kimberly Kenney, CMC
City Clerk

INFRASTRUCTURE ENGINEERS,
A BOWMAN COMPANY

DocuSigned by:



By

64F3563FF44E45E...

Farzad Dorrani, MS
Principal of Operations

City of La Palma

Agenda Item No. 9



MEETING DATE: November 5, 2024

TO: City Council

FROM: City Manager

SUBMITTED BY: Kimberly Kenney, City Clerk

AGENDA TITLE: Resolution Amending the City Council's Regular Meeting Schedule for January 2025.

RECOMMENDED ACTION:

It is recommended that the City Council adopt a Resolution amending the City's Council's Regular Meeting Schedule for January 2025.

SUMMARY:

The City Council adopted Ordinance 2020-02 on May 5, 2020, which allows the Council to meet on the first and third Tuesdays of each month, with the flexibility to adjust the date, time, and frequency of meetings by resolution. Subsequently, on June 2, 2020, the Council adopted Resolution 2020-29, reducing the frequency of meetings to once a month, held on the first Tuesday. To accommodate the Winter Holiday closure from December 24, 2024, to January 1, 2025, a resolution is moving forward to adjust the January meeting schedule.

BACKGROUND:

The City Council adopted Resolution 2020-29 on June 2, 2020, to reduce meetings to once a month, held on the first Tuesday of each month. This format has been effective for both Staff and the City Council in conducting City business and has become standard practice without impacting operations.

Since 2018, the City Council has cancelled and/or rescheduled the first Regular City Council Meeting in January as a result of the holiday closure of City facilities and have continued to do so since that date. As a result of moving the meetings to once a month on the first day of the month by Resolution, Staff is looking to reschedule the January meeting from January 7, 2025, to January 14, 2025.

CONCLUSION:

Adoption of the resolution rescheduling the first Regular Meeting of the new year to January 14, 2025, will have no impact on operations.

FISCAL IMPACT:

None.

ATTACHMENTS:

1. Resolution changing January 2025 City Council Mtg Date

RESOLUTION NO. 2024-__**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
LA PALMA, CALIFORNIA AMENDING THE DATES OF
CITY COUNCIL MEETINGS FOR THE MONTH OF
JANUARY, 2025.**

WHEREAS, on May 5, 2020, the City Council of the City of La Palma conducted a second reading and adopted Ordinance 2020-02 allowing the City Council to adjust the meeting frequency, dates, and times, by means of Resolution and considered testimony and evidence at the Regular Hearing held with respect thereto; and

WHEREAS, since June 2, 2020, by Resolution 2020-29, the City of La Palma has been able to address the reduction in Agenda Items by approving a meeting schedule from twice a month to once a month, meeting on the first Tuesday of each month, that has to date, not impacted City services and operations; and

WHEREAS, since 2018, the City Council has cancelled and/or rescheduled the first Regular City Council Meeting in January as a result of the holiday closure of City facilities and have done so without impacting operations.

NOW, THEREFORE, the City Council of the City of La Palma does hereby adopt a Resolution rescheduling the January 2025 meeting date to January 14, 2025, as permitted by Ordinance 2020-02.

APPROVED AND ADOPTED by the City Council of La Palma at a regular meeting on the 5th day of November, 2024.

Marshall Goodman
Mayor

ATTEST:

Kimberly Kenney, CMC
City Clerk

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

I, KIMBERLY KENNEY, City Clerk of the City of La Palma, California, DO HEREBY CERTIFY that the foregoing Resolution was adopted by the City Council of said City at a regular meeting of said City Council held on the 5th day of November, 2024, and that it was so adopted by called vote as follows:

AYES:

NOES:

Kimberly Kenney, CMC
City Clerk

City of La Palma

Agenda Item No. 10



MEETING DATE: November 5, 2024

TO: City Council

FROM: City Manager

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

AGENDA TITLE: Award a Contract for Water Leak Asphalt Repairs

RECOMMENDED ACTION:

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

1. Award a Contract to G.M. Sager Construction Co., Inc. for an amount not to exceed \$28,727 for water leak asphalt repairs; and
2. Authorize the City Manager to execute all required documents

BACKGROUND:

Since July, the City has experienced eleven water service line leaks at various locations. Each situation required the excavation of City streets to identify and perform repairs by both Water staff and emergency contractors. As a result, temporary asphalt patches and road plates remain in place at each leak location. Permanent asphalt repairs to City streets have been deferred to obtain quotes and economies of scale for best pricing.

SUMMARY:

City staff recently requested pricing for permanent asphalt repairs and received three proposals. After a review, staff concluded that the proposal submitted by G.M. Sager Construction Co., Inc. is the lowest bid and complies with restoring City streets. The three vendors and their associated proposed costs are as follows:

VENDOR NAME	PROPOSED COST
G.M. SAGER CONSTRUCTION CO INC.	\$28,727.00
E&R CONSTRUCTION	\$28,777.00
VALVERDE CONSTRUCTION, INC.	\$98,157.34

FISCAL IMPACT:

The FY 24/25 Budget allocates sufficient funds for this project within the Water Fund (050-460-6000-00000).

ATTACHMENTS:

1. G.M. Sager Construction Co., Inc. Proposal

Proposal/Contract
G. M. SAGER CONSTRUCTION CO., INC.

A GENERAL ENGINEERING CONTRACTOR
1380 SOUTH EAST END AVENUE, POMONA CA 91766
(909) 620-9987 ♦ (626) 335-7429 ♦ FAX (909) 620-5288
State Lic. #607796 DIR# 1000010280



Attachment 1

No. COLP101724

PROPOSAL SUBMITTED TO CITY OF LA PALMA	CONTACT CARLO NAFARRETE	PHONE	DATE 10/17/2024
STREET 7822 WALLER ST	JOB NAME VARIOUS LOCATIONS		THOMAS GUIDE
CITY, STATE ZIP LA PALMA, CA 90623	JOB LOCATION VARIOUS LOCATIONS, LA PALMA, CA		
DATE OF PLANS	FAX #	EMAIL PWSUPERVISOR@CITYOFLAPALMA.ORG	

We propose hereby to furnish material and labor complete in accordance with specifications below for the sum of:

THIRTY THOUSAND TWO HUNDRED SIXTY DOLLARS AND 00/100. \$30,260.00

PAYMENT TO BE AS FOLLOWS: UPON COMPLETION

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from specifications below involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workers' Compensation Insurance.

Authorized Signature _____

Note: This Proposal may be withdrawn by us if not accepted within 60 Days.

We hereby submit specifications and estimates for:

SCOPE OF WORK

5831 CRESTVIEW CIR

1. SAWCUT, REMOVE AND REPLACE 153 SF OF ASPHALT AT 5" THICK. \$3,050.00

7671 CARBON CIR

1. SAWCUT, REMOVE AND REPLACE 120 SF OF ASPHALT AT 5" THICK. \$2,900.00

5812 WARWICK CIR

1. SAWCUT, REMOVE AND REPLACE 40 SF OF ASPHALT AT 5" THICK. \$2,525.00

5812 IRIS CIR

1. SAWCUT, REMOVE AND REPLACE 240 SF OF ASPHALT AT 5" THICK. \$3,810.00

5232 PEMBURY DR

1. SAWCUT, REMOVE AND REPLACE 48 SF OF ASPHALT AT 5" THICK. \$2,560.00

7891 LEMONWOOD CIR

1. SAWCUT, REMOVE AND REPLACE 70 SF OF ASPHALT AT 5" THICK. \$2,665.00

4661 DANA DR

1. SAWCUT, REMOVE AND REPLACE 48 SF OF ASPHALT AT 5" THICK. \$2,560.00

4941 SHARON DR

1. SAWCUT, REMOVE AND REPLACE 35 SF OF ASPHALT AT 5" THICK. \$2,500.00

5151 BRANSFORD DR

1. SAWCUT, REMOVE AND REPLACE 63 SF OF ASPHALT AT 5" THICK. \$2,630.00

7362 DOUGLAS CIR

1. SAWCUT, REMOVE AND REPLACE 42 SF OF ASPHALT AT 5" THICK. \$2,535.00

7152 RAMPART LN

1. SAWCUT, REMOVE AND REPLACE 40 SF OF ASPHALT AT 5" THICK. \$2,525.00

TOTAL: \$30,260.00

Note: Prevailing Wage
Pricing valid for 60 days.

Exclusions: Petromat Removal, Steel Plates, Soil Testing, Compaction Testing, Inspection Fees, Surveying, RPM'S, Traffic Loops.

Prices subject to change according to job or special conditions (i.e. unusual traffic conditions, size of job, change in city or county building Code Inspectors requirements, special material, night work.

"NOTICE TO OWNERS"

(section 7018,7019 - Contractors License Law)

Under the Mechanic's Lien Law, any contractor, subcontractor, laborer, material man or other person who helps to improve your property and is not paid for his labor, services or material, has the right to enforce his claim against your property. This means that, after a court hearing, your property could be sold by a court officer and the proceeds of the sale used to satisfy the indebtedness. This can happen even if you have paid your contractor in full, if the subcontractor, laborer or supplier remains unpaid.

Under the law, you may protect yourself against such claims by filing, before commencing such work of improvement, an original contract for the work of improvement or a modification thereof, in the office of the county recorder of the county where the property is situated and requiring that a contractor's payment bond be recorded in such office. Said bond shall be in an amount not less than fifty percent (50%) of the contract price and shall, in addition to any conditions for the performance of the contract, be conditioned for the payment in full of the claims of all persons furnishing labor, services, equipment or materials for the work described in said contract.

Acceptance of Proposal - The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Date of Acceptance _____

Signature _____

City of La Palma

Agenda Item No. 11



MEETING DATE: November 5, 2024

TO: City Council

FROM: City Manager

SUBMITTED BY: Joseph Cisneros, Deputy City Manager

AGENDA TITLE: Award of Contract for a Citywide Cost Allocation Plan & Comprehensive User Fee Study

RECOMMENDED ACTION:

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

1. Authorize the City Manager to execute a Professional Services Agreement with Revenue & Cost Specialists (RCS) in the amount of not to exceed \$23,450 to complete a Citywide Cost Allocation Plan and Comprehensive User Fee Study, and
2. Allocate \$23,450 from the General Fund's unreserved fund balance to cover the cost of the project.

BACKGROUND:

In September 2024, the City issued a Request for Proposals (RFP) from qualified firms with expertise performing comprehensive cost allocation and user fee studies for California municipalities. The RFP scope included a cost of services and user fee study, and comprehensive cost allocation plan to ensure that the City of La Palma is utilizing comprehensive overhead rates and accurately accounting for the true cost of providing various internal and public-facing City services.

The current user fee study and cost allocation plan was completed in 2022 by Revenue & Cost Specialists (RCS). Since that time, the cost of services, staffing, and staffing rates have changed significantly, resulting in the City's need to reassess the user fees.

ANALYSIS:

At the RFP submission deadline, the City received three (3) qualified bids from reputable and qualified firms in the Orange County area. (See table below)

Company	Location	Bid
Matrix Consulting Group, Ltd.	Irvine, CA	\$50,000
Willdan Financial Services	Anahiem, CA	\$40,820

After review of each proposal, staff determine Revenue & Cost Specialists to be the most competitive and qualified to complete the Citywide Cost Allocation Plan & Comprehensive User Fee Study. All three firms possess the necessary background and experience to meet our needs, which is a positive outcome of the selection process. However, when evaluating methodology, approach, and cost, RCS clearly stood out, requiring the fewest hours to complete the project, and their pricing at more than 50% lower than the high bid, making them the most cost-effective option. Additionally, RCS has a great deal of experience working with the City of La Palma, having completed similar work in 2009 and 2022 for the City.

PROPOSAL:

As part of the RCS proposal, the first step will produce a Cost Allocation Plan (CAP), which is necessary in calculating the fully burdened hourly rates for employees, and is a highly effective way to distribute the overhead costs to funds, departments, and the end-user services, and will make the full costs of services more defensible and compliant with Propositions 4, 218 and 26.

Through a series of focused meetings with staff, RCS will draw from the most knowledgeable person on the subject matter. RCS will work with staff over the next few months to present the final report to the City Council at the April or May 2025 Council meeting. Pending approval, the new study and subsequent fees will go into effect with the Fiscal Year 2025/26 Budget on July 1, 2025.

Project Timeline	Month 1	Month 2	Month 3	Month 4	Month 5
CAP & User Fee Studies					
Obtain Budget & Personnel Data					
Review Service List					
Review Staff Time Allocations					
Develop Fully Burdened Hourly Rates					
Review Draft & Final Reports					
Prepare for City Council Meeting					

FISCAL IMPACT:

Approval of this request will allocate \$23,450 from the General Fund's unreserved balance to the Professional Services Contract account within the City Manager's division (001-120-6000-00000). This adjustment will cover the anticipated expenses without impacting other allocated funds.

ATTACHMENTS:

1. RCS Proposal for Cost Allocation Plan and Citywide Fee Study
2. RCS Agreement



Proposal for the City of La Palma

COST ALLOCATION PLAN & CITYWIDE FEE STUDY



1519 E Chapman Ave
Suite C
Fullerton, CA 92831
(714) 992-9020
www.revenuecost.com

TABLE OF CONTENTS

September 18, 2024

Cover Letter	3
Project Team	4
Firm's Experience/References	8
Methodology/Project Understanding.....	10
Project Timeline	15
References	16
Cost for Services	17
Indemnification.....	18





September 18, 2024

City of La Palma
Attn: Joseph Cisneros, Deputy City Manager
City of La Palma
7821 Walker St
La Palma, CA 90623

Proposal – Cost Allocation Plan & Citywide Fee Study

Revenue & Cost Specialists, LLC (RCS) appreciates the opportunity to respond with this proposal to develop a Cost Allocation Plan and Citywide Fee Study. We have been providing fee studies and other costing services since 1980, making us the first and foremost expert in costing services for California. RCS' skill set will generate maximum accountability for the City of La Palma. We have a history of delivering quality reports with defensible data that can be acted on and adopted.

Our processes are straightforward, analytical and require minimal staff time. In the end, we strive to ensure that the City of La Palma will be able to confidently stand behind the information and recommendations in the Report. As former city staff ourselves, we understand how La Palma operates, what you want, and that your time is precious. If selected, RCS can begin work immediately.

Based next door in Fullerton, we can provide timely support to City staff for years to come. The terms of this proposal will be honored for 90 calendar days from the date of submittal. Please contact Eric at (714) 992-9027 or eric@revenuecost.com with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Eric S. Johnson', with a stylized flourish at the end.

ERIC S. JOHNSON
President

LA PALMA PROJECT TEAM

While all RCS principals have worked independently on projects, Rick Kermer will be the project manager involved with the City of La Palma with Eric Johnson available as needed.

For the sake of continuity, only RCS principals will interact with City staff, as our specialization and expertise will allow staff to focus on other City functions. We thoroughly understand and will be involved in every phase of the fee study, advising City staff when necessary.

Mr. Kermer's and Mr. Johnson's resumes are included in this proposal on the following pages.

Eric S. Johnson

President

EDUCATION

Bachelor of Arts in Political
Science - University of
Redlands

AFFILIATIONS

California Society of
Municipal Finance Officers

Government Finance Officers
Association

Mr. Johnson serves as President of Revenue & Cost Specialists with over 34 years of professional knowledge in cost recovery model and user fee studies. He focuses on providing a positive experience for RCS clients, which minimizes staff interruptions yet still produces a comprehensive, defensible study that is adopted by the governing board.

Municipal Experience

City of Redlands – Redevelopment Intern (1987-1989)

Relevant Project Experience

City of Long Beach – Comprehensive Fee Study: RCS was selected in 2019 to perform a multi-year comprehensive update of Long Beach’s 2,850 fees, fines and permits.

City of Santa Clarita – Cost Allocation Plan and Comprehensive Fee Study: RCS developed a Cost Allocation Plan and Comprehensive Fee Study for the City most recently in 2024 and has also updated the Cost Allocation Plan every year since 2011. RCS has been providing these services for the City since 1995.

City of Santa Barbara – Cost recovery model and Comprehensive Fee Study: RCS completed a Development Services Fee Study 2019 and a Fire Department Fee Study in 2020. The City Council adopted changes to its fee schedule.

City of Carson – Cost Allocation Plan and Comprehensive Fee Study: RCS completed a Cost Allocation Plan and Comprehensive Fee Study for the City in 2022, and the City Council adopted the suggested user fees in 2023.

City of Lompoc – Cost recovery model and Comprehensive Fee Study: RCS completed a Comprehensive Fee Study for the City originally in 2015 and most recently in 2022, in which the City adopted the suggested user fees.

ALBERT RICHARD ("RICK") KERMER, JR.

EDUCATION

Bachelor of Arts - University of Chicago-Economics

Master of Business Administration - University of Chicago-Accounting and Math Methods/Computers

PROFESSIONAL CERTIFICATION

Certified Public Accountant, State of California (Retired)

PROFESSIONAL EXPERIENCE

Revenue & Cost Specialists/Management Services Institute - Partner

(1979-Present) Former President and current President-Emeritus of a diversified management services company.

City of Buena Park-Director of Finance/City Treasurer

(1976-1979) Managed a department responsible for administering the budget and general accounting plus water billing, treasury management, business licensing and data processing of a full-service city. Developed and implemented an integrated on-line financial and program budgeting system. Prepared City's first Annual Financial Report for FY 1978-79 which received a CSMFO Meritorious Award.

Municipal Finance Consultant, Lecturer and Author

(1976-Present) Performed accounting and financial assistance to numerous municipal governments. Assisted redevelopment agencies, housing authorities, and other specialized districts. Provided contractual accounting services to cities including service as Acting Controller of Compton.

Lecturer on governmental accounting, budgeting, cost accounting and risk management at the University of Southern California. Speaker at several League of California Cities meetings on risk management and cost accounting. Co-author of several articles on risk management published by the Municipal Finance Officers Association and Western Cities magazine. Co-author of the League of California Cities publication, Cost Accounting for California Cities.

City of Lynwood-Fiscal Officer

(1975-1976) Created Finance Department. Established centralized purchasing and review of accounts payable. Administered risk management program. Organized utility billing system for accounting control and follow-up on delinquents.

Lance, Soll & Lunghard, CPAs-Senior Auditor

(1971-1975) Audited the Cities of Bell, California City, Claremont, Costa Mesa, Duarte, El Monte, Lynwood, Montclair, Oxnard, Rialto, San Dimas and Whittier. Recommended warrant processing and receipting procedures. Reviewed internal control and recommended changes to strengthen same. Prepared annual financial reports and monitored adherence to generally accepted accounting procedures.

Publications:

Co-Author of Cost Accounting for California Cities, League of California Cities, 1981 Sacramento, CA

ALBERT RICHARD ("RICK") KERMER, JR.- (continued)

CLIENTS SERVED

SERVICE COST STUDIES

City of Alhambra
City of Banning
City of Big Bear Lake
City of Brea
City of Calimesa
City of Carlsbad
City of Carpinteria
City of Ceres
City of Chino
City of Claremont
City of Coachella
County of Contra Costa
City of Corona
City of Cudahy
City of Draper, Utah
City of Dinuba
City of Dublin, Ohio
City of Folsom
City of Fontana
City of Foster City
City of Fountain Valley
City of Fullerton
City of Goodyear, Arizona
City of Hemet
City of Highland
City of Huntington Beach
County of Imperial
City of Jurupa Valley
City of La Mirada
City of La Palma
City of Lake Forest
City of Lemoore
City of Lindsay
City of Los Altos
City of Lynwood
City of Mammoth Lakes
City of Marina
City of Merced
City of Milpitas
City of Mission Viejo
City of Monrovia
City of Monterey
City of Moreno Valley
City of Morgan Hill
City of Norwalk
City of Oakdale
City of Oceanside
Oceanside Harbor District
City of Palmdale
City of Palm Desert
City of Pasadena
City of Petaluma
City of Pittsburg
City of Pomona

SVC. COST STUDIES (cont.)

City of Port Hueneme
City of Rancho Cordova
City of Rancho Cucamonga
City of Rancho Palos Verdes
City of Red Bluff
City of Redlands
City of Rialto
City of Richmond
City of Riverside
City of Rocklin
City of Salinas
City of San Bernardino
City of San Bruno
City of San Clemente
City of San Juan Capistrano
City of San Rafael
City of Sanger
City of Santa Clarita
City of Scotts Valley
City of Seal Beach
City of Selma
City of Sierra Madre
City of Solana Beach
City of South Gate
City of South Lake Tahoe
City of South Pasadena
City of Springville, Utah
City of Temple City
City of Thousand Oaks
City of Tulare
City of Turlock
City of Upland
City of Vallejo
City of Villa Park
City of Vista
City of Westminster
City of West Jordan, Utah

COST ALLOCATION PLAN

City of Alhambra
City of Buena Park
City of Carlsbad
City of El Cajon
City of Fountain Valley
City of Fullerton
City of Lynwood
City of Petaluma
City of Rancho Cordova
City of Rialto
City of San Bruno
City of San Rafael
City of Solana Beach
City of Springville, Utah
City of Thousand Oaks

**COST ALLOCATION PLAN
(cont.)**

City of Vallejo
Or.Co. Vector Control District

CASH MANAGEMENT

City of Buena Park
City of Commerce
City of Compton
La Mirada Civic Theater
City of Palmdale

**ACCOUNTING
PROCEDURES**

City of Buena Park
Commerce Redev. Agency
City of Compton
City of La Habra
City of La Palma
City of Morgan Hill
City of Palmdale
South Gate Housing Authority

DATA PROCESSING

City of La Palma
Ontario-Montclair Sch. District
City of Palmdale
City of San Clemente
City of South Gate
City of Villa Park

ORG. & MGMT

City of La Mirada
Ontario-Montclair Sch. District
City of South Gate
City of Vista

UTILITY RATE STUDIES

City of Brea
City of Chino
City of El Segundo
City of South Gate

**LONG RANGE FINANCIAL
PLAN**

City of Chino
City of Cudahy
City of Lake Elsinore
City of South Gate
City of Hesperia
City of Turlo

FIRM'S EXPERIENCE AND REFERENCES

RCS HISTORY

Revenue & Cost Specialists, LLC (Taxpayer ID No. 330787781) was founded in 1980 by two former City Managers and a Finance Director (Rick Kermer) who, after the passage of Propositions 13 and 4, discovered that user fees were a legal option to recover lost municipal revenues. Four decades later, RCS continues its focus on cost allocation and fee calculation services.



After the passage of AB 1600 in 1988, our company added impact fee calculation services to help municipalities finance public facility expansion. In those early years, RCS principals published articles and presented at conferences, helping California municipal employees understand how fees work. Our early work is the foundation of how fees and cost allocation plans are calculated today.

In 2000, RCS created Government Software Systems to develop robust costing software that serves fee calculation needs better than spreadsheets. Our company has provided additional services to municipalities that include long-range financial planning, accounting procedures and utility rate studies.

RCS continues to thrive through repeat business, referrals and references. As a small business, RCS takes only a handful of new clients each year, allowing us to spend substantial time with them. In 2024, RCS celebrates its 44th year in business and is looking forward to another 40 plus years of partnering with municipalities.

QUALIFICATIONS

RCS' principals make up the Limited Liability Company, which has been financially stable since the company started. Combined, RCS principals have over 100 years of experience in cost allocation plans and fee studies and served over 250 municipalities. We have provided these services to a wide array of public agencies, from the smallest special district to larger and more complex cities and counties. Though based in Orange County, we engage in projects throughout the State of California.

RCS principals specialize in:

- **User Fee Studies**
- **Cost Allocation Plans**
- **Development Impact Fee Studies**
- **Special Financial Management Studies and Reports**

These specializations allow RCS to focus on every aspect of municipal fees and be the best of what we do. We are confident in our project time estimates and do not respond to RFPs when the project workload exceeds our capacity. We have suggested new fees that are not common practice throughout the state and have challenged and removed municipal fees that were not defensible. We have assisted municipalities in streamlining their fee-based processes.

All RCS principals have prior city experience, serving as analysts, managers or directors. We are all knowledgeable in fund accounting, department structures and municipal services. We stay current on pending financial and legal issues that challenge municipalities. All principals are comfortable speaking with city staff at all levels, drafting reports and resolutions, and presenting them to the public, stakeholders and City Council members.

Eric Johnson, President, has streamlined and perfected the process of CAP and User Fee Study engagements. With over 30 years and hundreds of studies completed, Eric has created a superior process that demands little staff time while obtaining maximum results. Eric quickly understands complex city services and how to calculate fees for them. He relates well with elected officials because he responds with candor and brevity. If you speak to any of Eric's prior or current clients, they will tell you how easy the process was.

Rick Kermer, President-Emeritus, was one of the founders of RCS. Rick used his CPA and audit experience to build cost allocation and user fee spreadsheets and software that passes rigorous analysis and reporting accounting standards. Rick's work is the foundation of all the fee study work offered today. He is now semi-retired, taking only a handful of projects each year.

METHODOLOGY/PROJECT UNDERSTANDING

The City of La Palma wants to identify the full costs of all operational services that are either currently charged a fee or could be charged a fee.

RCS will first update the City's Total-Cost Cost Allocation Plan (CAP), which is necessary in calculating the fully burdened hourly rates for employees and is an effective way to distribute the overhead costs to other funds, departments, and the end-user services. Our Total-Cost Cost Allocation Plan is powerful in capturing the maximum overhead charges to enterprise funds.

Next, RCS will perform the fee study, reviewing the staff time and program costs involved with each service and calculating the full cost of services for each fee. The proposed fee structure will recover these costs in the most equitable and efficient way possible. The user fees will represent how operations are conducted in the City, and may involve flat fees, deposits, valuation-based fees, step-increase fees, or a combination of these. The eventual fee recommendations included in the final report and master fee resolution will be defensible, easy to understand, and be supported by City staff.



The most important part of our work is performed through a series of focused meetings with staff. Scheduled meetings commit staff to the timeline and ensure that our study draws from the most knowledgeable person on the subject matter. A series of meetings also gives City staff time to digest and reflect on the information generated. RCS uses only company principals with more than 20-plus years of experience to conduct these meetings, which makes the process quicker and the results more accurate. Our process provides the City with well-documented and defensible service costs that will be used to develop fees that comply with Propositions 4, 218 and 26.

We also identify 100% of the staff time on 100% of the services they provide. This gives City staff a complete perspective on their time allocations instead of merely looking at time allocations for individual services in a vacuum. These methods will ensure that City staff feels confident about the data and, therefore, confident in supporting the results in public hearings.

The other key result of identifying 100% of City services is that we are identifying not only the cost of fee services, but of community-supported services, such as police, street and park maintenance services. This allows us to have a real discussion with real numbers with the City Council about tax subsidy policy. Since we are identifying the full costs of fee services, we are also identifying the current subsidy of general tax dollars for these services. Therefore, we can show the City Council how much fee services are subsidized at the expense

of community-supported services. Does the City want to continue to use precious tax dollars to support, for instance, a bathroom remodel and permitting inspection that only benefits a particular property owner or use those tax dollars on things that can only be supported by tax dollars, like police patrol and park maintenance? They will now have that information to be able to make that conscious choice.

Changing the discussion from fee increases to tax subsidy policy along with RCS' experience in successfully presenting the results of similar studies to City Councils ensures that the City will be able to meet its policy objectives.

RCS will provide the City of La Palma with the requested printed and electronic copies of the final versions of the *Cost of Services Study* and *Cost Allocation Plan*, including related schedules and cost documentation in a format that can be edited and updated by City staff to accommodate desired changes.

Project Kick-Off

Task 1: Prepare City Data

RCS will review and prepare necessary files for the project. This includes obtaining and reviewing prior user fee reports and fee schedules, line-item budget details, salary schedules, MOUs and fringe benefit details.

Task 2: Kick-off Meeting

RCS will conduct a Citywide meeting, explaining the operational methodology of the study and the role of staff. We will review any possible issues that may arise as well as answer any questions from staff about the process. This meeting is crucial for the process as we want to ensure that everyone understands the various steps in the process and what is expected of them.

Cost Allocation Plan

Task 1: Identify Central Services and Allocate Staff Time

RCS will meet with various departments to identify and review central services and allocate staff time and costs for those services. Examples of central services include payroll, risk management, and facility maintenance. City staff time involved in the meetings would be approximately 1-2 hours per central service department.

Task 2: Develop Allocation Factors

RCS will meet with City staff to develop the allocation factors for each central service identified in the above task. These factors will form the basis for determining fully burdened hourly rates and allocating central service costs. This meeting will be

concurrent with the time allocation meeting. Though City staff involvement in data gathering is a function of the availability of the required information, RCS will develop allocation factors that are easily reproducible from year to year but still equitably allocate central service costs. RCS will calculate allocations to the functional centers and review the results with the managers of the various central service departments. City staff time to review the results of the allocations will be less than 1 hour per department.

Task 3: Prepare and Review Draft Cost Allocation Plan with City

RCS will prepare a Draft Report with allocations to end user departments using our 20-step allocation model. RCS will review this Draft Report with the City's management, making any necessary adjustments to ensure that costs are allocated properly.

Task 4: Prepare Final Cost Allocation Plan

RCS will then prepare a Final Report with allocations to end user departments. These results will be used for the general overhead component of the Fee Study and can also be used to determine the amounts for transfers to the General Fund for support provided to other funds. RCS will provide the City's requested number of printed copies, as well as a PDF file of the Overhead Cost Allocation Study. RCS will also provide a computer-based model for adjusting these fees and charges for the City's current and future needs, providing an electronic copy of the final study that can be edited and updated as needed. RCS will consult with City Staff as necessary to defend the cost allocation plan in the event of audits or other challenges.

User Fee Study

Task 1: Review the Service List with Staff

RCS will review the service list through meetings with City staff. We will also work with Departmental staff to determine any changes to the fee calculation methods. The end result, whichever method is used, will be a fee structure that best fits the City going forward. While this list will change during the course of the Study as it is refined, it will be the initial basis from where we start. City staff time for this review will be approximately 1 hour per department.

Task 2: Staff Time/Contract Cost Allocations

RCS will interview personnel providing end-user services to ensure that costs from all functional areas directly involved with a service are included in the cost of that service. This component will form the bulk of the time spent by staff. There will be two to four meetings with supervisory level staff in each functional area to create and verify the amount of time spent by staff on the services identified in the task above.

We do not ask City staff to do our job by filling out forms detailing how they spend their time. This interactive process, and the fact that we allocate 100% of all departmental staff, ensures that the information being generated is valid and reliable. Total time commitment per department varies from 2-20 hours, through a series of working meetings.

Task 3: Develop Fully Burdened Hourly Rates

RCS will develop a fully burdened hourly rate for each departmental employee, including salaries and benefits, miscellaneous operating services and supply costs, citywide overhead and departmental overhead.

Task 4: Prepare Draft Report

RCS will prepare a Draft Report that identifies the total costs for each service, along with current fees, and makes fee recommendations for each service presented as well potential new fees for services the City provides but does not charge for. Service costs will be compared with existing recovery levels. RCS will review this report with the departments so that each will have input on the fees presented in the Final Report. City staff time would be approximately 1-2 hours per department for those departments that have fee services.

Task 5: Prepare Final Report

Based on staff input, RCS will prepare a Final Report, which will have recommendations for new fees, subsidy percentages and revenue projections from those fees. The Report will include text and summary tables that will clearly explain the results and the context. All recommended fees will comply with Propositions 4, 218, 26 and any other applicable laws. RCS will provide a PDF file of the Final Report. Any Master Fee Schedule revisions will also be made available in Word, Excel and/or PDF formats. RCS will provide a computer-based model for adjusting these fees and charges for the City's current and future needs, providing an electronic copy of the final study that can be edited and updated as the need arises and allowing for the requirements referred to in the City's RFP. RCS will consult with staff as needed to defend the fee study in the event of audits or other challenges.

Task 6: Present Report to the City Council

RCS will assist City staff, the City Council in the review and adoption of revised service fees and subsidy percentages, at up to three public meetings. RCS will assist City staff in the implementation of the revised service fees.

Comments on Update, Software & A87 CAP

UPDATE. This proposal is for an update to the work done by RCS in 2022. RCS still has the files that were used for the last update. That means RCS can spend more time analyzing the current fees and suggesting new fees while also passing along savings to the City.

SOFTWARE. The City already owns our software. If the City has staff available to use software to update its costs and fees, RCS can merely provide training to that staff which would be a fraction of the cost of paying for a full update or study.

There is a fantasy that a spreadsheet program exists which would be just as thorough and simpler to use than the RCS software. RCS/MSI started with spreadsheet programs and used them for twenty years. It was this experience that made us realize that spreadsheets could not perform as well as database software.

RCS can prepare a simple spreadsheet to incorporate salary and benefit changes for the years between full updates, if the City desires.

A87 CAP. An A87 Cost Allocation Plan is necessary to recover costs from federal and some state programs. The RCS software can prepare the calculations for an A87 CAP. However, there is record-keeping that is necessary to have a valid A87. That would include the need for all City Administrative staff to keep up-to-date daily timesheets to justify overheads. As former city staff ourselves, RCS understands that this would create a hassle that would far exceed any benefit to the City. There are simple spreadsheet models for Gas Tax overhead recovery. Additionally, most cognizant agencies are willing to negotiate an overhead rate that would eliminate the need for an A87 CAP.

RCS prepares a Total-Cost Cost Allocation Plan as part of the update as this generates the greatest benefit to the City.

PROJECT TIMELINE

RCS is available to begin work immediately with the proposed schedule outlined below. This schedule, of course, will require the cooperative participation of City staff.

Project Timeline	Month 1	Month 2	Month 3	Month 4	Month 5
CAP & User Fee Studies					
Obtain Budget & Personnel Data					
Review Service List					
Review Staff Time Allocations					
Develop Fully Burdened Hourly Rates					
Review Draft & Final Reports					
Prepare for City Council Meeting					

ONSITE MEETINGS AND VIDEO CONFERENCING MEETINGS

RCS will utilize our Zoom account, or any video conferencing platform of the City's choosing, to facilitate all working meetings. Our experience has determined that the use of video conferencing is more flexible in scheduling meetings, permitting City staff to quickly access reports and files on their computers, and allowing everyone to view and discuss the same documents at the same time. Department meetings will be 30 minutes to two hours each. We would be on-site to present the report at all City Council meetings; and, because we are so close, to attend any on-site staff meetings as desired.

CLIENT INPUT

RCS will make every effort to advise, seek input from and, in general, explain the work as it is being performed. For a project to be completed successfully, we depend on dedicated and engaged staff participation. Most of the staff participation is to attend working meetings with RCS. There will be no "homework" to be completed and returned to us.

The City should also designate a Project Coordinator for the fee study who will:

- 1) Identify key City staff and coordinate the kick-off meeting(s)
- 2) Assist in obtaining requested information
- 3) Coordinate the review of draft reports, and
- 4) Provide project direction if needed

REFERENCES

Jurisdiction	Contact	Title
City of Buena Park	Sung Hyun (714) 562-3713	Finance Director shyun@buenapark.com
RCS completed a Cost Allocation Plan and Comprehensive Fee Study for the City in 2021, and the City Council adopted the suggested user fees in 2021.		
City of Highland	Leticia Nava-Cruz (909) 864-6861	Dir. of Administrative Services LNavaCruz@cityofhighland.org
RCS completed a Comprehensive Fee Study for the City most recently in 2021 and are currently working on another update for the City.		
City of Long Beach	Geraldine Alejo (562) 570-5478	Revenue Management Officer Geraldine.Alejo@longbeach.gov
RCS was selected in 2019 to perform a three-year comprehensive update of Long Beach's 2,850 fees, fines and permits.		
City of Santa Barbara	James Hamilton (805) 564-5504	Comm Dev Business Manager JHamilton@SantaBarbaraCA.gov
RCS completed a Development Services Fee Study 2019 and a Fire Department Fee Study in 2020. The City Council adopted changes to its fee schedule.		
City of Santa Clarita	Carmen Magana (661) 255-4997	Admin Services Director cmagana@santa-clarita.com
RCS developed a Cost Allocation Plan and Comprehensive Fee Study for the City most recently in 2024 and has also updated the Cost Allocation Plan every year since 2011. RCS has been providing these services for the City since 1995.		

COST FOR SERVICES

Revenue & Cost Specialists propose the following project costs, with a **NOT TO EXCEED AMOUNT OF \$23,450**.

Task	Milestones/Deliverables	Hours	Total Cost
Cost Allocation Plan			
Review Central Services/Times	List of Central Services	8	1,400
Develop Allocation Factors	Index of Allocation Factors	12	2,100
Initial Calculation Review	Draft Cost Allocation Plan	8	1,400
Prepare Final Cost Allocation Plan	Final Cost Allocation Plan	8	1,400
	Cost Allocation Plan	36	\$6,300
User Fee Study			
Kick-Off Meeting	Informational Meeting	3	525
Build Budget and Positions	Schedule of Positions and Budget	8	1,400
Develop Service List	Preliminary Service List	3	525
Develop Staff Time Allocations	Time Detail Reports	22	3,850
Develop Fully Alloc. Hourly Rates	Fully Alloc. Hourly Rate Reports	8	1,400
Prepare Draft Report	Draft Fee Study Report	20	3,500
Prepare Final Report	Final Report	28	4,900
Public Meetings	Presentations	6	1,050
	User Fee Study	98	\$17,150
	PROJECT TOTAL	134	\$23,450

The above proposal is based on a cost of \$175 per hour. The billing rate for any additional work not covered by this proposal would be \$195 per hour. Our proposal covers all costs except for the following additional costs that the City may incur:

- Meeting attendance beyond those identified in this proposal.
- Insurance coverage beyond our basic general liability and workers compensation requiring an additional premium. RCS standard coverage includes workers compensation pursuant to state law, comprehensive liability Insurance with a combined single limit coverage of \$2,000,000 and professional liability insurance with a combined coverage of \$2,000,000.

RCS will submit four equal invoices plus any miscellaneous costs from the previous paragraph. The first invoice will be submitted ten days after notice to proceed. Each invoice will be due within 30 days of submission.

INDEMNIFICATION

The City's Professional Services Contract language regarding Indemnification is overly onerous and puts all of the risk on RCS. While we have no issue being responsible for our actions, we can't be responsible for unsubstantiated claims. Therefore, we suggest the following indemnification language:

"Consultant shall indemnify the City, its elected officials, officers and employees from any demands, judgments, and all liability including, but not limited to, monetary or property damage, lost profit, personal injury, wrongful death, general liability, infringement of copyright/patent/trademark, professional errors and omissions, investigative expenses, attorney fees, and court costs arising out of an error, a negligent act, or omission of the Consultant, or the willful misconduct of the Consultant in performing the services described in, or normally associated with, this type of contracted work."

**AGREEMENT FOR CONSULTANT SERVICES
REVENUE & COST SPECIALISTS, LLC**

THIS AGREEMENT FOR CONSULTANT SERVICES (hereinafter, the “Agreement”), is entered into as of **NOVEMBER 5, 2024**, by and between the CITY OF LA PALMA, a municipal corporation (hereinafter, the “City”), and **REVENUE & COST SPECIALISTS, LLC (RCS)**, 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. The Consultant shall perform all Consultant Services, and each component thereof, within the time periods set forth in the Scope of Work.

1.3 Standard of Performance. The Parties mutually acknowledge that the City has retained the Consultant to perform the Consultant Services based upon the special skills, expertise, and experience of the Consultant. Accordingly, in performing the Consultant Services, the Consultant shall use the skill and care that a highly specialized professional with significant expertise in the field, would use under similar circumstances. To the extent that the Consultant retains sub-consultants or subcontractors to perform any portion of any of the Consultant Services, to the extent permitted hereunder, the Consultant has a duty to the City to ensure that the tasks and services performed by such sub-consultants and subcontractors meet the same highly specialized professional level, skill, and expertise expected of the Consultant.

1.4 Licenses, Permits, Fees, and Approvals. The Consultant shall obtain at its sole cost and expense such licenses, permits, and approvals as may be required by law for the performance of the Consultant Services prior to commencing work. The Consultant and its employees, agents, and sub-consultants or subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required for the performance of the Consultant Services. The Consultant shall have the sole obligation to pay for any fees, assessments, and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Consultant's performance of the Consultant Services, and shall indemnify, defend and hold harmless the City and City Personnel against any such fees, assessments, taxes, penalties or interest levied, assessed, or imposed against the City hereunder.

1.5 Personnel. The Consultant shall at all times allocate sufficient qualified personnel as required to perform the Consultant Services. The Consultant represents that the Consultant Services will be performed by the Consultant or under its direct supervision, and that all personnel engaged in such work shall be fully qualified and shall be authorized and permitted under applicable Federal, State and local law to perform such tasks and services. The Consultant shall pay all wages, salaries, and other amounts due to such personnel in connection with their performance of the Consultant Services and as required by law.

1.6 Materials. The Consultant shall equip itself with all necessary goods, materials, equipment and personal property to perform the services specified in this Agreement. The Consultant shall at all times ensure that all goods, materials, equipment and personal property included within the Consultant Services shall be of good quality, fit for the purpose intended.

1.7 Warranty. By executing this Agreement, the Consultant warrants that the Consultant (i) has thoroughly investigated and considered the Consultant Services to be performed, (ii) has carefully considered how the Consultant Services should be performed, and (iii) fully understands the facilities, difficulties, and restrictions attending performance of the Consultant Services.

1.8 Coordination With City. In the performance of the Consultant Services, the Consultant shall report to and receive instructions from the City Manager of the City or his or her designee ("Contract Administrator"). Tasks or services other than those specifically described in the Scope of Work shall not be performed by the Consultant or any sub-consultant or subcontractor without the prior written approval of the Contract Administrator pursuant to Section 1.11 herein.

1.9 Subcontracting Prohibited. The Consultant shall not subcontract the performance of any of the Consultant Services without the prior written approval of the Contract Administrator.

1.10 Project Manager. The Consultant agrees that the following person shall be the project manager on behalf of the Consultant under this Agreement, and shall be principally responsible for performing the Consultant Services:

ERIC S. JOHNSON
Revenue & Cost Specialists, 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.

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 demands, judgments, attorneys fees, costs, damages to persons or property, losses penalties, obligations, or expenses arising out of the Consultant’s acts, omissions, or negligence. This indemnity obligation shall not apply to Claims arising from the sole negligence or willful misconduct of the City or any City Personnel.

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:

<u>If to the City:</u>	CITY OF LA PALMA 7822 Walker Street La Palma, CA 90623 Attn: Joseph Cisneros, Deputy City Manager (714) 690-3358
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<u>If to the Consultant:</u>	REVENUE & COST SPECIALISTS, LLC 1519 E Chapman Ave., Suite C Fullerton, CA 92831 (714) 992-9020
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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: Eric Johnson
4436A3B055BA40A...
Eric Johnson President Revenue & Cost Specialists, LL
[Title]

By: _____

[Title]

APPROVED AS TO FORM:

RUTAN & TUCKER

By: _____
City Attorney, City of La Palma

EXHIBIT A

Scope of Work

METHODOLOGY/PROJECT UNDERSTANDING

The City of La Palma wants to identify the full costs of all operational services that are either currently charged a fee or could be charged a fee.

RCS will first update the City's Total-Cost Cost Allocation Plan (CAP), which is necessary in calculating the fully burdened hourly rates for employees and is an effective way to distribute the overhead costs to other funds, departments, and the end-user services. Our Total-Cost Cost Allocation Plan is powerful in capturing the maximum overhead charges to enterprise funds.

Next, RCS will perform the fee study, reviewing the staff time and program costs involved with each service and calculating the full cost of services for each fee. The proposed fee structure will recover these costs in the most equitable and efficient way possible. The user fees will represent how operations are conducted in the City, and may involve flat fees, deposits, valuation-based fees, step-increase fees, or a combination of these. The eventual fee recommendations included in the final report and master fee resolution will be defensible, easy to understand, and be supported by City staff.



The most important part of our work is performed through a series of focused meetings with staff. Scheduled meetings commit staff to the timeline and ensure that our study draws from the most knowledgeable person on the subject matter. A series of meetings also gives City staff time to digest and reflect on the information generated. RCS uses only company principals with more than 20-plus years of experience to conduct these meetings, which makes the process quicker and the results more accurate. Our process provides the City with well-documented and defensible service costs that will be used to develop fees that comply with Propositions 4, 218 and 26.

We also identify 100% of the staff time on 100% of the services they provide. This gives City staff a complete perspective on their time allocations instead of merely looking at time allocations for individual services in a vacuum. These methods will ensure that City staff feels confident about the data and, therefore, confident in supporting the results in public hearings.

The other key result of identifying 100% of City services is that we are identifying not only the cost of fee services, but of community-supported services, such as police, street and park maintenance services. This allows us to have a real discussion with real numbers with the City Council about tax subsidy policy. Since we are identifying the full costs of fee services, we are also identifying the current subsidy of general tax dollars for these services. Therefore, we can show the City Council how much fee services are subsidized at the expense

of community-supported services. Does the City want to continue to use precious tax dollars to support, for instance, a bathroom remodel and permitting inspection that only benefits a particular property owner or use those tax dollars on things that can only be supported by tax dollars, like police patrol and park maintenance? They will now have that information to be able to make that conscious choice.

Changing the discussion from fee increases to tax subsidy policy along with RCS' experience in successfully presenting the results of similar studies to City Councils ensures that the City will be able to meet its policy objectives.

RCS will provide the City of La Palma with the requested printed and electronic copies of the final versions of the *Cost of Services Study* and *Cost Allocation Plan*, including related schedules and cost documentation in a format that can be edited and updated by City staff to accommodate desired changes.

Project Kick-Off

Task 1: Prepare City Data

RCS will review and prepare necessary files for the project. This includes obtaining and reviewing prior user fee reports and fee schedules, line-item budget details, salary schedules, MOUs and fringe benefit details.

Task 2: Kick-off Meeting

RCS will conduct a Citywide meeting, explaining the operational methodology of the study and the role of staff. We will review any possible issues that may arise as well as answer any questions from staff about the process. This meeting is crucial for the process as we want to ensure that everyone understands the various steps in the process and what is expected of them.

Cost Allocation Plan

Task 1: Identify Central Services and Allocate Staff Time

RCS will meet with various departments to identify and review central services and allocate staff time and costs for those services. Examples of central services include payroll, risk management, and facility maintenance. City staff time involved in the meetings would be approximately 1-2 hours per central service department.

Task 2: Develop Allocation Factors

RCS will meet with City staff to develop the allocation factors for each central service identified in the above task. These factors will form the basis for determining fully burdened hourly rates and allocating central service costs. This meeting will be

concurrent with the time allocation meeting. Though City staff involvement in data gathering is a function of the availability of the required information, RCS will develop allocation factors that are easily reproducible from year to year but still equitably allocate central service costs. RCS will calculate allocations to the functional centers and review the results with the managers of the various central service departments. City staff time to review the results of the allocations will be less than 1 hour per department.

Task 3: Prepare and Review Draft Cost Allocation Plan with City

RCS will prepare a Draft Report with allocations to end user departments using our 20-step allocation model. RCS will review this Draft Report with the City's management, making any necessary adjustments to ensure that costs are allocated properly.

Task 4: Prepare Final Cost Allocation Plan

RCS will then prepare a Final Report with allocations to end user departments. These results will be used for the general overhead component of the Fee Study and can also be used to determine the amounts for transfers to the General Fund for support provided to other funds. RCS will provide the City's requested number of printed copies, as well as a PDF file of the Overhead Cost Allocation Study. RCS will also provide a computer-based model for adjusting these fees and charges for the City's current and future needs, providing an electronic copy of the final study that can be edited and updated as needed. RCS will consult with City Staff as necessary to defend the cost allocation plan in the event of audits or other challenges.

User Fee Study

Task 1: Review the Service List with Staff

RCS will review the service list through meetings with City staff. We will also work with Departmental staff to determine any changes to the fee calculation methods. The end result, whichever method is used, will be a fee structure that best fits the City going forward. While this list will change during the course of the Study as it is refined, it will be the initial basis from where we start. City staff time for this review will be approximately 1 hour per department.

Task 2: Staff Time/Contract Cost Allocations

RCS will interview personnel providing end-user services to ensure that costs from all functional areas directly involved with a service are included in the cost of that service. This component will form the bulk of the time spent by staff. There will be two to four meetings with supervisory level staff in each functional area to create and verify the amount of time spent by staff on the services identified in the task above.

We do not ask City staff to do our job by filling out forms detailing how they spend their time. This interactive process, and the fact that we allocate 100% of all departmental staff, ensures that the information being generated is valid and reliable. Total time commitment per department varies from 2-20 hours, through a series of working meetings.

Task 3: Develop Fully Burdened Hourly Rates

RCS will develop a fully burdened hourly rate for each departmental employee, including salaries and benefits, miscellaneous operating services and supply costs, citywide overhead and departmental overhead.

Task 4: Prepare Draft Report

RCS will prepare a Draft Report that identifies the total costs for each service, along with current fees, and makes fee recommendations for each service presented as well potential new fees for services the City provides but does not charge for. Service costs will be compared with existing recovery levels. RCS will review this report with the departments so that each will have input on the fees presented in the Final Report. City staff time would be approximately 1-2 hours per department for those departments that have fee services.

Task 5: Prepare Final Report

Based on staff input, RCS will prepare a Final Report, which will have recommendations for new fees, subsidy percentages and revenue projections from those fees. The Report will include text and summary tables that will clearly explain the results and the context. All recommended fees will comply with Propositions 4, 218, 26 and any other applicable laws. RCS will provide a PDF file of the Final Report. Any Master Fee Schedule revisions will also be made available in Word, Excel and/or PDF formats. RCS will provide a computer-based model for adjusting these fees and charges for the City's current and future needs, providing an electronic copy of the final study that can be edited and updated as the need arises and allowing for the requirements referred to in the City's RFP. RCS will consult with staff as needed to defend the fee study in the event of audits or other challenges.

Task 6: Present Report to the City Council

RCS will assist City staff, the City Council in the review and adoption of revised service fees and subsidy percentages, at up to three public meetings. RCS will assist City staff in the implementation of the revised service fees.

EXHIBIT B

Budget and Fee Schedule

COST FOR SERVICES

Revenue & Cost Specialists propose the following project costs, with a **NOT TO EXCEED AMOUNT OF \$23,450**.

Task	Milestones/Deliverables	Hours	Total Cost
Cost Allocation Plan			
Review Central Services/Times	List of Central Services	8	1,400
Develop Allocation Factors	Index of Allocation Factors	12	2,100
Initial Calculation Review	Draft Cost Allocation Plan	8	1,400
Prepare Final Cost Allocation Plan	Final Cost Allocation Plan	8	1,400
	Cost Allocation Plan	36	\$6,300
User Fee Study			
Kick-Off Meeting	Informational Meeting	3	525
Build Budget and Positions	Schedule of Positions and Budget	8	1,400
Develop Service List	Preliminary Service List	3	525
Develop Staff Time Allocations	Time Detail Reports	22	3,850
Develop Fully Alloc. Hourly Rates	Fully Alloc. Hourly Rate Reports	8	1,400
Prepare Draft Report	Draft Fee Study Report	20	3,500
Prepare Final Report	Final Report	28	4,900
Public Meetings	Presentations	6	1,050
	User Fee Study	98	\$17,150
	PROJECT TOTAL	134	\$23,450

The above proposal is based on a cost of \$175 per hour. The billing rate for any additional work not covered by this proposal would be \$195 per hour. Our proposal covers all costs except for the following additional costs that the City may incur:

- Meeting attendance beyond those identified in this proposal.
- Insurance coverage beyond our basic general liability and workers compensation requiring an additional premium. RCS standard coverage includes workers compensation pursuant to state law, comprehensive liability Insurance with a combined single limit coverage of \$2,000,000 and professional liability insurance with a combined coverage of \$2,000,000.

RCS will submit four equal invoices plus any miscellaneous costs from the previous paragraph. The first invoice will be submitted ten days after notice to proceed. Each invoice will be due within 30 days of submission.

City of La Palma

Agenda Item No. 12



MEETING DATE: November 5, 2024

TO: City Council

FROM: City Manager

SUBMITTED BY: Joseph Cisneros, Deputy City Manager

AGENDA TITLE: Approval of Upgrades for Citywide Information Technology (IT) Infrastructure

RECOMMENDED ACTION:

It is recommended that the City Council take the following actions to upgrade the City's Information Technology (IT) Infrastructure:

1. Approve and authorize the City Manager to execute an agreement to upgrade all City computers currently using Office 2019 to Office 365 for \$14,040 annually, with a 5% annual increase for subscription services;
2. Approve and authorize the City Manager to execute a 36-month agreement with RingCentral to upgrade all City phones and phone support services for \$18,200 annually;
3. Approve and authorize the City Manager to execute an agreement with Verve for 100M Dedicated Backup Internet Access at a cost of \$8,100 annually;
4. Approve and authorize expenditures with Infinity Technologies to implement the IT infrastructure upgrades in the amount not to exceed \$40,000 and
5. Appropriate and transfer \$81,000 from the Information Technology Replacement Fund (IT Fund) unreserved fund balance to IT Fund's Office Equipment expense account (064-650-8030-00000).

BACKGROUND:

City of La Palma employees depend on Information Technology (IT) infrastructure to fulfill various departmental duties and city obligations. In 2020, the City upgraded its computer software by purchasing Microsoft Office 2019, moving from the previous version, Office 2013, due to the end of support in 2023. Since then, staff have been closely monitoring the evolving IT landscape, recognizing the need to upgrade technology to ensure compatibility with ongoing support and Microsoft services.

The latest update to the IT Microsoft Office market is Office Microsoft 365, which is a subscription-based service that provides a comprehensive suite of productivity tools and applications for both

personal and business use. It includes popular software such as Word, Excel, PowerPoint, and Outlook, along with cloud services like OneDrive and Microsoft Teams for collaboration and communication. Additionally, Microsoft 365 offers features like enhanced security, regular updates, and access to the latest versions of applications across multiple devices.

Additionally, due to advancements in Microsoft Office, staff is planning to upgrade the phone system, which is also due for an update. The current phone system, purchased in 2014, has been supported by a third-party vendor agreement. In recent years, the system and hardware have encountered issues, such as phone replacements and outages. To address these problems, staff aims to implement a cloud-based system compatible with Microsoft 365, transitioning the City from copper lines to fiber, which is considered a best practice in the industry.

ANALYSIS:

At the start of the Fiscal Year 2024-25, staff began researching various upgrades to the City's IT infrastructure and communication equipment. The proposed upgrades include:

- Transitioning to Microsoft Office 365, which will enhance the efficiency and support of the City's workstation office suites and email by moving them to the cloud.
- Upgrading the City's phone system, which is over 10 years old, to RingCentral.
- Engaging a backup Internet Service Provider (ISP) to ensure emergency connectivity if the City's current internet service experiences intermittent failures, allowing the City to maintain internet access and continue providing services during outages.
- To implement these upgrades, the City has asked Infinity Technologies to assist and has been provided a 1-time cost of \$40,000 to complete the upgrades, which are expected to take nearly 6 months to complete.

	Monthly	Annual	IT One-Time Implementation Costs	Year 1	Ongoing (Beginning FY25/26)
Microsoft Office 365 (Workstation Tools and Email Systems)	\$1,170	\$14,040	\$25,000	\$39,040	\$14,742 (5% annual increase)
RingCentral (Phone System Services, Support, and Maintenance)	\$1,511	\$18,128	\$15,000	\$33,128	\$19,800
Verve (Backup ISP)	\$675	\$8,100	\$0	\$8,100	\$8,505
Total	\$3,356	\$40,268	\$40,000	\$80,268	\$41,375

Microsoft Office 365

Effective October 14, 2025, Office 2019 will no longer receive security updates or technical support from Microsoft. As a result, staff recommends that the City transition to the cloud version, which offers ongoing support and updates at a significantly lower cost compared to the initial \$35,000 expenditure for Office 2019 and Exchange (email) licenses in 2020. This upgrade will also ensure continuous support from Microsoft for the City's email system, thereby reducing the support burden currently

managed by the City's IT contractor.

Before transitioning to Office 365, the City reserved a .gov domain as mandated for all municipalities by federal requirements. In 2022, the Office of Management and Budget (OMB) directed all U.S. government agencies to adopt .gov or .mil domains to improve cybersecurity, build public trust, and ensure consistency across public-facing digital government platforms. This requirement aims to reduce the risk of phishing, fraud, and cyber threats by ensuring that government websites are easily identifiable, secure, and trustworthy for users. The directive emphasizes several key aspects:

- **Security and Trust:** The .gov and .mil domains are restricted to federal, state, local, and tribal government entities in the United States, making them a secure and recognized standard for government websites. This limitation deters bad actors from impersonating government entities on other domains, such as .com or .org, where phishing and spoofing attempts are more common.
- **Compliance and Timeline:** Agencies are given a specific timeline to transition fully to .gov or .mil domains, as the OMB seeks to standardize the digital presence of government entities. This measure supports the Cybersecurity and Infrastructure Security Agency (CISA) in monitoring and safeguarding government online assets.
- **Cost and Support:** The federal government has allocated resources to support agencies during this transition, covering costs associated with acquiring a .gov domain and providing technical guidance to manage the change effectively.
- **Consistency and User Experience:** For citizens, a consistent use of .gov and .mil domains across federal, state, and local governments improves the online experience by making it easier to recognize legitimate government websites. This initiative is part of a broader move to standardize digital government services, ensuring citizens can easily and confidently navigate online government resources.

This directive represents an essential move to secure government digital communications, enhance public trust, and align all government entities with current cybersecurity standards. Through the OMB portal, the City has reserved the domain www.lapalmaca.gov, with the transition anticipated to occur in the first quarter of 2025.

RingCentral

In conjunction with the planned upgrade to Office 365, staff deemed it both prudent and proactive to seek bids to replace the City's 10+-year-old phone system, which has experienced issues related to its age. Additionally, the City's third-party phone service vendor, PacketFusion, has advised the City to explore cloud-based communication platforms as replacements for its current copper wire lines, as support for these lines is expected to end soon as more municipalities move to cloud service. The City currently incurs an annual cost of approximately \$7,600 for PacketFusion's phone service, and by moving to the cloud the City would cease the need for on-going support through this vendor. In collaboration with the City's IT contractor, Infinity Technologies, staff solicited proposals from Dialpad, GoToConnect, and RingCentral, ultimately selecting RingCentral as the most capable and cost-effective option for the City.

	Monthly Service Costs (City Phone Lines)	AnnuallyService Costs (City Phone Lines)
Dialpad, Inc.	\$1,833.42	\$22,001.04
GoToConnect	\$1,599.12	\$19,189.44

RingCentral	\$1,340.94	\$16,091.16
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RingCentral is a cloud-based communications platform that provides a range of business communication and collaboration tools, including voice, video conferencing, team messaging, and contact center solutions. Designed primarily for organizations, it allows employees to communicate seamlessly across various channels and devices. Key features include:

- **VoIP and Phone System:** Offers voice over IP (VoIP) services, virtual phone numbers, and call routing.
- **Video Conferencing:** Enables high-quality video meetings with screen sharing and other collaborative features.
- **Team Messaging:** Provides messaging channels for team communication, similar to tools like Slack.
- **Contact Center:** Includes features for customer service, such as call routing and CRM integration, often used in customer support operations.

RingCentral streamlines communication efforts within organizations, making it easier for staff to connect from different locations while supporting remote and hybrid work.

In addition to updating the phone service, staff recommends replacing the City's existing Shortel phones, which are over 10 years old, with Yealink business phones, as recommended by RingCentral and the City's IT contractor. The estimated cost to replace 62 phones citywide is approximately \$11,500, which would be covered through a monthly plan that includes a 3-year warranty and maintenance agreement. After the 3-year period, the City would own the phones and could choose to extend the warranty if desired.

Verve (Backup ISP)

Given the City's reliance on the internet to deliver services and communicate with residents, staff recommends purchasing and implementing a backup Internet Service Provider (ISP) as an additional safeguard should the current internet service provider (Spectrum) experience downtime. This measure aligns with best practices for municipalities, especially as the City increasingly adopts cloud-based solutions for services like online permitting, agenda management, and the monthly newsletter. Staff and Infinity Technologies sought bids for backup internet services, ultimately recommending Verve due to its capabilities, cost-effectiveness, and low installation costs.

Bandwidth	Verve (Backup ISP)	ACC (Backup ISP)	Spectrum (Backup ISP)
100M Fiber	\$675.00	\$793.00	\$525.00
250M Fiber	\$925.00	\$1,037.16	N/A
500M Fiber	\$1,015.00	\$1,224.00	\$899.00
1Gig Fiber	\$1,295.00	\$1,647.00	\$1,049.00
Installation	\$0.00	\$150.00	\$250.00

Information Technology Replacement Fund

The City maintains an Information Technology Replacement Fund (IT Fund), with a current balance

of approximately \$1.2 million, dedicated to covering the full replacement value of the City's technology infrastructure, ensuring a sustainable and reliable network for all departments. Through the annual budget process, each department is allocated costs for ongoing IT services, supporting consistent technological operations across city functions. Over time, the City has strategically set aside \$125,000 specifically for the replacement of the City's phone system and other essential technology upgrades. To advance these initiatives, staff recommends that the City Council approve an appropriation of \$81,000 from the IT Fund to cover the first year's costs of these upgrades, ensuring continued access to vital technology resources without impacting other departmental budgets. Future ongoing expenses will be incorporated into the City's annual budget to maintain and support this infrastructure.

FISCAL IMPACT:

Staff recommends that the City Council approve an appropriation and transfer of \$81,000 from the unreserved balance of the Information Technology Replacement Fund (IT Fund) to the Office Equipment expense account (#064-650-8030-00000) within the IT Fund. With a current balance of approximately \$1.2 million, the IT Fund will decrease by \$81,000 to cover the project costs. The estimated expense for the first year totals \$80,400. Starting in FY 2025/26, ongoing costs projected at \$41,500 annually will be incorporated into future budgets, ensuring continued support and reliability of IT services across City departments.

ATTACHMENTS:

1. Zones CSP Agreement for Office 365 Subscriptions
2. RingCentral Enterprise Service Agreement
3. Verve Customer Service Order Form

ZONES CLOUD SOLUTION PROVIDER AGREEMENT

This Zones Cloud Solutions Provider Agreement (“**CSP Agreement**”) by and between Zones, LLC (“**Zones**”), with an address at 1102 15th Street SW, Suite 102, Auburn, WA 98001-6524, and **CITY OF LA PALMA** with an address at **7822 Walker Street, La Palma, CA 90623, USA** is effective as of **11/05/2024**.

Zones sells subscriptions to certain on-line services hosted by Microsoft Corporation (“**Microsoft**”), including but not limited to Office 365 Services, Microsoft Azure Services, and Microsoft Intune Online Services (“**Microsoft Services**”). Customer desires to purchase from Zones, and Zones desires to sell to Customer, one or more such subscriptions (each a “**Subscription**”) pursuant to the terms and conditions of this CSP Agreement.

This CSP Agreement sets forth the terms and conditions under which Customer will pay the amounts due on each invoice issued by Zones (“**Invoice**”) for Subscription(s) to certain Microsoft Services purchased under the terms of a separate agreement (“**Sales Agreement**”).

1. CUSTOMER CONTACT INFORMATION.

Contact	Joseph Cisneros		
Phone #	(714) 690-3358	Email	jcisneros@cityoflapalma.org

Customer may update the contact information above by sending an email notification to the following email address: CloudBilling@zones.com. After fifteen (15) calendar days, such updates will be reflected in the next Invoice.

2. PRODUCT INFORMATION.

Publisher/Suite	Microsoft/ M365	Zones Order No.	
Sales Agmt Type	CSP	Sales Agmt #	

3. PAYMENT.

3.1. Payment Frequency. Customer authorizes payment according to the date and frequency set forth in the table below:

Monthly Subscription	Monthly from the next business day following purchase or renewal
Annual (or Triennial) Subscription	Annually from the next business day following purchase or renewal
Perpetual License	One-time payment at the time of order or as otherwise agreed

3.2. Payment Method. Customer authorizes Zones to obtain payment from Customer as follows (mark a box):

- ☐ Customer agrees that, in the case of a perpetual license, a purchase order submitted by Customer authorizes Zones to submit an invoice for such purchase and Customer shall pay the amounts due thereunder. In the case of a subscription, an open account purchase order submitted by Customer authorizes Zones to submit Invoices in a recurring manner, as appropriate for the Services purchased and/or licensed under the Sales Agreement(s), and Customer shall pay the amounts due thereunder. * If a customer wishes to use any credit terms with Zones, it must elect this open account option.

PO Contact		PO No.	
Department		Dept Address	

- ☐ Customer authorizes Zones to charge Customer’s (separately provided) credit card for the amount due under each Invoice submitted by Zones, as appropriate for the Services purchased under the Sales Agreement(s).*

Zones will contact Customer by telephone to obtain credit card information that will be used for payment due under the first month's Invoice and that will be kept on file for payments due under later Invoices. *[This option is available only for monthly installments, not annual installments. This option will result in immediate credit card charges upon processing of the monthly invoice by Zones]*

* Invoice amounts may vary depending on the number of active licenses and Services. Amounts invoiced in any given month will reflect the then-current number of active licenses, managed services, and/or proration charges.

4. TERM.

- 4.1. This CSP Agreement is in full force and effect, beginning on the Effective Date and continuing until the earlier of: (a) termination by either party following the attached Zones Standard Terms and Conditions; and (b) termination or expiration of the Sales Agreement (the "Term").
- 4.2. For monthly licensing purchases, Zones may terminate this CSP Agreement on thirty (30) days' prior notice sent to Customer's address set forth above. Unless terminated as set forth in this Section, monthly licensing purchases will auto renew pursuant to the payment frequency of the previous subscription.
- 4.3. For yearly licensing purchases, either party may only terminate this CSP Agreement upon thirty (30) days' notice prior to the annual renewal of the Effective Date with notice sent to the other party's address set forth above. Unless terminated as set forth in this Section, yearly licensing purchases will auto renew pursuant to the payment frequency of the previous subscription.

5. INCORPORATED TERMS.

The following terms and conditions are hereby incorporated into this CSP Agreement by this reference:

- The Zones Standard Terms and Conditions that are attached hereto as Exhibit A;
- The Zones Cloud Solutions Provider Quote that is attached hereto as Exhibit B; and
- The Microsoft Cloud Agreement currently in effect and available for review at the Microsoft website accessed at <https://www.microsoft.com/licensing/docs/customeragreement>.

Each Party represents that this CSP Agreement is agreed and has been executed below by its duly authorized representative.

ZONES, LLC

By: _____
Name: Monique Elser
Title: Director, Supply Planning & Procurement
Date: _____

CITY OF LA PALMA

By: _____
Name: _____
Title: _____
Date: _____

Exhibit A

ZONES STANDARD TERMS AND CONDITIONS

1. **Any Pricing Subject to Change.** The pricing set out in Zones Cloud Solutions Provider Quote is subject to change if Microsoft changes its pricing to Zones.

2. **Subscription Cancellation.** Certain licenses and/or Azure Subscription quantities can be increased or decreased at any time without penalty up to and including zero (0) subscriptions which will end billing, beginning as of the next billing cycle. Azure Subscriptions and CSP Legacy quantities of existing subscriptions can be increased or decreased at any time without penalty up to and including zero (0) units which will end billing, beginning as of the next billing cycle. CSP NCE seat-based subscriptions can only be increased without penalty as of the next billing cycle during the CSP NCE agreement term (which may be month-to-month or have a 1- or 3-year subscription term). Decreasing quantities of CSP NCE seat-based subscriptions can only be applied upon renewal of the next CSP NCE agreement term.

3. **Right to Use.** Subject to the terms and conditions of this Agreement, Zones and its suppliers grant Customer the right to access and use the Services and to install and use any software included with Customer's subscription for the Services, as further described in this Agreement. Zones and its suppliers reserve all other rights.

4. **Prohibited Activities.** Customer may use the Services only in accordance with this Agreement. Customer may not reverse engineer, decompile, disassemble, or work around technical limitations in the Services, except to the extent applicable law permits it despite these limitations. Customer may not disable, tamper with, or otherwise attempt to circumvent any mechanism that meters Customer's use of the Services. Customer may not rent, lease, lend, resell, transfer, or host the Services, or any portion thereof, to or for third parties.

5. **Acceptable Use.** Customer shall comply with the then current acceptable use policy for the Services. Neither Customer, nor those that access any Services through Customer, may use the Services (a) in a way prohibited by law, regulation, governmental order or decree; (b) to violate the rights of others; (c) to try to gain unauthorized access to or disrupt any service, device, data, account or network; (d) to spam or distribute malware; (e) in a way that could harm the Services or impair anyone else's use of it; or (f) in any application or situation where failure of the Services could lead to the death or bodily injury of any person, or to severe physical or environmental damage. Customer agrees that any violation of the terms of this section may result in Zones or its suppliers immediately suspending Customer's use of the Services without liability to Customer.

6. **Customer Data.** Customer is solely responsible for the content of all data (including all text, sound, video, image files, and software) that are provided by or on behalf of Customer through use of the Services ("Customer Data"). Customer will secure and maintain all rights in Customer Data necessary for the Services to be provided to Customer without violating the rights of any third party or otherwise obligating Zones or its suppliers to Customer or to any third party. Zones and its suppliers do not and will not assume any obligations with respect to Customer Data or to Customer's use of the Services other than as expressly set forth in this Agreement or as required by applicable law.

7. **Responsibility for Customer's Accounts.** Customer is responsible for maintaining the confidentiality of any

authentication credentials associated with Customer's use of the Services. Customer is responsible for the actions of all individuals who use the Services through Customer's account. Customer must promptly notify Zones and its suppliers about any possible misuse of Customer's accounts or authentication credentials or any security incident related to the Services.

8. **Support.** Zones will provide commercially reasonable operational and technical support to Customer for all Services ordered under this Agreement.

9. **Fees and Payment.** The initial fees for the Services are set forth on the applicable Zones Cloud Solutions Provider Quote. Fees for additional Services shall be charged by Zones at its then current rates. Customer shall pay all sales, use, value added, or other applicable taxes, duties, or similar charges except income taxes of Zones. All payments are due within 30 days after the date of Zones' invoice unless other arrangements have been approved. Any amounts not paid when due shall accrue interest at 1.5% per month or the maximum amount allowed by law, whichever is less. Customer is liable to Zones for all reasonable fees and expenses, including reasonable attorney's fees, collection agency fees, and other costs that Zones may incur to collect invoiced amounts.

10. **Software.** To enable optimal access and use of certain Services, Zones or its suppliers may allow Customer to install and use certain software in connection with Customer's use of the Services. Zones or its suppliers may check the version of the software Customer is using and recommend or download updates, with or without notice, to Customer's devices. Failure to install updates may affect Customer's ability to use certain functions of the Services. Customer must uninstall the software when Customer's right to use it ends. Zones or its suppliers may also disable it at that time. Zones and its suppliers license software to Customer, they do not sell it. License transfers are not permitted.

11. **Warranty Disclaimer.** ZONES AND ITS SUPPLIERS MAKE NO REPRESENTATIONS ABOUT THE SUITABILITY OF THE INFORMATION CONTAINED IN THE MATERIALS PROVIDED IN CONNECTION WITH THE SERVICES FOR ANY PURPOSE. ALL SUCH MATERIALS AND SERVICES, ARE PROVIDED "AS IS" AND "WITH ALL FAULTS" WITHOUT WARRANTY OF ANY KIND. ZONES AND ITS SUPPLIERS HEREBY DISCLAIM ALL WARRANTIES AND CONDITIONS WITH REGARD TO THE FOREGOING, INCLUDING ALL WARRANTIES AND CONDITIONS OF MERCHANTABILITY, WHETHER EXPRESS, IMPLIED, OR STATUTORY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NON- INFRINGEMENT. THE SERVICES COULD INCLUDE TECHNICAL INACCURACIES OR TYPOGRAPHICAL ERRORS. ZONES AND ITS SUPPLIERS MAY, BUT ARE NOT OBLIGATED TO, MAKE IMPROVEMENTS AND/OR CHANGES TO THE SERVICES AT ANY TIME AND WITHOUT NOTICE TO CUSTOMER.

12. **Limitation of Liability.** IN NO EVENT SHALL ZONES OR ITS SUPPLIERS BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES OR ANY DAMAGES WHATSOEVER RESULTING FROM LOSS OF USE, DATA OR PROFITS, WHETHER IN AN ACTION OF CONTRACT, NEGLIGENCE OR OTHER TORTIOUS ACTION, ARISING OUT OF OR IN CONNECTION WITH THE USE OR PERFORMANCE OF THE SERVICES, ANY PROVISION OF OR FAILURE TO PROVIDE THE SERVICES, OR ANY INFORMATION AVAILABLE FROM THE SERVICES. THE AGGREGATE LIABILITY OF ZONES AND ITS SUPPLIERS ARISING UNDER THIS AGREEMENT WILL NOT EXCEED ONE HUNDRED U.S. DOLLARS

(\$100.00 USD).

13. Indemnity. Customer agrees to indemnify, defend, and hold harmless Zones, and its officers, directors, shareholders, employees, contractors, agents, representatives, successors and assigns from and against any damage, claim, loss, expense (including reasonable attorneys' fees and damage to any person or property), occurring as a result of (i) Customer's use or inability to use the Services (including but not limited to claims: (A) for libel, slander, invasion of privacy, identity theft, or invasion or alteration of private records or data; (B) for infringement of patents, copyrights, or other intellectual property rights; (C) for security breaches of any kind; (D) for breach of applicable use policies; or (E) based on handling, storage, transmission or possession of information that contains viruses, malware or other destructive code, media or any unlawful content); (ii) Customer's or its users' reliance on the Services or on information obtained therefrom; (iii) Customer's breach of this Agreement or any third party agreement or policy; or, (iv) Customers' failure to obtain permits, licenses, or consents that Customer may be required to obtain to enable or use the Services.

14. Term and Termination. This Agreement will remain in effect for twelve (12) months from the Agreement Effective Date ("Initial Term") unless earlier terminated as set forth herein. Upon expiration of the Initial Term and any Renewal Term, this Agreement shall automatically renew, as long as there are active subscriptions on the account, for a period of one (1) year (each, a "Renewal Term") unless either party gives thirty (30) days' prior written notice of its desire not to renew the Agreement upon expiration of, as applicable, the Initial Term or current Renewal Term. Unless otherwise agreed upon by the parties, upon renewal of any subscription, such subscription will be governed by the terms and conditions set forth herein. In the event any Services are terminated early, Customer is liable to Zones for any accrued Service charges set forth in the applicable Zones Cloud Solutions Provider Quote(s) and any early termination fees imposed by its suppliers for the termination of any Services prior to the end of the subscription term. Zones or its suppliers may immediately suspend Customer's use of the Services if: (1) it is reasonably needed to prevent unauthorized access to Customer Data; (2) Customer fails to respond to a claim of alleged infringement or violation of third party rights; (3) Customer does not pay any amounts owing to Zones or its suppliers when due; or (4) Customer violates any term or condition of this Agreement or any policy governing the Services.

15. Confidentiality. As used in this Agreement "Confidential Information" means all information of either party that is not generally known to the public, whether of a technical, business or other nature, that is provided by one party (the disclosing party) to the other party (the receiving party) and that has been identified as being proprietary and/or confidential or that by the nature of the circumstances surrounding the disclosure reasonably ought to be treated as proprietary and confidential. Confidential Information may include information originally disclosed to the disclosing party by its suppliers or other third parties. Each party agrees to retain in confidence, and to require its employees and contractors to retain in confidence, all Confidential Information of the other party and will make no use of such Confidential Information except pursuant to this Agreement. The receiving party will not disclose any Confidential Information of the disclosing party to any person other than its employees or contractors who need to know the same in the performance of their duties. The receiving party will protect and maintain the confidentiality of all Confidential Information of the disclosing party with reasonable care. The receiving party will be liable to the disclosing party for any non-compliance by its

employees or contractors. Confidential Information does not include any information that (a) was in the receiving party's lawful possession prior to its disclosure by the disclosing party; (b) is later lawfully obtained by the receiving party from a third party not under an obligation of confidentiality; (c) is independently developed by the receiving party; or (d) is, or later becomes, available to the public through no breach of an obligation of confidentiality.

16. Miscellaneous.

a. **Notices.** Customer must send notices to Zones by mail, return receipt requested, to the address set forth on the signature page. Customer agrees to receive electronic notices from Zones or its suppliers, which will be sent by email to the account administrator Customer specifies. Notices are effective on the date on the return receipt or, for email, when sent. Customer is responsible for ensuring that the account administrator email address that Zones has is accurate and current. Any email notice that Zones sends to that email address will be effective when sent, whether or not Customer actually receives the email.

b. **Assignment.** Either party may assign this Agreement to an entity acquiring all or substantially all of such party's assets; provided that neither such party nor such assignee entity shall be relieved thereby of obligations undertaken by such party prior to such assignment. Except with respect to the foregoing, neither party may assign any of its rights or obligations hereunder without the prior written consent of the other party. Any attempted assignment other than as expressly authorized hereunder shall be void and of no force or effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their permitted successors, assigns, heirs and legal representatives.

c. **Severability.** If any part of this Agreement is held unenforceable, the rest remains in full force and effect.

d. **Waiver.** Failure to enforce any provision of this Agreement will not constitute a waiver.

e. **No Agency.** This Agreement does not create an agency, partnership, or joint venture.

f. **Applicable Law.** This Agreement is governed by Washington law, without regard to its conflict of laws principles. Any action to enforce this Agreement must be brought in the state or federal courts sitting in Seattle, Washington. This choice of jurisdiction does not prevent either party from seeking injunctive relief in any appropriate jurisdiction with respect to violation of intellectual property rights.

g. **Entire Agreement.** This Agreement is the entire agreement concerning its subject matter and supersedes any prior or concurrent communications. Zones objects to and expressly rejects any provisions additional to or different than the terms herein that may appear in Customer's purchase order or any other prior or later communication from Customer unless such provision is expressly agreed to by Zones in a writing signed by Zones.

h. **Survival.** The terms in Sections 2, 3, 4, 5, 7, 8, 9, 10, 11, 13, and 14 will survive termination or expiration of this Agreement.

i. **Export Jurisdiction.** The Services are subject to U.S. export jurisdiction. Customer must comply with all applicable laws, including the U.S. Export Administration Regulations, the International Traffic in Arms Regulations, and end-user, end-use and destination restrictions issued by U.S. and other governments. For additional information, see <http://www.microsoft.com/exporting/>.

j. **Force Majeure.** Zones and its suppliers will not be liable for any failure in performance due to causes beyond their reasonable control (such as fire, explosion, power blackout, earthquake, flood, severe storms, strike, embargo, labor disputes, acts of civil or military

authority, war, terrorism (including cyber terrorism), acts of God, acts or omissions of Internet traffic carriers, actions or omissions of regulatory or governmental bodies (including the passage of laws or

regulations or other acts of government that impact the delivery of Services).

Exhibit B

ZONES CLOUD SOLUTIONS PROVIDER QUOTE

Customer: CITY OF LA PALMA	Zones Account Team CSS: John Davis AM: Bill Younas
Quote Date: 10/07/2024	
CRM ID: 7086982	
Partner ID: 1116756	

Cloud – Online Services					
Part No.	Item Description	Quantity	Months	Price Per	Item(s) Cost
011637984	NCE Office 365 G1 (Governmental Community Cloud Pricing) P1Y-Annual	48	12	\$ 112.94	\$ 5,421.12
011637987	NCE Office 365 G3 (Governmental Community Cloud Pricing) P1Y-Annual	31	12	\$ 259.77	\$ 8,052.87
011638087	NCE Power BI Pro (Governmental Community Cloud Pricing) P1Y-Annual	5	12	\$ 112.94	\$ 564.70
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$
				\$	\$

CSP Technical Support					
Part No.	Item Description	Quantity	Months	Price Per	Item(s) Cost
003911474	24x7 Admin Technical Support - Add-on licenses & Standalone Products		-	\$	\$ -
				\$	\$

ORDER TOTAL	
TOTAL ORDER COST	
\$ 14,038.69	

*Item prices quoted in the tables above are guaranteed only through the end of the month of the Quote Date.

*Pricing does not include applicable taxes, which are to be invoiced by Zones and paid by Customer.

*Pricing is subject to change by Microsoft.

*Pricing applies only to the specific items and quantities specified in the tables above.

*Pricing for consumption-based Microsoft Services is only a forecast and is subject to change based on usage.

ZONES CLOUD SOLUTIONS QUESTIONNAIRE

[To Be Completed by Customer]

Questions:

1. Do you have a current O365 tenant/environment?

If Yes, what is your current domain?

Current Domain ID:	.onmicrosoft.com
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If No, please provide 3 default domain options:

Domain ID Option 1:	.onmicrosoft.com
Domain ID Option 2:	.onmicrosoft.com
Domain ID Option 3:	.onmicrosoft.com

Administrator(s) (O365/Azure) for NEW TENANTS ONLY*

Admin Name	Admin Email	Admin Permission Level

2. Do you have direct Microsoft licenses that need to be canceled?

If Yes, identify them in the table below.

Subscription Name/Identifier(s)	Quantities to Be Canceled*

*For current tenants, administrators will remain the same.

Notes:

Zones' technical support team will offer the following services during the onboarding call:

1. Creation of your Online Service Domain.
2. Assignment of your Online Service Administrator(s) and modification of such administrators throughout the Term of the CSP Agreement.
3. Assistance in cancelling your MOSP Online Services, if needed, based on Microsoft Services purchases.

**INITIAL ORDER FORM**

This Initial Order Form is a binding agreement between RingCentral, Inc. ("**RingCentral**") and **City of La Palma** ("**Customer**" or "**You**") (together the "**Parties**"), for the purchase of the Services, licenses, and products listed herein. This Initial Order Form is subject to and incorporates the terms and conditions of: (i) the separate written agreement, executed by the Parties governing the purchase of the Services described in this Order Form, or (ii) the RingCentral Online Terms of Service available at <https://www.ringcentral.com/legal/eulatos.html>, if there is no written agreement in place (hereinafter (i) and (ii) referred to as the "**Agreement**"). Capitalized terms not defined herein shall have the same meanings as set forth in the applicable Agreement between the Parties. Unless agreed by both Parties in writing, any terms or conditions set forth in a Customer-issued purchase order or ordering document shall not apply.

Please note that RingCentral MVP is now RingEX. All references to "RingCentral MVP", whether in terms of service, advertising or product descriptions, mean "RingEX".

Customer

City of La Palma

7822 Walker St.,
La Palma, CA 90623
United States

Joseph Cisneros
714) 690-3300
jcisneros@cityoflapalma.org

Service Provider

RingCentral, Inc.

20 Davis Drive
Belmont, CA 94002
United States

Service Commitment Period

Start Date: October 31, 2024

Initial Term: 36 Months

Renewal Term: 24 Months

Payment Schedule: Monthly

RingEX Services

Recurring Services			
Summary of Service	Qty	Rate	Subtotal
DigitalLine Unlimited Advanced	70	\$17.95	\$1,256.50
DigitalLine Unlimited Advanced		\$12.95	
Compliance and Administrative Cost Recovery Fee		\$4.00	
e911 Service Fee		\$1.00	
DigitalLine Basic	6	\$13.99	\$83.94
DigitalLine Basic		\$8.99	
Compliance and Administrative Cost Recovery Fee		\$4.00	
e911 Service Fee		\$1.00	
Yealink CP925 - Touch-Sensitive IP Conference Phone - DaaS	6	\$8.60	\$51.60
Yealink T54W Prime Business Phone - DaaS	6	\$2.38	\$14.28
Yealink T46U Ultra-elegant Gigabit IP Phone - DaaS	49	\$2.12	\$103.88
Additional Local Number	1	\$0.49	\$0.49
Monthly Recurring Services*			\$1,510.69

Total Initial Amount	\$1,510.69
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*Amounts are exclusive of applicable Taxes, Fees, and Shipping Charges.

Cost Center Billing

For customers with cost center billing, it is the customer's responsibility to provide cost center allocation information to RingCentral at least 10 days prior to the issuance of the invoice. After the information is received, it will be reflected on future invoices, but will not be adjusted retroactively on past invoices. If purchasing additional services through the administrative portal, it is the customer's responsibility to assign cost centers at the time of purchase; otherwise, those services will not be allocated by cost center on the next invoice. Please note that cost center allocation is not available for certain items, such as minute bundles and credit memos. For additional questions, please contact the RingCentral invoice billing team at billingsupport@ringcentral.com.

Customer Reference. Customer may promote their use of RingCentral services and agrees that RingCentral may identify customer as a user of the services. All press releases or quotes regarding Customer's use of service will be pre-approved by Customer, which consent will not be unreasonably withheld.

Free Services Amount

Customer will receive 3,248.84 US Dollars (the "**Free Service Amount**"), which will be applied against charges for the recurring Services set forth in this Order Form and any applicable taxes and fees associated with those Services invoiced by RingCentral. The Free Service Amount is non-transferable and non-refundable and will expire upon termination of this Order Form. The Customer will be responsible for paying for any additional services and products ordered, and any applicable associated taxes and fees.

Add-on Services. Customer is responsible for reviewing additional terms and conditions that may apply to RingCentral add-on services (where available) and certain Advanced Support Services listed on this order form, and which are available at <https://www.ringcentral.com/legal/add-on-services.html>.

IN WITNESS WHEREOF, the Parties have executed this Initial Order Form above through their duly authorized representatives.

Customer
City of La Palma

RingCentral
RingCentral, Inc.

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: Andrew Varasano
Title: Area VP Public Sector Sales
Date: _____



MASTER SERVICES AGREEMENT

This Master Services Agreement is effective as of the date of last signature (“**Effective Date**”) and made between:

City of La Palma (“Customer”)

Address:

7822 Walker St.,
La Palma, CA 90623

RingCentral, Inc. (“RingCentral”)

Address:

20 Davis Drive
Belmont, CA 94002

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: Andrew Varasano

Title: Area VP Public Sector Sales

Date: _____

RingCentral and Customer are together referred to as the “Parties” and each individually as a “Party.”

1. The Master Services Agreement (“**Agreement**”) consists of the terms and conditions contained herein, and any Service Attachments applicable to Customer’s Services, and any other Attachments agreed by the Parties, are incorporated into and form a part of this Agreement.

Exhibit A – Definitions

Attachment A – RingEX Services

Attachment B – Security Addendum

THE PARTIES AGREE AS FOLLOWS:

2. Ordering and Term

- A. Ordering Services.** Customer may order the Services set forth in the relevant Attachments, attached hereto, by executing an Order Form in the format provided by RingCentral. Customer must submit the Order Form to RingCentral either in writing or electronically via the Administrative Portal. The Order Form will identify the Services requested by Customer together with: (i) the price for each Service; (ii) scheduled Start Date; (iii) and products rented, licensed, or sold to Customer, if any. An Order Form will become binding when it is executed by the Customer and accepted by RingCentral. RingCentral may accept an Order Form by commencing performance of the requested Services. The Services and invoicing for those Services will begin on the Start Date, as identified in the applicable Order Form or on the day Services are ordered via the Administrative Portal. Customer may purchase additional Services, software, and equipment via the Administrative Portal or by executing additional Order Forms.
- B. Equipment.** Subject to availability based on brand and Customer location, Customer may purchase or rent equipment from RingCentral for use with the Services. The terms and conditions that govern any such transaction can be found at:
- i. Purchase: <http://www.ringcentral.com/legal/ringcentral-hardware-terms-conditions.html>;
 - ii. Rental: <http://www.ringcentral.com/legal/lease-rental.html>, and
 - iii. Device as a Services: <https://www.ringcentral.com/legal/daas-agreement.html>.
- C. Term of this Agreement.** The Term of this Agreement will commence on the Effective Date and continue until the last Order Form is terminated or expires, unless terminated earlier in accordance with its terms.
- D. Services Term.** The Services Term will begin on the Start Date of the initial Order Form and continue for the initial term set forth in the initial Order Form (“**Initial Term**”). Upon expiration of the Initial Term, unless otherwise set forth in the Order Form, the term recurring Services will automatically renew for successive periods as set forth in the initial Order Form (each a “**Renewal Term**”) unless either Party gives notice of non-renewal at least thirty (30) days before the expiration of the Initial Term or the then-current Renewal Term. The Term of any recurring Services added to your Account after the initial Order Form is executed

will start on the Start Date in the applicable Order Form, will run coterminously with the then-current Term of any preexisting Services unless otherwise extended in the applicable Order Form, and will be invoiced on the same billing cycles as the preexisting Services.

3. Invoicing and Payment

- A. Prices and Charges.** All prices are identified in US dollars on the Administrative Portal or in the applicable Order Form unless otherwise agreed by the Parties. Additional charges may result if Customer activates additional features, exceeds usage thresholds, or purchases additional Services or equipment. Customer will be liable for all charges resulting from use of the Services on its Account. Unless otherwise agreed between the Parties, recurring charges (such as charges for Digital Lines, product licenses, minute bundles, and equipment rental fees) for the Services begin on the Start Date identified in the Administrative Portal or in the applicable Order Form and will remain in effect for the Initial Term (as described in an Order Form) or, if applicable, the then-current Renewal Term. RingCentral will provide notice of any proposed increase in such charges no later than sixty (60) days before the end of the Initial Term or then-current Renewal Term, and any such increase will be effective on the first day of the next Renewal Term. Administrative Fees that RingCentral is entitled to pass on to its customers as a surcharge pursuant to applicable Law may be increased on thirty (30) days' written notice. Outbound calling rates will be applied based on the rate in effect at the time of use. Customer may locate the currently effective rates in the Administrative Portal.
- B. Invoicing and Payment.** Invoices will be issued in accordance with the payment terms set forth in the Order Form. If Customer chooses to pay by credit or debit card, by providing a valid credit or debit card, Customer is expressly authorizing all Services and equipment charges and fees to be charged to such payment card, including recurring payments billed on a monthly or annual basis. In addition, Customer's provided credit card shall be used for any in-month purchases of additional services and products, or where Customer has exceeded usage or threshold limits, any overage charges. Unless otherwise stated in the applicable Order Form, recurring charges are invoiced in advance in the frequency set forth in the Order Form, and usage-based and onetime charges are billed monthly in arrears. Customer shall make payment in full, without deduction or set-off, within thirty (30) days of the invoice date. Any payment not made when due may be subject to a late payment fee equivalent to the lesser of (i) one and a half percent (1.5%) per month or (ii) if applicable, the highest rate allowed by Law. In no event may payment be subject to delays due to Customer internal purchase order process.
- C. Taxes.** All rates, fees, and charges are exclusive of applicable Taxes, for which Customer is solely responsible. Taxes may vary based on jurisdiction and the Services provided. If any withholding tax is levied on the payments, then Customer must increase the sums paid to RingCentral so that the amount received by RingCentral after the withholding tax is deducted is the full amount RingCentral would have received if no withholding or deduction had been made. If Customer is a tax-exempt entity, tax exemption will take effect upon provision to and validation by RingCentral of certificate of tax exemption.
- D. Billing Disputes.** If a Customer reasonably and in good faith disputes any portion of RingCentral's invoice, it must provide written notice to RingCentral within thirty (30) days of the invoice date, identifying the reason for the dispute and the amount being disputed. Customer's dispute as to any portion of the invoice will not excuse Customer's obligation to timely pay the undisputed portion of the invoice. Upon resolution, Customer must pay any validly invoiced unpaid amounts within thirty (30) days. Any amounts that are found to be in error resulting in an overpayment by the Customer will be applied as a billing credit against future invoices. Customer will be reimbursed any outstanding billing credits at the expiration or termination of this Agreement.

4. Provision of the Service

- A. General Terms.** RingCentral will provide the Services as described in the relevant Service Attachment. RingCentral may enhance, replace, and/or change the features of the Services, but it will not materially reduce the core features, functions, or security of the Services during the Term without Customer's consent.
- B. Customer Care**
 - i. Customer must provide Helpdesk Support to Customer's End Users. RingCentral may require Customer's Helpdesk Support personnel to complete a designated series of training courses on RingCentral's Services. Such training will be provided to Customer online in English at no cost.
 - ii. RingCentral will make remote support available to Customer's Helpdesk Support personnel and/or Account Administrators via the Customer Care call center, which will be available 24/7, to attempt to resolve technical issues with, and answer questions regarding the use of the Services. Unless otherwise agreed by the parties, Customer Care support will be provided in English, and onsite and implementation services are not included in the Customer Care support.
 - iii. Customer may open a case with Customer Care following the process in place at the time. Any individual contacting Customer Care on behalf of Customer must be authorized to do so on behalf of the Account and will be required to follow applicable authentication protocols.
- C. Professional Services.** RingCentral offers a broad portfolio of professional services that includes onsite and remote implementation services; extended enterprise services including premium technical support; and consulting. Any such services are governed by this Agreement, the Professional Services terms, and any applicable Statement of Work (SOW), which may be attached hereto.

- D. **Advanced Support.** Customer may purchase Advanced Support services from RingCentral for use with the Services. The terms and conditions that govern the Advanced Support can be found at: <https://www.ringcentral.com/legal/enterprise-service-attachment.html>.
- E. **Managed Services.** Customer may purchase Managed Services from RingCentral for use with the Services. The terms and conditions that govern the Managed Services can be found at: <https://www.ringcentral.com/legal/managed-services-attachment.html>.
- F. **Subcontracting.** RingCentral may provide any of the Services hereunder through any of its Affiliates or subcontractors, provided that RingCentral will bear the same degree of responsibility for acts and omissions for those subcontractors acting on RingCentral's behalf in the performance of its obligations under this Agreement as it would bear if such acts and omissions were performed by RingCentral directly.

5. Use of the Service

- A. **Service Requirements.** The Services are dependent upon Customer's maintenance of sufficient Internet access, networks, and power as set forth in RingCentral's Technical Sufficiency Criteria, available at <https://www.ringcentral.com/legal/policies/technical-sufficiency-criteria.html>. RingCentral will not be responsible for any deficiencies in the provision of the Services if Customer's network does not meet RingCentral's Technical Sufficiency Criteria.
- B. **Use Policies.** Customer and its End Users may use the Services only in compliance with this Agreement, applicable Law, and the Use Policies referenced below, which are incorporated into and form part of this Agreement. Customer must ensure that its End Users comply with the Use Policies. Any breach of this Section (Use Policies) will be deemed a material breach of this Agreement. RingCentral may update the Use Policies from time to time and will provide notice of material updates to Customer at the email address on file with the Account. All updates will become effective thirty (30) days after such notice to Customer or upon posting for non-material changes. Customer may object to a modification that negatively impacts its use of the Service by sending written notice ("Objection Notice") to RingCentral within thirty (30) days from the date of the notice of modification. If the Parties cannot reach agreement, then either Party may terminate the affected Services without penalty with thirty (30) days written notice to the other Party.
 - i. **Acceptable Use Policy.** The Services must be used in accordance with RingCentral's Acceptable Use Policy, available at <https://www.ringcentral.com/legal/acceptable-use-policy.html>. Notwithstanding anything to the contrary in this Agreement, RingCentral may act immediately and without notice to suspend or limit the Services if RingCentral reasonably suspects fraudulent or illegal activity in the Customer's Account, material breach of the Acceptable Use Policy, or use of the Services that could interfere with the functioning of the RingCentral Network provided such suspension or limitation may only be to the extent reasonably necessary to protect against the applicable condition, activity, or use. RingCentral will promptly remove the suspension or limitation as soon as the condition, activity or use is resolved and mitigated in full. If Customer anticipates legitimate but unusual activity on its Account, Customer should contact Customer Care in advance to avoid any Service disruption.
 - ii. **Emergency Services.** RingCentral's policy governing the provision of emergency services accessed via the Services is available at <https://www.ringcentral.com/legal/emergency-services.html>.
 - iii. **Numbering Policy.** The provision, use, and publication of numbers used in conjunction with the Services are governed by RingCentral's Numbering Policies, available at <https://www.ringcentral.com/legal/policies/numbering-policy.html>.

6. Termination

- A. **Termination for Cause.** Either Party may terminate this Agreement and any Services purchased hereunder in whole or part by giving written notice to the other Party: i) if the other Party breaches any material term of this Agreement and fails to cure such breach within thirty (30) days after receipt of such notice; ii) at the written recommendation of a government or regulatory agency following a change in either applicable Law or the Services; or iii) upon the commencement by or against the other Party of insolvency, receivership or bankruptcy proceedings or any other proceedings or an assignment for the benefit of creditors.
- B. **Effect of Termination.** If Customer terminates the Services, a portion of the Services, or this Agreement in its entirety due to RingCentral's material breach under Section 6(A) (Termination for Cause), Customer will not be liable for any fees or charges for terminated Services for any period subsequent to the effective date of such termination (except those arising from continued usage before the Services are disconnected), and RingCentral will provide Customer a pro-rata refund of any prepaid and unused fees or charges paid by Customer for terminated Services. If this Agreement or any Services are terminated for any reason other than as a result of a material breach by RingCentral or as otherwise permitted pursuant to Section 6(A) or as set forth in Section 14(I) (Regulatory and Legal Changes) the Customer must, to the extent permitted by applicable Law and without limiting any other right or remedy of RingCentral, pay within thirty (30) days of such termination all amounts that have accrued prior to such termination, as well as all sums remaining unpaid for the Services for the remainder of the then-current Term plus related Taxes and fees.

7. Intellectual Property

A. Limited License

- i. Subject to, and conditional upon Customer's compliance with, the terms of this Agreement, RingCentral grants to Customer and its End User, a limited, personal, revocable, non-exclusive, non-transferable (other than as permitted under this Agreement), non-sublicensable license to use any software provided or made available by RingCentral to the Customer as

part of the Services (“**Software**”) to the extent reasonably required to use the Services as permitted by this Agreement, only for the duration that Customer is entitled to use the Services and subject to the Customer being current on its payment obligations.

- ii. Customer will not, and will not allow its End Users, to: (a) sublicense, resell, distribute or assign its right under the license granted under this Agreement to any other person or entity; (b) modify, adapt or create derivative works of the Software or any associated documentation; (c) reverse engineer, decompile, decrypt, disassemble or otherwise attempt to derive the source code for the Software; (d) use the Software for infringement analysis, benchmarking, or for any purpose other than as necessary to use the Services Customer is authorized to use; (e) create any competing Software or Services; or (f) remove any copyright or other proprietary or confidential notices on any Software or Services.

B. IP Rights

- i. **RingCentral’s Rights.** Except as expressly provided in this Agreement, the limited license granted to Customer under Section 7(A) (Limited License) does not convey any ownership or other rights or licenses, express or implied, in the Services (including the Software), any related materials, or in any Intellectual Property and no IP Rights or other rights or licenses are granted, transferred, or assigned to Customer, any End User, or any other party by implication, estoppel, or otherwise. All rights not expressly granted herein are reserved and retained by RingCentral and its licensors. The Software and Services may comprise or incorporate services, software, technology, or products developed or provided by third parties, including open-source software or code. Customer acknowledges that misuse of RingCentral Services may violate third-party IP rights.
- ii. **Customer Rights.** As between RingCentral and Customer, Customer retains title to all IP Rights that are owned by the Customer or its suppliers. To the extent reasonably required or desirable for the provision of the Services, Customer grants to RingCentral a limited, personal, non-exclusive, royalty-free, license to use Customer’s IP Rights in the same. Customer must provide (and is solely responsible for providing) all required notices and obtaining all licenses, consents, authorizations, or other approvals related to the use, reproduction, transmission, or receipt of any Customer Content that includes personal or Confidential Information or incorporates any third-party IP rights.

- C. **Use of Marks.** Neither Party may use or display the other Party’s trademarks, service mark or logos in any manner without such Party’s prior written consent.

8. Confidentiality

- A. **Restrictions on Use or Disclosures by Either Party.** During the Term of this Agreement and for at least one (1) year thereafter, the Receiving Party shall hold the Disclosing Party’s Confidential Information in confidence, shall use such Confidential Information only for the purpose of fulfilling its obligations under this Agreement, and shall use at least as great a standard of care in protecting the Confidential Information as it uses to protect its own Confidential Information.

Each Party may disclose Confidential Information only to those of its employees, agents or subcontractors who have a need to it in order to perform or exercise such Party’s rights or obligations under this Agreement and who are required to protect it against unauthorized disclosure in a manner no less protective than required under this Agreement. Each Party may disclose the other Party’s Confidential Information in any legal proceeding or to a governmental entity as required by Law.

These restrictions on the use or disclosure of Confidential Information do not apply to any information which is independently developed by the Receiving Party or lawfully received free of restriction from another source having the right to so furnish such information; after it has become generally available to the public without breach of this Agreement by the Receiving Party; which at the time of disclosure was already known to the Receiving Party, without restriction as evidenced by documentation in such Party’s possession; or which the Disclosing Party confirms in writing is free of such restrictions.

Upon termination of this Agreement, the Receiving Party will promptly delete, destroy or, at the Disclosing Party’s request, return to the Disclosing Party, all Disclosing Party’s Confidential Information in its possession, including deleting or rendering unusable all electronic files and data that contain Confidential Information, and upon request will provide the Disclosing Party with certification of compliance with this subsection.

9. Data Protection

- A. **Data Privacy.** RingCentral respects Customer’s privacy and will only use the information provided by Customer to RingCentral or collected in the provision of the Services in accordance with RingCentral’s Data Processing Addendum, available at <https://www.ringcentral.com/legal/dpa.html>, incorporated by reference. RingCentral may update the Data Processing Addendum from time to time and will provide notice of any material updates to the Customer as required by applicable Laws at the email address on file with the Account. Such updates will be effective thirty (30) days after such notice to Customer.
- B. **Data Security.** RingCentral will take commercially reasonable precautions, including, without limitation, technical (e.g., firewalls and data encryption), organizational, administrative, and physical measures, to help safeguard Customer’s Account, Account Data, and Customer Content against unauthorized use, disclosure, or modification. Customer must protect all End Points using commercially reasonable security measures. Customer is solely responsible to keep all user identifications and passwords secure. Customer must monitor use of the Services for possible unlawful or fraudulent use. Customer must notify RingCentral immediately if Customer becomes aware or has reason to believe that the Services are being used fraudulently or without authorization by any End User or third party. Failure to notify RingCentral may result in the suspension or termination of the Services and additional charges to Customer resulting from such use. RingCentral will not be liable for any charges resulting from unauthorized use of Customer’s Account.

- C. **Software Changes.** RingCentral may from time-to-time push software updates and patches directly to Customer's device(s) for installation and Customer will not prevent RingCentral from doing so. Customer must implement promptly all fixes, updates, upgrades and replacements of software and third-party software that may be provided by RingCentral. RingCentral will not be liable for inoperability of the Services or any other Services failures due to failure of Customer to timely implement the required changes.

10. Limitations of Liability

A. Excluded Damages

IN NO EVENT WILL EITHER PARTY OR ITS AFFILIATES OR ITS OR THEIR SUPPLIERS BE LIABLE FOR (1) INDIRECT, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES; (2) LOSS OF USE OR LOSS OF DATA; (3) LOSS OF BUSINESS OPPORTUNITIES, REVENUES OR PROFITS; OR (4) COSTS OF PROCURING REPLACEMENT PRODUCTS OR SERVICES, IN ALL CASES WHETHER ARISING UNDER CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY), OR ANY OTHER THEORY OF LIABILITY, AND EVEN IF SUCH PARTY HAS BEEN INFORMED IN ADVANCE OF SUCH DAMAGES OR SUCH DAMAGES COULD HAVE BEEN REASONABLY FORESEEN.

B. Liability Caps

EXCEPT AS SET FORTH HEREIN, THE TOTAL CUMULATIVE LIABILITY OF THE PARTIES UNDER THIS AGREEMENT WILL NOT EXCEED THE AMOUNTS PAID OR PAYABLE UNDER THIS AGREEMENT DURING THE PREVIOUS SIX (6) MONTHS. LIMITATIONS UNDER THIS SECTION (LIABILITY CAPS) WILL NOT APPLY TO:

- i. FEES OWED BY CUSTOMER
- ii. EITHER PARTY'S LIABILITY FOR INFRINGEMENT OF THE OTHER PARTY'S IP RIGHTS
- iii. EITHER PARTY'S LIABILITY RESULTING FROM GROSS NEGLIGENCE, FRAUD, OR WILLFUL OR CRIMINAL MISCONDUCT
- iv. CUSTOMER'S LIABILITY RESULTING FROM USE OF THE SERVICES IN BREACH OF THE ACCEPTABLE USE POLICY OR EMERGENCY SERVICES POLICY
- v. EITHER PARTY'S LIABILITY ARISING FROM DEATH OR PERSONAL INJURY CAUSED BY NEGLIGENCE, OR FOR ANY OTHER LIABILITY WHICH MAY NOT BE RESTRICTED, LIMITED, OR EXCLUDED PURSUANT TO APPLICABLE LAW.

11. Indemnification

A. Indemnification by RingCentral

- i. RingCentral shall indemnify and hold harmless the Customer and its Affiliates for Indemnifiable Amounts, and shall defend any third-party claims or causes of action (a **"Third Party Claim"**) to the extent such Third Party Claim arises out of or alleges that:
 - a. The Services, as provided by RingCentral, infringe or misappropriate the patent, copyright, trademark, or trade secret rights of a third party.
- ii. RingCentral will have no obligations under subsection (i) above to the extent the Third Party Claim arises from: (a) use of the Services in combination with data, software, hardware, equipment, or technology not provided or authorized by RingCentral in writing unless any of the foregoing are necessary for the proper operation of the Services; (b) modifications to the Services not made by RingCentral; (c) Customer Content; (d) failure to promptly install any updates of any software or firmware or accept or use any modified or replacement items provided free of charge by or on behalf of RingCentral; (e) breach of the Agreement; or (f) a Third Party Claim brought by Customer's Affiliate, successor, or assignee.
- iii. If such a Third-Party Claim is made or appears possible, Customer agrees to permit RingCentral, at RingCentral's sole discretion and expense, to (a) modify or replace the Services, or component or part thereof, to make it non-infringing or (b) obtain the right for Customer to continue to use the Services. If RingCentral determines that neither alternative is commercially reasonable, RingCentral may terminate this Agreement in its entirety or with respect to the affected Service, component or part (a **"Discontinued Component"**), effective immediately on written notice to Customer, in which case Customer will not owe any fees or charges relating to the Discontinued Component for any period subsequent to the date of such termination, and will be entitled to receive a refund of any prepaid but unused fees relating to the Discontinued Component. In the event the removal of the Discontinued Component does not substantially affect Customer's use of the Services, the refund or fee abatement pursuant to the foregoing shall be a reasonable portion of the total fees owed by Customer for the Services as a whole based on the significance of the Discontinued Component to the total value of the Services as a whole. RingCentral's obligations under this Sub-Section will be RingCentral's sole and exclusive liability and Customer's sole and exclusive remedies with respect to any actual or alleged intellectual property violations.

- B. **Indemnification by Customer.** To the extent permitted by the laws and the constitution of the jurisdiction of Customer, Customer shall indemnify, and hold harmless RingCentral and its Affiliates for Indemnifiable Amounts, and shall defend any Third Party Claims arising out of or in connection with: (i) material violation of applicable Law by the Customer, its Affiliates, or their respective End Users in connection with their use of the Services; (ii) use of the Services in breach of the Use Policies; (iii) failure to promptly install any updates of any software or firmware or accept or use modified or replacement items provided free of charge by or on behalf of RingCentral; or (iv) Customer Content.

- C. **Defense and Indemnification Procedures.** Any Party seeking indemnification under this Section 11 (the “**Indemnified Party**”) shall provide the Party from which it seeks such indemnification (the “**Indemnifying Party**”) with the following: (a) prompt written notice of the Third-Party Claim, (b) sole control over the defense and settlement of the Third-Party Claim, and (c) reasonable information, cooperation, and assistance (at the Indemnifying Party’s sole expense except for the value of the time of the Indemnified Party’s personnel) in connection with the defense and settlement of the Third-Party Claim. The Indemnified Party’s failure to comply with the foregoing obligations will not relieve the Indemnifying Party of its defense or indemnification obligations under this Section 11 (Indemnification) except to the extent that the Indemnifying Party is materially prejudiced by such failure. The Indemnified Party will have the right to participate (but not control), at its own expense, in the defense of such Third-Party Claim, including any related settlement negotiations. No such claim may be settled by the Indemnifying Party without the Indemnified Party’s express written consent (not to be unreasonably withheld, conditioned, or delayed) unless such settlement includes a full and complete release of all claims and actions against the Indemnified Party by each party bringing such Third-Party Claim, requires no admission of fault, liability, or guilt by the Indemnified Party, and requires no act by the Indemnified Party other than the payment of a sum of money fully indemnified by the Indemnifying Party.

12. Warranties

- A. **RingCentral Warranty.** RingCentral will provide the Services using a commercially reasonable level of skill and care, in material compliance with all applicable Laws and otherwise subject to the terms of this Agreement. To the extent permitted by Law, RingCentral shall pass through to Customer any and all warranties RingCentral receives in connection with equipment provided to Customer by or on behalf of RingCentral.
- B. **Customer Warranty.** Customer’s and its End Users’ use of the Services must always comply with all applicable Laws and this Agreement. Further, when Customer’s subscription for Services exceeds one (1) fiscal year, Customer warrants that it shall exercise due diligence and best efforts to secure an adequate appropriation of funds on time from its legislative or similar government body to pay for the contracted Services in the follow-on fiscal year(s).
- C. **Disclaimer of Warranties.** EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT AND TO THE FULLEST EXTENT PERMITTED BY LAW, THE SERVICES ARE PROVIDED “AS IS” AND “AS AVAILABLE,” AND RINGCENTRAL MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, QUIET ENJOYMENT, AND FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING OR USAGE IN TRADE, TOGETHER WITH SIMILAR WARRANTIES, WHETHER ARISING UNDER ANY LAW OR OTHERWISE. TO THE EXTENT THAT RINGCENTRAL CANNOT DISCLAIM ANY SUCH WARRANTY AS A MATTER OF APPLICABLE LAW, THE SCOPE AND DURATION OF SUCH WILL BE LIMITED TO THE FULLEST EXTENT PERMITTED BY LAW.

13. Dispute Resolution

- A. **Governing Law.** Any dispute arising out of or relating to this Agreement shall be governed and construed in accordance with the laws of California, without regard to its choice of law rules, and the parties agree to submit to the jurisdiction of, and venue in, the courts in that state. The United Nations Convention on Contracts for the International Sale of Goods does not apply to this Agreement or Customer’s use of the products or Services.
- B. **Good Faith Attempt to Settle Disputes.** In the event of a dispute, each Party shall appoint a duly authorized representative who shall use all reasonable endeavors to resolve in good faith any dispute within reasonable timescales.
- C. **Equitable Relief.** Any breach of either Party’s IP Rights may cause that Party irreparable harm for which monetary damages will be inadequate and such Party may, in addition to other remedies available at Law or in equity, obtain injunctive relief without the necessity of posting a bond or other security, proof of damages, or similar requirement, in addition to any other relief to which such Party may be entitled under applicable Law.
- D. **Limitations.** Except for actions for non-payment or liability arising from Section 11 (Indemnification), no claim, suit, action or proceeding relating to this Agreement may be brought by either Party more than two (2) years after the cause of action has accrued. Any actions, lawsuits, or proceedings must be conducted solely on an individual basis and the Parties expressly waive any right to bring any action, lawsuit or proceeding as a class or collective action, private attorney general action or in any other capacity acting in a representative capacity.

14. Miscellaneous

- A. **Relationship of the Parties.** RingCentral and Customer are independent contractors, and this Agreement will not establish any relationship of partnership, joint venture, employment, franchise or agency between RingCentral and Customer.
- B. **Assignment.** Neither Party may assign the Agreement or any portion thereof without the other Party’s prior written consent (which such consent may not be unreasonably withheld or delayed), however either Party may assign the Agreement and all of that Party’s rights and obligations thereunder without consent (a) to an Affiliate; (b) to the Party’s successor or surviving entity in connection with a merger, acquisition, consolidation, sale of all or substantially all of its assets used in connection with the provision of Services under this Agreement; or (c) as part of the transfer or disposition of more than fifty percent (50%) of a Party’s voting control or assets. This Agreement will bind and inure to the benefit of the Parties, and their permitted assigns and successors.
- C. **Notices.** Except where otherwise expressly stated in the Agreement, all notices or other communications must be in English and are deemed to have been fully given when made in writing and delivered in person, upon delivered email, confirmed

facsimile, or five days after deposit with an reputable overnight courier service, and addressed as follows: To RingCentral at RingCentral, Inc., Legal Dept., 20 Davis Drive, Belmont, CA 94002 USA, with a copy to legal@ringcentral.com, and to Customer at either the physical address or email address associated with the Customer Account.

Customer acknowledges and agrees that all electronic notices have the full force and effect of paper notices. The addresses to which notices may be given by either Party may be changed (a) by RingCentral upon written notice given to Customer pursuant to this Section or (b) by Customer in the Administrative Portal.

- D. Force Majeure.** Excluding either Party's payment obligations under the Agreement, neither Party will be responsible or liable for any failure to perform or delay in performing to the extent resulting from any event or circumstance that is beyond that Party's reasonable control, including without limitation any act of God; national emergency; third-party telecommunications networks; riot; war; terrorism; governmental act or direction; change in Laws; fiber, cable, or wire cut; power outage or reduction; rebellion; revolution; insurrection; earthquake; storm; hurricane; flood, fire, or other natural disaster; strike or labor disturbance; or other cause, whether similar or dissimilar to the foregoing, not resulting from the actions or inactions of such Party.
- E. Third-Party Beneficiaries.** RingCentral and Customer agree that there will be no third-party beneficiaries to this Agreement.
- F. Headings, Interpretation.** The headings, section titles, and captions used in the Agreement are for convenience of reference only and will have no legal effect. All defined terms include related grammatical forms, and, whenever the context may require, the singular form of nouns and pronouns include the plural, and vice versa. The Parties agree that this Agreement will be deemed to have been jointly and equally drafted by them, and that the provisions of this Agreement therefore should not be construed against a Party or Parties on the grounds that the Party or Parties drafted or was more responsible for drafting the provision(s).
- G. Anti-Bribery.** Each Party represents that in the execution of this Agreement and in the performance of its obligations under this Agreement it has complied and will comply with all applicable anti-bribery Laws and regulations, including, without limitation, the U.S. Foreign Corrupt Practices Act, the UK Bribery Act, and similar applicable Laws.
- H. Export Control.** Any services, products, software, and technical information (including, but not limited to, services and training) provided pursuant to the Agreement may be subject to U.S. export Laws and regulations. Customer will not use, distribute, transfer, or transmit the services, products, software, or technical information (even if incorporated into other products) except in compliance with U.S. and other applicable export regulations.
- I. Regulatory and Legal Changes.** In the event of any change in Law, regulation or industry change that would prohibit or otherwise materially interfere with RingCentral's ability to provide Services under this Agreement, RingCentral may terminate the affected Services or this Agreement or otherwise modify the terms thereof.
- J. Use of Beta, Preview, or Early Access Software.** If you use any beta, preview, or early access services, features, products, or software offered or made available by RingCentral, then you acknowledge that your use of the services, products, or software are governed by the [Beta Evaluation License Agreement](#) and not by this Agreement.
- K. Entire Agreement.** The Agreement, together with any exhibits, Order Forms, Use Policies, and Attachments, each of which is expressly incorporated into this Agreement with this reference, constitutes the entire agreement between the Parties and supersedes and replaces any and all prior or contemporaneous understandings, proposals, representations, marketing materials, statements, or agreements, whether oral, written, or otherwise, regarding such subject. RingCentral expressly rejects in their entirety any additional or conflicting terms or conditions contained in Customer purchase order, or similar Customer document, which the Parties agree are solely for the Customer's convenience.
- L. Order of Precedence.** In the event of any conflict between the documents comprising this Agreement, precedence will be given to the documents in the following descending order: (i) the applicable Order Form (including any hyperlinks); (ii) the applicable Attachment; (iii) the main body of this Agreement; (iv) Use Policies and Data Processing Addendum incorporated by reference in this Agreement; and (v) any other document expressly referred to in this Agreement which governs the Services. With respect to data processing, the Data Processing Addendum shall take precedence over any inconsistent terms in any of the documents listed in the previous sentence.
- M. Amendments.** Except as otherwise provided, this Agreement may only be modified by a written amendment executed by authorized representatives of both Parties. In no event will handwritten changes to any terms or conditions, including in the applicable Order Form, be effective.
- N. Severability and Waiver.** In the event any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, such provision(s) will be stricken and the remainder of this Agreement will remain legal, valid, and binding. The failure by either Party to exercise or enforce any right conferred by this Agreement will not be deemed to be a waiver of any such right or to operate so as to bar the exercise or enforcement of any such or other right on any later occasion. Except as otherwise expressly stated in this Agreement, all rights and remedies stated in the Agreement are cumulative and in addition to any other rights and remedies available under the Agreement, at Law, or in equity.
- O. Execution.** Each Party represents and warrants that: (a) it possesses the legal right and capacity to enter into the Agreement and to perform all of its obligations thereunder; (b) the individual signing the Agreement and (each executable part thereof) on that Party's behalf has full power and authority to execute and deliver the same; and (c) the Agreement will be a binding obligation of that Party. Each Party agrees that an Electronic Signature, whether digital or encrypted, is intended to authenticate this Agreement and to have the same force and effect as manual signatures.

- P. Counterparts.** This Agreement may be executed electronically and in separate counterparts each of which when taken together will constitute one in the same original.
- Q. Survival.** The rights and obligations of either Party that by their nature would continue beyond the expiration or termination of this Agreement or an Order Form will survive expiration or termination of this Agreement or the Order Form, including without limitation payment obligations, warranty disclaimers, indemnities, limitations of liability, definitions and miscellaneous.
- R. Family Education Rights and Privacy Act (FERPA).** Customer Content when in-transit on the RingCentral Network and when at-rest within RingCentral Data Centers may contain communications and/or educational records pertaining to students in connection with the performance of the Services pursuant to the Agreement. RingCentral shall only use or disclose such Customer Content as is reasonably necessary to provide the Services or for RingCentral to otherwise perform its obligations under the Agreement.

EXHIBIT A DEFINITIONS

Definitions. Capitalized terms used in this Agreement but otherwise not defined have the following meaning:

1. **“Account”** means the numbered account established with RingCentral and associated with Customer and the Services provided to Customer under this Agreement. For billing and convenience purposes, multiple services, Digital Lines, or End Users may be included in a single billing account, and/or a single Customer may have multiple billing accounts encompassing different geographic locations, business units, or other designations as requested by Customer and accepted by RingCentral.
2. **“Account Administrator”** means the person(s) who have been granted authority by Customer to set up, amend, or otherwise control settings and/or make additional purchases for the Account via the Administrative Portal. Account Administrators may have varying levels of Account rights, skills, or permissions.
3. **“Account Data”** means: any business contact information provided with the Account; RingCentral-generated logs of calling or other metadata developed or collected in the provision of the Services; configuration data; and records of Digital Lines and any Services purchased under this Agreement.
4. **“Administrative Fees”** means any administrative recovery fees, 911 cost recovery fees and the like separately charged by RingCentral to Customer.
5. **“Administrative Portal”** means the online administrative portal through which Account Administrators control settings and/or make additional purchases for the Account.
6. **“Affiliate(s)”** means a person or entity that is controlled by a Party hereto, controls a Party hereto, or is under common control with a Party hereto, and “control” means beneficial ownership of greater than fifty percent (50%) of an entity’s then-outstanding voting securities or ownership interests.
7. **“Attachment(s)”** means documents appended to the contract containing additional terms for products and Services. Attachments and the terms and conditions contained therein are part of this Agreement.
8. **“Confidential Information”** means any information disclosed by or on behalf of the Disclosing Party) to the Receiving Party that should reasonably be considered as confidential given the nature of the information and the circumstances surrounding its disclosure.
9. **“Customer Care”** means Customer support operations delivered by RingCentral and/or its subcontractors.
10. **“Customer Content”** means the content of calls, facsimiles, SMS messages, voicemails, voice recordings, shared files, conferences, or other communications transmitted or stored through the Services.
11. **“Digital Line”** means a phone number assigned to an End User or a specifically designated location (e.g., conference room) and the associated voice service for inbound and outbound calling that permits an End User generally to make and receive calls to and from the public switched telephone network as well as to and from other extensions within the same Account.
12. **“Disclosing Party”** means the Party disclosing Confidential Information or on whose behalf Confidential Information is disclosed by such Party’s agents, including but not limited to, its Affiliates, officers, directors, employees, and attorneys.
13. **“Electronic Signatures”** means an electronic sound, symbol, or process, including clicking a digital button to accept, attached to or logically associated with a contract or other record and executed or adopted by a person with the intent to sign the record.
14. **“End Point”** means an application or device through which any End-User might access and/or use any of the Services, including without limitation IP Desk Phones, Desktop Clients, Web Clients, Mobile Applications, and Software Integrations.
15. **“End User”** means an individual user to whom Customer makes the Services available, and may be a natural person, and may include but is not limited to Customer’s employees, consultants, clients, external users, invitees, contractors, and agents.
16. **“Helpdesk Support”** shall mean the performance of the following tasks:
 - Standard feature/functionality (“how to”) support for End Users (i.e. call forwarding, voice mail set-up, etc.).
 - Standard management of the Admin Interface within the product.
 - Support all moves, adds, changes, and deletes of employees.
17. **“Indemnifiable Amounts”** means all (X) damages and other amounts awarded against the Indemnified Party by a court of competent jurisdiction pursuant to a final judgment in connection with such Third-Party Claim; (Y) any amounts payable by the Indemnified Party or its Affiliates pursuant to a binding, written agreement settling the Third Party Claim, provided such agreement is approved in advance in writing by the Indemnifying Party; and (Z) all reasonable costs and expenses paid to third parties by the Indemnified Party or its Affiliates in connection with the Indemnified Party’s or its Affiliates’ attorneys’ fees and related expenses.
18. **“Indemnifying Party”** and **“Indemnified Party”** have the meanings set forth in Section 11(C) (Defense and Indemnification Procedures).
19. **“Initial Term”** has the meaning set forth in Section 2(D) (Services Term).

20. **"Intellectual Property Rights"** or **"IP Rights"** means all common law and statutory rights (whether registered or unregistered, or recorded or unrecorded, regardless of method) arising out of or associated with: (a) patents and patent applications, inventions, industrial designs, discoveries, business methods, and processes; (b) copyrights and copyright registrations, and "moral" rights; (c) the protection of trade and industrial secrets and Confidential Information; (d) other proprietary rights relating to intangible property; (e) trademarks, trade names and service marks; (f) a person's name, likeness, voice, photograph or signature, including without limitation rights of personality, privacy, and publicity; (g) analogous rights to those set forth above; and (h) divisions, continuations, continuations-in-part, renewals, reissues and extensions of the foregoing (as applicable).
21. **"Law"** means any law, statute, regulation, rule, ordinance, administrative guidance, treaty or convention, or court or administrative order or ruling of any governing Federal, State, local or non-U.S. governmental body with jurisdiction over the Services.
22. **"Order Form(s)"** means a request for Service describing the type and quantity of Services required by Customer and submitted and accepted by the Parties in accordance with Section 2(A) (Ordering Services). The Order Form may be presented and executed via the Administrative Portal.
23. **"Receiving Party"** means the Party or its agents, including, but not limited to its Affiliates, officers, directors, employees, and attorneys receiving Confidential Information.
24. **"Renewal Term"** has the meaning set forth in Section 2(D) (Services Term).
25. **"RingCentral Network"** means the network and supporting facilities between and among the RingCentral points of presence ("PoP(s)"), up to and including the interconnection point between the RingCentral's network and facilities, and the public Internet, and the Public Switched Telephone Network (PSTN). The RingCentral Network does not include the public Internet, a Customer's own private network, or the PSTN.
26. **"Service(s)"** means all services provided under this Agreement and set forth in one or more Order Form(s).
27. **"Start Date"** means the date so identified in the relevant Order Form or the date on which Customer orders Services via the Administrative Portal.
28. **"Taxes"** means any and all federal, state, local, municipal, foreign, and other taxes and fees charged or collected from Customers, including but not limited to any Universal Service Fund, TRS and 911 taxes and fees.
29. **"Term"** means the Initial Term plus any Renewal Terms.
30. **"Third Party Claim"** has the meaning set forth in Section 11(A) (Indemnification by RingCentral).
31. **"Use Policy"** refers to any of the policies identified in Section 5(B) (Use Policies).

ATTACHMENT A SERVICE ATTACHMENT - RINGEX SERVICES

This Service Attachment is a part of the Master Services Agreement (the “**Agreement**”) that includes the terms and conditions agreed by the Parties under which RingCentral will provide to the Customer the RingEX Services as described under the applicable Order Form (the “**Services**”).

1. Service Overview

The Services are a cloud-based unified communications service that includes enterprise-class voice, fax, call handling, mobile apps, and bring-your-own-device (BYOD) capability that integrates with a growing list of applications.

The Services include:

- Voice Services, including extension-to-extension calling and the ability to make and receive calls to and from the public switched telephone network (PSTN)
- Video and audio-conferencing service, including screen sharing
- Collaboration Tools, including One-to-One and Team Chat, File Sharing, task management, SMS/Texting (where available), and other innovative tools

The Services may be accessed from a variety of user End Points, including IP Desk Phones, Desktop Clients, Web Clients, Mobile Applications, and Software Integrations.

2. RingEX Purchase Plans

A. Tiers of Service. The Services are made available in several pricing tiers, which are described more fully at <https://www.ringcentral.com/office/plansandpricing.html>. While RingCentral offers unlimited monthly plans for some of its products and services, RingCentral Services are intended for regular business use. “Unlimited” use does not permit any use otherwise prohibited by the Acceptable Use Policy, available at <https://www.ringcentral.com/legal/acceptable-use-policy.html>, including trunking, access stimulation, reselling of the Services, etc. Use of the RingCentral AI Assistant capabilities is subject to the applicable terms contained in the AI Assistant Add-On Service Description available at <https://www.ringcentral.com/legal/add-on-services.html#qlnks-12>.

B. Minute and Calling Credit Bundles. Each plan includes a number of Toll-Free minutes, per month, which are pooled to create a single allotment of Toll-Free minutes available for the entire account. Core/Advanced/Ultra tier plans include a monthly allotment of 100/1000/10000 toll free minutes per account, respectively. Overage charges of 3.9¢ per minute apply to calls made in excess of allotment.

International Calling Credit Bundles can be purchased in addition to any base amount included with the purchased tier. International External Calls are charged against Calling Credits on the Account per destination rates, or as overage once Calling Credits are exceeded. Currently effective rates are available at <https://www.ringcentral.com/support/international-rates.html>.

Extension-to-Extension Calls within the Customer account never incur any usage fee and are unlimited, except to the extent that such calls are forwarded to another number that is not on the Customer account.

Additional Calling Credits may be purchased through the Auto-Purchase feature, which can be selected for automatic purchase in various increments on the Administrative Portal. Auto-Purchase is triggered when the combined usage of all End Users on an Account exceeds the total Calling Credits or when End Users make calls with additional fees (e.g., 411).

Minute Bundles and Calling Credit Bundles expire at the end of month and cannot roll over to the following month. Auto-Purchased Calling Credits expire twelve (12) months from date of purchase. Bundles may not be sold, transferred, assigned, or applied to any other customer.

C. Enhanced Business SMS Allotment and Pricing. Each plan includes a number of SMS per each user, per month, which are pooled to create a single allotment of SMS available to the entire account. Core/Advanced/Ultra tier plans include a monthly allotment of 25/100/200 SMS, per user respectively. Each SMS sent or received will be deducted from the pool of available SMS on the account. Overage charges apply to SMS sent or received in excess of allotment and will be charged at the then-applicable rates, available at <https://www.ringcentral.com/support/new-sms-rates.html>. Additional SMS bundles are available for purchase at discounted prices. Customer must successfully register phone numbers with the SMS registrar prior to using SMS. RingCentral may attempt to deliver SMS sent from unregistered phone numbers at its discretion, however unregistered SMS are excluded from the monthly allotment and any purchased SMS bundles, and will be charged at then-applicable unregistered SMS rates, available at <https://www.ringcentral.com/support/new-sms-rates.html>.

3. Operator Assisted Calling, 311, 511 and other N11 Calling

RingCentral does not support 0+ or operator assisted calling (including, without limitation, collect calls, third party billing calls, 900, or other premium line numbers or calling card calls). The Services may not support 211, 311, 411, 511 and/or N11 calling. To the extent they are supported, additional charges may apply for these calls.

4. Directory Listing Service

RingCentral offers directory listing (the “**Directory Listing Service**”). If Customer subscribes to the Directory Listing Service, RingCentral will share certain Customer Contact Data with third parties as reasonably necessary to include in the phone directory (“**Listing Information**”). This information may include, but is not limited to, Customer’s company name, address, and phone numbers. Customer authorizes RingCentral to use and disclose the Listing Information for the purpose of publishing in, and making publicly available through, third-party directory listing services, to be selected by RingCentral or third-party service providers in their sole discretion. Customer acknowledges and agrees that by subscribing to the Directory Listing Service, Customer’s Listing Information may enter the public domain and that RingCentral cannot control third parties’ use of such information obtained through the Directory Listing Service.

- A. **Opt Out.** Customer may opt out of the Directory Listing Service at any time; however, RingCentral is not obligated to have Customer’s Listing Information removed from third-party directory assistance listing services that have already received Customer’s information.
- B. **No Liability.** RingCentral will have no responsibility or liability for any cost, damages, liabilities, or inconvenience caused by calls made to Customer’s telephone number; materials sent to Customer, inaccuracies, errors or omissions with Listing Information; or any other use of such information. RingCentral will not be liable to Customer for any use by third parties of Customer’s Listing Information obtained through the Directory Listing Service, including without limitation the use of such information after Customer has opted out of the Directory Listing Service.

5. Global RingEX or RingCentral Global Office.

Global RingEX (which is also known as RingCentral Global Office and references in the Service Description to Global RingEX shall also refer to Global Office) provides a single communications system to companies that have offices around the world, offering localized service in countries for which Global RingEX is available. Additional information related to Global RingEX Services is available at <http://www.ringcentral.com/legal/policies/global-office-countries.html>. This section sets forth additional terms and conditions concerning RingCentral’s Global RingEX for customers that subscribe to it.

- A. **Emergency Service Limitations for Global RingEX.** RingCentral provides access to Emergency Calling Services in many, but not all, countries in which RingCentral Global RingEX is available, allowing End Users in most countries to access Emergency Services. Emergency Services may only be accessed within the country in which the Digital Line is assigned, e.g., an End User with a Digital Line assigned in Ireland may dial Emergency Services only within Ireland. Access to Emergency Calling Services in RingCentral Global RingEX countries, where available, is subject to the Emergency Services Policy, available at <https://www.ringcentral.com/legal/emergency-services.html>. Customer must make available and will maintain at all times traditional landline and/or mobile network telephone services that will enable End Users to call the applicable Emergency Services number. Customer may not use the RingCentral Services in environments requiring fail-safe performance or in which the failure of the RingCentral Services could lead directly to death, personal injury, or severe physical or environmental damage.
- B. **Global RingEX Provided Only in Connection with Home Country Service.** RingCentral provides Global RingEX Service only in connection with Services purchased in the Home Country. RingCentral may immediately suspend or terminate Customer’s Global RingEX Services if Customer terminates its Digital Lines in the Home Country. All invoicing for the Global RingEX Services will be done in the Home Country on the Customer’s Account, together with other Services purchased under this Agreement, using the Home Country’s currency. Customer must at all times provide a billing address located in the Home Country. RingCentral will provide all documentation, licenses, and services in connection with the Global RingEX Service in English; additional language support may be provided at RingCentral’s sole discretion.
- C. **Primary Place of Use of Global RingEX Service.** Customer represents and warrants that the primary place of use of the Global RingEX Services will be the country in which the Digital Line is assigned, e.g., an End User with a Digital Line assigned in Ireland will primarily use that Digital Line in Ireland.
- D. **Relationships with Local Providers.** In connection with the provision of Global RingEX Services, RingCentral relies on local providers to supply certain regulated communication services; for example (i) for the provision of local telephone numbers within local jurisdictions; (ii) to enable you to place local calls within local jurisdictions; and (iii) to enable you to receive calls from non-RingCentral numbers on Customer’s Global RingEX telephone number(s), by connecting with the local public switched telephone network. Customer hereby appoints RingCentral as Customer’s agent with power of attorney (and such appointment is coupled with an interest and is irrevocable during the Term) to conclude and enter into agreements with such local providers on Customer’s behalf to secure such services. RingCentral’s locally licensed affiliates provide all telecommunications services offered to Customer within the countries in which such affiliates are licensed; in some cases, RingCentral may obtain services from locally licensed providers on Customer’s behalf. RingCentral is responsible for all contracting, billing, and customer care related to those services. Customer is responsible for providing RingCentral with all information necessary for RingCentral to obtain numbers in Global RingEX countries.

6. **Additional Services.** RingCentral offers add-on services for the Services (where available), which are described at <https://www.ringcentral.com/legal/microsoft-teams-services-attachment.html>. Additional terms or charges may apply, depending on the selected features.
7. **Bring Your Own Carrier (BYOC) Services.** RingCentral offers a software-as-a-service in which customers provide and maintain their own local telecommunications services, which may be connected to RingCentral's cloud PBX, videoconferencing, and team messaging services. BYOC and additional terms are described and available at <https://www.ringcentral.com/legal/BYOC-service-description.html>.
8. **Definitions.** Terms used herein but not otherwise defined have the meanings ascribed to them in the Agreement. For purposes of this Service Attachment, the following terms have the meanings set forth below:
- A. **“Digital Line”** means a phone number assigned to an End User or a specifically designated location (e.g., conference room) and the associated voice service for inbound and outbound calling that permits the End User generally to make and receive calls to and from the public switched telephone network as well as to and from other extensions within the same Account.
 - B. **“End Point”** means an application or device through which any End-User might access and/or use any of the Services, including without limitation IP Desk Phones, Desktop Clients, Web Clients, Mobile Applications, and Software Integrations.
 - C. **“Extension-to-Extension Calls”** means calls made and received between End Points on the Customer Account with RingCentral, regardless of whether the calls are domestic or international.
 - D. **“External Calls”** means calls made to or received from external numbers on the PSTN that are not on the Customer Account with RingCentral.
 - E. **“Home Country”** means the United States or the country that is otherwise designated as Customer's primary or home country in the Order Form.

**ATTACHMENT B
RINGCENTRAL SECURITY ADDENDUM**

1. Scope

This document describes the Information Security Measures (“**Measures**”) that RingCentral has in place when processing Protected Data through RingCentral Services.

2. Definitions

For purposes of this Security Addendum only, capitalized terms, not otherwise defined herein, have the meaning set forth in the Agreement.

- A. “Ring Central Services”, or “Services”,** means services offered by RingCentral and acquired by the Customer.
- B. “Customer”** means the entity that entered into the Agreement with RingCentral.
- C. “Protected Data”** means Customer and partner data processed by RingCentral Services, as defined in the applicable RingCentral DPA or Agreement, including “personal data” and “personal information” as defined by applicable privacy laws, confidential data as defined in the Agreement, account data, configuration data, communication content including messages, voicemail, and video recording.
- D. “Agreement”** means the agreement in place between RingCentral and the Customer for the provision of the Services.
- E. “Personnel”** means RingCentral employees, contractors or subcontracted Professional Services staff.

3. Information Security Management

A. Security Program

RingCentral maintains a written information security program that:

- i. Includes documented policies or standards appropriate to govern the handling of Protected Data in compliance with the Agreement and with applicable law.
- ii. Is managed by a senior employee responsible for overseeing and implementing the program.
- iii. Includes administrative, technical, and physical safeguards reasonably designed to protect the confidentiality, integrity, and availability of Protected Data.
- iv. Is appropriate to the nature, size, and complexity of RingCentral’s business operations.

B. Security Policy Management

RingCentral’s security policies, standards, and procedures:

- i. Align with information security established industry standards.
- ii. Are subject to ongoing review.
- iii. May be revised to reflect changes in industry best practices.

C. Risk Management

RingCentral:

- i. Performs cybersecurity risk assessments to identify threats to their business or operations at least annually.
- ii. Updates RingCentral policies, procedures and standards as needed to address threats to RingCentral’s business or operations.

4. Independent security assessments

A. External Audit

RingCentral:

- i. Uses qualified independent third-party auditors to perform security audits covering systems, environments, and networks where Protected Data is processed, including
 - a. SOC2 Type II
 - b. IES/ISO 27001.
- ii. maintains additional audits and compliance certifications as appropriate for RingCentral’s business and as identified at www.ringcentral.com/trust-center.html.

B. Distribution of Reports

Copies of relevant audit reports and certifications:

- i. Will be provided to Customer on request.

- ii. Are subject to Non-Disclosure Agreement.

C. Annual Risk Assessment Questionnaire

Customer may, on one (1) occasion within any twelve (12) month period, request that RingCentral complete a third-party risk assessment questionnaire within a reasonable time frame.

In case of conflict between this section and the equivalent section in the RingCentral DPA, the DPA takes precedence.

5. Human Resource Security

A. Background Checks

RingCentral requires pre-employment screenings of all employees. RingCentral ensures criminal background searches on its employees to the extent permitted by law. Each background check in the US includes:

- i. An identity verification (SSN trace).
- ii. Criminal history checks for up to seven (7) years for felony and misdemeanors at the local, state, and federal level, where appropriate.
- iii. Terrorist (OFAC) list search, as authorized by law.

Internationally, criminal history checks are conducted as authorized by local law.

Background checks are conducted by a member of the National Association of Professional Background Screeners or a competent industry-recognized company in the local jurisdiction.

B. Training

RingCentral will ensure that all employees including contractors:

- i. Complete annual training to demonstrate familiarity with RingCentral's security policies.
- ii. Complete annual training for security and privacy requirements, including CyberSecurity awareness, GDPR, and CCPA.
- iii. Have the reasonable skill and experience suitable for employment and placement in a position of trust within RingCentral.

C. Workstation Security

RingCentral ensures that:

- i. RingCentral employees either use RingCentral owned and managed devices in the performance of their duties or Bring Your Own Device (BYOD) device.
- ii. All devices, whether RingCentral owned and managed or Bring Your Own Device (BYOD) device, are enrolled in the full RingCentral managed device program.

D. Data Loss Prevention

RingCentral employs a comprehensive system to prevent the inadvertent or intentional compromise of RingCentral data and Protected Data.

E. Due Diligence Over Sub-Contractors

RingCentral will:

- i. maintain a security process to conduct appropriate due diligence prior to engaging sub-contractors.
- ii. assess the security capabilities of any such sub-contractors on a periodic basis to ensure subcontractors' ability to comply with the Measures described in this document.
- iii. apply written information security requirements that oblige sub-contractors to adhere to RingCentral's key information security policies and standards consistent with and no less protective than these Measures.

F. Non-Disclosure

RingCentral ensures that employees and contractors/sub-contractors who process Protected Data are bound in writing by obligations of confidentiality.

6. Physical Security

A. General

RingCentral:

- i. Restricts access to, controls, and monitors all physical areas where RingCentral Services process Protected Data ("**Secure Areas**").
- ii. Maintains appropriate physical security controls on a 24-hours-per-day, 7-days-per-week basis ("**24/7**").

- iii. Revokes any physical access to Secure Areas promptly after the cessation of the need to access buildings and system(s).
- iv. Performs review of access rights on at least an annual basis.

B. Access and Authorization Processes

RingCentral maintains a documented access authorization and logging process. The authorization and logging process will include at minimum:

- i. Reports detailing all access to Secure Areas, including the identities and dates and times of access.
- ii. Reports to be maintained for at least one year as allowed by law.
- iii. Video surveillance equipment to monitor and record activity at all Secure Areas entry and exit points on a 24/7 basis to the extent permitted by applicable laws and regulations.
- iv. Video recording to be maintained for at least 30 days or per physical location provider's policies.

C. Data Centers

To the extent that RingCentral is operating or using a data center, RingCentral ensures that physical security controls are in alignment with industry standards such as ISO 27001 and SSAE 16 or ISAE 3402 or similar standard including:

- i. Perimeter security including fencing/barriers and video surveillance.
- ii. Secure access including security guard/reception.
- iii. Interior access controlled through RFID cards, 2FA, anti-tailgating controls.
- iv. Redundant utility feeds and support for continuous delivery through backup systems.
- v. Redundant network connection from multiple providers.

7. Logical Security

A. User Identification and Authentication

RingCentral:

- i. Maintains a documented user management lifecycle management process that includes manual and/or automated processes for approved account creation, account removal and account modification for all Information Resources and across all environments.
- ii. Ensures that RingCentral users have an individual accounts for unique traceability.
- iii. Ensures that RingCentral users do not use shared accounts; where shared accounts are technically required controls are in place to ensure traceability.
- iv. RingCentral user passwords are configured aligned with current NIST guidance.

For the customer facing applications, Customers may choose to integrate with SSO (Single Sign on) so that Customer retains control over their required password settings including Customer's existing MFA/2FA solutions.

B. User Authorization and Access Control

RingCentral:

- i. Configures remote access to all networks storing or transmitting Protected Data to require multi-factor authentication for such access.
- ii. Revokes access to systems and applications that contain or process Protected Data promptly after the cessation of the need to access the system(s) or application(s).
- iii. Has the capability of detecting, logging, and reporting access to the system and network or attempts to breach security of the system or network.

RingCentral employs access control mechanisms that are intended to:

- i. Limit access to Protected Data to only those Personnel who have a reasonable need to access said data to enable RingCentral to perform its obligations under the Agreement.
- ii. Prevent unauthorized access to Protected Data.
- iii. Limit access to users who have a business need to know.
- iv. Follow the principle of least privilege, allowing access to only the information and resources that are necessary.
- v. Perform review access controls on a minimum annual basis for all RingCentral's systems that transmit, process, or store Protected Data.

8. Telecommunication and Network Security

A. Network Management

RingCentral:

- i. Maintains network security program that includes industry standard firewall protection and two-factor authentication for access to RingCentral's networks.
- ii. Deploys an Intrusion Detection Systems (IDS) and/or Intrusion Prevention Systems (IPS) to generate, monitor, and respond to alerts which could indicate potential compromise of the network and/or host.
- iii. Monitors web traffic from the Internet and from internal sources to detect cyber-attacks including Distributed Denial of Service (DDoS) attacks against web sites / services and to block malicious traffic.

B. Network Segmentation

RingCentral:

- i. Implements network segmentation between the corporate enterprise network and hosting facilities for Services.
- ii. Ensures separation between environments dedicated to development, staging, and production.
- iii. Restricts access between environments to authorized devices.
- iv. Controls configuration and management of network segregation and firewall rules through a formal request and approval process.

C. Network Vulnerability Scanning

RingCentral:

- i. Runs internal and external network vulnerability scans against information processing systems at least quarterly.
- ii. Evaluates findings based on (where applicable) CVSS score and assessment of impact, likelihood, and severity.
- iii. Remediates findings following industry standard timelines.

9. Operations Security

A. Asset Management

RingCentral:

- i. Maintains an accurate and current asset register covering hardware and software assets used for the delivery of services.
- ii. Maintains accountability of assets throughout their lifecycle.
- iii. Maintains processes to wipe or physically destroy physical assets prior to their disposal.

B. Configuration Management

RingCentral:

- i. Maintains baseline configurations of information systems and applications based on industry best practices including:
 - a. Removal of all vendor-provided passwords.
 - b. Remove/disable unused services and settings.
 - c. Anti-malware/endpoint protection as technically feasible.
- ii. Enforces security configuration settings for systems used in the provision of the Services.
- iii. Ensures that clocks of all information processing systems are synchronized to one of more reference time sources.

C. Malicious Code Protection

- i. To the extent practicable, RingCentral has endpoint protection in place, in the form of Endpoint Detection and Response (EDR) and/or antivirus software, installed and running on servers and workstations.
- ii. EDR alerts are monitored, and immediate action is taken to investigate and remediate any abnormal behavior.
- iii. Where used, antivirus software will be current and running to scan for and promptly remove or quarantine viruses and other malware on Windows servers and workstations.

D. Vulnerability, Security Patching

RingCentral:

- i. Monitors for publicly disclosed vulnerabilities and exposures for impact to Supplier's information systems and products.

- ii. Ensures quality assurance testing of patches prior to deployment.
- iii. Ensures that all findings resulting from network vulnerability scanning and relevant publicly disclosed vulnerabilities and exposures are remediated according to industry best practices, including CVSS score and assessment of impact, likelihood and severity and are remediated following industry standard timelines.

E. Logging and Monitoring

RingCentral shall ensure that:

- i. All systems, devices or applications associated with the access, processing, storage, communication and/or transmission of Protected Data, generate audit logs.
- ii. Access to Protected Data is logged.
- iii. Logs include sufficient detail that they can be used to detect significant unauthorized activity.
- iv. Logs are protected against unauthorized access, modification, and deletion.
- v. Logs are sent to a centralized location for aggregation and monitoring.

10. Software Development and Maintenance

A. Secure Development Lifecycle

RingCentral:

- i. Applies secure development lifecycle practices, including, during design, development, and test cycles.
- ii. Ensures that products are subject to security design review including threat considerations and data handling practices.
- iii. Ensures that Services are subject to a secure release review prior to promotion to production.

B. Security Testing

As part of the secure development lifecycle, RingCentral:

- i. Performs rigorous security testing, including, as technically feasible:
 - a. static code analysis.
 - b. source code peer reviews.
 - c. dynamic and interactive security testing.
 - d. security logic, or security "QA" testing.
- ii. Ensures that Internet-facing applications are subject to application security assessment reviews and testing to identify common security vulnerabilities as identified by industry-recognized organizations (e.g., OWASP Top 10 Vulnerabilities, CWE/SANS Top 25 vulnerabilities).
- iii. For all mobile applications (i.e. running on Android, Blackberry, iOS, Windows Phone) that collect, transmit or display Protected Data, conducts an application security assessment review to identify and remediate industry-recognized vulnerabilities specific to mobile applications.
- iv. Does NOT use Protected Data for testing.
- v. Makes all reasonable effort to identify and remediate software vulnerabilities prior to release.

C. Annual Penetration Testing

RingCentral:

- i. Engages qualified, independent third-party penetration testers to perform annual penetration test against its Products and environments where Protected Data is hosted.
- ii. Requires sub-processors to perform similar penetration testing against their systems, environments, and networks.
- iii. Ensures remediation of all findings in a commercially reasonable period of time.

D. Product Vulnerability Management

RingCentral:

- i. Uses commercially reasonable efforts to regularly identify software security vulnerabilities in RingCentral Services.
- ii. Provides relevant updates, upgrades, and bug fixes for known software security vulnerabilities, for any software provided or in which any Protected Data is processed.

- iii. Ensures that all findings resulting from internal and external testing are evaluated according to industry best practices, including CVSS score and assessment of impact, likelihood and severity and are remediated following industry standard timelines.

E. Open Source and Third-Party Software

RingCentral:

- i. Maintains an asset registry of all third-party software (TPS) and open-source software (OSS) incorporated into the Services.
- ii. Uses commercially reasonable efforts to ensure the secure development and security of open-source software and third-party software used by RingCentral.
- iii. Uses commercially reasonable efforts to evaluate, track and remediate vulnerabilities of open-source software (OSS) and other third-party libraries that are incorporated into the Services.

11. Data Handling

A. Data Classification

RingCentral maintains data classification standards including:

- i. Public data, data that is generally available or expected to be known to the public.
- ii. Confidential data, data that is not available to the general public.

Protected Data is classified as RingCentral Confidential Data.

B. Data Segregation

RingCentral:

- i. Ensures physical or logical segregation of Protected Data from other customers' data.
- ii. Ensures physical separation and access control to segregate Protected Data from RingCentral data.

C. Encryption of Data

RingCentral:

- i. Shall ensure encryption of Protected Data in electronic form in transit over all public wired networks (e.g., Internet) and all wireless networks (excluding communication over Public Switch Telephone Networks).
- ii. Excepting the Engage Communities feature of Engage Digital, shall ensure encryption of Protected Data in electronic form when stored at rest.
- iii. Uses industry standard encryption algorithms and key strengths to encrypt Protected Data in transit over all public wired networks (e.g., Internet) and all wireless networks.

D. Destruction of Data

RingCentral shall:

- i. Ensure the secure deletion of data when it is no longer required.
- ii. Ensure that electronic media that has been used in the delivery of Services to the Customer will be sanitized before disposal or repurposing, using a process that assures data deletion and prevents data from being reconstructed or read.
- iii. Destroy any equipment containing Protected Data that is damaged or non-functional.

12. Incident Response

RingCentral's incident response capability is designed to comply with statutory and regulatory obligations governing incident response. As such, RingCentral:

- A.** Maintains an incident response capability to respond to events potentially impacting the confidentiality, integrity and/or availability of Services and/or data including Protected Data.
- B.** Has a documented incident response plan based on industry best practices.
- C.** Has a process for evidence handling that safeguards the integrity of evidence collected to including allowing detection of unauthorized access to.
- D.** Will take appropriate steps and measures to comply with statutory and regulatory obligations governing incident response.

When RingCentral learns of or discovers a security event which impacts Protected Data, RingCentral will notify Customer without undue delay and will take commercially reasonable steps to isolate, mitigate, and/or remediate such event.

13. Business Continuity and Disaster Recovery

A. Business Continuity

RingCentral:

- i. Ensures that responsibilities for service continuity are clearly defined and documented and have been allocated to an individual with sufficient authority.
- ii. Has a business continuity plan (BCP) in place designed to provide ongoing provision of the Services to Customer.
- iii. Develops, implements, and maintains a business continuity management program to address the needs of the business and Services provided to the Customer. To that end, RingCentral completes a minimum level of business impact analysis, crisis management, business continuity, and disaster recovery planning.
- iv. Ensures that the scope of the BCP encompasses all relevant locations, personnel and information systems used to provide the Services.
- v. Ensure that its BCP includes, but is not limited to, elements such location workarounds, application workarounds, vendor workarounds, and staffing workarounds, exercised at minimum annually.
- vi. Reviews, updates, and tests the BCP at least annually.

B. Disaster Recovery

RingCentral:

- i. Maintains a disaster recovery plan, which includes, but is not limited to, infrastructure, technology, and system(s) details, recovery activities, and identifies the people/teams required for such recovery, exercised at least annually.
- ii. Ensures that the disaster recovery plan addresses actions that RingCentral will take in the event of an extended outage of service.
- iii. Ensures that its plans address the actions and resources required to provide for (i) the continuous operation of RingCentral, and (ii) in the event of an interruption, the recovery of the functions required to enable RingCentral to provide the Services, including required systems, hardware, software, resources, personnel, and data supporting these functions.



Customer Service Order Form

FOR: La Palma City Hall

Quote Details:

Attn: Conal McNamara

Date: 10/31/2024

Submitted By:

Channel Partner: Preet Singh (Sandler)

Channel Manager: Al Allen

THIS SERVICE ORDER ("Service Order" or "SOF"), is executed and effective upon the date of the signature set forth in the signature block below ("Effective Date") and is by and between Verve Cloud, Inc. on behalf of those operating subsidiaries providing the Service(s) hereunder ("Verve") and Customer (as shown below) and is governed by and subject to the Verve Standard Service Terms and Conditions posted to the Verve website at <https://www.vervecloud.com/terms-and-conditions-01/> (or successor URL) or, if applicable, an existing services agreement mutually executed by the parties (each, as appropriate, a "Service Agreement"). Except as specifically modified herein, all other terms and conditions of the Service Agreement shall remain unamended and in full force and effect.



Prepared for: Conal McNamara
Salesperson: Al Allen
Company: La Palma City Hall
Quote ID: 46654

Date: 10/31/2024
Term: 36 Months

ID	Service Name	Qty	Monthly Charges	Total Monthly
	La Palma City Hall - 7822 Walker St La Palma, CA 90623-1721			
92616	High-Speed Internet-100M Dedicated Fiber	1.00	\$675.00	\$675.00
92617	IP Addresses \29 (5 Usable)	1.00	\$0.00	\$0.00
92618	Verve Managed Edge Device	1.00	\$0.00	\$0.00
Total Monthly Charges				\$675.00

One Time Charges	Total One Time
Total One Time Charges	\$0.00



AUTHORIZED CONTACTS

Name	Email Address	Phone Number
Conal McNamara	cmcnamara@cityoflapalma.org	(714) 690-3334

SERVICE ORDER FORM NOTES

Special Notes:

Free professional install.

Standard Notes:

In addition to the charges for your Verve Services, you are responsible for all federal, state and local sales, use and excise taxes and any applicable government or regulatory fees, assessments, taxes or other charges for the Services, including any universal service fund charges. Also note that other carrier cost recovery fees may apply, including a Regulatory Recovery Fee and E911 Cost Recovery Fee. The pricing listed on this Service Order Form ("SOF") is only valid for 90 days. In the event that Verve's network infrastructure costs increase prior to installation, Verve reserves the right to change the pricing based on the difference. If the pricing is changed, Customer will have the right to either accept the new pricing or cancel this order. Every new service installation has associated installation fees. Unless otherwise stated, these install fees are \$500 per broadband circuit and \$50 per voice seat/user. Verve may elect to waive these install fees in conjunction with term contracts.

SIGNATURES

Client approves and accepts this SOF, which fully incorporates the Verve Cloud Standard Terms and Conditions. Client and the individual signing below represent that such individual has the authority to bind Client to this SOF. SOF requires both signatures to be valid.

CLIENT

Name: Conal McNamara

Title:

Signature:

Date:

VERVE CLOUD, INC.

Name: **Verve Authorized Signature**

Title:

Signature:

Date:

City of La Palma

Agenda Item No. 13



MEETING DATE: November 5, 2024

TO: City Council

FROM: City Manager

SUBMITTED BY: Jesse Amend, Captain

AGENDA TITLE: Approval to Purchase Three Electronic Portable Message Boards

RECOMMENDED ACTION:

It is recommended that the City Council authorize the City Manager to execute the attached quote from All Traffic Solutions Inc. for the purchase of three electronic portable message boards.

SUMMARY:

In June 2024, the City received notification of its approval for the California Highway Patrol's Cannabis Tax Fund Grant Program, awarding a total of \$88,000. This grant aims to support the La Palma Police Department in reducing and addressing the impact of impaired driving. Accordingly, the grant funds may be allocated toward advanced officer training on impaired driving, public education initiatives, enhanced impaired driving enforcement, and the purchase of portable electronic message board signs.

The message board signs will primarily be used to display educational messaging to discourage driving under the influence, promoting public awareness of the risks and consequences associated with impaired driving. Additionally, these portable signs will serve to enhance visibility for enforcement efforts, remind drivers of safety measures, and create a deterrent against unsafe driving behaviors. Positioned strategically near main intersections and key areas, the signs will also alert drivers to their speed, encouraging voluntary compliance with traffic laws and fostering safer driving habits.

After thorough research, staff identified All Traffic Solutions Inc. as a reputable provider specializing in high-quality portable electronic message boards. Known for their reliability and advanced technology, All Traffic Solutions' products are widely used in law enforcement and public safety applications. Staff determined that their message boards meet the Department's specific needs for durability, ease of use, and effectiveness in delivering clear, impactful educational messaging against driving under the influence. Additionally, the company's strong customer support and maintenance options make it a suitable choice for the Department's long-term operational requirements.

The total cost of three portable electronic message board signs is \$60,268.18.

FISCAL IMPACT:

The \$60,268.18 cost for three portable electronic message board signs is reimbursable through the Cannabis Tax Fund Grant, leaving \$27,731.82 for other grant-eligible expenses.

ATTACHMENTS:

1. Message Boards quote


**Mail Purchase
Orders to:**

3100 Research Dr.
State College, PA
16801

All Traffic Solutions Inc.
PO Box 221410
Chantilly, VA 20153
Phone: 814-237-9005
Fax: 814-237-9006
DUNS #: 001225114
Tax ID: 25-1887906
CAGE Code: 34FQ5

Contract:

Sourcewell 090122-ATS
Sourcewell Account #:
82900

Questions contact:
MANUFACTURER:
All Traffic Solutions
Grahm Zieba

x
gzieba@alltrafficsolutions.com

QUOTE Q-91228

DATE: 10/23/2024

PAGE
NO: 1

Independent Sales Rep:

BILL TO:

La Palma Police Department
La Palma, 90623

Billing Contact:

SHIP TO:

La Palma Police Department
7792 Walker St
La Palma, CA 90623
Attn: Jesse Amend

**PAYMENT
TERMS:**

Net 30

CUSTOMER: La Palma
Police Department

CONTACT: 714-690-3381

ITEM NO:	DESCRIPTION:	QTY:	EACH:	EXT. PRICE:
4000750	App, Mobile User Interface perpetual license (only 1 required per account—Bluetooth required, enabled separately)	1	\$100.00	\$100.00
4000745	SpeedAlert 24 Radar Message Sign (RMS); base unit (select mount separately)	3	\$9,777.72	\$29,333.16
4001299	3 Year Warranty	3	\$0.00	\$0.00
4000874	All Options Activation: Bluetooth, Traffic Data, Violator Alert, Pictures, (\$3000 Value, requires Traffic or Message Suite)	3	\$0.00	\$0.00
4000647	App, Traffic Suite (12mo); Equip Mgmt, Reporting, Image Mgmt, Alerts, Mapping and PremierCare	3	\$1,500.00	\$4,500.00
4001626	VZW communications prep	3	\$0.00	\$0.00
4001622	ATS-5 Trailer for IA/SA24 includes: 470Ah Batteries & Trailer Certificate of Origin	3	\$5,733.24	\$17,199.72
4000278	Solar panel, 120W: includes bracket for ATS-5 trailer and harness	3	\$1,323.96	\$3,971.88
4000879	Violator Strobe, Red and Blue for ATS-5 for use with SA24	3	\$840.48	\$2,521.44
4001889	Shipping and Handling	3	\$1,688.00	\$5,064.00
4001190	Discount - New Purchase	1	(\$6,582.47)	(\$6,582.47)
4000705	Sales Tax	1	\$4,160.45	\$4,160.45

Special Notes:	SALES AMOUNT:	\$60,268.18
	TOTAL USD:	\$60,268.18

Duration: This quote is good for 60 days from date of issue.

Shipping Notes: All shipments shall be FOB shipper. Shipping charges shall be additional unless listed on quote.

Taxes: Taxes are not included in quote. Please provide a tax-exempt certificate or sales tax will be applied.

Warranty: Unless otherwise indicated, all products have a one year warranty from date of sale. Warranty extensions are a component of some applications that are available at time of purchase. A Finance Charge of 1.5% per month will be applied to overdue balances. GSA GS-07F-6092R

I am authorized to commit my organization to this order. If your organization will be creating a purchase order for this order, please submit purchase order to either of the following: Email: sales@alltrafficsolutions.com or Physical Address: Listed at top of quote.

Signature: _____ Date: _____

Print Name: _____ Title: _____

City of La Palma

Agenda Item No. 14



MEETING DATE: November 5, 2024

TO: City Council

FROM: City Manager

SUBMITTED BY: Belinda Deines, Community Development Manager

AGENDA TITLE: Review and Consideration of Conditional Use Permit 393 to Establish an Adult Day Care Use (My Day Program, Inc.) Located at 7252 Walker Street (APN 263-061-12)

RECOMMENDED ACTION:

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

- a) Open Public Hearing
- b) Receive Staff Report
- c) Council Member Comments and Questions
- d) Receive Public Input
- e) Close Public Hearing
- f) Adopt a Resolution approving Conditional Use Permit 393

CEQA exempt pursuant to Section 15301 Class 1 [Existing Facilities]

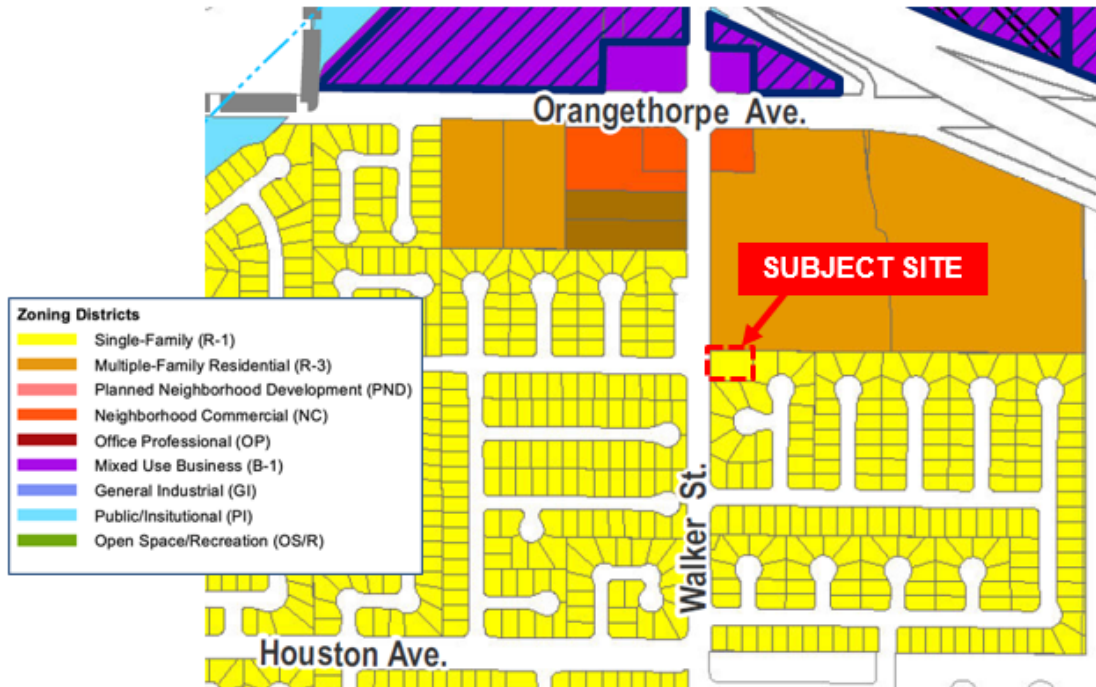
SUMMARY:

On March 5, 2024, Elizabeth Santos (Applicant) applied for a Conditional Use Permit (CUP) to establish My Day Program, Inc., an adult day care facility at 7252 Walker Street (APN 263-061-12). Pursuant to the La Palma Municipal Code, an adult day care use in the Single-Family Residential (R-1) Zoning District requires City Council approval of a CUP. The Applicant proposes to convert an existing single-family residence into an adult day care use for developmentally disabled adults. The facility's hours of operation are from 8:00 a.m. to 2:00 p.m., Monday through Friday, and closed on weekends. This day program geared toward community integration is funded by the Regional Center of Orange County and will be licensed under the Community Care Licensing Division of the State of California Department of Social Services.

BACKGROUND:

The subject site is located on the east side of Walker Street between Conifer Drive and Orangethorpe Avenue, and is designated R-1 Zoning District according to the City's Zoning Map. The site is bordered by Brookside Apartments to the north and residential homes to the west, east, and south. The property is improved with an existing 3,752 square-foot single-family residence on a 15,122 square-foot lot. The existing single-family residence is currently vacant and gains direct vehicular access from Walker Street.

Surrounding zoning and land uses are as follows:



ANALYSIS:

Pursuant to La Palma Municipal Code (LPMC) Section 44-10, "day care facilities" means facilities that provide non-medical care and supervision of persons for periods of less than 24 hours. These facilities are required to be licensed by the State of California Department of Social Services. Adult day care, business, as defined by California Health and Safety Code Section 1502, means commercial or nonprofit adult day care facilities designed and approved to accommodate seven or more adults and includes senior centers.

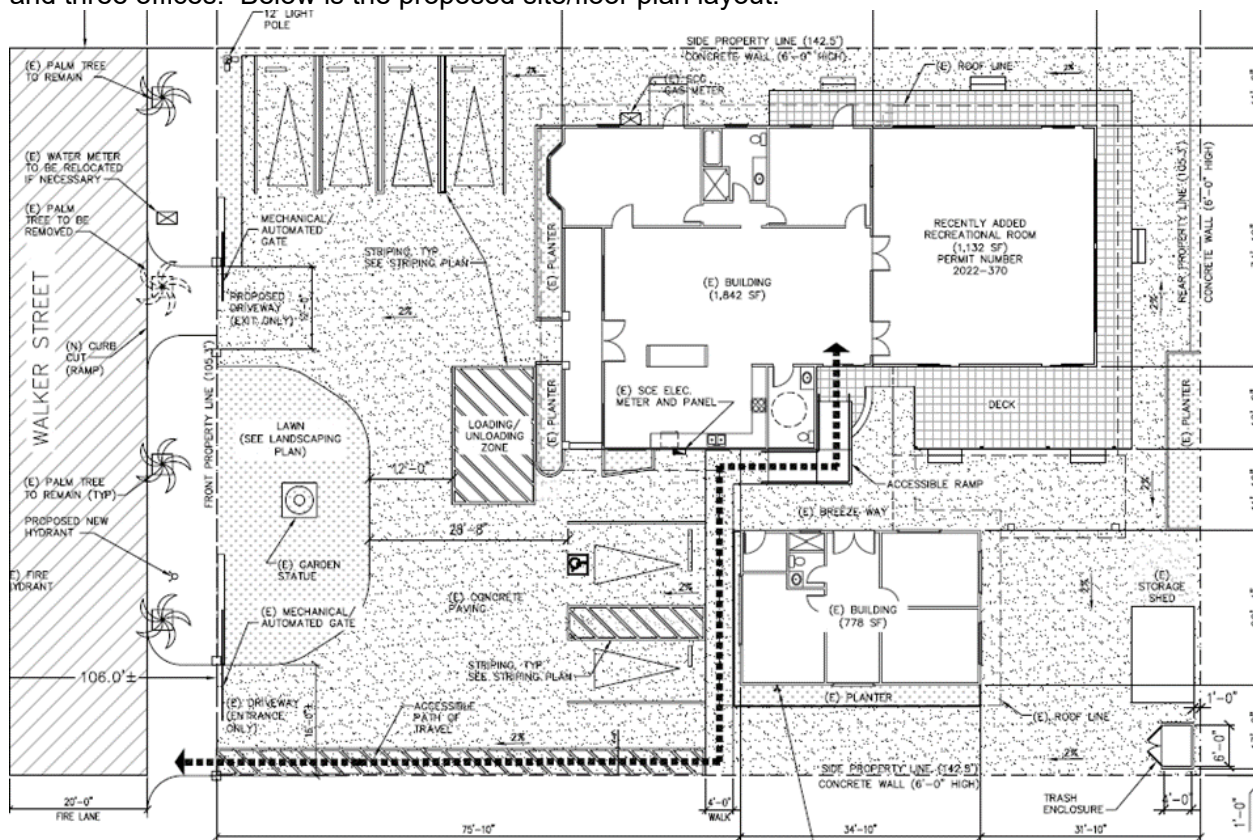
My Day Program, Inc. is a community-based program for developmentally disabled individuals, and the Applicant is authorized to provide services as a vendor by the Regional Center of Orange County. The Regional Center of Orange County (RCOC) is a private, nonprofit organization contracted by the State of California to coordinate lifelong services and support for individuals with developmental disabilities and their families. RCOC is the primary source to obtain local services and support to help them live safely and with dignity in the community. RCOC serves over 26,000 Orange County residents with autism, epilepsy, cerebral palsy, and intellectual cognitive disabilities.

A letter of support from RCOC states that the proposed My Day Program, Inc. was selected for

development in their Request for Proposals process due to the Applicant's "demonstrated knowledge and experience" as well as "the need for the geographic location to be served... in La Palma and surrounding cities" (Attachment 2). According to the City's Housing Element, RCOC contracts with local businesses to offer a wide range of services to individuals with developmental disabilities and their families. The proposed day program includes services for developing social interactions with others, self-advocacy and employment skills, community integration skills such as accessing community services, and social and recreational skills.

The number of clients will be limited to 30 individuals who will be accompanied by staff and job coaches with program activities to take place indoors. The facility's hours of operation are from 8:00 a.m. to 2:00 p.m., Monday through Friday, and closed on weekends. No overnight stay, residential, or skilled nursing uses are proposed at the site. The proposed use involves implementation of an "Adult Development Program" that is non-medical but focused on developing clients' social skills and job coaching. The site's proximity to the City's Community Center, Central Park, Public Library, La Palma Intercommunity Hospital, and other public facilities and medical-related resources complement well with the proposed adult day care programming focused on social and community integration for their clients.

Site/Floor Plan: The site plan and floor plans are provided as "EXHIBIT A" to Attachment 1. The floor plan includes a recreational room, academic room, computer room, kitchen, three bathrooms, and three offices. Below is the proposed site/floor plan layout:



Transportation: To reduce traffic impacts on Walker Avenue, the applicant proposes to arrange for pick-up and drop-off of their clients from their homes to the proposed site. The Applicant will utilize three (3) designated 17-passenger seat vans to shuttle clients to the facility. Vehicles parked at the site will be limited to management and employees during hours of operation. A total of six (6) parking stalls are proposed onsite, one ADA van accessible, and a designated Type A Loading Zone.

Proposed improvements include hardscape for additional parking stalls and a secondary driveway approach/curb-cut with relocation of the existing palm tree.

Compatibility with Surrounding Uses: Pursuant to LPMC Section 44-78, Table II-1, an adult day care use with more than seven (7) clients is considered a business and subject to a CUP within the R-1 Zoning District. The proposed use seeks to maintain the building scale and appearance as a single-family residence. The property is bounded by an apartment complex carport and driveway to the north and Walker Street to the west, which allows for additional distance from activity areas in the main building. While single-family homes are located immediately adjacent to the subject site, the area closest to the homes consist of the detached office building and storage shed. The subject property is screened by solid walls and fencing along the rear and side property lines.

General Plan Consistency: The proposed adult day care use is consistent with the intent of the R-1 Zoning District and the following goals and policies of the General Plan: POLICY LU-2.4, GOAL LU-4, POLICY LU-4.5, and POLICY LU-5.2.

State Housing Law requires that the City evaluate the needs of people with developmental disabilities when planning and zoning for affordable housing in its 2021-2029 Housing Element. This includes estimating the number of people with developmental disabilities in the area, assessing their housing needs, and discussing potential resources. Specifically, the 2021-2029 Housing Element states in its findings and recommendations that the City will strengthen its relationship with the Regional Center of Orange County to encourage development of housing and services for developmentally disabled persons. The proposed adult day care use to provide supportive services for developmentally disabled individuals complies with the City's General Plan Housing Element policies and Programs 8, 11, and 12.

Conditions of Approval: Conditions of Approval are proposed for Conditional Use Permit 393 and contained as "EXHIBIT B" to the proposed Resolution provided as Attachment 1 to this report. Findings for CUP Approval: This Project requires approval of a CUP pursuant to Zoning Code Sec. 44-139, in which Sections 44-851 and 44-788 include the necessary findings. All findings can be made and are provided as "EXHIBIT C" and "EXHIBIT D" to the proposed Resolution provided as Attachment 1 to this report.

Conflict of Interest (500 feet): None.

ENVIRONMENTAL REVIEW:

Pursuant to California Environmental Quality Act (CEQA), the project is Categorically Exempt per Section 15301(a) Existing Facilities. Class 1 consists of consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

NOTIFICATION:

Public hearing notices were sent via mailer to all property owners and tenants within 300 feet of the proposed Project, published in the October 23, 2024, edition of the local Event-News Enterprise newspaper, and posted at three locations: (1) on the Bulletin Board of the City Manager-City Clerk's Office, City Hall, 7822 Walker Street, La Palma, California 90623; (2) on the Bulletin Board at the La Palma Community Services Department, 7821 Walker Street, La Palma, California 90623; and (3)

subject site. The City also increased awareness of this Public Hearing through the use of its digital technology capabilities, which include the Notify Me alerts and the City Website.

CONCLUSION:

Staff finds that the proposed adult day care use is consistent with the R-1 Zoning District, the City's Housing Element, and other supportive services in the immediate vicinity. Staff recommends that the City Council approve Conditional Use Permit 393, subject to conditions contained in the draft resolution.

FISCAL IMPACT:

None.

ATTACHMENTS:

1. Draft Resolution
2. Letter of Support from Regional Center of Orange County

RESOLUTION NO. 2024-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA PALMA, CALIFORNIA, APPROVING CONDITIONAL USE PERMIT 393 TO ESTABLISH AN ADULT DAY CARE USE LOCATED AT 7252 WALKER STREET (APN 263-061-12) IN THE SINGLE-FAMILY RESIDENTIAL (R-1) ZONING DISTRICT

WHEREAS, the City of La Palma wishes to protect and preserve the quality of the non-residential and residential areas of the City, as well as the quality of life throughout the City, through effective land use and planning; and,

WHEREAS, the La Palma Municipal Code Chapter 44 (Zoning) requires that an adult day care use in the Single-Family Residential (R-1) Zoning District is subject to a Conditional Use Permit (CUP); and,

WHEREAS, the Applicant, Elizabeth Santos of My Day Program, Inc., filed a CUP application to establish an adult day care use at the property located at 7252 Walker Street, La Palma, CA 90623 (APN 263-061-12); and,

WHEREAS, said verified application constitutes a request as provided by Chapter 44 of the La Palma Municipal Code; and,

WHEREAS, Conditions of Approval have been prepared and attached as “**EXHIBIT B**” to ensure the orderly and safe operation of the proposed adult day care use to maintain the quality of life in La Palma; and,

WHEREAS, pursuant to the California Environmental Quality Act (CEQA), the project is Categorically Exempt per Section 15301(a) Class 1 of the CEQA Guidelines in that the project involves conversion of an existing single-family dwelling into a commercial adult day care facility and therefore it can be seen with certainty that there is no possibility that the Project may have any significant effect on the environment; and,

WHEREAS, on November 5, 2024, the City Council conducted a duly noticed Public Hearing, considered testimony and evidence, if any, of all persons desiring to be heard at the hearing held with respect thereto.

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

SECTION 1. The foregoing recitals are incorporated herein and made a part hereof.

SECTION 2. Based on the evidence presented, the City Council adopts the following findings and approves Conditional Use Permit 393, subject to the conditions:

- 1) The proposed use is conditionally allowed within the subject zoning district, would not impair the integrity and character of the district, and complies with all applicable provisions of this Development Code.
- 2) The proposed use is consistent with the goals, policies, general land uses, and programs of the General Plan, and any applicable specific plan and is in compliance with all City, State, and Federal Laws and Regulations.

- 3) The approval of the CUP for the proposed use is in compliance with the requirements of the California Environmental Quality Act (CEQA) (Public Resources Code § 21000 et seq.).
- 4) The site is suitable for the type and intensity of use or development that is proposed.
- 5) The proposed project will have no adverse effect on abutting or adjacent properties and is compatible with those properties.
- 6) The proposed use will not be adverse to the public health, safety, or general welfare.

The factual findings for which are attached as “**EXHIBIT C**” to this Resolution, and incorporated herein by this reference.

SECTION 3. The City Council finds and determines that the approval of Conditional Use Permit 393 is exempt from the requirements of the California Environmental Quality Act (“CEQA”) pursuant to State CEQA Guidelines Section 15301 Class 1 [Existing Facilities] in which Class 1 consists of consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use. It can be seen with certainty that there is no possibility that the activity in question will not have a significant effect on the environment, and therefore the activity is not subject to CEQA.

SECTION 4. Based on the foregoing, the City Council hereby approves Conditional Use Permit 393, a request by the Applicant, My Day Program, Inc., to establish an adult day care use located at 7252 Walker Street (APN 263-061-12), in the R-1 Zoning District, as depicted in the site and floor plans included as “**EXHIBIT A**” of this Resolution, subject to the Conditions of Approval, which are attached as “**EXHIBIT B**” to this Resolution, and incorporated herein by this reference.

SECTION 5. This Project approval shall become effective following the expiration of a fifteen (15) day appeal period without filing of an appeal application. The appeal period shall expire Wednesday, November 20, 2024, at 6:30 p.m. The expiration of this approval is subject to Section 44-852 of the La Palma Municipal Code.

SECTION 7. City staff is hereby authorized and directed to file a Notice of Exemption with respect to the approval of Conditional Use Permit 393.

APPROVED AND ADOPTED by the City Council of La Palma at a regular meeting on the 5th day of November, 2024.

Marshall Goodman
Mayor

ATTEST:

Kimberly Kenney, CMC
City Clerk

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

I, KIMBERLY KENNEY, City Clerk of the City of La Palma, California, DO HEREBY CERTIFY that the foregoing Resolution was adopted by the City Council of said City at a regular meeting of said City Council held on the 5th day of November, 2024, and that it was so adopted by called vote as follows:

AYES:

NOES:

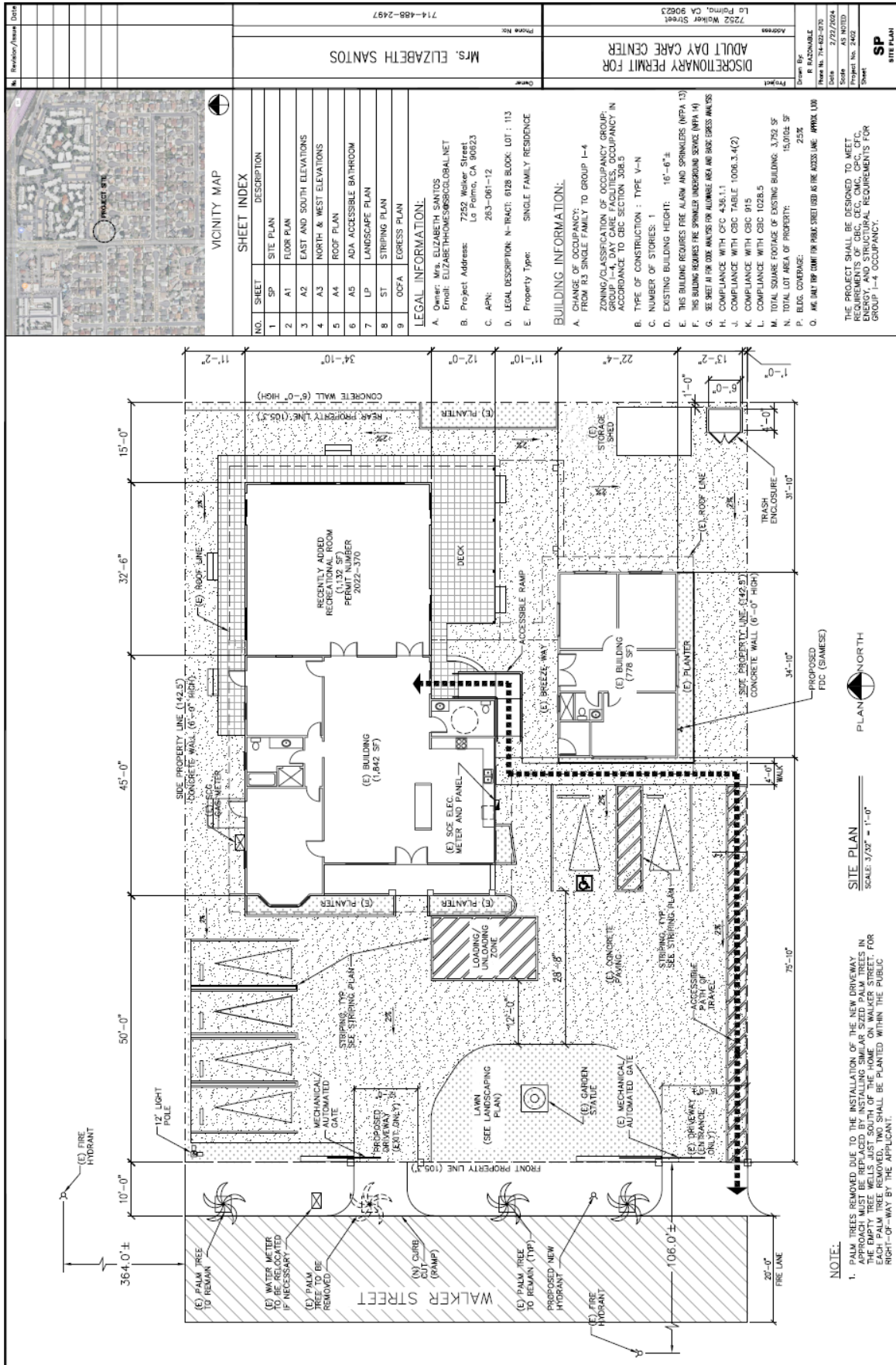
Kimberly Kenney, CMC
City Clerk

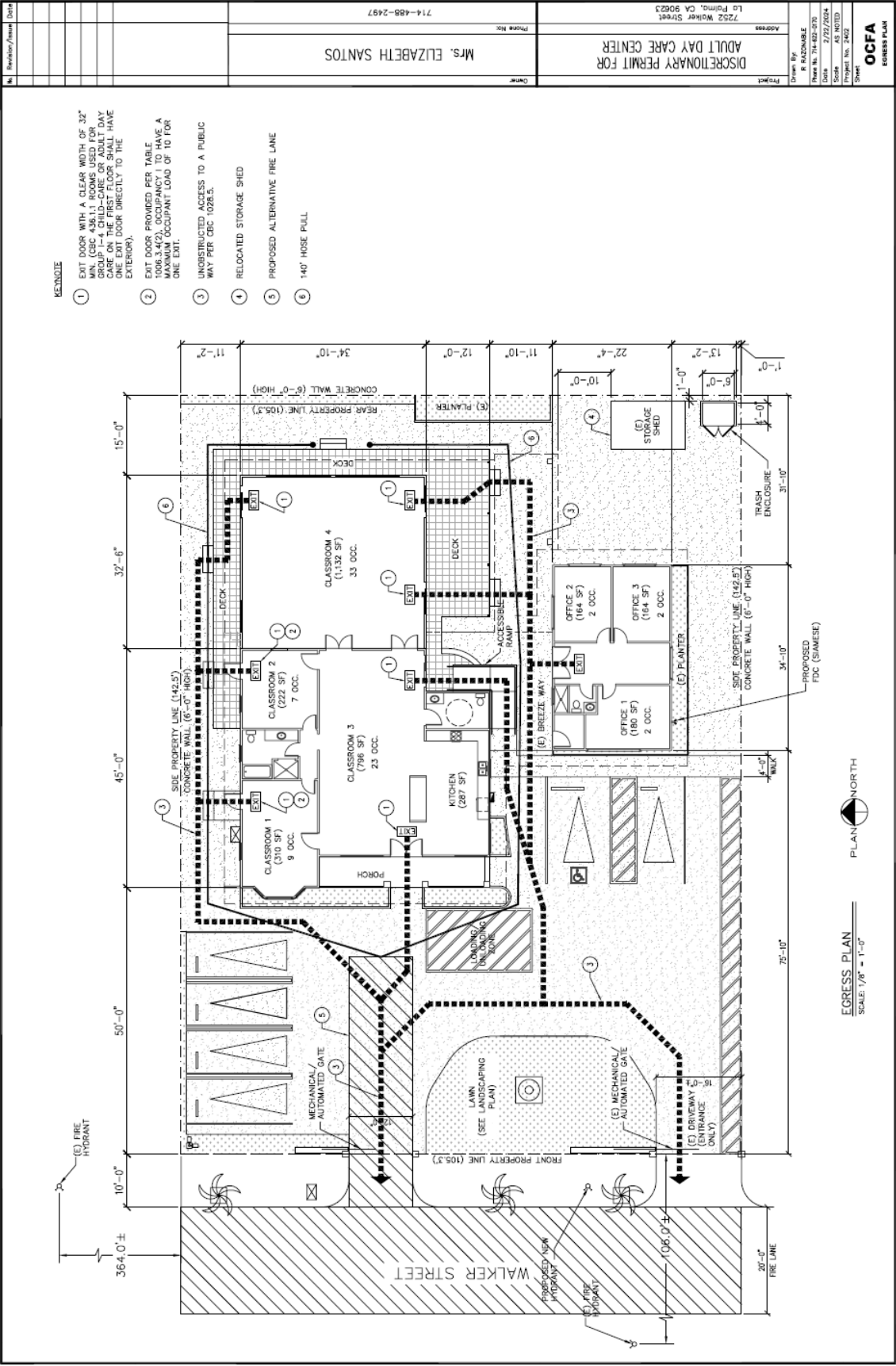
EXHIBIT A

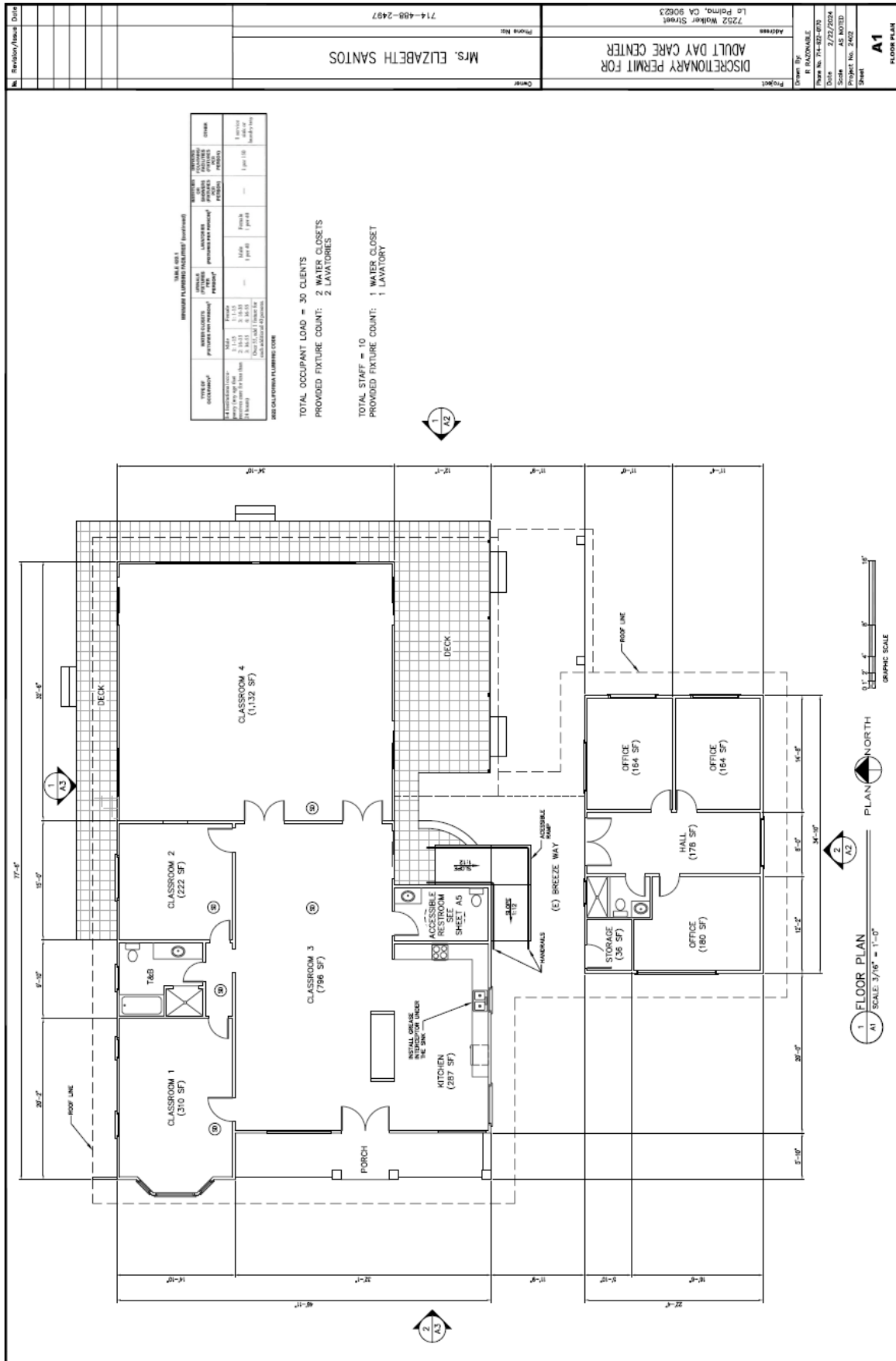
**7252 Walker Street, La Palma, CA 90623
(APN 263-061-12)**

My Day Program, Inc. Tenant Improvement Plans

[BEHIND THIS PAGE]







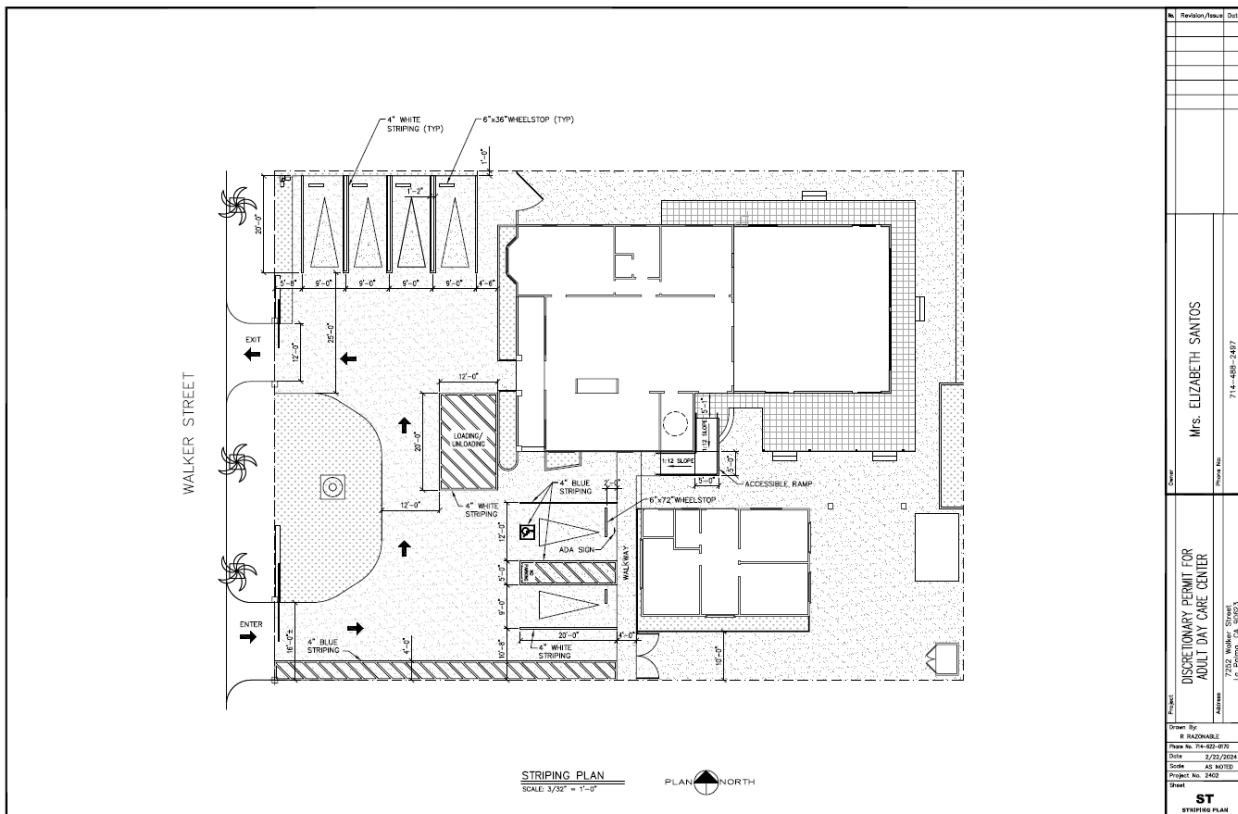
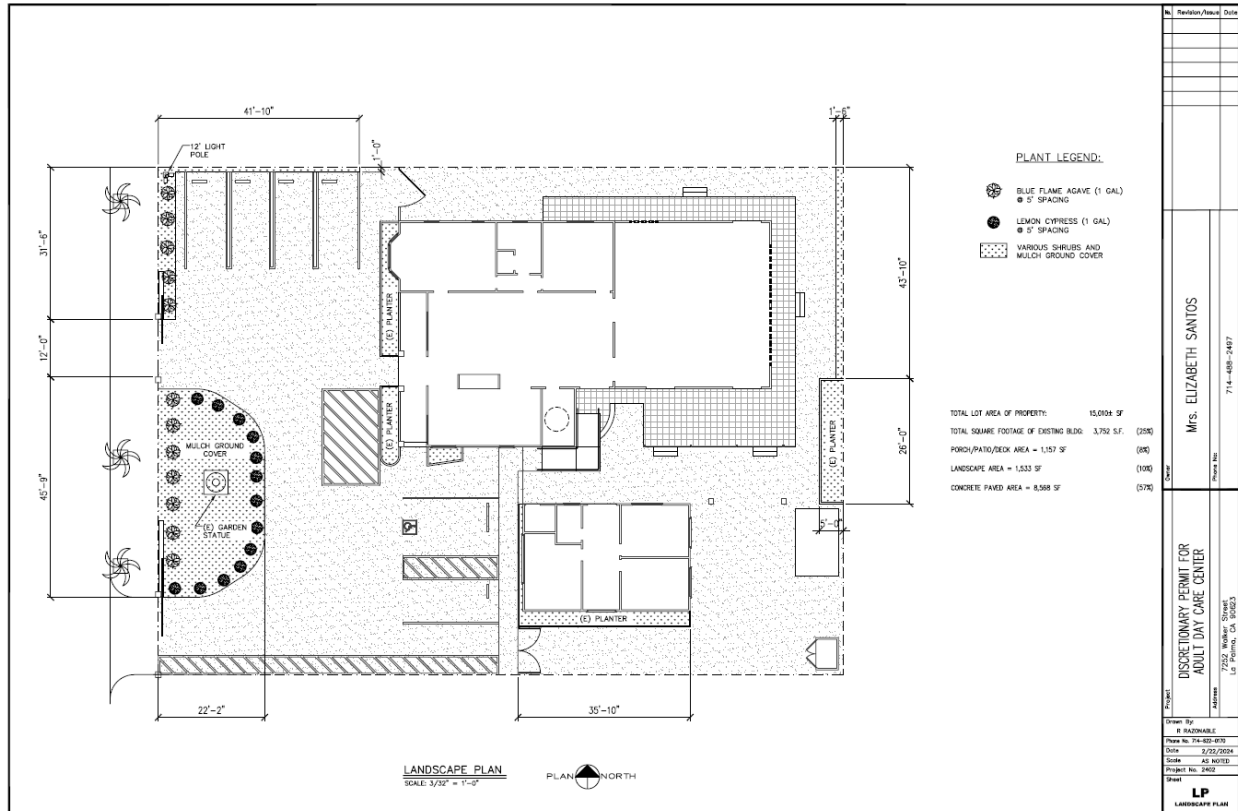


EXHIBIT B

CONDITIONS OF APPROVAL FOR CONDITIONAL USE PERMIT (CUP) 393

My Day Program, Inc.
7252 Walker Street, La Palma, CA 90623
(APN 263-061-12)

GENERAL:

1. Conditional Use Permit 393 permits an adult day care use for developmentally disabled adults, to operate solely contained on the subject property as depicted on the floor plan provided as “**EXHIBIT A**” to this Resolution.
2. The Applicant or Applicant’s Agent for the adult day care business shall obtain and maintain a valid City Business License at all times.
3. Any future intensification of the adult day care use will require an Amendment to Conditional Use Permit 393.
4. Applicable licensing from the State of California Department of Social Services Community Care Licensing Division shall remain active and valid at all times. The adult day care facility shall be operated in accordance with all applicable State and local health and safety regulations.
5. The City Business License Officer shall be made aware of any changes to the status of the adult day care and/or its licensing status with the State immediately via phone call and a formal letter from the owner/operator of the adult day care.
6. All activities conducted in association with the adult day care use shall be conducted indoors at all times. The owner/operator of the adult day care shall be responsible for reasonably controlling the conduct of persons on the site. No skilled nursing, alcohol or drug treatment services shall be provided at the adult day care facility. Overnight residential stay shall not be permitted by any occupants, including clients and employees.
7. A building permit shall be obtained for any proposed tenant improvement construction. An encroachment permit shall be obtained for proposed construction within the public right-of-way, including but not limited to the secondary driveway curb cut and relocation and/or replacement of the existing palm tree.
8. An Agreement to the Conditions of Approval and an Agreement to Indemnify and Hold Harmless shall be executed the Applicant, and filed with the Community Development Department, within fifteen (15) days of the City Council approval of CUP 393. The Agreement to the Conditions of Approval shall run with the land and be binding in any subsequent owners, heirs or assigns.
9. The Applicant and the Applicant's successors in interest shall be fully responsible for knowing and complying with all Conditions of Approval, including making known the Conditions to the City for future governmental permits or actions.

10. A copy of these Conditions of Approval shall be retained at the subject property at all times and shall be produced immediately upon request of the La Palma Police Department, Code Enforcement Official, or any other employee or agent of the City of La Palma or State of California Department of Social Services Community Care Licensing Division. The manager(s) and all employees at the premises shall be knowledgeable of the Conditions.
11. In the event the City of La Palma receives evidence of violation of any of these Conditions, or evidence that the retail pharmacy land use adversely impacts any nearby uses, or constitutes a public nuisance, the City Council may conduct a Public Hearing to review the allegations and supporting evidence, and determine if compliance has been maintained and/or if adverse impacts to other persons or a public nuisance has resulted from the operation of the retail pharmacy. The Applicant in such case shall prepare a radius map and cause a notice to be mailed to all owners of properties within a 300-foot radius of the property and current occupants located at 7252 Walker Street. Upon review of the matter following the Public Hearing, the City Council may revoke or modify the Conditional Use Permit 393.
12. The Applicant shall indemnify, defend, and hold harmless the City of La Palma and its elected city council, appointed boards, commissions, committees, officials, employees, volunteers, contractors, consultants, and agents from and against any and all claims, liabilities, losses, fines, penalties, and expenses, including without limitation litigation expenses and attorney's fees, arising out of either the City's approval of the Project or actions related to the Property or the acts, omissions, or operations of the Applicant and its directors, officers, members, partners, employees, agents, contractors, and subcontractors of each person or entity comprising the applicant/developer with respect to the ownership, planning, design, construction, and maintenance of the Project and the Property for which the Project is being approved. In addition to the above, within fifteen (15) days of this approval, the Applicant shall enter into an indemnification agreement with the City. The indemnification agreement shall be substantially the same as the form agreement currently on file with the City.
13. The Community Development Department shall have the authority for interpreting the Conditions of Approval granted herein by the City, in cases where "uncertainty" or "ambiguity" or "discrepancies" exist between approved plans, interpretations of established conditions of approval, and/or new issues that stem from plan check or construction that were not addressed or considered as part of an original project approval and require reconsideration or interpretation of the Conditions of Approval so long as such interpretation results in only "minor" revisions to the project scope to that which was originally approved and do not result in a substantive modification to the approved project.
14. Conditional Use Permit 393 permit/entitlement shall expire and be of no further force or effect if:
 - a. The permit is not established within 180 days of the permit's effective date or such other time period designated by the permit's approval, by State law or by the La Palma Municipal Code.
 - b. After establishment, the use or activity for which the permit was approved is discontinued or abandoned for a period of one (1) year.

A time extension of this Conditional Use Permit 393 shall be subject to the Applicant filing a written request for an extension of time prior to the expiration of the permit/entitlement, together with the filing fee required.

OPERATIONS:

15. A sign indicating a 24-hour emergency phone number and contact person shall be kept current and posted on the building near the entrance as a Good Neighbor policy measure.
16. No indoor furniture shall be allowed outdoors.
17. All exterior walkways shall be kept clear for handicapped accessibility.
18. No overnight vehicle or van parking shall be permitted at any time.
19. The adult day care operations shall be conducted in a manner that does not create a public or private nuisance. Any such nuisance must be abated immediately upon notice by the City of La Palma.
20. The daily business hours for the operation of the adult day care facility shall be as follows:
 - Monday through Friday from 8:00 a.m. to 2:00 p.m.
 - Closed on Saturdays and Sundays.All business activities shall be conducted indoors at all times.
22. The operating hours shall be posted inside and on the front door of the business and shall be enforced by employees. Minor modifications to hours of operating hours may be approved by the Community Development Department, otherwise major changes are subject to a duly noticed Public Hearing for an Amendment to CUP 393.
23. The placement of outdoor storage bins (including containers, trailers, or enclosures) on the subject site shall be prohibited, except during the active construction with issued building permits.
27. Approval of a Community Event Permit and/or Temporary Use Permit shall be obtained for any special events, including any outdoor activity, organized or sponsored by the adult day care facility. A Community Event Permit and/or Temporary Use Permit must be approved by the City prior to the start of any special event or promotion.

ORANGE COUNTY FIRE AUTHORITY:

28. The Applicant or responsible party shall submit the plan(s) listed below to the Orange County Fire Authority for review. Per Orange County Fire Authority Service Request Number 535881, the proposed use is subject to the following conditions:

Design Review: Portions of the project that are deferred shall be subject to the codes,

standards, and other applicable requirements in force on the date that the deferred plan is submitted to OCFA. The development review does not imply or express approvals on any subsequent plan submittal.

Plan Submittal Sequence: The applicant or responsible party shall submit the plan(s) listed below to the Orange County Fire Authority for review. Approval shall be obtained on each plan prior to the event specified.

Prior to OCFA clearance of a final map or issuance of a precise grading permit or a building permit, if a grading permit is not required:

- Fire Master Plan (service code PR145)
- Alternate methods and materials (AM&M) request (PR910) for rated construction (1-HR) and extension of fire sprinkler system at covered breezeway for hose pull deficiency.

Prior to issuance of a building permit:

- Architectural (service codes PR212-PR220, abbreviated review)
- Alternate methods and materials (AM&M) request (PR910) for rated construction (1-HR) and extension of fire sprinkler system at covered breezeway for hose pull deficiency.
- Underground piping for private hydrants and fire sprinkler systems (service code PR470-PR475)
- Fire sprinkler system (service codes PR400-PR465)
- Alternate methods and materials (AM&M) request (PR910) for rated construction (1-HR) and extension of fire sprinkler system at covered breezeway for hose pull deficiency.

Prior to concealing interior construction:

- Fire alarm system (service code PR500-PR520)

Specific submittal requirements may vary from those listed above depending on actual project conditions identified or present during design development, review, construction, inspection, or occupancy. Portions of the project that are deferred shall be subject to the codes, standards, and other applicable requirements in force on the date that the deferred plan is submitted to OCFA. Standard notes, guidelines, informational bulletins, submittal instructions, and other information related to plans reviewed by the OCFA may be found by visiting ocfa.org on the Planning and Development Section homepage.

Temporary/Final Occupancy Inspections: Prior to issuance of temporary or final certificate of occupancy, all OCFA inspections shall be completed to the satisfaction of the OCFA inspector and be in substantial compliance with codes and standards applicable to the project and commensurate with the type of occupancy (temporary or final) requested. Inspections shall be scheduled at least five days in advance by calling OCFA Inspection Scheduling at 714-573-6150.

Lumber-drop Inspection: After installation of required fire access roadways and hydrants, the applicant shall receive clearance from the OCFA prior to bringing combustible building materials on-site. Call OCFA Inspection Scheduling at 714-573-6150

with the Service Request number of the approved fire master plan at least five days in advance to schedule the lumber drop inspection.

CONSTRUCTION:

29. All construction plans are required to be submitted to the Building & Safety Division for plan check, permit issuance, and payment of permit fees prior to commencement of construction activity consistent with “**EXHIBIT A**” to this Resolution.
30. The Applicant shall ensure that all construction contractors and subcontractor personnel are made aware of the required best management practices and good housekeeping measures for the project site and any associated construction laydown areas.
40. The Applicant shall be responsible for informing all subcontractors, consultants engineers, or other business entities providing services related to the Project of their responsibilities to comply with all pertinent requirements herein in the City of La Palma City Code, including the requirement that a Business License be obtained by all entities doing business in the City as well as noise limitations and hours of construction requirements within the City.
42. A copy of the accepted Conditions of Approval shall be placed on the final construction plans. Final construction plans shall be placed at the job site until final of Building Permit. The Applicant shall be fully responsible for knowing and complying with all Conditions of Approval, including making known the Conditions to the City for future governmental permits or actions.
43. All trash and refuse shall be disposed of in dumpsters pursuant to applicable City Codes and removed from the premises on an as needed basis. At the end of each day of construction activity, all construction debris and waste materials shall be collected and properly disposed of in trash or recycle bins. General Contractor shall sweep the Project site at the end of the day during construction.
45. The Applicant shall ensure that all mechanical and electrical equipment (to be installed on a structure or on the ground) is adequately screened from public view to the satisfaction of the Community Development Department prior to issuance of Certificate of Occupancy and issuance of Business License.
46. All parking of vehicles related to the construction process, including worker's personal vehicles, shall park on the project site.
47. All construction activities shall comply with date and time restrictions established in the Municipal Code. “Construction activities” shall only include those activities that generate any noise at the property line during site preparation and construction of the site. “Construction activity” also includes the transport, import, and export of debris and materials.

Construction activity shall be limited to the following hours:

DAY	TIME
Monday-Friday	7:00 am - 5:00 p.m.
Saturday	9:00 a.m. - 5:00 p.m.
Sunday & Holidays*	No construction permitted
*Holidays are specifically defined herein as: Martin Luther King Jr. Day, Veterans Day, Thanksgiving Day, Day after Thanksgiving, Christmas Day, New Year's Day, President's Day, Memorial Day, July 4th, and Labor Day	

The modification of the permitted hours for construction activities is subject to review and approval of a Temporary Use Permit (TUP) by the City Community Development Department.

EXHIBIT C

Conditional Use Permit Findings of Approval

As required by Section 44-851 of the La Palma Municipal Code, approval of Conditional Use Permit 393 to permit an adult day care use at 7252 Walker Street is based on the following findings:

1. **Finding:** The proposed use is conditionally allowed within the subject zoning district, would not impair the integrity and character of the district, and complies with all applicable provisions of this Development Code.

Facts in Support of Finding: An adult day care use is conditionally allowed within the Single-Family Residential (R-1) Zoning District. Conditions of Approval have been incorporated into CUP 393 to ensure that the integrity and character of the district is not impaired by the adult day care facility. Conditions of Approval require adequate licensing and limitations on noise, parking, overnight stay, and hours of operation.

2. **Finding:** The proposed use is consistent with the goals, policies, general land uses, and programs of the General Plan, and any applicable specific plan and is in compliance with all City, State, and Federal Laws and Regulations

Facts in Support of Finding: Conditional Use Permit 393 is consistent with the following goals and policies of the General Plan: POLICY LU-2.4, GOAL LU-4, POLICY LU-4.5, and POLICY LU-5.2. The City of La Palma wishes to protect and preserve the quality of the residential areas of the City, as well as the quality of life throughout the City, through effective land use and planning. The adult day care use is consistent with the Single-Family Residential (R-1) Zoning District's intent in keeping with scale and activity of a lower density development.

3. **Finding:** The approval of the conditional use permit, or amendment, for the proposed use is in compliance with the requirements of the California Environmental Quality Act (CEQA) (Public Resources Code § 21000 et seq.).

Facts in Support of Finding: This project has been reviewed in accordance with California Environmental Quality Act (CEQA.) The Project qualifies for exemption pursuant to State CEQA Guideline Section 15301 (Class 1) [Existing Facilities]. It can be seen with certainty that the conversion of an existing single-family residence into an adult day care facility will not have a significant effect or physical change on the environment pursuant to CEQA.

4. **Finding:** The site is suitable for the type and intensity of use or development that is proposed.

Facts in Support of Finding: The existing single-family residence to be converted into an adult day care facility at 7252 Walker Street, which is suitable for the proposed day program that includes services for developing social interactions with others, self-advocacy and employment skills, community integration skills such as accessing community services, and social and recreational skills. The number of clients will be limited to 30 individuals who will be accompanied by staff and job coaches with program activities to take place indoors.

5. **Finding:** The proposed project will have no adverse effect on abutting or adjacent properties and is compatible with those properties.

Facts in Support of Finding: The proposed use is oriented toward Walker Street, which is walking distance proximity to the City's Community Center, Central Park, Public Library, La Palma Intercommunity Hospital, and other medical-related resources complement well with the proposed adult day care programming focused on social and community integration for their clients. The subject property will maintain its appearance and scale as a single-family residence.

6. **Finding:** The proposed use will not be adverse to the public health, safety, or general welfare.

Facts in Support of Finding: The proposed adult day care use has been conditioned to prevent adverse impact to the public health, safety, or general welfare. In compliance with La Palma Zoning Code Article IV, Division 5 (Revocation and Modification), Conditional Use Permit 393 may be revoked or modified at any time by a vote of the City Council, if the use for which the approval was granted has been exercised so as to be detrimental to the public health or safety, and/or to constitute a nuisance

IN SERVICE TO PEOPLE WITH DEVELOPMENTAL DISABILITIES



April 11, 2024

To Whom It May Concern:

Regional Center of Orange County (RCOC) is a non-profit private corporation contracted by the State of California through the Department of Developmental Disabilities to provide services and supports to persons with intellectual and developmental disabilities who reside in Orange County. Currently, RCOC serves more than 25,000 persons with intellectual and developmental disabilities in Orange County.

In order to provide services to persons served by RCOC, RCOC contracts with community-based organizations to develop programs that will deliver needed services. As needs for new programs are identified, RCOC posts requests for proposals (RFP), and develops new programs through a competitive RFP process. Elizabeth Santos' recent proposal submitted in response to an RFP for an adult day program was selected for development. In addition to meeting RCOC's requirements for service provision, including demonstrated knowledge and experience, Elizabeth Santos' proposal also met the need for the geographic location to be served with the proposed site being 7252 Walker Street, La Palma, CA. RCOC looks forward to this new adult day program site being developed to serve adults with intellectual and developmental disabilities who reside in La Palma and surrounding cities.

Should there be any follow-up questions, please contact me directly at acazares@rcocdd.com or (714) 796-5183.

Sincerely,

A handwritten signature in black ink, appearing to read "Arturo Cazares", written over a circular stamp or seal.

Arturo Cazares, MPA
Director of Community Services
Regional Center of Orange County
(714) 796-5183
acazares@rcocdd.com
www.rcocdd.com

City of La Palma

Agenda Item No. 15



MEETING DATE: November 5, 2024

TO: City Council

FROM: City Manager

SUBMITTED BY: Belinda Deines, Community Development Manager

AGENDA TITLE: Introduction and First Reading of an Ordinance Amending Portions of the City Zoning Code (Chapter 44 of the La Palma Municipal Code) for Parking, Signage, and Housing Definitions in Compliance with State Housing Laws and City's Housing Element

RECOMMENDED ACTION:

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

- a) Open Public Hearing
- b) Receive Staff Report
- c) Council Member Comments and Questions
- d) Receive Public Input
- e) Close Public Hearing
- f) Introduce an Ordinance amending portions of the City Zoning Code Chapter 44 of the La Palma Municipal Code) for parking, signage, and housing definitions in compliance with State Housing Laws and the City's Housing Element by (1) asking the City Clerk to read the title of the Ordinance; and (2) approving a motion to waive further reading of the Ordinance and to pass it on a second reading.

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

SUMMARY:

The Ordinance before the City Council for the Introduction and First Reading is a draft Ordinance (Attachment 1) that would amend the City Zoning Code Chapter 44 of the La Palma Municipal Code for development standards, processing requirements, and definitions related to parking, signage, and housing in compliance with State Housing Laws and the City's Housing Element. These zoning code amendments are recommended by the City's Economic Development/Land Use Ad-Hoc Committee for implementation of programs identified in the 2021-2029 Housing Element and in line with the City Council's goals to support housing and economic development.

BACKGROUND:

On December 5, 2023, the City Council formed the Economic Development/Land Use Ad-Hoc Committee (Committee) to report back to the Council on advisable land use changes that are based on the City's Housing Element Update and economic development initiatives that support enhancing our commercial areas and shopping centers. On May 20, 2024, the California Department of Housing and Community Development (HCD) certified the 6th Cycle 2021-2029 Housing Element (HE) of the La Palma General Plan. Numerous State housing laws have been adopted over the past several years requiring revisions to the La Palma Municipal Code (LPMC), as required by HCD and specified in the HE.

From February to October 2024, the Committee convened on a monthly basis to develop the proposed zoning code amendments related to housing and economic development. To prioritize available resources, the Committee recommended to conduct the zoning code amendments in two parts: 1) minor amendments in 2024, and 2) major amendments in 2025. In early 2025, the Committee proposes additional zoning code amendments related to shopping center, retail, and outdoor seating parking requirements as well as objective design standards. Both of these items will require additional analysis and input prior to City Council review and consideration.

ANALYSIS:

The purpose of this zoning code amendment is to implement several programs identified in the HE as well as changes in regulations that alleviate constraints to housing and economic development as recommended by the Committee. HE Program 8 requires Development Code amendments related to emergency shelter parking standards, low-barrier navigation centers, supportive housing, and residential care facilities to be completed by December 2024. Furthermore, HE Program 10 (Residential Land Use Designations and Controls) requires processing of amendments necessary to comply with new state legislation, including elimination of the Precise Plan process for new single-family development, changes to existing R-3 development standards to allow 3-story buildings and increase maximum lot coverage, and modify parking requirements for multi-family dwellings by December 2024.

Pursuant to LPMC Section 44-667, a public hearing is required for amendments to Chapter 44 of the La Palma Municipal Code, which is a legislative action. In keeping with the timeframe specified in the certified Housing Element, the proposed zoning code amendments to LPMC Chapter 44 include the following as drafted in Exhibit A (Attachment 1):

- Definitions for group home [Section 44-10]
- Modifications to story count and maximum lot coverage in the R-3 Zoning District [Section 44-76]
- Update allowable uses in residential zones for supportive housing and group homes [Section 44-78]
- Precise Plan exemption for demolition and new construction of single-family dwellings [Section 44-77, Section 44-138]
- Allow low-barrier navigation center use where mixed-use is permitted [Section 44-139]
- Clarification on residential density and floor area ratio in the Mixed-Use B-1 Zoning District [Section 44-137, Section 44-141]
- Development standards for supportive housing and low-barrier navigation centers [Section 44-306, Section 44-307]

- Revised parking provisions related to emergency shelter, multi-family residential, and accessory dwelling units; allowing alternatives to parking and loading standards [Section 44-361]
- Changes to temporary sign exemptions, increase in maximum wall sign area, and approval authority of Master Sign Plans [Section 44-394, Section 44-397, Section 44-487]
- Establish administrative approval process for minor discretionary review of Precise Plans and Conditional Use Permits [Section 44-784, Section 44-849]

Group Home Definition

HE Program 8 proposes to clarify the LPMC to eliminate “drug/alcohol rehabilitation homes” and “transitional housing” uses and propose “group home, small and large” as defined by State Health & Safety Code. Group home shall mean a residential care facility licensed to operate in compliance with State law. Group home, small is defined as six or fewer people, which is permitted by right. Group home, large is defined as seven or more people, which requires approval of a Conditional Use Permit.

R-3 Zoning District Development Standards

HE Program 10 intends to identify and eliminate constraints to residential development for properties located in the R-3 (Multiple-Family Residential) Zoning District. While the maximum height will remain at 30 feet, the proposed amendment will allow an additional third story. Currently, the maximum lot coverage permitted in the R-3 Zoning District is more restrictive at 40% than the R-1 Zoning District at 45%. The proposed amendment seeks to increase maximum lot coverage to 75%, which would allow other multifamily housing product types to be developed in the R-3 Zoning District.

Precise Plan Exemption for Single-Family Construction

At present, LPMC requires that the demolition of an existing home and construction of a new home requires a Precise Plan discretionary permit, which is subject to Development and Circulation Committee recommendation and City Council approval. In keeping with eliminating constraints to residential development, the proposed code amendments allow for the City to approve single-family residence remodeling and new construction on existing subdivided lots to be approved administratively without a public hearing. The amendment allows for single-family homes to be reviewed and approved by City staff. Furthermore, any amendments to an existing Precise Plan may be reviewed and approved by the Community Development Director and may be appealed to the original decision-making authority.

Clarification of Mixed-Use B-1 Business District Development Standards

The City’s General Plan allows for a maximum density of 48 dwelling units per net acre (DU/AC), however the City’s Zoning Code is limited to a maximum of 27 DU/AC. The proposed amendment establishes a minimum residential density of 15 DU/AC and a maximum density of 48 DU/AC, as well as clarifying that a minimum nonresidential Floor Area Ratio of 0.1 and a maximum of 1.5 are required to ensure that there are adequate business uses onsite to complement mixed-use development. Additional clarification is proposed to state that multifamily dwellings as a “stand-alone” use is not permitted to promote mixed-use rather than predominantly residential development within the B-1 Zoning District.

Revised Parking Requirements

Given that the City’s existing commercial centers are built-out, the LPMC has parking standards that

limit land uses and discourage potential businesses based on stringent and antiquated parking ratios. The proposed amendments seek to establish a procedure for alternatives to parking and loading standards, subject to administrative review and approval of a minor Conditional Use Permit. Such alternatives include shared parking, joint use of parking, compact parking stall size, and other parking management tools that allow for greater flexibility for infill development of existing properties.

In compliance with HE Program 10, proposed changes to parking requirements based on housing use types include multiple-family residential reduction to 1.5 uncovered spaces per unit up to 2 bedrooms and 2 spaces plus 0.5 guest space for 3 bedrooms. Additional clarification is proposed to accessory dwelling unit parking requirements in compliance with State law.

Emergency Shelter Parking

Pursuant to Assembly Bill (AB) 139 (2019), the LPMC maintains an ordinance that includes appropriately zoned properties to accommodate the need for emergency shelters. HE Program 8 requires an amendment to LPMC Chapter 44 to align the emergency shelter parking standards with State law. AB 139 requires that the parking standards established by a city for emergency shelters shall be limited to “sufficient parking to accommodate all staff working in the emergency shelter, provided that the standards do not require more parking for emergency shelters than other residential or commercial uses within the same zone” (California Government Code Section 65583(a)(4)(ii)). The proposed amendment replaces the current standards of one parking space for every five beds and 0.5 space per bedroom designed as a family unit, plus one space for every employee and/or volunteer staff plus a bike rack.

Supportive Housing

Pursuant to AB 2162 (2018) and HE Program 8, supportive housing must be allowed as a use by right in zoning districts where multifamily and mixed uses are permitted, including in non-residential zones permitting multifamily uses. Supportive housing means housing with no limit on length of stay, occupied by the target population, and is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving their health status, and maximizing their ability to live and, when possible, work in the community. The proposed amendment establishes application procedures, development standards, operational standards, and definitions for supportive housing and ensures that supportive housing is constructed and operated in a manner that is consistent with the requirements of State law.

Low Barrier Navigation Centers

Pursuant to AB 101 (2019) and HE Program 8, the LPMC must allow low barrier navigation centers in areas zoned for mixed uses and nonresidential zones that permit multi-family uses. Low barrier navigation centers provide temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing. Low barrier navigation centers reduce barriers to use by those seeking shelter by allowing for pets and storage of possessions, and by providing increased privacy and security. The proposed amendment establishes application procedures, development standards, operational standards, and definitions for low barrier navigation centers and ensures this use is constructed and operated in accordance with the requirements and allowances of State law. Pursuant to California Government Code Sections 65660-65668, this ordinance is repealed as of January 1, 2027.

Signage Processing Requirements

To allow for a streamlined process for businesses and commercial centers, proposed amendments

include creating an exemption for small temporary signs (limited to a maximum of three) on non-residential property, increasing the maximum sign area for permanent wall signs from 0.5 to 1 square feet per linear foot of building frontage, and allowing administrative review of Master Sign Plans for no more than two signs and amendments. These changes help to expedite the approval timing and facilitate establishing new business storefronts.

Minor Permits Subject to Community Development Director Approval

Often, new business starts are deterred by a lengthy approval process when discretionary permits are subject to Development and Circulation Committee (DCC) review and/or recommendation as well as City Council approval. At minimum, these public hearing processes would take at least three months through the review and approval process. The proposed amendment seeks to maintain the discretionary permits for a Precise Plan and Conditional Use Permit, and establish “minor” permitting procedures subject to administrative approval by the Community Development Director. The Director has the ability to place an application for DCC or City Council approval, and any decisions by the Director may be appealed to DCC and City Council for review.

General Plan Consistency: The proposed amendments are consistent with the intent of the Zoning Code and in keeping with the goals and policies of the General Plan: POLICY LU-1.2, GOAL LU-4, and GOAL LU-6, and GOAL CB-4. The proposed Ordinance achieves implementation of City's General Plan Housing Element policies and Programs 8, 10, and 12.

ENVIRONMENTAL REVIEW:

This Ordinance is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15060(c)(2) and 15061(b)(3) in that the proposed changes are not anticipated to result in a direct or reasonably foreseeable indirect physical change in the environment nor will they have the potential of creating a significant effect on the environment.

NOTIFICATION:

Public hearing notices were published in the October 16, 2024, edition of the local *Event-News Enterprise* newspaper, and posted at three locations: (1) on the Bulletin Board of the City Manager-City Clerk's Office, City Hall, 7822 Walker Street, La Palma, California 90623; (2) on the Bulletin Board at the La Palma Community Services Department, 7821 Walker Street, La Palma, California 90623; and (3) subject site. The City also increased awareness of this Public Hearing through the use of its digital technology capabilities that include the Notify Me alerts and the City Website.

CONCLUSION:

Adoption of this Ordinance will update the City's Zoning Code to revise development standards, processing requirements, and definitions related to parking, signage, and housing in compliance with State Housing Laws and the City's Housing Element. The City Council may propose to change, alter, or decline any of the proposed language contained within the draft Ordinance provided as *Attachment 1*.

FISCAL IMPACT:

None.

ATTACHMENTS:

1. Draft Ordinance

ORDINANCE NO. 2024-__

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LA PALMA AMENDING PORTIONS OF THE CITY ZONING CODE FOR PARKING, SIGNAGE, AND HOUSING DEFINITIONS IN COMPLIANCE WITH STATE HOUSING LAWS AND CITY'S HOUSING ELEMENT

WHEREAS, the City Council of the City of La Palma wishes to protect and preserve the quality of the residential and commercial areas of the City, as well as the quality of life throughout the City, through effective land use and planning;

WHEREAS, the City Council of the City of La Palma desires to update the City Zoning Code by amending or adding various sections related to development standards, processing requirements, and definitions for parking, signage, and housing;

WHEREAS, the proposed ordinance is consistent with and is supportive of policies of the City of La Palma General Plan, and La Palma Municipal Code;

WHEREAS, notice of the City Council Public Hearing concerning this Ordinance was duly published in a local newspaper at least ten (10) days prior to the hearing and posted at City Hall, Central Park, and the Library;

WHEREAS, on _____, 202__, the City Council of the City of La Palma conducted an introduction and first reading of the Ordinance, and considered testimony and evidence at the Public Hearing held with respect thereto;

WHEREAS, on _____, 202__, the City Council of the City of La Palma conducted a second reading and adoption of the Ordinance.

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

SECTION 1. The foregoing Recitals are incorporated herein and made a part hereof.

SECTION 2. The City Council finds that this Ordinance is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15060(c)(2) and 15061(b)(3) in that the proposed changes are not anticipated to result in a direct or reasonably foreseeable indirect physical change in the environment nor will they have the potential of creating a significant effect on the environment.

SECTION 3: In accordance with La Palma Municipal Code Section 44-672, the City Council of the City of La Palma finds as follows:

- (a) The proposed ordinance is consistent with all of the applicable objectives, policies, general land uses, programs, and actions of all applicable elements in the General Plan.
- (b) The proposed ordinance shall not be detrimental to the public convenience, health, safety, or general welfare of the City.

- (c) The proposed ordinance is in compliance with the provisions of the California Environmental Quality Act (CEQA).
- (d) The proposed ordinance is internally consistent with other applicable provisions of the City's Municipal Code.

SECTION 4: The amendments to Chapter 44 of the La Palma Municipal Code are attached hereto as Exhibit "A" showing all proposed changes in a strikethrough/underline format, and Exhibit "B" showing a "clean" copy of the proposed modifications and incorporated herein by reference.

SECTION 5: City staff is hereby authorized and directed to file a Notice of Exemption with respect to the adoption of this Ordinance.

SECTION 6: If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance is, for any reason, held to be invalid by a final judgment of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each section, subdivision, sentence, clause, phrase, or portion of this Ordinance irrespective of the fact that one or more sections, subdivisions, sentences, clauses, phrases, or portions of this Ordinance be declared invalid.

SECTION 7: All required proceedings and consideration precedent to the adoption of this Ordinance have been regularly taken in accordance with applicable law.

SECTION 8: The City Clerk is authorized and directed to publish this Ordinance or a summary thereof in the manner provided by law and in accordance with procedures normally taken.

SECTION 9: The City Clerk shall certify to the passage of this Ordinance and cause the same to be published as required by law, and the Ordinance shall take effect thirty (30) days after adoption.

SECTION 10: Upon the effective date of this Ordinance, all former ordinances or parts thereof conflicting or inconsistent with the provisions of this Ordinance are hereby repealed and declared to be of no further force and effect.

APPROVED AND ADOPTED by the City Council of La Palma at a regular meeting on the ___ day of ___ 202__.

Marshall Goodman
Mayor

ATTEST:

Kimberly Kenney, CMC
City Clerk

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

I, KIMBERLY KENNEY, City Clerk of the City of La Palma, California, DO HEREBY CERTIFY that the foregoing Ordinance was adopted by the City Council of said City at a regular meeting of said City Council held on the ___ day of _____ 202__ and that it was so adopted by called vote as follows:

AYES:

NOES:

Kimberly Kenney, CMC
City Clerk

EXHIBIT “A”

2024 ZONING CODE UPDATE

KEY:

Normal Text = Existing unmodified language

~~Strikethrough Text~~ = Proposed language to be removed

Underline Text = Proposed language to be added

Section 44-10

Group home means a residential care facility that provides various types of supervised and unsupervised care for its residents and which licensed to operate pursuant to State law, including facilities for persons with disabilities and other facilities (Welfare & Inst. Code 5116), residential health care facilities (Health & Safety Code 1267.8, 1267.9, & 1267.16), residential care facilities for the elderly (Health & Safety Code 1568.083 - 1568.0831, 1569.82 – 1569.87), community care facilities (Health & Safety Code 1518, 1520.5, 1566 - 1566.8, 1567.1), pediatric day health facilities (Health & Safety Code 1267.9; 1760 – 1761.8), and facilities for alcohol and drug treatment (Health & Safety Code 11834.23).

Section 44-76 – Purpose of residential zoning districts.

(b) *R-3, multiple-family residential.* The R-3 zoning district identifies areas intended for the development of a range of attached and detached residential uses. Typical housing types include higher density single-family residences, patio homes, zero lot line homes, mixed-use developments, and attached multiple-family dwellings such as multiple family residential duplexes, townhomes, condominiums, and garden apartments. Smaller sites composed of two acres or less are permitted to be developed with a maximum density of ten dwelling units per net acre. Larger sites that are between two and one-tenth to four acres are permitted to be developed with densities up to 15 dwelling units per net acre and sites composed of at least four and one-tenth acres are permitted to be developed with a maximum density of 25 dwelling units per net acre. The R-3 zoning district is consistent with the multiple-family residential land use designation of the general plan.

TABLE II-2. DEVELOPMENT STANDARDS FOR RESIDENTIAL ZONING DISTRICTS			
DEVELOPMENT FEATURE		R-1 DISTRICT	R-3 DISTRICT
Maximum height limit	Single family residence	30 ft. (two stories)	N/A
	Multiple family building (apartments, condominiums, townhomes)	N/A	30 ft. (two three stories)

TABLE II-2. DEVELOPMENT STANDARDS FOR RESIDENTIAL ZONING DISTRICTS			
DEVELOPMENT FEATURE		R-1 DISTRICT	R-3 DISTRICT
	Single family residential duplex	16 ft. (one story)	N/A
	Detached accessory dwelling unit	16 ft. (one story)	16 ft. (one story)
Maximum lot coverage		45%	40% <u>75%</u>

Section 44-77 Precise plan required.

All new development shall require approval of a precise plan by the City Council. A precise plan shall be required for all residential development except for single-family dwellings on previously subdivided lots, and for all nonresidential developments exceeding 2,000 square feet of total floor area.

Section 44-78 Allowed uses.

TABLE II-1. ALLOWABLE USES AND PERMIT REQUIREMENTS FOR RESIDENTIAL ZONING DISTRICTS			
LAND USE	DISTRICT		STANDARDS IN SECTION
	R-1	R-3	
Drug/alcohol rehabilitation homes—Up to 6 residents	P	P	N/A
Supportive housing—Residential group living 6 persons or fewer	P	P	44-110 44-306
Supportive housing—Residential apartment type	X	P	44-110
Supportive housing—Residential group living 7 persons or more	C	C	44-110

TABLE II-1. ALLOWABLE USES AND PERMIT REQUIREMENTS FOR RESIDENTIAL ZONING DISTRICTS			
LAND USE	DISTRICT		STANDARDS IN SECTION
	R-1	R-3	
Transitional housing <u>Group home, small</u> —Residential group living 6 persons or fewer or single-family and duplex type	P	P	44-110 <u>44-10</u>
Transitional housing —Residential apartment type	X	P	44-110
Transitional housing <u>Group home, large</u> —Residential group living 7 persons or more	C	C	44-110 <u>44-10</u>

Section 44-137 – Purpose of nonresidential zoning districts.

(c) *B-1, Mixed-Use Business*. The B-1 zoning district provides for a compatible and complementary mixture of employment, commercial, and residential uses. Typical uses include business and professional offices, high-rise hotels, restaurants, retail and general service commercial uses, limited research and development operations, commercial recreation, and ~~multiple-family~~ mixed-use residential development. Development in the Mixed-Use Business District should offer attractive and distinctive architectural design, integrated site layouts, substantial landscaping enhancements, and convenient pedestrian access between uses. For mixed-use residential development, the B-1 zoning district shall have a minimum residential density of 15 dwelling units per net acre and a maximum density of 48 dwelling units per net acre, and a minimum nonresidential Floor Area Ratio of 0.1 and a maximum nonresidential Floor Area Ratio of 1.5.

Section 44-361 – General parking standards.

(d) Multiple uses on a lot. Where there is more than one type of use on a lot, the parking requirements shall be the sum total of the requirements for the individual uses. A reduction in this parking requirement may be supported by a site-specific parking study ~~prepared by a qualified engineer, and the reduced on-site parking shall be in accordance with~~ a parking management plan ~~prepared by a qualified engineer and approved by the City Council,~~ subject to review and approval of a minor Conditional Use Permit.

(e) Alternatives to parking and loading standards. The City recognizes that many uses and sites are unique and that certain components of parking and loading may be tailored to better comply with these standards based on factors such as irregular site shape and unique types or combinations of uses. As such, the City may consider shared parking,

joint use of parking, and modifications to certain provisions of the parking and loading standards to achieve safe and adequate parking and loading facilities, subject to review and approval of a minor Conditional Use Permit.

Section 44-364 – Parking Calculations

Table III-7. Parking Requirements by Land Use

Land use	Minimum vehicle spaces required	
Multiple-family residential	Up to 2 bedrooms	2 plus 1 guest space – at least 66% covered <u>1.5 uncovered spaces per unit</u>
	3 bedrooms	3 <u>2</u> plus 1 <u>0.5</u> guest space – at least 50% covered
	4 bedrooms	4 plus 1 guest space – at least 40% covered
Accessory dwelling units (ADUs) ^{1, 2 3}	One parking space per ADU or per bedroom, whichever is less. Spaces can be provided uncovered on a driveway as tandem parking spaces to the garage, an uncovered ancillary parking space to the side of the driveway, or a garaged parking space in addition to the main homes standard two parking spaces in a fully enclosed garage. The requirement shall not apply to an ADU if any of the following are true: • The ADU is within one-half mile walking distance from public transit; or • The ADU is part of (i.e. contained within) the footprint of an existing primary residence or an existing accessory building; or • Is in an area where on-street parking permits are required, but not offered to the occupancy of the ADU; or • Is located within one block of a car share area; <u>or</u> • No additional parking is required for ADU's within existing space. • The ADU is proposed to be constructed with a new primary dwelling on the same lot which would otherwise be exempt from ADU parking requirements; <u>or</u> • <u>The ADU is otherwise exempt from parking requirements pursuant to State law.</u>	
Emergency shelter (homeless)	One parking space for every staff person during peak hours <u>5 beds and 0.5 space per bedroom designed as a family unit with children, plus 1 space for every employee and/or volunteer staff member on duty. Each shelter shall also provide a bike rack for clients in a secured area.</u>	

³ ~~Alternatively, an emergency shelter may submit a parking study, subject to approval by the Community Development Director, demonstrating that the parking demand~~

~~associated with the emergency shelter justifies requiring a reduced amount of off-street parking.~~

Section 44-138 Precise plan required.

(a) Approval required. ~~All new developments, unless exempt per the provisions of this Development Code, shall require approval of a precise plan by the City Council pursuant to article V, division 3. A precise plan shall be required for all residential development except for single-family dwellings on previously subdivided lots, and for all nonresidential developments exceeding 2,000 square feet of total floor area.~~

(b) Amendment to precise plan. All development on properties previously developed under an adopted precise plan shall require approval of an amendment to the precise plan by the ~~City Council.~~ Community Development Director. If the Community Development Director determines that the requested amendment is significant enough to require discretionary review, then the amendment shall be referred to the original decision-making authority.

Section 44-139. Allowable uses.

TABLE II-5. ALLOWABLE USES AND PLANNING PERMIT REQUIREMENTS FOR NONRESIDENTIAL ZONING DISTRICTS							
LAND USE	ZONING DISTRICT						
	OP	NC	B-1	GI	PI	OS	PND
Residential and Lodging Uses							
<u>Low barrier navigation center</u>	<u>X</u>	<u>X</u>	<u>P</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>
Multifamily dwellings as a primary stand-alone use	X	X	X	X	X	X	X

Section 44-141 – Nonresidential zoning districts general development standards.

TABLE II-6. DEVELOPMENT STANDARDS FOR NONRESIDENTIAL AND MIXED (RESIDENTIAL AND NONRESIDENTIAL) USES IN NONRESIDENTIAL ZONING DISTRICTS							
DEVELOPMENT STANDARD	OP	NC	B-1	GI	PI	OS	PND
Min. Lot Size (sq. ft.)	No minimum						
Max. Structure Height (ft.)	55	35	250	50	55/30 ⁴	30	55/35 ⁵
Max. Number of Stories	4	4	*	2	3/2 ⁴	2	4/2 ⁵
Min. Nonresidential Floor Area Ratio (FAR)			0.1				
Max. Nonresidential Floor Area Ratio (FAR) ²	0.6	0.4 0.5	0.75/1.5 ⁸ 27 DU/Ac.	0.6	0.6	0.25	0.6

Residential Density (dwelling units per net acre)		Min. 15 DU/AC				
		Max. 48 DU/AC				

⁸ Development FAR of three-quarters for all B-1 properties located South of the 91 Freeway and a FAR of one and one-half for all B-1 properties located North of the 91 Freeway ~~and a max 27 dwelling units (DU's) per acre in all B-1 designated properties as identified in Table II-7. An increase in the standard FAR for B-1 properties located South of the 91 Freeway may be permitted subject to approval of a Precise Plan, provided that the maximum FAR shall not exceed one and one-half.~~

TABLE II-7. ADDITIONAL DEVELOPMENT STANDARDS FOR RESIDENTIAL USES IN THE B-1 DISTRICT			
DEVELOPMENT STANDARD			B-1 DISTRICT
Min. Lot Size (sq. ft.)			10,000 sq. ft.
Density — Maximum			27 48 dwelling units per net acre
Max. Structure Height (ft.)			250
Max. Floor Area Ratio (FAR) ²			0.75/1.5 ⁴
Minimum Unit Size			500 sq. ft.
Min. Perimeter Building Setback/Perimeter Landscaping (in ft.) ³	From Ultimate Street Right-of-way	15 ft.	
	From Abutting Commercial, Office, and Industrial Projects	20/5 ¹	
	From Abutting Residential Projects	10 ¹	
Minimum Building Separation			Per the Building and Fire Codes
Open Space — Per Unit			200 sq. ft. minimum, which may be provided as private, common, or combined open space
Maximum Lot Coverage			75%

⁴ ~~Development FAR of three-quarters for For~~ all B-1 properties located South of the 91 Freeway ~~and a FAR of one and one-half for all B-1 properties located North of the 91 Freeway.~~ a standard FAR of 0.75 shall be required and maximum FAR of 1.5 may be permitted, subject to approval of a Precise Plan.

Section 44-142 – Community benefits requirement for ~~stand-alone housing~~ mixed-use development in the B-1 zoning district.

Section 44-306 - Supportive housing.

- (a) Purpose. The purpose of this section is to establish development standards for supportive housing and to ensure the supportive housing is constructed and operated in a manner that is consistent with the requirements and allowances of state law, specifically Article 11 of Chapter 3 of Division 1 of Planning and Zoning Law commencing with Government Code Section 65650.
- (b) Applicability. The provisions of this section shall apply to all supportive housing projects.

- (c) Planning Approval Required. An application to establish any supportive housing project shall be submitted to the Director of Community Development for review and approval. The decision to approve or deny the application shall be a ministerial in nature, without any discretionary review or a hearing. A decision by the Community Development Director shall be taken within 60 days of a complete application being filed.
- (1) Supportive housing projects shall be a use permitted by right in all zones where multifamily and mixed uses are permitted, including non-residential zones permitting multifamily uses. Supportive housing projects are permitted where all the following requirements are met:
- (A) Units within the development are subject to a recorded affordability restriction for 55 years.
- (B) One hundred percent of the units, excluding the manager unit(s), within the development are dedicated to lower income households and are receiving public funding to ensure affordability of the housing to lower income Californians.
- (C) At least 25 percent of the units in the development or 12 units, whichever is greater, are restricted to residents in supportive housing who meet criteria of the target population. If the development consists of fewer than 12 units, then 100 percent of the units, excluding manager unit(s), in the development shall be restricted to residents in supportive housing.
- (D) Non-residential floor area shall be used for on-site supportive services in the following amounts:
- (1) For a development with 20 or fewer total units, at least 90 square feet shall be provided for onsite supportive services.
- (2) For a development with more than 20 units, at least 3 percent of the total nonresidential floor area shall be provided for onsite supportive services that are limited to tenant use, including, but not limited to, community rooms, case management offices, computer rooms, and community kitchens.
- (E) The developer replaces any dwelling units on the site of the supportive housing development to ensure that any change to the occupancy of the supportive housing units is made in a manner that minimizes tenant disruption and only upon the vacancy of any supportive housing units.
- (F) Units within the development, excluding manager unit(s), include at least one bathroom and a kitchen or other cooking facilities, including, at minimum, a stovetop, a sink, and a refrigerator.
- (d) Development and Operational Standards. Supportive housing projects shall comply with all the following standards:
- (1) The project shall comply with all development standards and any written objective standards or policies required of multifamily developments in the same zone.
- (2) The applicant shall submit a plan for providing supportive services, to include all the following items:
- (A) Documentation that supportive services will be provided on-site.
- (B) The name of the proposed entities that will provide supportive services.
- (C) The proposed funding sources for the services provided.
- (D) Proposed staffing levels
- (3) No minimum parking requirements shall be required for the units occupied by supportive housing residents for projects located within one-half mile of a public transit stop.

- (e) Definitions. This section includes the definition of terms and phrases used in this section that are technical or specialized, or that may not reflect common usage. If any of the definitions in this section conflict with definitions in other provisions of the Municipal Code, these definitions shall supersede for the purposes of this section. If a word is not defined in this section or is defined and conflicts with another definition of the Municipal Code, the Director shall determine the most appropriate definition.
- (1) “Lower Income Households” shall have the same meaning as defined in Section 50079.5 of the Health and Safety Code. 12/05/23 Page 13 Item #9
 - (2) “Supportive Housing” shall mean housing with no limit on length of stay, that is occupied by the target population, and that is linked to on-site or off-site services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community.
 - (3) “Supportive Services” shall include, but are not limited to, a combination of subsidized, permanent housing, intensive case management, medical and mental health care, substance abuse treatment, employment services, and benefits advocacy.
 - (4) “Target Population” shall mean persons, including persons with disabilities, and families who are homeless, as that term is defined by Section 11302 of Title 42 of the United States Code, or who are homeless youth, as that term is defined by paragraph (2) of subdivision (e) of Section 11139.3 of the Government Code.

Section 44-307 Low-barrier navigation centers.

- (a) Purpose. The purpose of this section is to establish development standards for low-barrier navigation centers and to ensure this use is constructed and operated in a manner that is consistent with the requirements and allowances of state law, specifically Article 12 of Chapter 3 of Division 1 of Planning and Zoning Law commencing with California Government Code Section 65660. This section shall be repealed as of January 1, 2027.
- (b) Applicability. The provisions of this section shall apply to all low-barrier navigation center projects.
- (c) Planning Approval Required. An application to establish a low-barrier navigation shall be submitted to the Director of Community Development for review and approval. The decision to approve or deny an application shall be ministerial in nature, without any discretionary review or a hearing. The City shall notify a developer whether the developer’s application is complete within 30 days, pursuant to California Government Code Section 65943. A decision by the Community Development Director shall be taken within 60 days of a complete application being filed.
- (d) Development and Operational Standards. A low-barrier navigation center development shall be deemed a use that is permitted by-right in areas zoned for mixed-use and nonresidential zones permitting multifamily uses, if it meets the following requirements:
 - (1) Connected Services. It offers services to connect people to permanent housing through a services plan that identifies services staffing.
 - (2) Coordinated Entry System. It is linked to a coordinated entry system, so that staff in the interim facility or staff who co-locate in the facility may conduct assessments and provide services to connect people to permanent housing. “Coordinated entry system” means a centralized or coordinated assessment system developed pursuant to Section 576.400(d) or Section 578.7(a)(8), as

applicable, of Title 24 of the Code of Federal Regulations, as those sections read on January 1, 2020, and any related requirements, designed to coordinate program participant intake, assessment, and referrals.

(3) Code Compliant. It complies with Chapter 6.5 (commencing with Section 8255) of Division 8 of the Welfare and Institutions Code.

(4) Homeless Management Information System. It has a system for entering information regarding client stays, client demographics, client income, and exit destination through the local Homeless Management Information System, as defined by Section 578.3 of Title 24 of the Code of Federal Regulations.

(e) Definitions. This section includes the definition of terms and phrases used in this section that are technical or specialized, or that may not reflect common usage. If any of the definitions in this section conflict with definitions in other provisions of the Municipal Code, these definitions shall supersede for the purposes of this section. If a word is not defined in this section or is defined and conflicts with another definition of the Municipal Code, the Director shall determine the most appropriate definition.

(1) “Low-Barrier Navigation Centers” shall mean a housing-first, low-barrier, service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing. “Low barrier” means best practices to reduce barriers to entry, and may include, but is not limited to, the following:

(A) The presence of partners if it is not a population-specific site, such as for survivors of domestic violence or sexual assault, women, or youth.

(B) Pets.

(C) The storage of possessions.

(D) Privacy, such as partitions around beds in a dormitory setting or in larger rooms containing more than two beds, or private rooms.

(2) “Use by Right” has the meaning defined in subdivision (i) of Section 65583.2. Division 13 (commencing with Section 21000) of the California Public Resources Code shall not apply to actions taken by a public agency to lease, convey, or encumber land owned by a public agency, or to facilitate the lease, conveyance, or encumbrance of land owned by a public agency, or to provide financial assistance to, or otherwise approve, a Low-Barrier Navigation Center constructed or allowed by this section.

Section 44-394 Temporary sign permit.

(c) *Temporary sign on non-residential property.* Temporary signs on non-residential property, such as commercial or industrial property, require a permit from the Community Development Department and must comply with the following standards:

(1) *Duration.* Temporary signs (including banners and flags) may be displayed for a total of 63 days within a calendar year. If the sign relates to an event, it must be taken down no later than ten days after the event.

(2) *Size.* Temporary sign size shall not be greater than the size permitted for permanent building-mounted signage contained in table III-10.

(3) *Location.* The location of temporary signs shall be the same general area as permitted for permanent signs. Temporary signs over three feet high shall not be located within the traffic safety triangle.

(4) Exempt. Temporary signs of six square feet or less are exempt from the requirement to obtain a permit, but must not be located within the traffic safety triangle and the maximum height shall not be more than three feet above grade. A maximum of three such temporary signs are permitted at any given time on any non-residential property.

Section 44-397 Sign standards.

TABLE III-10: SIGN STANDARDS					
Use	Sign type	Maximum number	Maximum sign area	Maximum height	Remarks
Neighborhood commercial	Wall or marquee	One sign per street frontage	0.5 1 sq. ft. per lineal foot of building frontage	Not above the parapet on a flat roof or the eave on a pitched roof	No building shall be given credit for more than two street frontages
Office professional	Wall or marquee	One sign per street frontage	0.5 1 sq. ft. per lineal foot of building frontage	Not above the parapet on a flat roof or the eave on a pitched roof	No building shall be given credit for more than two street frontages
Public or institutional	Wall or marquee	One sign per street frontage	0.5 1 sq. ft. per lineal foot of building frontage	Not above the parapet on a flat roof or the eave on a pitched roof	No building shall be given credit for more than two street frontages

Section 44-487 Sign review authority.

TABLE IV-3. SIGN REVIEW AUTHORITY		
Type of sign	Approval	Appeal
Building-mounted	Community Development Department	Development and Circulation Committee
Monument	Community Development Department	Development and Circulation Committee
Electronic monument ⁽¹⁾	City Council	

TABLE IV-3. SIGN REVIEW AUTHORITY		
Type of sign	Approval	Appeal
On-site directional	Community Development Department	Development and Circulation Committee
Window	Community Development Department	Development and Circulation Committee
Flag poles	Community Development Department	Development and Circulation Committee
Master sign plan	Development and Circulation Committee	City Council
<u>Master sign plan, not to exceed two signs</u>	<u>Community Development Department</u>	<u>Development and Circulation Committee</u>
<u>Master sign plan, amendment</u>	<u>Community Development Department</u>	<u>Development and Circulation Committee</u>
Temporary sign on non-residential property	Community Development Department	Development and Circulation Committee

Sec. 44-784. - Authority.

The approval authority designated in Section 44-485, Table IV-1 may grant approval of precise plans and amendments to precise plans.

- (a) When no other discretionary permit is required, a Precise Plan shall be required for all residential development except single-family homes on previously subdivided lots, and for all nonresidential developments exceeding 2,000 square feet of total floor area.
- (b) Precise Plan, minor
 - (1) Application for minor Precise Plan permits are limited to the following requests:
 - (A) Development with less than 10,000 gross square feet of new building floor area.
 - (B) Four or less residential units.
 - (C) Any multifamily projects where a minimum of 20% of total units are restricted to be affordable to lower income households or at least 40% of total units are restricted to be affordable to moderate income households (for a period of time equal to provisions under State Density Bonus Law (California Government Code Section 65915)).

- (D) Modifications to previously approved Precise Plans that are substantially compliant with the original approval and do not result in additions greater than 10% of the total area.
- (2) Decisions on minor Precise Plan applications shall be made administratively by the Community Development Director. The Director shall include a determination of findings and appropriate conditions in the decision. The basis for approval, conditional approval, or denial of a minor Precise Plan application shall be as specified in Section 44-787.
- (3) Subject to a determination by the Community Development Director, a minor Precise Plan application may be placed on a Development and Circulation Committee or City Council agenda for review.

TABLE IV-1. REVIEW AUTHORITY					
Type of entitlement or decision	Section of Development Code	Community Development Director	Development Committee	City Council	Special Permit Committee
Precise plan residential new	44-784	Recommend	Recommend	Decision/ appeal	N/A
<u>Precise plan, minor</u>	44-783	<u>Decision</u>	<u>Appeal</u>	<u>Appeal</u>	<u>N/A</u>
<u>Precise Plan, Amendment</u>	44-824	<u>Recommend Decision</u>	<u>Decision Appeal</u>	<u>Appeal</u>	N/A
Precise plan, nonresidential new	44-784	Recommend	Recommend	Decision/ appeal	N/A
<u>Amendment</u>	44-784	Recommend	Recommend	Decision/ appeal	N/A

Sec. 44-849. - Authority.

The approval authority designated in Section 44-485, Table IV-1 may grant approval of conditional use permits and amendments to conditional use permits.

(a) Conditional Use Permit, Minor

- (1) Application for minor Conditional Use Permits are limited to the following requests:
- (A) Alternatives to parking and loading standards.
 - (B) Beer, wine, and liquor licenses.
 - (C) Live entertainment uses.
 - (D) Modifications to certain development standards as may be specified by this Code.

- (E) Other modifications which, in the determination of the Community Development Director, have a moderate potential for adverse impacts to the subject site and the surrounding community.
- (2) Decisions on minor Conditional Use Permit applications shall be made administratively by the Community Development Director. The Director shall include a determination of findings and appropriate conditions in the decision. The basis for approval, conditional approval, or denial of a minor Conditional Use Permit shall be as specified in Section 44-788.
- (3) Subject to a determination by the Community Development Director, a minor Conditional Use Permit may be placed on the City Council agenda for review.

TABLE IV-1. REVIEW AUTHORITY					
Type of entitlement or decision	Section of Development Code	Community Development Director	Development Committee	City Council	Special Permit Committee
Conditional use permits	44-849	Recommend	N/A	Decision/appeal	N/A
<u>Conditional use permits, minor</u>	<u>44-849</u>	<u>Decision</u>	<u>N/A</u>	<u>Appeal</u>	<u>N/A</u>

EXHIBIT “B”

2024 ZONING CODE UPDATE

Section 44-10

Group home means a residential care facility that provides various types of supervised and unsupervised care for its residents and which licensed to operate pursuant to State law, including facilities for persons with disabilities and other facilities (Welfare & Inst. Code 5116), residential health care facilities (Health & Safety Code 1267.8, 1267.9, & 1267.16), residential care facilities for the elderly (Health & Safety Code 1568.083 - 1568.0831, 1569.82 – 1569.87), community care facilities (Health & Safety Code 1518, 1520.5, 1566 - 1566.8, 1567.1), pediatric day health facilities (Health & Safety Code 1267.9; 1760 – 1761.8), and facilities for alcohol and drug treatment (Health & Safety Code 11834.23).

Section 44-76 – Purpose of residential zoning districts.

(b) *R-3, multiple-family residential.* The R-3 zoning district identifies areas intended for the development of a range of attached and detached residential uses. Typical housing types include higher density single-family residences, patio homes, zero lot line homes, mixed-use developments, and attached multiple-family dwellings such as multiple family residential duplexes, townhomes, condominiums, and garden apartments. Smaller sites composed of two acres or less are permitted to be developed with a maximum density of ten dwelling units per net acre. Larger sites that are between two and one-tenth to four acres are permitted to be developed with densities up to 15 dwelling units per net acre and sites composed of at least four and one-tenth acres are permitted to be developed with a maximum density of 25 dwelling units per net acre. The R-3 zoning district is consistent with the multiple-family residential land use designation of the general plan.

TABLE II-2. DEVELOPMENT STANDARDS FOR RESIDENTIAL ZONING DISTRICTS			
DEVELOPMENT FEATURE		R-1 DISTRICT	R-3 DISTRICT
Maximum height limit	Single family residence	30 ft. (two stories)	N/A
	Multiple family building (apartments, condominiums, townhomes)	N/A	30 ft. (three stories)
	Single family residential duplex	16 ft. (one story)	N/A

TABLE II-2. DEVELOPMENT STANDARDS FOR RESIDENTIAL ZONING DISTRICTS			
DEVELOPMENT FEATURE		R-1 DISTRICT	R-3 DISTRICT
	Detached accessory dwelling unit	16 ft. (one story)	16 ft. (one story)
Maximum lot coverage		45%	75%

Section 44-77 Precise plan required.

A precise plan shall be required for all residential development except for single-family dwellings on previously subdivided lots, and for all nonresidential developments exceeding 2,000 square feet of total floor area.

Section 44-78 Allowed uses.

TABLE II-1. ALLOWABLE USES AND PERMIT REQUIREMENTS FOR RESIDENTIAL ZONING DISTRICTS			
LAND USE	DISTRICT		STANDARDS IN SECTION
	R-1	R-3	
Supportive housing	P	P	44-306
Group home, small—Residential group living 6 persons or fewer	P	P	44-10
Group home, large—Residential group living 7 persons or more	C	C	44-10

Section 44-137 – Purpose of nonresidential zoning districts.

(c) *B-1, Mixed-Use Business*. The B-1 zoning district provides for a compatible and complementary mixture of employment, commercial, and residential uses. Typical uses include business and professional offices, high-rise hotels, restaurants, retail and general service commercial uses, limited research and development operations, commercial recreation, and mixed-use residential development. Development in the Mixed-Use Business District should offer

attractive and distinctive architectural design, integrated site layouts, substantial landscaping enhancements, and convenient pedestrian access between uses. For mixed-use residential development, the B-1 zoning district shall have a minimum residential density of 15 dwelling units per net acre and a maximum density of 48 dwelling units per net acre, and a minimum nonresidential Floor Area Ratio of 0.1 and a maximum nonresidential Floor Area Ratio of 1.5.

Section 44-361 – General parking standards.

(d) Multiple uses on a lot. Where there is more than one type of use on a lot, the parking requirements shall be the sum total of the requirements for the individual uses. A reduction in this parking requirement may be supported by a site-specific parking study and a parking management plan subject to review and approval of a minor Conditional Use Permit.

(e) Alternatives to parking and loading standards. The City recognizes that many uses and sites are unique and that certain components of parking and loading may be tailored to better comply with these standards based on factors such as irregular site shape and unique types or combinations of uses. As such, the City may consider shared parking, joint use of parking, and modifications to certain provisions of the parking and loading standards to achieve safe and adequate parking and loading facilities, subject to review and approval of a minor Conditional Use Permit.

Section 44-364 – Parking Calculations

Table III-7. Parking Requirements by Land Use

Land use	Minimum vehicle spaces required	
Multiple-family residential	Up to 2 bedrooms	1.5 uncovered spaces per unit
	3 bedrooms	2 plus 0.5 guest space – at least 50% covered
	4 bedrooms	4 plus 1 guest space – at least 40% covered
Accessory dwelling units (ADUs) ^{1, 2 3}	One parking space per ADU or per bedroom, whichever is less. Spaces can be provided uncovered on a driveway as tandem parking spaces to the garage, an uncovered ancillary parking space to the side of the driveway, or a garaged parking space in addition to the main homes standard two parking spaces in a fully enclosed garage. The requirement shall not apply to an ADU if any of the following are true: • The ADU is within one-half mile walking distance from public transit; or • The ADU is part of (i.e. contained within) the footprint of an existing primary residence or an existing accessory building; or • Is in an area where on-street parking permits are required, but not offered to the occupancy of the ADU; or • Is located within one block of a car share area; or	

	• The ADU is proposed to be constructed with a new primary dwelling on the same lot which would otherwise be exempt from ADU parking requirements; or • The ADU is otherwise exempt from parking requirements pursuant to State law.
Emergency shelter (homeless)	One parking space for every staff person during peak hours

Section 44-138 Precise plan required.

(a) Approval required. A precise plan shall be required for all residential development except for single-family dwellings on previously subdivided lots, and for all nonresidential developments exceeding 2,000 square feet of total floor area.

(b) Amendment to precise plan. All development on properties previously developed under an adopted precise plan shall require approval of an amendment to the precise plan by the Community Development Director. If the Community Development Director determines that the requested amendment is significant enough to require discretionary review, then the amendment shall be referred to the original decision-making authority.

Section 44-139. Allowable uses.

TABLE II-5. ALLOWABLE USES AND PLANNING PERMIT REQUIREMENTS FOR NONRESIDENTIAL ZONING DISTRICTS							
LAND USE	ZONING DISTRICT						
	OP	NC	B-1	GI	PI	OS	PND
Residential and Lodging Uses							
Low barrier navigation center	X	X	P	X	X	X	X
Multifamily dwellings as a stand-alone use	X	X	X	X	X	X	X

Section 44-141 – Nonresidential zoning districts general development standards.

TABLE II-6. DEVELOPMENT STANDARDS FOR NONRESIDENTIAL AND MIXED (RESIDENTIAL AND NONRESIDENTIAL) USES IN NONRESIDENTIAL ZONING DISTRICTS							
DEVELOPMENT STANDARD	OP	NC	B-1	GI	PI	OS	PND
Min. Lot Size (sq. ft.)	No minimum						
Max. Structure Height (ft.)	55	35	250	50	55/30 ⁴	30	55/35 ⁵

Max. Number of Stories	4	4	*	2	3/2 ⁴	2	4/2 ⁵
Min. Nonresidential Floor Area Ratio (FAR)			0.1				
Max. Nonresidential Floor Area Ratio (FAR) ²	0.6	0.5	0.75/1.5 ⁸ 27 DU/AC	0.6	0.6	0.25	0.6
Residential Density (dwelling units per net acre)			Min. 15 DU/AC Max. 48 DU/AC				

⁸ Development FAR of three-quarters for all B-1 properties located South of the 91 Freeway and a FAR of one and one-half for all B-1 properties located North of the 91 Freeway. An increase in the standard FAR for B-1 properties located South of the 91 Freeway may be permitted subject to approval of a Precise Plan, provided that the maximum FAR shall not exceed one and one-half.

TABLE II-7. ADDITIONAL DEVELOPMENT STANDARDS FOR RESIDENTIAL USES IN THE B-1 DISTRICT

DEVELOPMENT STANDARD			B-1 DISTRICT
Min. Lot Size (sq. ft.)			10,000 sq. ft.
Density — Maximum			48 dwelling units per net acre
Max. Structure Height (ft.)			250
Minimum Unit Size			500 sq. ft.
Min. Perimeter Building Setback/Perimeter Landscaping (in ft.) ³	From Ultimate Street Right-of-way		15 ft.
	From Abutting Commercial, Office, and Industrial Projects		20/5 ¹
	From Abutting Residential Projects		10 ¹
Minimum Building Separation			Per the Building and Fire Codes
Open Space — Per Unit			200 sq. ft. minimum, which may be provided as private, common, or combined open space
Maximum Lot Coverage			75%

⁴ For all B-1 properties located South of the 91 Freeway, a standard FAR of 0.75 shall be required and maximum FAR of 1.5 may be permitted, subject to approval of a Precise Plan.

Section 44-142 – Community benefits requirement for mixed-use development in the B-1 zoning district.

Section 44-306 - Supportive housing.

- (f) Purpose. The purpose of this section is to establish development standards for supportive housing and to ensure the supportive housing is constructed and operated in a manner that is consistent with the requirements and allowances of state law, specifically Article 11 of Chapter 3 of Division 1 of Planning and Zoning Law commencing with Government Code Section 65650.
- (g) Applicability. The provisions of this section shall apply to all supportive housing projects.

- (h) Planning Approval Required. An application to establish any supportive housing project shall be submitted to the Director of Community Development for review and approval. The decision to approve or deny the application shall be a ministerial in nature, without any discretionary review or a hearing. A decision by the Community Development Director shall be taken within 60 days of a complete application being filed.
- (2) Supportive housing projects shall be a use permitted by right in all zones where multifamily and mixed uses are permitted, including non-residential zones permitting multifamily uses. Supportive housing projects are permitted where all the following requirements are met:
- (A) Units within the development are subject to a recorded affordability restriction for 55 years.
 - (B) One hundred percent of the units, excluding the manager unit(s), within the development are dedicated to lower income households and are receiving public funding to ensure affordability of the housing to lower income Californians.
 - (C) At least 25 percent of the units in the development or 12 units, whichever is greater, are restricted to residents in supportive housing who meet criteria of the target population. If the development consists of fewer than 12 units, then 100 percent of the units, excluding manager unit(s), in the development shall be restricted to residents in supportive housing.
 - (D) Non-residential floor area shall be used for on-site supportive services in the following amounts:
 - (1) For a development with 20 or fewer total units, at least 90 square feet shall be provided for onsite supportive services.
 - (2) For a development with more than 20 units, at least 3 percent of the total nonresidential floor area shall be provided for onsite supportive services that are limited to tenant use, including, but not limited to, community rooms, case management offices, computer rooms, and community kitchens.
 - (E) The developer replaces any dwelling units on the site of the supportive housing development to ensure that any change to the occupancy of the supportive housing units is made in a manner that minimizes tenant disruption and only upon the vacancy of any supportive housing units.
 - (F) Units within the development, excluding manager unit(s), include at least one bathroom and a kitchen or other cooking facilities, including, at minimum, a stovetop, a sink, and a refrigerator.
- (i) Development and Operational Standards. Supportive housing projects shall comply with all the following standards:
- (4) The project shall comply with all development standards and any written objective standards or policies required of multifamily developments in the same zone.
 - (5) The applicant shall submit a plan for providing supportive services, to include all the following items:
 - (A) Documentation that supportive services will be provided on-site.
 - (B) The name of the proposed entities that will provide supportive services.
 - (C) The proposed funding sources for the services provided.
 - (D) Proposed staffing levels
 - (6) No minimum parking requirements shall be required for the units occupied by supportive housing residents for projects located within one-half mile of a public transit stop.
- (j) Definitions. This section includes the definition of terms and phrases used in this section that are technical or specialized, or that may not reflect common usage. If any of the definitions in this section conflict with definitions in other provisions of the Municipal Code, these definitions shall supersede for the purposes of this section. If a word is not defined in this section or is defined and conflicts with another definition of the Municipal Code, the Director shall determine the most appropriate definition.

- (5) "Lower Income Households" shall have the same meaning as defined in Section 50079.5 of the Health and Safety Code. 12/05/23 Page 13 Item #9
- (6) "Supportive Housing" shall mean housing with no limit on length of stay, that is occupied by the target population, and that is linked to on-site or off-site services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community.
- (7) "Supportive Services" shall include, but are not limited to, a combination of subsidized, permanent housing, intensive case management, medical and mental health care, substance abuse treatment, employment services, and benefits advocacy.
- (8) "Target Population" shall mean persons, including persons with disabilities, and families who are homeless, as that term is defined by Section 11302 of Title 42 of the United States Code, or who are homeless youth, as that term is defined by paragraph (2) of subdivision (e) of Section 11139.3 of the Government Code.

Section 44-307 Low-barrier navigation centers.

- (f) Purpose. The purpose of this section is to establish development standards for low-barrier navigation centers and to ensure this use is constructed and operated in a manner that is consistent with the requirements and allowances of state law, specifically Article 12 of Chapter 3 of Division 1 of Planning and Zoning Law commencing with California Government Code Section 65660. This section shall be repealed as of January 1, 2027.
- (g) Applicability. The provisions of this section shall apply to all low-barrier navigation center projects.
- (h) Planning Approval Required. An application to establish a low-barrier navigation shall be submitted to the Director of Community Development for review and approval. The decision to approve or deny an application shall be ministerial in nature, without any discretionary review or a hearing. The City shall notify a developer whether the developer's application is complete within 30 days, pursuant to California Government Code Section 65943. A decision by the Community Development Director shall be taken within 60 days of a complete application being filed.
- (i) Development and Operational Standards. A low-barrier navigation center development shall be deemed a use that is permitted by-right in areas zoned for mixed-use and nonresidential zones permitting multifamily uses, if it meets the following requirements:
 - (5) Connected Services. It offers services to connect people to permanent housing through a services plan that identifies services staffing.
 - (6) Coordinated Entry System. It is linked to a coordinated entry system, so that staff in the interim facility or staff who co-locate in the facility may conduct assessments and provide services to connect people to permanent housing. "Coordinated entry system" means a centralized or coordinated assessment system developed pursuant to Section 576.400(d) or Section 578.7(a)(8), as applicable, of Title 24 of the Code of Federal Regulations, as those sections read on January 1, 2020, and any related requirements, designed to coordinate program participant intake, assessment, and referrals.
 - (7) Code Compliant. It complies with Chapter 6.5 (commencing with Section 8255) of Division 8 of the Welfare and Institutions Code.
 - (8) Homeless Management Information System. It has a system for entering information regarding client stays, client demographics, client income, and exit destination through the local Homeless Management Information System, as defined by Section 578.3 of Title 24 of the Code of Federal Regulations.

- (j) Definitions. This section includes the definition of terms and phrases used in this section that are technical or specialized, or that may not reflect common usage. If any of the definitions in this section conflict with definitions in other provisions of the Municipal Code, these definitions shall supersede for the purposes of this section. If a word is not defined in this section or is defined and conflicts with another definition of the Municipal Code, the Director shall determine the most appropriate definition.
- (3) "Low-Barrier Navigation Centers" shall mean a housing-first, low-barrier, service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing. "Low barrier" means best practices to reduce barriers to entry, and may include, but is not limited to, the following:
- (E) The presence of partners if it is not a population-specific site, such as for survivors of domestic violence or sexual assault, women, or youth.
 - (F) Pets.
 - (G) The storage of possessions.
 - (H) Privacy, such as partitions around beds in a dormitory setting or in larger rooms containing more than two beds, or private rooms.
- (4) "Use by Right" has the meaning defined in subdivision (i) of Section 65583.2. Division 13 (commencing with Section 21000) of the California Public Resources Code shall not apply to actions taken by a public agency to lease, convey, or encumber land owned by a public agency, or to facilitate the lease, conveyance, or encumbrance of land owned by a public agency, or to provide financial assistance to, or otherwise approve, a Low-Barrier Navigation Center constructed or allowed by this section.

Section 44-394 Temporary sign permit.

(c) *Temporary sign on non-residential property.* Temporary signs on non-residential property, such as commercial or industrial property, require a permit from the Community Development Department and must comply with the following standards:

- (1) *Duration.* Temporary signs (including banners and flags) may be displayed for a total of 63 days within a calendar year. If the sign relates to an event, it must be taken down no later than ten days after the event.
- (2) *Size.* Temporary sign size shall not be greater than the size permitted for permanent building-mounted signage contained in table III-10.
- (3) *Location.* The location of temporary signs shall be the same general area as permitted for permanent signs. Temporary signs over three feet high shall not be located within the traffic safety triangle.
- (4) *Exempt.* Temporary signs of six square feet or less are exempt from the requirement to obtain a permit, but must not be located within the traffic safety triangle and the maximum height shall not be more than three feet above grade. A maximum of three such temporary signs are permitted at any given time on any non-residential property.

Section 44-397 Sign standards.

TABLE III-10: SIGN STANDARDS					
Use	Sign type	Maximum number	Maximum sign area	Maximum height	Remarks
Neighborhood commercial	Wall or marquee	One sign per street frontage	1 sq. ft. per lineal foot of building frontage	Not above the parapet on a flat roof or the eave on a pitched roof	No building shall be given credit for more than two street frontages
Office professional	Wall or marquee	One sign per street frontage	1 sq. ft. per lineal foot of building frontage	Not above the parapet on a flat roof or the eave on a pitched roof	No building shall be given credit for more than two street frontages
Public or institutional	Wall or marquee	One sign per street frontage	1 sq. ft. per lineal foot of building frontage	Not above the parapet on a flat roof or the eave on a pitched roof	No building shall be given credit for more than two street frontages

Section 44-487 Sign review authority.

TABLE IV-3. SIGN REVIEW AUTHORITY		
Type of sign	Approval	Appeal
Building-mounted	Community Development Department	Development and Circulation Committee
Monument	Community Development Department	Development and Circulation Committee
Electronic monument ⁽¹⁾	City Council	
On-site directional	Community Development Department	Development and Circulation Committee
Window	Community Development Department	Development and Circulation Committee

TABLE IV-3. SIGN REVIEW AUTHORITY		
Type of sign	Approval	Appeal
Flag poles	Community Development Department	Development and Circulation Committee
Master sign plan	Development and Circulation Committee	City Council
Master sign plan, not to exceed two signs	Community Development Department	Development and Circulation Committee
Master sign plan, amendment	Community Development Department	Development and Circulation Committee
Temporary sign on non-residential property	Community Development Department	Development and Circulation Committee

Sec. 44-784. - Authority.

The approval authority designated in Section 44-485, Table IV-1 may grant approval of precise plans and amendments to precise plans.

- (c) When no other discretionary permit is required, a Precise Plan shall be required for all residential development except single-family homes on previously subdivided lots, and for all nonresidential developments exceeding 2,000 square feet of total floor area.
- (d) Precise Plan, minor
 - (4) Application for minor Precise Plan permits are limited to the following requests:
 - (A) Development with less than 10,000 gross square feet of new building floor area.
 - (B) Four or less residential units.
 - (C) Any multifamily projects where a minimum of 20% of total units are restricted to be affordable to lower income households or at least 40% of total units are restricted to be affordable to moderate income households (for a period of time equal to provisions under State Density Bonus Law (California Government Code Section 65915).
 - (D) Modifications to previously approved Precise Plans that are substantially compliant with the original approval and do not result in additions greater than 10% of the total area.
 - (5) Decisions on minor Precise Plan applications shall be made administratively by the Community Development Director. The Director shall include a determination of findings and appropriate conditions in the decision. The basis for approval, conditional approval, or denial of a minor Precise Plan application shall be as specified in Section 44-787.

- (6) Subject to a determination by the Community Development Director, a minor Precise Plan application may be placed on a Development and Circulation Committee or City Council agenda for review.

TABLE IV-1. REVIEW AUTHORITY					
Type of entitlement or decision	Section of Development Code	Community Development Director	Development Committee	City Council	Special Permit Committee
Precise plan	44-784	Recommend	Recommend	Decision/appeal	N/A
Precise plan, minor	44-783	Decision	Appeal	Appeal	N/A
Precise Plan, Amendment	44-824	Decision	Appeal	Appeal	N/A

Sec. 44-849. - Authority.

The approval authority designated in Section 44-485, Table IV-1 may grant approval of conditional use permits and amendments to conditional use permits.

(b) Conditional Use Permit, Minor

(4) Application for minor Conditional Use Permits are limited to the following requests:

- (A) Alternatives to parking and loading standards.
- (B) Beer, wine, and liquor licenses.
- (C) Live entertainment uses.
- (D) Modifications to certain development standards as may be specified by this Code.
- (E) Other modifications which, in the determination of the Community Development Director, have a moderate potential for adverse impacts to the subject site and the surrounding community.

(5) Decisions on minor Conditional Use Permit applications shall be made administratively by the Community Development Director. The Director shall include a determination of findings and appropriate conditions in the decision. The basis for approval, conditional approval, or denial of a minor Conditional Use Permit shall be as specified in Section 44-788.

(6) Subject to a determination by the Community Development Director, a minor Conditional Use Permit may be placed on the City Council agenda for review.

TABLE IV-1. REVIEW AUTHORITY					
Type of entitlement or decision	Section of Development Code	Community Development Director	Development Committee	City Council	Special Permit Committee
Conditional use permits	44-849	Recommend	N/A	Decision/appeal	N/A
Conditional use permits, minor	44-849	Decision	N/A	Appeal	N/A

City of La Palma

Agenda Item No. 16



MEETING DATE: November 5, 2024

TO: City Council

FROM: City Manager

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

AGENDA TITLE: Award of Contract for Testing, Dynamic Profiling, and Pump and Motor Replacement for Water Quality Improvements at the City Yard

RECOMMENDED ACTION:

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

1. Award a Contract to BESST Inc. for Testing, Dynamic Profiling, and Well Pump and Motor Replacement for Water Quality Improvements at the City Yard for an amount not to exceed \$321,000;
2. Authorize a 15% contingency for unforeseen issues;
3. Authorize the City Manager or his designee to execute all required documents; and
4. Approve reallocating \$321,000 in the FY 24/25 Capital Improvement Program budget from the Water Treatment Feasibility Study account (055-900-9330-00000) to the Pump & Well Repair account (055-900-7100-00000).

BACKGROUND

Meadowlark (City Yard) Well, was originally constructed in 1984 to supply groundwater to the City of La Palma. In 2010, the City observed groundwater arsenic concentrations rising close to the maximum contaminant level of 10 parts per billion (ppb). In March 2012, a water quality and water treatment feasibility study was completed. The study found that water treatment options for the removal of iron, manganese, and arsenic would have an approximate cost of \$2.5 to \$5 million (\$3.4 to \$6.9 million in today's economy) along with significant annual costs for maintenance and operations. As a result, the City began exploring other alternatives.

In 2013, the City entered into an agreement with BESST, Inc. (BESST) to profile the well for possible modifications to isolate the sources of the contaminants. In 2014, BESST finalized its findings and proposed a modification of the well pump to selectively extract higher-quality water. As a result, the City requested a feasibility test be conducted to demonstrate proof of concept and, if successful, pursue a permanent modification to the well pump or well screens.

In early 2016, an engineered pump suction pipe with mechanical packers was installed to isolate the middle of three zones (upper, middle, and lower) of the well to reduce the intrusion of arsenic and manganese concentrations. In subsequent pumping tests, the arsenic concentrations fell and settled to just less than 6 parts per billion. The feasibility test of the engineered pump suction was generally considered a success and the City decided to keep it in place for further observation.

SUMMARY

In 2021, the Meadowlark Well started to experience a slight drop in water production and the City noticed that the arsenic levels were beginning to rise. In 2022, the City hired BESST to profile and investigate why the arsenic levels were increasing.

A review of pumping and water level data from 2018 to 2022, showed that as pumping levels dropped from above 1,600 gallons per minute (gpm) to 1,300 gpm and water levels fell from 115' to 133', arsenic levels increased from around 7 ppb to nearly 10 ppb. It was determined that as the pumping rate reduced, the upper zone of the aquifer contributed more to the overall water production along with higher concentrations of arsenic. BESST Senior Hydrogeologist, Noah Heller, has a hypothesis that two specific species of bacteria have shown a capability to dissolve arsenic in aquifers. Under the right conditions, (like within the zone of the well between the packers) arsenic-bearing minerals can be modified and transformed from a solid mineral to a soluble form. As these areas become less hydraulically active, organic matter, sulfur, iron, and arsenic become susceptible to microbial colonies that slowly grow. One of the byproducts of this process is believed to release dissolved arsenic which is drawn upward by pumping water into the well. The lower levels of iron and manganese in 2022 compared to 2013 may be due to competition from arsenic-reducing bacteria.

The proposed testing and profiling aim to gain production from the lower zone below the mechanical packers and speciate the bacteria to confirm BESST's theory that the elevated levels of arsenic are partially due to microbial action. Thus, samples will be sent to a laboratory for analysis to help develop a disinfection/treatment regimen to eliminate or control the bacteria from the well.

Additionally, the well pump and motor have exceeded the normal replacement schedule by several years and wear is contributing to reduced water production. This has resulted in the City paying more for energy to pump less water. Therefore, this work includes the replacement of the pump and motor. This project will also convert the well's existing food grade oil-based lubrication system to water lubrication for improved efficiencies. Together with the profiling of the well, efforts will help determine a plan to rehabilitate the existing well or develop a new well (should it be required) and identify specific contaminated zones within the aquifer to avoid in the future.

In summary, the overall goal of the aforementioned efforts is to once again reduce the arsenic levels to below the current MCL, improve water quality, increase production, reduce operations/maintenance expenditures, eliminate or reduce costly treatment and/or immediate major improvements.

For this project, BESST Inc. is selected as a sole source vendor due to its patented/trademarked technologies and methods under an exclusive license agreement from the United States Geological Survey (USGS). Furthermore, BESST Inc. has years of invaluable knowledge regarding the City's geologic structure and hydraulic conditions obtained from their past projects for the City. Staff has reviewed references and similar projects in other agencies and found BESST Inc.'s pricing to be reasonable.

The FY 24/25 Capital Improvement Program budget includes a \$500,000 allocation for a Water Treatment Feasibility Study (account 055-900-9330-00000). Since this project will not move forward

this fiscal year, staff is requesting a budget transfer of \$321,000 from the Water Treatment Feasibility Study account (055-900-9330-00000) to the Pump & Well Repair account (055-900-7100-00000) to fund this project.

FISCAL IMPACT:

Reallocating \$321,000 within the FY 24/25 Capital Improvement Program (CIP) budget will reduce the funds available for the Water Treatment Feasibility Study (055-900-9330-00000) from \$500,000 to \$179,000, while increasing the Pump & Well Repair account (055-900-7100-00000) by \$321,000. This transfer does not raise the overall CIP budget but redistributes a portion of the existing allocation to support the project.

ATTACHMENTS:

1. BESST Quotation

October 28th, 2024

To: **Carlo** Nafarrete

Utilities / Maintenance Supervisor

City of La Palma

7822 Walker Street, La Palma, CA 90623

O: (714) 690-3312 E: pwsupervisor@cityoflapalma.org

From: Noah Heller

Subject: BESST Profiling Services and New Pump Oversight Services

Dear Mr. Nafarrete:

Below is a summary of the scope of services that BESST and General Pump will provide to the City of La Palma if we are selected to perform the work. BESST has included our anticipated management fees based on GP's quotation as well as an administrative markup to handle GP's billing and other sub-contractual efforts and insurances. The key points of service are the following:

- Perform an initial pump check by GP to perform equipment, efficiency and flow testing. These results will be provided to BESST in comparison to baseline results from BESST's 2022 profiling report.
- BESST will perform dynamic profiling as quoted earlier to try to confirm that the elevated arsenic levels are due to microbial action or not, develop a disinfection and possibly a treatment plan to reduce the arsenic, with hopes of maintaining it below the current MCL.
- GP repair and replacement of the well pump and motor assembly including replacement of the current oil lube system with a water flush/water lube system. BESST to include management of the R&R work and final flow and other tests for comparison with initial baseline tests and other information gathered from this task.
- Provide a final report to determine plans to effectively rehabilitate the well, potentially redesign the engineered suction tube and packers, establish protocol for future rehabs and potentially provide necessary downhole zone profiles identifying desired and avoidable zones for designing a future well.

If you have any questions or concerns regarding our proposal, please feel free to contact me.

Sincerely,

Noah Heller, MS PG

President, Principal Hydrogeologist

BESST, Inc.

50 Tiburon Street, Suite 7, San Rafael, CA 94901

Quotation For: Dynamic Profile La Palma Meadowlark Well		 BESST INC. GLOBAL SUBSURFACE TECHNOLOGIES Payment Terms: Net 30 QUOTE VALID FOR 90 DAYS BESST INC 50 Tiburon, Suite 7 San Rafael, CA 94901 Office: 415.453.2501 / cell: 415.302.7354 nheller@besst-inc.com			
Well Location:	La Palma, California				
Number of Locations:	1 Well				
Quotation Date:	Monday, October 28, 2024				
Prepared by:	Noah Heller, MS PG Lic. # 5792				
Client Organization:	City of La Palma				
Name and Title:	Carlo Nafarrete, Public Works Supervisor				
Street Address:	7822 Walker St.				
City and State:	La Palma, CA, 90623				
Phone:	(714) 690-3300				
Email:	PWSupervisor@cityoflapalma.org				
Item	HYDROGEOLOGIC PROFILING SERVICES	Qty	Unit	Price	Total
TASK 1 - PROFILE PLANNING					
Profiling Data Planning	Data Review including historical yield and chemistry reports, Planning meetings and Phone Calls, Injection and Sampling Plan.	1	project	\$ 1,000.00	\$ 1,000.00
	Subtotal #1				\$ 1,000.00
TASK 2 - SITE AND WELL ACCESS SURVEYS					
Mob / Demob	Mob/Demob For Access Survey (No charge if confirmed prior to Profile)	0	ea.	\$ 1,960.00	\$ -
Per Diem	Per Diem costs for one scientist	0	days	\$ 360.00	\$ -
Access Survey	Confirmatory Access Surveys	0	ea.	\$ 1,400.00	\$ -
Access Survey Report	Access Survey Technical Memo (No report if Access is successful)	0	ea.	\$ 450.00	\$ -
	Subtotal #2				\$ -
TASK 3 - DYNAMIC FLOW PROFILING					
Mob / Demob	Dynamic Rig Mob/Demob and personnel	1	ea.	\$ 3,190.00	\$ 3,190.00
Per Diem	Per Diem costs for two scientists	3	days	\$ 720.00	\$ 2,160.00
Crew Mob/Demob	Used only if the video, flow and chemistry sampling requires more than 5 days. Crew demobs for weekend and returns to site the following Monday.	0	ea.	\$ 2,000.00	\$ -
System Setup	System Setup	1	ea.	\$ 1,100.00	\$ 1,100.00
Dynamic Flow	Dynamic Flow Survey (up to 20 injection depths). Optional injection points may be recommended based on the initial flow data and the length of the well screen.	1	ea.	\$ 7,775.00	\$ 7,775.00
	Subtotal #3				\$ 14,225.00
TASK 4 - DYNAMIC DEPTH DEPENDENT SAMPLING					
Groundwater Sampling	Dynamic Groundwater Sampling Survey (up to 12 1-liter samples, 10 depth dependent with HydroBooster Pump and 2 wellhead). Sampling is planned for 2 field days due to extensive chemistry suite. Laboratory costs below in Task 6	1	ea.	\$ 11,500.00	\$ 11,500.00
	Subtotal #4				\$ 11,500.00
TASK 5 - LABORATORY FEES					
WSE	Bacterial Assesment	12	ea.	\$ 725.00	\$ 8,700.00
Courier	Lab Samples shipped to Kansas City, MO for Friday Delivery	1	ea.	\$ 800.00	\$ 800.00
Local Lab Analysis	Arsenic	12	ea.	\$ 35.00	\$ 420.00
	Iron-Total and Dissolved	12	ea.	\$ 25.00	\$ 300.00
	Manganese-Total and Dissolved	12	ea.	\$ 25.00	\$ 300.00
	Total Dissolved Solids	12	ea.	\$ 25.00	\$ 300.00
Administrative Fee	15% administrative Fee for Lab Coordination	1	ea.	\$ 1,623.00	\$ 1,623.00
	Subtotal #5				\$ 12,443.00
TASK 6 - HYDROGEOLOGIC REPORT					
Engineering Report	ENGINEERING REPORT: Detailed Dynamic Flow and Mass Balance Report (Mass Balance Up To 8 Constituents): Includes Analysis, Conclusions and Recommendations for Well Modification to Remove Contaminants of Concern.	1	ea.	\$ 8,750.00	\$ 8,750.00
	Subtotal #6				\$ 8,750.00
TASK 7 - PROJECT MANAGEMENT AND REPORTING					
Project Kickoff	Organizational pre-project meeting with subcontractor, covering health and safety, roles and responsibilities, project scope	2	hrs.	\$ 180.00	\$ 360.00
Project Updates	Summary memos and phone calls	3	hrs.	\$ 160.00	\$ 480.00
Field Oversight	BESST field presence, overseeing and documenting pump service contractor	60	hrs.	\$ 160.00	\$ 9,600.00
Field Oversight Mob/Demob	One Staff Scientist - Pump Removal, Video, Pump Installation, Other	3	ea.	\$ 1,960.00	\$ 5,880.00
Per diem	One Staff Scientist	5	days	\$ 360.00	\$ 1,800.00
Final Report	Assimilation and integration of BESST and pump service company data and results into a single report	32	hrs.	\$ 160.00	\$ 5,120.00
Supervising CA PG	Noah Heller MS PG - Review and Internal Approval of Project Planning and Final Report	5	hrs.	\$ 220.00	\$ 1,100.00
	Subtotal #7				\$ 24,340.00
TASK 8 - OPTIONAL SERVICES					
Extra Injections	Extra Injection Depths	0	ea.	\$ 100.00	\$ -
Extra Samples	Extra Groundwater Sample Depths	0	ea.	\$ 200.00	\$ -
Extra Volume	Extra Groundwater Sample Liters at Each Point	0	ea.	\$ 30.00	\$ -
Extra Analytes	Extra Mass Balance Fee Per Analyte	0	ea.	\$ 400.00	\$ -
Detailed Treatment Analysis	Detailed Treatment Analysis	0	ea.	\$5,000.00	\$ -
Pump Crew Oversight	Oversee test pump installation-Lift and Shift operations-Access Pipe installation or other well preparation activities.	0	hr.	\$ 140.00	\$ -
Standby	Standby Rate	0	hr.	\$ 275.00	\$ -
Oil Lube Fee	Oil Lube Fee (Decon or Dispose of Tubing)	0	ft	\$ 2.50	\$ -

Quotation For: Dynamic Profile La Palma Meadowlark Well		 BESST INC. GLOBAL SUBSURFACE TECHNOLOGIES			
Well Location:	La Palma, California	Payment Terms: Net 30 QUOTE VALID FOR 90 DAYS BESST INC 50 Tiburon, Suite 7 San Rafael, CA 94901 Office: 415.453.2501 / cell: 415.302.7354			
Number of Locations:	1 Well				
Quotation Date:	Monday, October 28, 2024				
Prepared by:	Noah Heller, MS PG Lic. # 5792				
Client Organization:	City of La Palma				
Name and Title:	Carlo Nafarrete, Public Works Supervisor				
Street Address:	7822 Walker St.				
City and State:	La Palma, CA, 90623				
Phone:	(714) 690-3300				
Email:	PWSupervisor@cityoflapalma.org	nheller@besst-inc.com			
Toilet Rental	Rent and have portable toilet delivered to site	0	well	\$ 400.00	\$ -
Generator Rental	Required if AC power not available on site	0	day	\$ 100.00	\$ -
Multi Water Parameter Meter	pH, Temp, conductivity, dissolved oxygen, redox potential and turbidity	0	ea.	\$ 650.00	\$ -
Water Level Meter	Measure Water Levels	1	ea.	\$ 95.00	\$ 95.00
Labels	Complete Sample Bottle Labels	1	ea.	\$ 275.00	\$ 275.00
COC	Complete Chain of Custody	1	ea.	\$ 110.00	\$ 110.00
Package	Package Samples	1	ea.	\$ 110.00	\$ 110.00
Subtotal #8					\$ 590.00
TASK 9 - PUMP SERVICE SUBCONTRACTOR					
Pump Quotation	General Pump Services for removal, repair, replacement and installation of pump.	1	ea.	\$ 215,000.00	\$ 215,000.00
Administrative Fee	BESST Subcontractor Administrative fee	1	ea.	\$ 32,250.00	\$ 32,250.00
Subtotal 9					\$ 247,250.00
TOTAL: Including Options					\$ 320,098.00
Client Name _____		Client PO Number _____			
Client Signature _____		Date _____			

KEY FACTORS IN SOLE SOURCING BESST'S (USGS) ZONAL FLOW AND CHEMISTRY PROFILING TECHNOLOGY

- 1) **PATENTS:** The technology includes four key patents. The four patents add 20 more years of lifespan (per patent) for application of the technology from 2036 to 2040. The four patents include, a) Sideways Injection b) UNIPASS and C) Selective Extraction of Fluids from Wells and Boreholes.
- 2) **ONLY SERVICE PROVIDER:** BESST is the only company that offers the technology and data interpretation services using these technologies.
- 3) **MINIATURIZATION:** Miniaturization of the technology allows the tooling to enter wells with pumps typically without removal of the pump. There is also minimal disturbance to the fluid column during the surveys due to the slim-hole nature, ranging from $\frac{3}{4}$ " to 1" OD x 2" to 7" in length.
- 4) **COST SAVINGS:** The combined cost of planning, profiling with the BESST/USGS technology suite, and reporting is significantly less in cost than use of conventional methods. Conventional methods include spinner logging, straddle packer zone testing, test pumps, and externally contracted licensed geologists, hydrogeologists and engineers to perform data interpretation and reporting.
- 5) **EXPERIENCE:** The large number of studies performed by BESST in both old and new wells and the acquisition of a voluminous geochemical database providing a unique in-depth understanding of modes of contaminant occurrence in the subsurface. The various feasibility and well re-engineering projects performed by BESST makes the Company uniquely qualified to perform hydrogeological well studies with the ability to provide well re-engineering solutions to its clients for treatment capture and avoidance.

City of La Palma

Agenda Item No. 17



MEETING DATE: November 5, 2024

TO: City Council

FROM: City Manager

SUBMITTED BY: Ryan Hallett, Assistant City Manager

AGENDA TITLE: Consideration of Agreement to Lease 5410-14 La Palma Avenue to Elite Taekwondo Center, Inc.

RECOMMENDED ACTION:

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

1. Adopt a Resolution approving an Agreement to Lease 5410-14 La Palma Ave by Elite Taekwondo Center, Inc.; and
2. Authorize the Mayor to execute the Lease Agreement and any other real estate documents to effectuate the provisions of the Lease Agreement.

SUMMARY:

The Successor Agency to the La Palma Community Development Commission transferred the building at 5410-14 La Palma Avenue to the City of La Palma on February 27, 2014. The City leased the 3,000 square foot building to Victor H. Chung, President of Elite Taekwondo Center, Inc. on February 17, 2015, to operate a martial arts studio. The current lease is approaching expiration, and both the City and Mr. Chung wish to continue their arrangement.

BACKGROUND:

The lease history for Elite Taekwondo Center, Inc., with the City began with an original lease agreement on February 17, 2015. This lease was subsequently amended multiple times to provide flexibility for the tenant during economic hardship during COVID-19 and set a structured rental increase plan through 2024:

1. **First Amendment** (June 2, 2020): Adjustments were made to the lease terms due to operational challenges related to COVID-19.
2. **Second Amendment** (December 8, 2020): Due to financial impacts from COVID-19, this amendment temporarily reduced rent payments to \$500 per month until March 31, 2021, with

provisions allowing early termination by the City with a 30-day notice.

3. **Third Amendment** (March 3, 2021): Continued rent relief with a month-to-month reduced rent structure at \$500 per month due to ongoing pandemic challenges.
4. **Fourth Amendment** (December 1, 2021): The rent was set to \$5,000 per month, with an annual increase of \$500 each December, effective through December 31, 2024.

Mr. Chung has been a reliable tenant and cooperative partner with the City, consistently meeting lease obligations and providing a well-maintained space that supports local recreational opportunities.

ANALYSIS:

The lease agreement between the City ("Lessor") and Elite Taekwondo Center, Inc. ("Lessee"), outlines several key terms and obligations, including:

1. **Lease Term and Renewal:** The lease is set to begin on January 1, 2025, and extends through December 31, 2029, with an option for the Lessee to renew for an additional five years if exercised within the specified window.
2. **Monthly Rent and Increases:** The initial monthly rent is set at \$6,000, with a 3% annual increase on each anniversary of the lease commencement date.
3. **Last Month's Rental Deposit:** A deposit of \$6,753 is required for the last month's rent, payable at the start of the lease.
4. **Conditions of Use and Maintenance:** The premises are leased "as-is" for a martial arts center, with the Lessee responsible for interior maintenance and compliance with property restrictions. The Lessor handles structural, HVAC, and other repairs.
5. **Insurance and Indemnity Requirements:** The Lessee is required to maintain liability insurance with a minimum of \$1 million per occurrence and \$2 million aggregate, as well as property and casualty insurance on its personal and business property within the premises.
6. **Improvement and Alteration Conditions:** Lessee must obtain prior written consent from the Lessor for any improvements or alterations and is responsible for their cost.

FISCAL IMPACT:

5-Year Total Annual Lease Payments	
Year 1	\$72,000
Year 2	\$74,160
Year 3	\$76,384
Year 4	\$78,676
Year 5	\$81,036

Total	\$382,256
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ATTACHMENTS:

1. Resolution

RESOLUTION NO. 2024-__**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA PALMA FINDING THAT THE CITY HAS NO CITY PURPOSE FOR THE PROPERTY AT 5410-14 LA PALMA AVENUE OTHER THAN TO LEASE THE PROPERTY FOR A COMMERCIAL USE AND APPROVING A LEASE AGREEMENT FOR THE PROPERTY**

WHEREAS, the Successor Agency to the La Palma Community Development Commission transferred the building at 5410-14 La Palma Avenue (“Property”) to the City of La Palma (“City”) on February 27, 2014; and

WHEREAS, the City leased the Property to Elite Taekwondo Center (“Tenant”) on February 17, 2015, to conduct martial arts classes (“Initial Lease”); and

WHEREAS, the Initial Lease is approaching expiration, and both the City and Tenant wish to continue their arrangement at the Property; and

WHEREAS, a new lease (“New Lease”) for the Property has been prepared for the City Council’s consideration and is set forth as “Exhibit A” attached hereto and incorporated herein by this reference; and

WHEREAS, the City published a Notice of Exemption (“Notice”) pursuant to Section 54221 of the Government Code indicating that the proposed use is exempt from the requirements for surplus land designation; and

WHEREAS, the Notice was published on August 28th, 2024, in the Event News Enterprise, a newspaper of general circulation with a 30-day comment period; and

WHEREAS, to date, the City has received no objections to the Notice; and

WHEREAS, the New Lease is exempt from California Environmental Quality Act (CEQA) review under the CEQA Guidelines because there is no possibility that the City Council action will have a significant effect on the environment (CEQA Guidelines § 15061(b)(3)) or the New Lease is also exempt pursuant to Class 1 of the categorical exemptions (CEQA Guidelines § 15301)

WHEREAS, Section 37395 of the Government Code requires the City to declare that there is no other city purpose for the Property prior to leasing.

NOW, THEREFORE, the City Council of the City of La Palma hereby resolves as follows:

Section 1. The foregoing Recitals are true and correct and are incorporated into this Resolution by this reference.

Section 2. There is no City purpose for the property at 5410-14 La Palma Avenue other than to lease the property for commercial use.

Section 3. The City Council hereby approves the Lease Agreement substantially in the form as attached hereto as “Exhibit A”.

Section 4. The City Manager and City Attorney are hereby authorized to make final changes to the Lease Agreement that are consistent with this Resolution, and the Mayor is hereby authorized to execute the Lease Agreement and any other real estate documents to effectuate the provisions of the Lease Agreement.

Section 5. The City Clerk shall certify to the adoption of this Resolution and shall cause a certified Resolution to be filed in the book of original resolutions.

Section 6. The approval of the Lease Agreement and adoption of this resolution is exempt from California Environmental Quality Act (CEQA) review under the CEQA Guidelines Section 15061(b)(3) because there is no possibility that the City Council action will have a significant effect on the environment. In addition, the City Council action qualifies under the Class 1 categorical exemption set forth in CEQA Guidelines Section 15301 because the use consists of the operation, repair, maintenance, permitting, leasing, licensing, and minor alteration of an existing private structure involving negligible or no expansion of an existing or former use.

APPROVED AND ADOPTED by the City Council of the City of La Palma at a regular meeting held on the 5th day of November 2024.

Marshall Goodman
Mayor

ATTEST:

Kimberly Kenney, CMC
City Clerk

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

I, KIMBERLY KENNEY, City Clerk of the City of La Palma, California, DO HEREBY CERTIFY that the foregoing resolution was adopted by the City Council of said City at a regular meeting of said City Council held on the 5th day of November 2024, and that it was so adopted by called vote as follows:

AYES:

NOES:

Kimberly Kenney, CMC
City Clerk

EXHIBIT “A”

[See next page]

AGREEMENT TO LEASE

This AGREEMENT TO LEASE (hereinafter "Agreement") is made and entered into as of December 5, 2024 (the "Effective Date"), by and between the CITY OF LA PALMA, a California municipal corporation (hereinafter "Lessor") and ELITE TAEKWONDO CENTER, INC., a California Corporation (hereinafter "Lessee").

1. TERM OF LEASE

1.1. Lease of Premises. For and in consideration of the payments of rentals and the performance by Lessee of each and every term, covenant and condition herein, as of the "Lease Commencement Date" (as that term is defined in Section 1.2 below), Lessor hereby agrees to lease to Lessee, and Lessee hereby agrees to lease and hire from Lessor, approximately 3,000 square feet of real property at 5410-14 La Palma Avenue, in the City of La Palma, State of California, 90623 (hereinafter "Premises"). The Premises is legally described in Exhibit "A", which is attached hereto and incorporated herein by this reference.

1.2. Original Lease Term. Subject to the termination provisions of Section 9 below, the term of Lessor's lease to Lessee (the "Lease Term") shall commence on January 1, 2025 (hereinafter, the "Lease Commencement Date"), and shall continue to and terminate at 11:59 P.M. local time on December 31, 2029 (the "Expiration Date"). Unless terminated earlier pursuant to the provisions of this Agreement, this Agreement shall terminate on the Expiration Date.

1.3. Options to Extend Lease Term. Subject to the following paragraph, Lessee shall have the right to extend the Lease Term for one (1) period of five (5) years ("Extended Term"), and in the event of any such extension, the Expiration Date shall be automatically extended to the end of the five (5) year period.

It is understood and agreed that Lessee shall provide Lessor written notice of its intention to exercise any option to extend the Lease Term not more than two hundred seventy (270) days and not less than one hundred eighty (180) days prior to the Expiration Date. If Lessee is in default hereunder, as set forth in Section 9.2 of this Agreement, on the date of providing notice of Lessee's intent to exercise an option to extend the Lease Term, the option notice shall be ineffective and void. In addition, if Lessee is in default hereunder on the date the Extended Term is otherwise scheduled to commence, the Extended Term shall not commence and this Agreement shall terminate at the end of the prior Expiration Date. It is understood and agreed that Lessor shall have no obligation to provide to Lessee any notice prior to the expiration of the initial five (5) year Lease Term or the Extended Term or in order to remind Lessee of its deadline for exercising any option rights pursuant to this Section 1.3.

1.4. Effect of Holding Over. If Lessee remains in possession of the Premises after the expiration of the Lease Term or authorized Extended Term with the consent of Lessor (either express or implied) and without executing a new lease, then such holding over shall not be considered a renewal of this Agreement, but rather shall be construed as a tenancy from month to month, subject to all conditions, provisions, and obligations of this Agreement insofar as the same are applicable to a month-to-month tenancy; provided, however, that Lessee shall pay as rent to Lessor, for each month that Lessee holds over, an amount equal to one hundred fifty percent (150%) of the rent for the last full calendar month during the initial Lease Term, or authorized

Extended Term. Notwithstanding the foregoing, nothing contained in this Agreement shall be deemed consent by Lessor to occupancy or possession of the Premises by Lessee after the expiration of the Lease Term or authorized Extended Term, or after the termination of this Agreement.

1.5. Lessor Improvements. Lessor acknowledges and agrees that improvements have already been made to the Premises to support Lessee's intended use as a martial arts and fitness center. The Premises are currently suitable for Lessee's operations. However, if additional improvements are required in the future, Lessor will obtain all necessary permits and approvals (collectively, the "City Approvals") and proceed with the required improvements in a timely manner.

1.6. Conditions to Delivery. Notwithstanding anything in this Agreement to the contrary, Lessor shall not be obligated to deliver the Premises to Lessee, and Lessee's lease of the Premises shall not commence, until such time as all of the following conditions precedent have been satisfied, or waived by Lessor:

1.6.1. Lessee has provided to Lessor, and obtained Lessor's written approval of, the insurance required pursuant to Section 7 below.

1.6.2. Lessee and Lessor have executed a Memorandum of Agreement to Lease substantially in the form attached hereto and incorporated herein as Exhibit "B".

1.6.3. Lessee has provided to Lessor a personal guaranty substantially in the form attached hereto and incorporated herein as Exhibit "C" signed by Victor Chung.

2. LEASE RENTAL PAYMENTS

2.1. Monthly Rent. As consideration for the rental of the Premises by Lessor to Lessee, on the first day of each calendar month, Lessee shall pay for each calendar month as rent to Lessor the sum of SIX THOUSAND DOLLARS (\$6,000) per month ("Monthly Rent"). The Monthly Rent shall increase annually, on the anniversary of the Lease Commencement Date (with each twelve (12) month period following the Lease Commencement Date referred to herein as a "Lease Year"), by three percent (3%). Lessee shall continue to remain liable for any common area maintenance ("CAM") charges under the Declaration (as defined in Section 4.3 of the Agreement) otherwise due during the Lease Term. Lessee shall continue to remain liable for any possessory interest taxes, and other applicable taxes, as provided for in the Agreement.

2.2. Payment of Rent.

2.2.1. Lessee shall make all rent payments, and pay all other sums due under this Agreement, in lawful money of the United States. Payments may be made by check payable to "CITY OF LA PALMA" or, at Lessee's option, by credit card. If Lessee chooses to pay by credit card, Lessee shall be responsible for any and all associated credit card processing fees. Payments by check shall be personally delivered or mailed to Lessor at the address set forth in Section 10.1 below. Lessee assumes all risk of loss or late payment if rental payments are made by mail.

2.2.2. Subject to Section 2.1 above, all payments of rent due under this Agreement shall be paid without offset or deduction, and shall be deemed payments on account. Neither the payment by Lessee nor the acceptance by Lessor of any rent or other sums in an amount which is less than the amount due and payable pursuant to this Agreement, nor the issuance of a monthly statement showing as due and payable an amount less than is properly due and payable pursuant to the terms of this Agreement, shall constitute an agreement by Lessor modifying this Agreement or a waiver of Lessor's right to receive all sums provided for in this Agreement. No endorsement or statement on any check or any letter accompanying any check or payment shall be deemed an accord or satisfaction, and Lessor shall accept all rent checks and payments from Lessee without prejudice to Lessor's right to recover the balance of the amount due or to pursue any other remedy in this Agreement or otherwise provided by law.

2.3. Charge for Late Rent Payment.

2.3.1. Lessee hereby acknowledges that the late payment of rent or any other sums due hereunder constitutes a material breach of this Agreement, which will cause Lessor to incur costs not contemplated by this Agreement, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, expenses related to administrative processing of delinquent notices, lost interest and income, and increased accounting costs.

2.3.2. If any payment of rent due Lessor is not received by Lessor within twenty (20) days after the due date, a late charge of one and one-half percent (1.5%) of the delinquent amount, plus the sum of One Hundred Dollars (\$100), shall become immediately due and payable to Lessor. For example, if the delinquent amount due is \$6,000, the late charge would be \$190.00 (i.e. [$\$6,000 \times 0.015$] + \$100), resulting in a total amount due of \$6,190.00. An additional charge of one and one-half percent (1.5%) of such delinquent rent payment (excluding late charges) shall be added for each additional calendar month (or portion thereof) that the delinquent sum remains unpaid.

2.3.3. Lessee and Lessor hereby acknowledge and agree that such late charges do not represent and shall not be deemed to be an interest payment, but that such late charges represent a fair and reasonable estimate of the costs and expenses that Lessor will incur by reason of Lessee's late payment.

2.3.4. Acceptance by Lessor of any delinquent rent payment or late charges shall in no way constitute a waiver of Lessee's default with respect to such overdue and delinquent payment, or in any way impair, prevent or preclude Lessor from exercising any of its rights or remedies set forth in this Agreement or otherwise provided at law.

2.4. Last Month's Minimum Rent. On the Rent Commencement Date, Lessee shall deposit with Lessor the Minimum Rent for the final month of the initial ten-year term, which is Six Thousand Seven Hundred Fifty-Three Dollars (\$6,753). In connection with the election by

Lessee pursuant to Section 1.3 above to extend the term hereof for an additional five (5) years, Lessee shall deposit with Lessor the funds necessary such that the funds on deposit (the "Final Rent Payment Funds") always equal the Minimum Rent for the final month of this Agreement. For example, if prior to the end of the initial five-year term, Lessee timely elects to exercise its option to extend the Lease Term for five (5) additional years, Lessee shall deposit with Lessor the sum of One Thousand Seventy-Six Dollars (\$1,076), such that the collective amount of the Final Rent Payment Funds shall equal Seven Thousand Eight Hundred Twenty-Nine Dollars (\$7,829). Subject to the following provisions, the Final Rent Payment Funds shall be retained and utilized by Lessor as Lessess's final payment of Minimum Rent under this Agreement. Notwithstanding the foregoing, the Final Rent Payment Funds shall also serve as security for Lessee's faithful performance of its obligations under this Agreement, including without limitation Lessee's obligations (i) to pay rent, (ii) to repair damages to the Premises caused by Lessee or Lessee's agents, representatives, employees, contractors, licensees, and invitees, (iii) to surrender the Premises in the condition required by Section 8.12, and (iv) to remedy any other defaults by Lessee in the performance of any of its obligations under this Agreement. If Lessee fails to pay rent or otherwise defaults under this Agreement, Lessor may use, apply or retain all or any portion of said Final Rent Payment Funds for the payment of any amount due Lessor or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of the Final Rent Payment Funds, Lessee shall within 10 days after written request therefor deposit monies with Lessor sufficient to restore said Final Rent Payment Funds to the full amount required by this Agreement. Lessor shall not be required to keep the Final Rent Payment Funds separate from its general accounts.

3. CONDITION AND INSPECTION OF PREMISES

3.1. Premises Leased "As-Is." Lessee acknowledges that the Premises are being leased to Lessee on an "as-is" basis, and Lessee takes and occupies the Premises without reliance upon any representation by Lessor, or any of its officials, employees, agents or representatives, or any other person, concerning the Premises, their fitness for Lessee's intended use or any other particular purpose or use, their income producing history, potential or capabilities, their value, or any other promise, representation or inducement not expressly set forth in this Agreement.

3.2. No Representation or Warranty Concerning Premises. Lessee acknowledges that neither Lessor, nor any of its officials, employees, agents or representatives, has made any written or oral representation, promise, or warranty, expressed or implied, concerning the Premises, their fitness for Lessee's intended use or any other purpose or use, their income producing history, potential or capabilities, their value, or any other matter not expressly set forth in this Agreement.

3.3. Inspection by Lessee. Lessee acknowledges that as of the Lease Commencement Date, Lessee shall have had the opportunity to and shall have inspected the Premises, and that Lessee takes and leases the Premises in the condition in which the Premises exist as of the Lease Commencement Date. Lessee stipulates that the Premises are in good, clean, safe, and leasable condition, and fit for Lessee's intended use, as of the Lease Commencement Date.

3.4. Accessibility. In accordance with California Civil Code Section 1938, Lessor hereby provides notice to Lessee that as of the Effective Date, the Premises have not undergone inspection by a Certified Access Specialist (CAsp). Lessor acknowledges and agrees that all Lessor Improvements to the Premises shall comply with all applicable laws, including the Americans with Disabilities Act ("ADA") of 1990 (42 U.S.C. 12101 et seq.), any amendment thereto or regulations promulgated thereunder, and any federal, state or local ordinances or codes enacted pursuant thereto. Lessor shall be solely responsible for such costs. Except to the extent caused by Lessee, Lessor shall defend, indemnify, and hold harmless Lessee with respect to any claims related to the failure of the Premises or any Lessor Improvements to comply with the ADA.

3.5. Hazardous Material Disclosure. California law requires landlords to disclose to tenants the existence of certain Hazardous Materials (as defined in Section 8.2.1, below). Certain adhesives, paints, and other construction materials and finishes used on portions of the Premises may contain Asbestos Containing Materials (ACMs) and/or lead-based paint (LBP). In addition, Lessee acknowledges that Lessor has provided Lessee with information concerning the ACMs and LBP that Lessor is currently aware that exists on the Premises. By its execution of this Agreement, Lessee acknowledges that the notice set forth in this Section 3.5 shall constitute the notice required under California Health and Safety Code Section 25915.5.

4. USE OF PREMISES

4.1. Use of Premises. For and during the Lease Term, and any extension or renewal thereof, Lessee shall use the Premises solely and exclusively to operate a martial arts and fitness center.

4.2. Conditions of Use. For and during the Lease Term, and any extension or renewal thereof, Lessee's use of the Premises, as set forth in Section 4.1 above, is subject to the following conditions, covenants, and restrictions:

4.2.1. Except as provided in this Agreement, the Premises shall be used for the purposes specified in Section 4.1 above and for no other uses or purposes whatsoever, without the prior written consent of Lessor.

4.2.2. Lessee shall not cause, permit, or suffer any "Hazardous Materials" (as defined in Section 8.2.1 below) to be brought upon, left, used, or abandoned on the Premises.

4.2.3. Lessee shall, to the satisfaction of Lessor, keep and maintain the Premises and all improvements of any kind therein in a state of good repair.

4.2.4. Lessee shall not maintain, commit, or permit the maintenance or commission of any waste or any nuisance (as defined in California Civil Code Section 3479) on the Premises, and Lessee shall not use or permit the use of the Premises for any unlawful purpose. Lessee further shall not commit any other act or thing on the Premises that may disturb the quiet enjoyment of any adjacent property owner or tenant.

4.2.5. Lessor or its authorized representative shall have the right at all reasonable times to enter upon the Premises and inspect the general condition of the Premises to determine if Lessee is complying with the terms, conditions, requirements, and provisions of this Agreement.

4.2.6. Lessee shall not discriminate against any employee, person, or class of persons based on sex, gender (including gender identity and gender expression), race, color, creed, religion, age, familial status, sexual orientation, national origin, ancestry, marital status, disability (physical or mental), medical condition, genetic information, military or veteran status, or any other characteristic protected under applicable federal, state, or local law.

4.2.7. Lessee shall at all times retain active, qualified, competent, and experienced personnel to supervise Lessee's operation and to represent and act for Lessee.

4.3. Compliance With Declaration of Restrictions and Grant of Easements. Lessee acknowledges and agrees that the Premises is subject to that certain Declaration of Restrictions and Grant of Easements recorded against the Premises, and certain adjacent real property (the "Adjacent Property," and collectively with the Premises, the "Shopping Center Property") on February 18, 1971, at Page 184 of Book 9547, in the Official Records of the County of Orange (the "Official Records"), as modified by that certain Amendment recorded on April 26, 1973, at Page 598 of Book 10663, and by that certain Second Amendment to Declaration of Restrictions and Grant of Easements recorded on July 25, 2011, as Instrument No. 2011-000360394, in the Official Records (the "Declaration"). During the Lease Term, including any Extended Term, Lessee shall comply with all of the terms and conditions of the Declaration applicable to the Premises, as if Lessee were a signatory thereto, including, without limitation, the requirement to timely pay the pro rata share of the operation and maintenance costs allocated to the Premises pursuant to the provisions of Article 5 of the Declaration. Lessee shall pay said pro rata share amounts to Lessor, for Lessor's payment to the "Maintenance Director," as that term is defined in Article 5 of the Declaration. Lessee's failure to comply with the terms and conditions of the Declaration shall constitute a material breach of this Agreement.

4.4. Licenses or Permits. Subject to Lessor's agreement to obtain the City Approvals, Lessee shall obtain any and all governmental approvals, permits, and/or licenses that may be required in connection with the use of the Premises as a martial arts and fitness center as set forth in this Agreement. No permit, approval, or consent given under this Agreement by Lessor shall affect or limit Lessee's obligations hereunder, nor shall any approvals or consents given by Lessor, in its capacity as a party to this Agreement, be deemed to be approval as to compliance or conformance with any applicable governmental codes, laws, orders, rules or regulations. Lessee shall comply with all of the terms and conditions of all such governmental approvals, permits, and/or licenses including, without limitation, the City Approvals, in its use and operation of the Premises.

4.5. Covenants Regarding Nondiscrimination. Lessee covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person,

or group of persons on any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Premises, or any part thereof, nor shall Lessee, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Premises, or any part thereof. The foregoing covenants shall run with the land.

Lessee agrees for itself and any successor in interest that Lessee shall refrain from restricting the rental, sale, or lease of any portion of the Premises, or contracts relating to the Premises, on the basis of race, color, creed, religion, sex, age, marital status, ancestry, or national origin of any person. All such deeds, leases, or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

A. In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

B. In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this Agreement is made and accepted upon and subject to the following conditions: "That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sub lessees, subtenants, or vendees in the premises herein leased."

C. In contracts: "There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this agreement, nor shall the grantee or any person claiming under or through

him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

5. IMPROVEMENTS

5.1. Prior Consent for Improvements. Lessee shall not make any alteration of or improvement to the Premises without the prior written approval of Lessor.

5.1.1. In the event that Lessee desires to make any alteration, improvement, addition, or utility installation in or about the Premises, Lessee shall present such request in writing to Lessor, together with detailed plans of the proposed alteration or improvement. Lessee shall not commence such alteration or improvement unless and until Lessor has granted approval thereto in writing.

5.1.2. In the event that Lessor grants written approval to any requested alteration of or improvement to the Premises, such approval shall be deemed conditioned upon Lessee acquiring all governmental licenses, approvals, and permits required therefor, and such alteration or improvement shall be constructed in strict conformance with the plans approved therefor by Lessor. Once approved by Lessor, no changes or alterations shall be made to the plans without the prior written approval by Lessor.

5.1.3. In the event that Lessor grants written approval to any requested alteration of or improvement to the Premises, Lessee shall construct such alteration or improvement at Lessee's sole cost and expense.

5.1.4. In the event that Lessor grants written approval to any requested alteration of or improvement to the Premises, Lessee shall give Lessor not less than ten (10) days' notice prior to the commencement of any work in the Premises by Lessee. Lessor shall have the right to post notices of non-responsibility in or on the Premises or the building in which the Premises are located, as provided by applicable law.

5.2. Ownership of Improvements. All improvements, fixtures and facilities (exclusive of trade fixtures, portable buildings, vehicles and antennas), constructed or placed within the Premises by Lessee, , and electrical and other utilities, listed or not, shall, upon the completion of construction, installation or placement within the Premises, be free and clear of all liens, claims, and liability for payment for labor and material. Such buildings, improvements, fixtures, and facilities, (exclusive of trade fixtures, portable buildings, vehicles, and antennas), shall become and remain the property of Lessor at the expiration of this Agreement or earlier termination hereof.

5.3. "As-Built" Plans and Construction Costs. As a condition to the approval of any alteration of or improvement to the Premises, Lessor shall have the right to require Lessee to prepare and furnish to Lessor, at Lessee's sole cost and expense, and within sixty (60) days following completion of such alteration or improvement, a complete set of reproducible of "As-Built" plans for such alteration or improvement, and/or an itemized statement of the actual cost of the construction or installation of such alteration or improvement.

5.4. Modification of Alterations or Improvements. In the event that Lessee desires to modify or add to any alteration of or improvement to the Premises, Lessee shall not commence any such modification or alteration without the prior written consent of Lessor.

5.5. Mechanics Liens or Stop-Notices. Lessee shall at all times indemnify and hold Lessor harmless from all claims, losses, demands, damages, costs, expenses, or liability costs for labor or materials in connection with construction, repair, alteration, or installation of structures, improvements, equipment, or facilities within the Premises, and from the cost of defending against such claims, including attorney fees and costs.

In the event a lien or stop-notice is imposed upon the Premises as a result of any of such construction, repair, alteration, or installation, Lessee shall either:

- a) Record a valid Release of Lien, or
- b) Procure and record a bond in accordance with Section 3143 of the Civil Code, which frees the Premises from the claim of the lien or stop-notice and from any action brought to foreclose the lien.

Should Lessee fail to accomplish either of the two optional actions above within fifteen (15) days after the filing of such a lien or stop-notice, Lessee shall be in default hereunder and this Agreement shall be subject to immediate termination by Lessor.

5.6. Compliance with Laws. Lessee shall carry out the design and construction of any proposed improvements in conformity with all applicable laws, including all applicable state labor standards, City of La Palma zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of La Palma Municipal Code, and all applicable disabled and handicapped access requirements, including without limitation the Americans With Disabilities Act, 42 U.S.C. Section 12101, et seq., Government Code Section 4450, et seq., Government Code Section 11135, at seq., and the Unruh Civil Rights Act, Civil Code Section 51, at seq.

Lessee shall be solely responsible, expressly or impliedly, and legally and financially, for determining and effectuating compliance with all applicable federal, state and local public works requirements, prevailing wage laws, and labor laws and standards, and Lessor makes no representation, either legally and/or financially, as to the applicability or non-applicability of any federal, state and local laws to the development of the improvements, either on-site or off-site. Lessee expressly, knowingly and voluntarily acknowledges and agrees that Lessor has not previously represented to Lessee or to any representative, agent or affiliate of Lessee, or its contractor or any subcontractor(s) for the construction or development of any improvements, in writing or otherwise, in a call for bids or otherwise, that the work and construction undertaken pursuant to this Agreement as any proposed improvements is (or is not) a "public work," as defined in Section 1720 of the Labor Code or under Davis Bacon.

Lessee knowingly and voluntarily agrees that with respect to any proposed improvements Lessee shall have the obligation to provide any and all disclosures or identifications as required by Labor Code Section 1781 and/or by Davis Bacon, as the same may be amended from time to time, or any other similar law or regulation. In addition to any other Lessee indemnifications of Lessor set forth in this Agreement, Lessee shall indemnify, protect, pay for, defend (with legal counsel

reasonably acceptable to Lessor) and hold harmless Lessor and Lessor's officers, officials, members, representatives, employees, and agents from and against any and all loss, liability, damage, claim, cost, expense and/or "increased costs" (including reasonable attorney's fees, court and litigation costs, and fees of expert witnesses) which, in connection with the development, construction (as defined by applicable law) and/or operation of any proposed improvements, including, without limitation, any and all public works (as defined by applicable law), results or arises in any way from any of the following: (i) the noncompliance by Lessee with any applicable local, state and/or federal law or regulation, including, without limitation, any applicable federal and/or state labor laws or regulations (including, without limitation, if applicable, the requirement to pay state and/or federal prevailing wages); (ii) the implementation of Section 1781 of the Labor Code and/or of Davis Bacon, as the same may be amended from time to time, or any other similar law or regulation; and/or (iii) failure by Lessee to provide any required disclosure or identification as required by Labor Code Section 1781 and/or by Davis Bacon, as the same may be amended from time to time, or any other similar law or regulation. It is agreed by the parties that, in connection with the development and construction (as defined by applicable law or regulation) of any proposed improvements, including, without limitation, any and all public works (as defined by applicable law or regulation), Lessee shall bear all risks of payment or non-payment of prevailing wages under applicable federal, state and local law or regulation and/or the implementation of Labor Code Section 1781 and/or by Davis Bacon, as the same may be amended from time to time, and/or any other similar law or regulation. "Increased costs," as used in this Section 5.6, shall have the meaning ascribed to it in Labor Code Section 1781, as the same may be amended from time to time. The foregoing indemnity shall survive termination of this Agreement and shall continue after completion of the construction and development of any proposed improvements by Lessee.

6. MAINTENANCE AND REPAIR OF PREMISES

6.1. Lessee's Obligation to Maintain Premises. Lessee shall at all times during the Lease Term, and any extension or renewal thereof, at its sole cost and expense, keep and maintain in good condition and in substantial repair, all to the satisfaction of Lessor in its sole and reasonable discretion, the Premises and all appurtenances and every part thereof, including, without limitation, the obligation to maintain, repair and replace as necessary on the Premises: (i) floor and wall coverings; (ii) paint; (iii) casework; (iv) ceiling tiles; (v) sprinkler and sprinkler heads; (vi) window coverings; (vii) lights and ballasts; (viii) locks and hardware; (ix) all proposed improvements; (x) window glass and door glass (including any replacement thereof and periodic washing of the interior and exterior of such glass surfaces); (xi) interior walls, storefront, doors and roll up doors; (xii) public and private restrooms, and (xiii) Lessee's signage. Lessee shall repair any damage caused to any portion of the Premises by natural elements or as a result of any criminal acts such as robbery, burglary, or vandalism improvements of any kind erected, installed, or made on or within the Premises. Lessee shall at all times, in the maintenance and use of the Premises and the buildings, structures, facilities, improvements, and equipment thereon, comply with all laws, ordinances, and regulations pertaining thereto, and all conditions and restrictions set forth herein.

6.2. Lessee's Default of its Maintenance Duties. In the event that Lessee fails, neglects, or refuses to maintain or make repairs or replacements as required by this Agreement, Lessor shall notify Lessee in writing of such failure or refusal. Should Lessee fail or refuse to correct or

commence to correct such default within ten (10) business days of receipt of such written notice from Lessor, Lessor may (but shall not be required to), itself or by contract, undertake the necessary maintenance, repair or replacements; and the cost thereof, including but not limited to the cost of labor, materials, and equipment, plus an administrative fee in the amount of fifteen percent (15%) of the sum of such costs, shall be paid by Lessee to Lessor within ten (10) days of Lessee's receipt of a statement of such costs from Lessor. Any such maintenance, repair, or replacement by or on behalf of Lessor shall not be deemed to be a waiver of Lessee's default under this Agreement and shall not in any way impair, prevent, or preclude Lessor from exercising any of its rights or remedies set forth in this Agreement or otherwise provided at law.

6.3. Lessor's Maintenance Obligations. Notwithstanding anything to the contrary in this Article 6, Lessor shall be responsible during the Lease Term, and any extension or renewal thereof, at its sole cost and expense, for (i) maintaining the structural integrity of the roof of the building, roof skin, HVAC system, utility lines, gutters, downspouts, floor slab, and exterior walls, and (ii) maintaining the HVAC system in good operating condition. Lessor acknowledges and agrees that the HVAC system at the Premises consists of two (2) four (4) ton air conditioning units.

7. MAINTENANCE AND REPAIR OF PREMISES

7.1. Insurance Requirements: Commercial General Liability Insurance. Lessee, at its sole cost and expense, shall maintain at all times during the Lease Term, including any extension or renewal thereof, commercial public liability insurance, contractual liability insurance, and property damage liability insurance for the Premises and the conduct or operation of business therein, with Lessor and its officers, officials, members, employees, and agents as additional insureds, with a minimum limit of One Million Dollars (\$1,000,000) per occurrence, and Two Million Dollars (\$2,000,000) aggregate. Lessee shall have the right to satisfy such minimum insurance coverage requirements through umbrella or excess coverage policies. The limits of such insurance shall not limit the liability of Lessee. All such insurance shall insure the performance by Lessee of the indemnity provisions of Section 7.9 below as to liability for injury to, illness of, or death of persons and damage to property. All such insurance shall be primary and shall provide that any insurance of Lessor shall be noncontributing, and Lessee shall deliver to Lessor additional insured ACORD Form 27 evidence of insurance, or any other form reasonably requested by Lessor, issued by the insurance company duly licensed to conduct the business of insurance in the State of California and County of Orange, at least ten (10) days before the Lease Commencement Date. Lessee shall procure and pay for renewals of such insurance from time to time before the expiration thereof, and Lessee shall deliver to Lessor and any additional insured such renewal certificate at least thirty (30) days before the expiration of any existing policy.

7.2. Property Insurance: Lessor and Lessee Obligations. Lessor shall maintain fire and extended coverage insurance on the Premises subject to such reasonable deductibles as Lessor may establish. Lessor shall have the right, but not the obligation, to place on all or any portion of the Premises any other insurance Lessor reasonably deems necessary, including without limitation earthquake, flood, and loss of rents not exceeding two (2) years. Lessee, at its sole cost and expense, shall obtain and bear the expense of casualty insurance insuring (i) proposed improvements, fixtures, equipment, inventory, merchandise and any other property for which Lessee is responsible on the Premises, (ii) any alterations constructed by Lessee under Section 5.5

above, and (iii) plate glass on the Premises, against such risks. Such casualty insurance shall be in an amount not less than one hundred percent (100%) of their full replacement cost of the property set forth in clauses (i)-(iii) in the preceding sentence, providing protection against any peril included within the classification of "All Risks," including, without limitation, coverage for earthquake, sprinkler and flood damage (including earthquake sprinkler leakage) and theft. Lessee, at its sole cost and expense, shall obtain and bear the expense of (a) an "all risk" or "special causes of action" property policy in the amount of the full replacement cost coverage insuring (I) the proposed improvements and any property for which Lessee is responsible on the Premises, and (II) any alterations constructed by Lessee under Section 5.5 above, against such risks, and (b) an "all risk" or "special causes of action" policy of business interruption and/or loss of income insurance covering a period of two (2) years, plus such additional period of time, if any, as will permit Lessee to be in a position to have the same revenues as were in effect the day before a loss giving rise to a claim under such insurance occurs, with loss payable to Lessor to the extent of Monthly Rent only.

7.3. Workers' Compensation. Lessee, at its sole cost and expense, shall maintain at all times during the Lease Term, including any extension or renewal thereof, workers' compensation insurance as required by law, including employer's liability coverage.

7.4. Acceptable Insurance Companies: Termination. All insurance policies required to be carried by Lessee hereunder shall be issued by responsible insurance companies authorized to issue insurance in the State of California, with an assigned policyholders' Rating of A (or higher) and Financial Size Category Class XV in accordance with the latest edition of Best's Key Rating Guide. All such policies shall provide that they shall not be amended in any way that would affect the interests of Lessor or any such additional insureds, or cancelled, without at least thirty (30) days prior written notice to Lessor and such additional insureds. Lessee shall deliver to Lessor certificates evidencing the insurance required hereunder and all specified endorsements at least ten (10) days before the Lease Commencement Date.

7.5. Increase in Coverage. Lessor may from time to time, but not more frequently than once every three (3) years, require that the amount of commercial public liability insurance to be maintained by Lessee under this Article 7 be increased so that the amount thereof adequately protects the Lessor's interest based on amounts of coverage required of comparable tenants in comparable buildings.

7.6. Deductibles: Blanket Coverage. Any policy of insurance required pursuant to this Agreement containing a deductible exceeding One Thousand Dollars (\$1,000) per occurrence must be approved in writing by Lessor prior to the issuance of such policy. Lessee shall be solely responsible for the payment of any deductible. Any insurance required of Lessee pursuant to this Agreement may be provided by means of a so-called "blanket policy", so long as (i) the Premises are specifically covered (by rider, endorsement or otherwise), (ii) the limits of the policy are applicable on a "per location" basis to the Premises and provide for restoration of the aggregate limits, and (iii) the policy otherwise complies with the provisions of this Agreement.

7.7. Waiver of Subrogation. The insurance coverage required by this Article 7 shall contain a clause pursuant to which the insurance carriers waive all rights of subrogation against

Lessor or Lessee, as the case may be, with respect to losses payable under such policies. Lessee and Lessor each waives any and all right of recovery against the other, or against the partners, members, officers, directors, shareholders, employees and representatives of the other, for loss of or damage to such waiving party or its property or the property of others under its control, if and to the extent that such loss or damage is insured against under any insurance policy in force at the time of such loss or damage, or which is to be insured against under the terms of this Agreement. Any applicable deductible amount or co-insurance amount shall be treated as though it were recoverable under such policies. Notwithstanding the foregoing, it is agreed that in the event that any loss is due to the act, omission, or negligence or willful misconduct of Lessee or Lessee's employees, directors, agents, or representatives, Lessee's liability insurance shall be primary and shall cover all losses and damages prior to any other insurance hereunder. The provisions of this Section shall not limit the indemnification provisions elsewhere contained in this Agreement.

7.8. Liability of Lessor. Lessor shall not be liable at any time for any loss, damage, or injury whatsoever to the person or property of any person or entity whatsoever, including but not limited to any employee, agent or contractor of Lessee, resulting from or arising out of any act or omission of Lessee or of any person or entity holding under Lessee, or the occupancy or use of the Premises or any part thereof by or under Lessee, or directly or indirectly from any state or condition of the Premises, or any part thereof.

7.9. Lessee's Indemnification Responsibilities. Irrespective of any insurance carried by Lessee for the benefit of Lessor, and notwithstanding any other provision of this Agreement to the contrary, Lessee shall indemnify and hold Lessor, its officers, officials, members, employees, agents, and representatives harmless from and against any and all actions, claims, demands, judgments, attorney's fees, costs, damages to persons or property, penalties, obligations, expenses or liabilities of any kind ("Claims") that may be asserted or claimed by any person or entity (including, but not limited to, any employee, agent or contractor of Lessee) in any way arising out of or in connection with this Agreement, the construction, installation and/or operations carried on by Lessee on the Premises or any lands to which Lessee has access hereunder, or the investigation, occupation, or use of the Premises by Lessee or any person or entity holding under Lessee whether or not there is concurrent passive or active negligence on the part of Lessor, its officers, directors, employees, representatives and agents. Lessee's indemnification obligation shall extend to any Claims arising from the use, generation, storage, treatment, handling, transportation, disposal or release of any Hazardous Materials at, from or near the Premises or the building located on the Premises by Lessee or by or for anyone under Lessee's control. Lessee's indemnification obligations set forth in this paragraph and the related subparagraphs shall survive termination of this Agreement. Notwithstanding the foregoing, Lessor shall not hold Lessee liable for willful or negligent acts of Lessor, its officials, employees, and representatives. In connection therewith:

7.9.1. Lessee shall defend any action or actions filed in connection with any of such claims, damages, penalties, obligations, or liabilities, and shall pay all expenses and costs, including attorney's fees, incurred in connection therewith.

7.9.2. Lessee shall promptly pay any judgment rendered against Lessee or Lessor covering any of such claims, damages, penalties, obligations, or activities hereunder, and hold and save Lessor harmless therefrom.

7.9.3. In the event Lessor is made a party to any action or proceeding filed or prosecuted for damages or other claims arising out of or in connection with the possession or use of the Premises by Lessee or any person holding under Lessee, or the activities of Lessee under this Agreement, Lessee shall pay to Lessor any and all costs and expenses incurred by Lessor in any such action or proceeding, together with reasonable attorney's fees.

8. LEGAL RELATIONS AND RESPONSIBILITIES

8.1. Nature of Relationship. Lessor and Lessee understand and agree that the only relationship between them created by this Agreement is that of landlord and tenant, and that this Agreement does not create, and shall not be construed to create, any agency, partnership, joint venture, or other relationship between Lessor and Lessee.

8.2. Compliance with Law. Lessee shall keep itself fully informed of all existing and future state and federal laws and all county and City of La Palma ordinances and regulations which in any manner affect the activities of Lessee under this Agreement, or the possession or use of the Premises by Lessee, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. Lessee shall at all times observe and comply with all such existing and future laws, ordinances, regulations, orders and decrees, and shall protect and indemnify, as required herein, Lessor, its officers, directors, employees and agents against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by Lessee or any person or entity holding under Lessee.

8.2.1. Lessee shall not engage in any activity on or about the demised premises that violates any "Environmental Law" (as that term is defined below), and shall promptly, at Lessee's sole cost and expense, take all investigatory and/or remedial action required or ordered by any governmental agency or Environmental Law for clean-up and removal of any contamination involving any hazardous material created or caused directly or indirectly by Lessee. The term "Environmental Law" shall mean any federal, state or local law, statute, ordinance or regulation pertaining to health, industrial hygiene or the environmental conditions on, under or about the demised premises including, without limitations, (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. Sections 9601 et seq.; (ii) the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. Sections 6901 et seq.; (iii) California Health and Safety Code Sections 25100 et seq.; (iv) the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code Section 25248.5 et seq.; (v) the Federal Water Pollution Control Act, 33 U.S.C. Sections 1317 et seq.; (vi) California Water Code Section 13000 et seq.; and (vii) California Civil Code Section 3479 et seq., as such laws are amended, and the regulations and administrative codes applicable thereto. The term "Hazardous Material" includes, without limitation, any material or substance which is (i) defined or listed as a "hazardous waste", "extremely hazardous waste," "restrictive hazardous waste," or "hazardous substance" or considered a waste, condition of pollution or nuisance under the Environmental Laws; (ii) petroleum or a petroleum product or fraction thereof; (iii) asbestos; (iv) substances known by the State of California to cause

cancer and/or reproductive toxicity; and (v) any material or substance defined as "hazardous" by any Federal, State, or local law, statute, ordinance, regulation or order. It is the intent of the parties hereto to construe the terms "Hazardous Materials" and "Environmental Laws" in their broadest sense. Lessee shall provide all notices required pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1988, California Health and Safety Code Section 25249.5 et seq. Lessee shall provide prompt written notice to Lessor of the existence of Hazardous Materials on the premises and all notices of violation of the Environmental Laws received by Lessee.

8.3. Assignment and Sublease. Lessee shall not, without the prior written consent of Lessor, either voluntarily or by operation of law, assign, mortgage, hypothecate, or otherwise transfer this Agreement, or any interest in this Agreement, or permit the use of the Premises by any person or persons other than the Lessee, or sublet the Premises or any part thereof. Any transfer of this Agreement from Lessee by merger, consolidation, or liquidation shall constitute an assignment for purposes of this Agreement. Any attempted or purported assignment, sublease, or other transfer in violation of this Agreement shall be null and void, shall confer no right, title or interest in or to this Agreement, the Premises, or any part thereof, and shall constitute a material breach of this Agreement.

In the event an assignment, sublease, or other transfer is made in compliance with the terms of this Section 8.3, and is evidenced by an assignment and assumption agreement in a form reasonably approved by Lessor, Lessee shall be relieved from all liability hereunder except with respect to liability that accrued prior to the effective date of the assignment and assumption agreement.

If the Lessee is a corporation, or an unincorporated association or partnership, the assignment, transfer, conveyance or encumbrance of any stock of or interest in Lessee in the aggregate exceeding fifty percent (50%) shall be deemed to be an assignment requiring prior written approval by Lessor.

8.4. Acknowledgement of Lessor's Title. Lessee hereby acknowledges the title of Lessor in and to the Premises, including real property and improvements existing or erected thereon, and Lessee hereby covenants and promises never to assail, contest or resist Lessor's title to the Premises.

8.5. Liens. Lessee shall maintain the Premises free from and clear of any claims, obligations, liabilities, liens, encumbrances and charges, including but not limited to any claims, liens, or charges arising out of or in connection with the furnishing of materials or the performance of labor on the Premises. Lessee further shall protect and indemnify Lessor and the Premises from and hold them, and each of them, harmless against any and all claims, obligations, liabilities, liens, encumbrances, and charges resulting from Lessee's use of the Premises. If a lien is placed on the demised premises, Lessee shall remove the lien within fifteen (15) days. If Lessee shall desire to contest any claim of lien, it shall release the property from said lien of record by providing the bond then required by California law for such release of that lien. If a final judgment establishing the validity or existence of a lien for any amount is entered, Lessee shall immediately pay and satisfy it.

8.6. Condemnation. If pursuant to the exercise of the right of condemnation or eminent domain (i) the Premises is taken or conveyed under threat of the exercising of such right, or (ii) only a portion of the Premises is so taken or conveyed and Lessee reasonably determines that the remainder of the Premises is inadequate or unsatisfactory for the purpose of operating a full-service restaurant thereon, or (iii) Lessee's access to the Premises is reduced by such taking or conveyance, or other reconstruction or alteration of the roadways abutting the Premises, whether or not property is actually taken from the Premises for such reconstruction or alteration, and Lessee reasonably determines that its access to the Premises is inadequate or unsatisfactory for the purpose of operating a full-service restaurant thereon, Lessee shall have the right to terminate this Agreement subject to Lessee's rights as set forth below. Such termination shall be effective on the date Lessee reasonably determines that its occupancy, use, or access (whichever is earlier) is inadequate or unsatisfactory for the purpose of operating a full-service restaurant thereon. The termination of this Agreement as provided above shall not operate to deprive Lessee of the right, and Lessor expressly grants to Lessee the right, to make a claim for an award in condemnation, or participate in an award, for loss of business goodwill, relocation expenses, Lessee's leasehold interest and/or lease bonus value or leasehold advantage, loss or damage to fixtures and improvements made by Lessee to the Premises (excluding the value of any loss or damage to any fixtures or improvements the cost of which Lessor provided to Lessee a credit hereunder), the value of Lessee's unexpired option to extend the Term, or any other claims that Lessee is permitted under applicable law to make or elects to make, or to receive notices and participate in the condemnation proceedings, including any settlement negotiations, whether conducted prior to or after the filing of a condemnation proceeding. Lessor further agrees to provide to Lessee information regarding any settlement offers made to or by Lessor, any appraisal reports made on behalf of Lessor in connection with the condemnation proceeding, and all other data relevant to calculating the compensation or damages to which Lessor may be entitled in such a condemnation proceeding. Notwithstanding the foregoing, however, Lessor shall be entitled to enter into an agreement or settlement with or sale or transfer to the condemning authority without the consent of Lessee.

If this Agreement is not terminated as provided herein, Lessor and Lessee shall cooperate in good faith to determine an equitable reduction in the rent. If the parties fail to agree upon such reduction within sixty (60) days from the date Lessee is required to give up such occupancy, use or access, whichever is earlier, Lessor and Lessee shall each choose one arbitrator and the two arbitrators so chosen shall choose a third arbitrator. The decision of any two of the arbitrators concerning the rent reduction, if any, shall be binding on Lessor and Lessee and any expense of the arbitration shall be divided equally between Lessor and Lessee. Any such reduction in rent shall not constitute an election of remedies by Lessee nor deprive Lessee of the right to make a claim for an award in condemnation as set forth above or receive notices and participate in the condemnation proceedings, including any settlement negotiations, subject to the last sentence in the immediately preceding paragraph.

8.7. Taxes. Lessee shall pay during the Lease Term and any extensions and renewals thereof all real and personal property taxes, possessory interest taxes, assessments, exactions, rates, duties and any other charges of any kind or nature, levied or imposed by any governmental authority with respect to the Premises and Lessee's business operations thereon.

8.8. Attornment. Lessor hereby reserves the right to sell any portion of the Premises at any time, to any person or entity. In such event, Lessee shall attorn to and become the Tenant of the successor in interest to Lessor and recognize such successor in interest as the landlord under this Agreement. No attornment shall permit material interference with Lessee's rights under this Agreement, and any successor in interest to Lessor shall recognize Lessee and its permitted successors and assigns as the tenant of the Premises and shall not disturb Lessee's right to quiet possession of the Premises during the Lease Term and any extensions or renewals thereof so long as no default has occurred or is continuing under this Agreement pursuant to Section 9.2 below.

8.9. Utilities. Lessee shall be responsible for arranging for all utility services to the Premises and for all payments associated with the connection and provision of utility services to the Premises.

Lessor shall not be in default hereunder or be liable for any damages directly or indirectly resulting from, or by reason of (i) the installation, use or interruption of use of any equipment in connection with the furnishing of the foregoing utilities and services, (ii) failure of any such utilities or services, or (iii) the limitation, curtailment, rationing or restriction on use of water or electricity, gas or any other form of energy or any other service or utility whatsoever serving the Premises or Lessee's business thereon. Lessor shall, in its sole and absolute discretion, be entitled to cooperate voluntarily with the efforts of national, state, or local governmental agencies or utilities suppliers in reducing energy or other resource consumption. Lessee acknowledges that the functioning of HVAC systems is subject to variation from time to time, that such functioning can be effected by, among other things, outside temperature conditions, sunlight through windows at various times during the day, and heat-generating machines, lighting, and equipment, and that Lessor shall not be responsible for room temperatures and shall not be responsible for maintaining any particular temperature in all or any portion of the Premises or building located thereon.

8.10. Waiver of Claims. As a material part of the consideration to be rendered to Lessor under this Agreement, Lessee hereby waives any and all claims that it may have against Lessor during the Lease Term, or any extension or renewal thereof, for damage to goods, wares and merchandise upon or about the Premises, and for injury to Lessee, its employees, agents, representatives, invitees, or to third parties in or about the Premises, from any cause arising at any time, except for willful or negligent acts of Lessor.

8.11. Surrender of Possession.

8.11.1. At the expiration of the Lease Term, as it may be extended pursuant to the terms of this Agreement, or termination of this Agreement, for any reason whatsoever, Lessee shall execute, acknowledge and deliver to Lessor a quitclaim deed conveying all rights, title and interest of Lessee to the Premises, both land and improvements. Should Lessee fail or refuse to deliver the required deed to Lessor, Lessor may prepare and record a notice reciting the failure of Lessee to execute, acknowledge, and deliver such deed and said notice shall be conclusive evidence of the termination of the Lease and of all rights of Lessee or those claiming under Lessee in and to the Premises.

8.11.2. At the expiration of the Lease Term, as it may be extended pursuant to the terms of this Agreement, or termination of this Agreement, for any reason whatsoever, Lessee shall promptly quit and surrender the Premises in a good state of repair, reasonable wear and tear excepted.

8.11.3. At the expiration of the Lease Term, as it may be extended pursuant to the terms of this Agreement, or termination of this Agreement, for any reason whatsoever, Lessee shall, at its sole cost and expense, remove all portable buildings, equipment and personal property placed on the Premises by Lessee, and clear the Premises of all debris; and the Premises shall be surrendered to Lessor in good order and clean condition, reasonable wear and tear excepted.

8.12. Disposition of Abandoned Property. If Lessee abandons or quits the Premises or is dispossessed thereof by process of law or otherwise, title to any personal property left on the Premises for fifteen (15) or more days after such event shall, at Lessor's option, be deemed to have been abandoned and transferred to Lessor. Lessor shall have the right to remove and dispose of any and all such property without liability therefor to Lessee or to any person or entity claiming under Lessee, and Lessor shall have no duty to account for such property.

8.13. No Broker or Finder. Lessor and Lessee each represent and warrant to the other that it has not engaged a broker or finder and has not agreed to pay any brokerage commissions or finder's fees in connection with or based upon the execution of this Agreement, and knows of no broker or finder that may claim any such commission or fee in connection with or based upon the execution of this Agreement. Each party agrees to indemnify the other against and to hold the other harmless from any and all claims, demands, liabilities, damages and/or obligations for the payment of any brokerage commissions and/or other fees to any broker or other party engaged by the indemnitor or based on promises or statements by the indemnitor or if the failure to disclose such claim by the indemnitor to the other party constitutes a breach of its representations and warranties in this paragraph.

8.14. Security Measures. Lessee acknowledges that the Premises are leased to and accepted by Lessee in an "as-is" condition, and that the rent payable from Lessee to Lessor hereunder does not include the cost of security guards or any other security services or measures. Lessee further acknowledges that Lessor makes no representation or warranty, express or implied, regarding the security of the Premises or the need for or propriety of any security measures at the Premises; and Lessee further acknowledges that Lessor shall have no obligation whatsoever to provide guard service or any other security measures. Lessee expressly assumes all responsibility for the protection and security of the Premises, Lessee, its agents, employees, invitees and property within the Premises from any and all acts of any third party.

8.15. Disputes and Attorneys' Fees. In the event that any action is commenced by a party to this Agreement against the other to enforce its rights or obligations arising from this Agreement or seeking to interpret 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 costs, plus reasonable attorneys' fees. Should Lessor be named in any suit brought by any third party against Lessee in connection with or arising out of Lessee's occupancy or use of the Premises under this Agreement,

Lessee shall pay to Lessor its costs and expenses incurred in such suit, including reasonable attorneys' fees.

8.16. Signage. Lessee shall have the right to display building mounted signage pursuant to the following requirements: Any request for signage shall be made in accordance with the application process in place at the time of the request, and all such signs shall be in compliance with City of La Palma zoning and building code requirement, and the Declaration. Prior to Lessor's approval, Lessee shall submit to Lessor all plans and specifications for the installation of any signage. Lessee covenants and agrees to indemnify, defend, and hold harmless Lessor against any loss, cost, or expense (including reasonable attorneys' fees) which may be sustained or incurred by it, and assume all liability for any property damage or bodily injuries in any manner related to Lessee's installation, maintenance, operation, or removal of any signage. Lessee agrees to pay all taxes, permit fees, insurance premiums, and repairs to the area where any signage has been installed resulting from the installation of such signage. If any sign is placed on or about the Premises without the consent of Lessor, Lessor may remove any such signs and Lessee shall pay Lessor the cost of removal from date of expenditure until payment is made in full. Lessee shall pay promptly after Lessor invoices Lessee for such costs. Lessee shall pay all costs of permitted signs and all costs and expenses of installation and maintenance of such signs. Lessee shall repair any damage which alteration, renovation or removal of its signs may cause during the Lease Term and any extension or renewal thereof. Lessee, at Lessee's sole cost and expense, shall remove Lessee's signs from the Premises at the termination or expiration of this Agreement and repair any damage and restore the Premises.

8.17. Prior Leases. It is mutually agreed that this Agreement shall terminate and supersede any prior leases or agreements between the parties hereto covering all or any portion of the Premises on and from the Lease Commencement Date of this Agreement.

9. DEFAULT AND TERMINATION

9.1. Term and Prior Term. This Agreement shall continue for the Lease Term set forth in Section 1 hereof, unless this Agreement is terminated prior to its expiration by reason of the abandonment of the Premises or breach of this Agreement by Lessee as set forth in Sections 9.2 and 9.3 below, or unless this Agreement is terminated by Lessor without cause as set forth in Section 9.6 below.

9.2. Default by Lessee. Each and every covenant and agreement contained in this Agreement is declared to be a condition to this Agreement, and to the Premises hereby demised to Lessee. Lessee shall be considered to have materially breached this Agreement, giving Lessor the remedies specified in Section 9.3 below, in the event that any one or more of the following occur:

9.2.1. Lessee fails or refuses to pay to Lessor any rent due hereunder when due, and such rent remains unpaid for five (5) days after written notice to pay rent or surrender possession of the Premises is served on Lessee by Lessor; or

9.2.2. Lessee defaults in the performance of or breaches any covenant, condition or provision contained in this Agreement other than as set forth in Section 9.2.1

hereinabove, and such default or breach is not cured within twenty (20) days after written notice thereof is served by Lessor on Lessee; or

9.2.3. Lessee abandons or vacates the Premises; or

9.2.4. Lessee becomes insolvent; for purposes of this Agreement, Lessee shall be conclusively presumed to have become insolvent if:

- a) A receiver is appointed to take possession of all or substantially all of Lessee's property because of insolvency; or
- b) Lessee makes a general assignment for the benefit of creditors; or
- c) Lessee allows any judgment against Lessee to remain unsatisfied or unbonded for a period of thirty (30) days or longer; or
- d) An attachment or execution is levied upon or against any or all of Lessee's right, title or interest in or under this Agreement, and the same shall not have been released within thirty (30) days from the date thereof; or
- e) Proceedings in receivership or bankruptcy have been or are about to be instituted against Lessee; or
- f) Lessee is adjudicated a bankrupt.

9.3. Remedies on Lessee's Default. Should Lessee breach this Agreement, or should Lessee breach this Agreement and abandon the Premises prior to the natural expiration of the Lease Term, Lessor may, in addition to any other remedy given Lessor by law or in equity:

9.3.1. Continue this Agreement in effect by not terminating Lessee's right to possession of the Premises, in which event Lessor shall be entitled to enforce all of Lessor's rights and remedies under this Agreement, including the right to recover the rent specified in Section 2 above, as such rent becomes due under this Agreement; or

9.3.2. Terminate this Agreement and Lessee's right to possession of the Premises, and recover from Lessee:

- a) The worth at the time of award of the unpaid rent which had been earned at the time of termination of the Lease; and
- b) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination of the Lease until the time of award exceeds the amount of rental loss that Lessee proves could have been reasonably avoided; and

- c) The worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of rental loss that Lessee proves could be reasonably avoided; and
- d) Any other amount necessary to compensate Lessor for all detriment proximately caused by Lessee's failure to perform its obligations under the Lease; or

9.3.3. Terminate this Agreement and Lessee's right to possession of the Premises, and in addition to any recoveries that Lessee may seek under Section 9.3.2 hereinabove, bring an action to reenter and regain possession of the Premises in the manner provided by the laws of unlawful detainer of the State of California then in effect; or

9.3.4. In the event Lessee becomes insolvent, Lessor may, by giving twenty (20) days' notice to Lessee or to the person appointed to manage Lessee's affairs at the address for such person appearing in the official records of the court that appointed such person, terminate this Agreement and forfeit Lessee's interest in the Premises and in any improvements or facilities on or appurtenant to the Premises.

9.4. Waiver of Breach. The waiver by Lessor of any breach of any term, covenant, or condition of this Agreement shall not be deemed to be a continuing waiver of such term, covenant, or condition, or a waiver of any subsequent breach of the same or any other term, covenant, or condition contained in this Agreement, unless such waiver is in writing signed by Lessor. The acceptance of rent by Lessor under this Agreement shall not be deemed to be a waiver of any preceding breach by Lessee of any term, covenant, or condition of this Agreement, other than the failure of Lessee to pay the particular rent so accepted by Lessor, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such rent.

9.5. Cumulative Remedies. The remedies given to Lessor in Section 9.3 above shall not be exclusive, but shall be cumulative and in addition to any and all other remedies now or hereafter allowed by law or otherwise authorized elsewhere by this Agreement; and the exercise of one or more of said rights, powers, elections or remedies shall not impair Lessor's right to exercise any other right, power, election or remedy.

9.6. Re-Entry. No entry or re-entry into the Premises by Lessor shall be construed as an election to terminate this Agreement, unless prior thereto or concurrently therewith written notice of intent to terminate is given by Lessor to Lessee. Lessor's entry into possession of the Premises without having elected to terminate shall not prevent Lessor from making such an election and giving Lessee notice thereof.

10. MISCELLANEOUS

10.1. Notices. Any notice, payment or instrument required or permitted to be given or delivered by this Agreement may be given or delivered by personal delivery, by deposit with a reputable overnight courier that provides a receipt with the date and time of delivery, or by

depositing the same in any United States mail depository, first class postage prepaid, certified or registered, and addressed as follows:

If to Lessor:

City of La Palma
7822 Walker Street
La Palma, CA 90623
Attn: City Manager

If to Lessee:

Elite Taekwondo Center
15843 Galaxy Place
Gardena, CA 90249
Attn: Victor Chung, President

or such other person or address as either party may direct in writing to the other; provided, however, that such new or different person or address shall not become effective until acknowledged in writing by the party to whom directed. Except where service is by personal delivery, by registered or certified mail, return receipt requested, or by courier service, in which case service of any instrument or writing shall be deemed complete on delivery, service of any instrument or writing shall be deemed completed forty-eight (48) hours after deposit in a United States mail depository.

10.2. Warranty of Authority. Each officer of Lessor and Lessee affixing his or her signature to this Agreement warrants and represents by such signature that he or she has the full legal authority to bind his or her respective party to all of the terms, conditions and provisions therein, that his or her respective party has the full legal right, power, capacity and authority to enter into this Agreement and perform all of its provisions and obligations, and that no other approvals or consents are necessary in connection therewith.

10.3. Headings. The titles and headings of Sections and Paragraphs of this Agreement, as herein set forth, have been inserted for the sake of convenience only, and are not to be taken, deemed or construed to be any part of the terms, covenants or conditions of this Agreement, or to control, limit or modify any of the terms, covenants or conditions hereof.

10.4. Time of Essence. Time is of the essence of this Agreement. Failure to comply with any requirement, including but not limited to any time requirement, of this Agreement shall constitute a material breach of this Agreement.

10.5. Integration. Construction and Amendment. This Agreement represents the entire understanding of Lessor and Lessee as to those matters contained therein, and no prior oral or written understanding shall be of any force or effect with respect to those matters covered thereby. This Agreement shall be governed by the laws of the State of California and construed as if drafted by both Lessor and Lessee. This Agreement may not be modified, altered or amended except in writing signed by both Lessor and Lessee

10.6. Success. Subject to the provisions of Section 8.3 above, this Agreement, and all of the terms, conditions and provisions herein, shall inure to the benefit of, and be binding upon, Lessor, Lessee, and their respective successors and assigns.

10.7. Partial Invalidity. If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

10.8. Supplemental Information Regarding Advertising. Lessee shall not, without Lessor's consent, place, construct or maintain on the demised premises any advertising media including, without limitation, searchlights, flashing lights, loud speakers, phonographs or other similar visual or studio media. Lessee shall not solicit business in, on or about the common and parking areas, or distribute handbills or other advertising or promotional media in, on or about the common and parking areas.

IN WITNESS WHEREOF, the parties have executed this Amendment.

LESSOR

APPROVED AS TO FORM:

**CITY OF LA PALMA,
a California municipal corporation**

Ajit S. Thind, City Attorney
City of La Palma

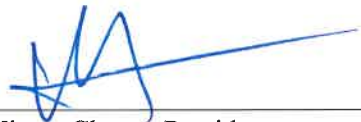
Marshall Goodman
Mayor

ATTEST:

Kimberly Kenney, CMC
City Clerk

LESSEE

**ELITE TAEKWONDO CENTER, INC.,
a California corporation**



Victor Chung, President

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Orange }

On October 30, 2024

Date

before me, Kimberly Kenney, Notary Public

Here Insert Name and Title of the Officer

personally appeared Victor Hyung - Soo Chung

Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Place Notary Seal and/or Stamp Above

Signature Kimberly Kenney

Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Lease Agreement for 5410-14 La Palma Ave.

Document Date: December 5, 2024 Number of Pages: 25

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: Victor Hyung-Soo Chung Signer's Name: _____

☐ Corporate Officer – Title(s): _____ ☐ Corporate Officer – Title(s): _____

☐ Partner – ☐ Limited ☐ General ☐ Partner – ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact ☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator ☐ Trustee ☐ Guardian or Conservator

☒ Other: President Elite Taekwondo ☐ Other: _____

Signer is Representing: Himself Signer is Representing: _____

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PREMISES

All that certain real property situated in the County of Orange, State of California, described as follows:

That portion of the Northeast Quarter of the Northwest Quarter of Section 9, Township 4 South, Range 11 West, in the City of La Palma, County of Orange, State of California, shown as Parcel 1 on a Map filed in Book 34, page(s) 24, of Parcel Maps, in the Office of the County Recorder of said County.

Assessor's Parcel Number: 262-102-14

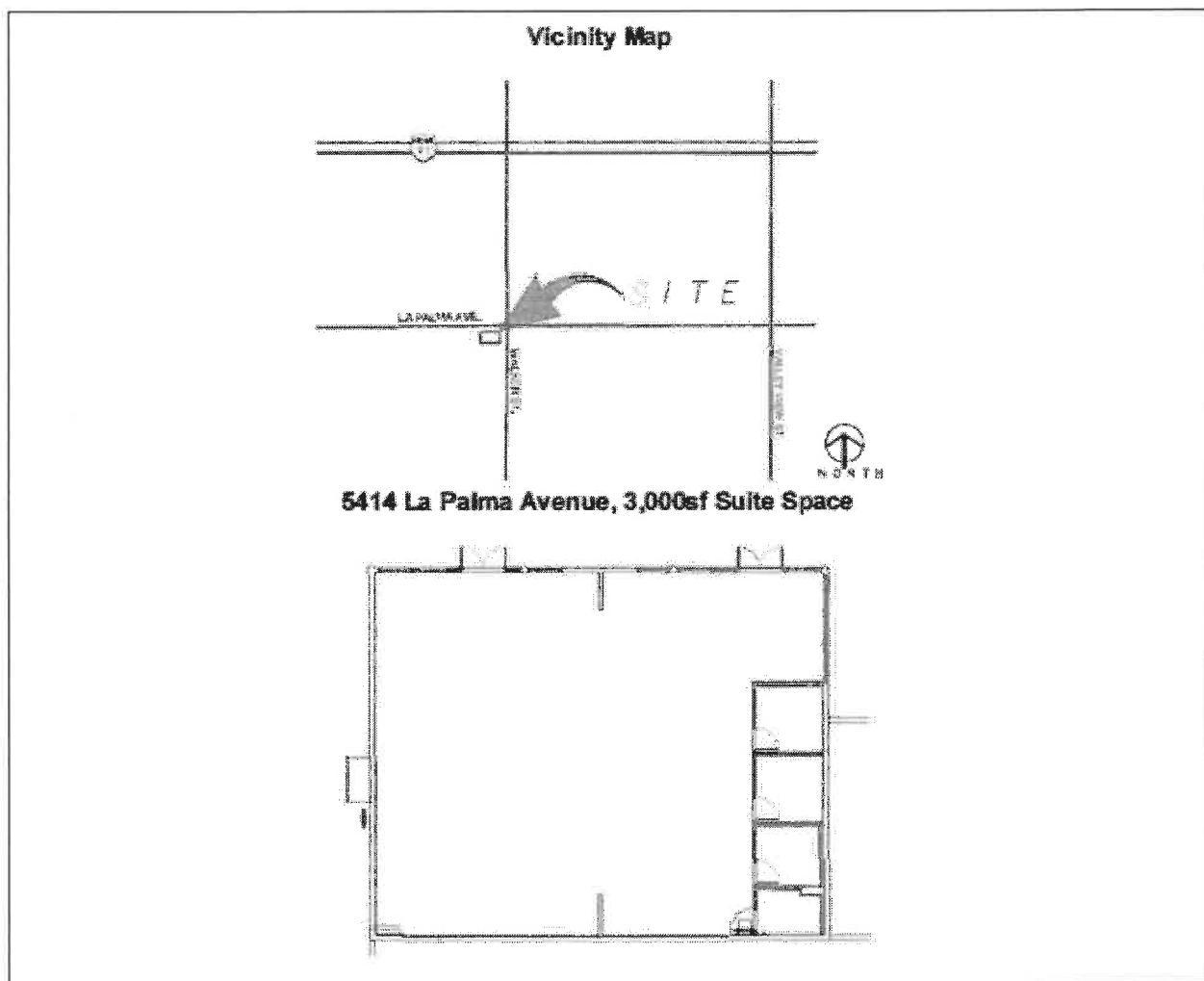


EXHIBIT “B”

MEMORANDUM OF LEASE

[See following document]

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of La Palma
7822 Walker Street
La Palma, CA 90063
Attn: City Clerk

This Space is for Recorder's Use Only

MEMORANDUM OF AGREEMENT TO LEASE

This **MEMORANDUM OF AGREEMENT TO LEASE** ("Memorandum") is hereby entered into as of December 10, 2024, by and between **CITY OF LA PALMA**, a California municipal corporation ("Lessor") and **ELITE TAEKWONDO CENTER INC.**, a California corporation ("Lessee").

RECITALS

A. Lessor and Lessee have entered into an Agreement to Lease (the "Lease") dated December 10, 2024, for that certain improved real property owned by Lessor (the "Premises") for Lessee to operate a martial arts and fitness center. The Premises is legally described in Schedule 1, which is attached hereto and incorporated herein by this reference. A copy of the Lease is available for public inspection at the office of the Lessor, 7822 Walker Street, La Palma, CA 90063.

B. The term of the lease (the "Lease Term") commences on January 1, 2025 (the "Lease Commencement Date"), and, subject to the provisions set forth in the Lease and applicable law that may result in an earlier termination of the Lease, continues until 11:59 p.m. on the tenth (5th) anniversary of the Lease Commencement Date, which is December 31, 2029. Subject to the satisfaction of certain conditions set forth therein, the Lease Term may be extended at the election of Lessee for up to one (1) five (5) year period.

C. The Lease provides that a short form memorandum of the Lease shall be executed and recorded in the Official Records of Orange County, California.

NOW, THEREFORE, the parties hereto certify as follows:

Lessor, pursuant to the Lease, hereby leases the Premises to Lessee upon the terms and conditions provided for therein. This Memorandum of Lease is not a complete summary of the Lease, and shall not be used to interpret the provisions of the Lease.

[End of Memorandum of Agreement to Lease – Signatures on following page]

APPROVED AS TO FORM:

Ajit S. Thind, City Attorney
City of La Palma

ATTEST:

Kimberly Kenney, CMC
City Clerk

LESSOR

**CITY OF LA PALMA,
a California municipal corporation**

Marshall Goodman
Mayor

LESSEE

**ELITE TAEKWONDO CENTER, INC.,
a California corporation**



Victor Chung, President

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Orange }

On October 30, 2024 before me,

Kimberly Kenney, Notary Public
Here Insert Name and Title of the Officer

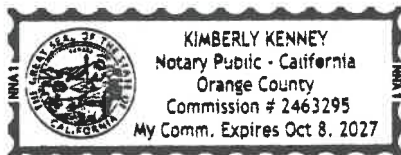
personally appeared

Victor Hyung-Soo Chung
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Place Notary Seal and/or Stamp Above

Signature

Kimberly Kenney
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Lease Agreement - Exhibit "B" - Memorandum of Lease

Document Date: December 10, 2024 Number of Pages: 4

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: Victor Hyung-Soo Chung Signer's Name: _____

☐ Corporate Officer – Title(s): _____ ☐ Corporate Officer – Title(s): _____

☐ Partner – ☐ Limited ☐ General ☐ Partner – ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact ☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator ☐ Trustee ☐ Guardian or Conservator

☒ Other: President, Elite Taekwondo ☐ Other: _____

Signer is Representing: Himself Signer is Representing: _____

SCHEDULE 1 TO MEMORANDUM OF AGREEMENT TO LEASE

LEGAL DESCRIPTION

All that certain real property situated in the County of Orange, State of California, described as follows:

That portion of the Northeast Quarter of the Northwest Quarter of Section 9, Township 4 South, Range 11 West, in the City of La Palma, County of Orange, State of California, shown as Parcel 1 on a Map filed in Book 34, page(s) 24, of Parcel Maps, in the Office of the County Recorder of said County.

Assessor's Parcel Number: 262-102-14

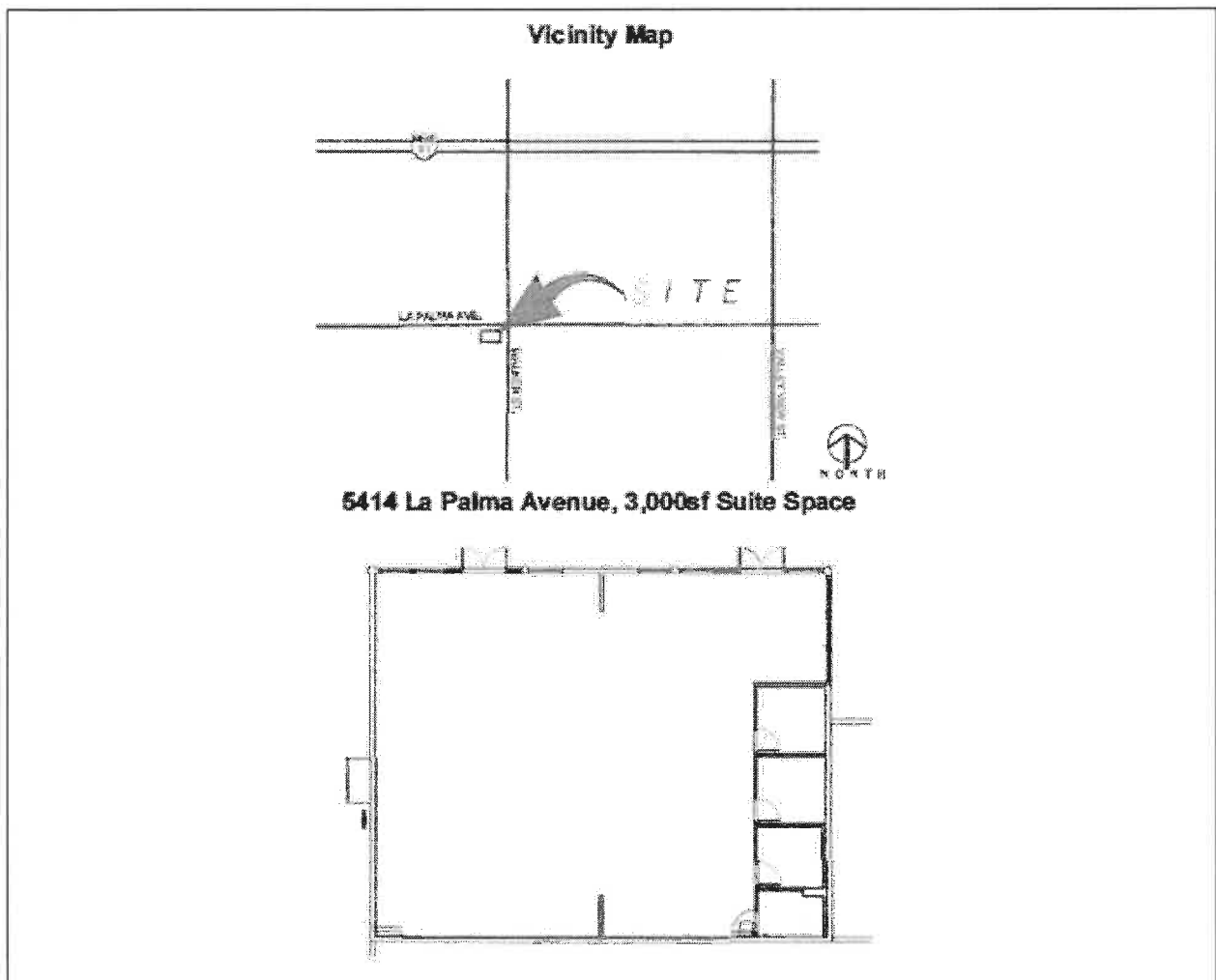


EXHIBIT “C”
FORM OF PERSONAL GUARANTY

[See following document]

PERSONAL GUARANTY

This PERSONAL GUARANTY is made and entered into this 10th day of December, 2024, by VICTOR CHUNG ("Guarantor"), in favor of the CITY OF LA PALMA, a California municipal corporation (the "City"), and is based upon the following facts:

A. City owns that certain improved real property commonly identified as 5410-5414 La Palma Avenue, in the City of La Palma, County of Orange, State of California (the "Property"). On or about February 17, 2015, City, as "Lessor," and Elite Taekwondo Center, Inc., a California corporation, as "Lessee," have entered into that certain Agreement to Lease, pursuant to which Lessor has agreed to lease to Lessee the Property (the "Lease").

B. Guarantor is the President of Lessee.

C. Guarantor hereby agrees to guarantee Lessee's performance under the Lease, including, without limitation, Lessee's obligation to pay "Minimum Rent" pursuant to Section 2 of the Lease.

NOW THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by this reference, and the City leasing the Property to Lessee, Guarantor hereby agrees as follows:

1. Guarantor guarantees to City, upon written notice from City, prompt and punctual performance of all terms under the Lease, including, without limitation, timely payment to City of the Minimum Rent due under the Lease pursuant to Section 2 of the Lease. Guarantor hereby acknowledges the Lease and its terms. Guarantor further acknowledges that City and Lessee may enter into such other or further agreements pertaining to the Lease, and that Guarantor hereby acknowledges and accepts, and waives notice of and consent to, any of such other or further agreements between City and Lessee pertaining to the Lease.

2. Without further authorization from or notice to Guarantor, City may alter, compromise, accelerate, extend, or change the time or manner of payment of any obligation guaranteed hereby, increase or reduce the rate of interest thereon, release or add any one or more guarantors or endorsers, accept any additional or substitute security, or exchange, subordinate, or alter security of any kind.

3. City need not take any action against Lessee or any other person, firm, or corporation, or resort to any security held by it at any time before proceeding to enforce the obligations of Guarantor pursuant to this Guaranty. Guarantor hereby waives the protection of, and any right to assert, in any action brought on this Guaranty or otherwise, the provisions of California Civil Code §§2810, 2819, 2845, 2849, 2850, and any other provisions of law purporting to benefit guarantors or sureties. In addition, Guarantor expressly waives (a) notice of the acceptance of this Guaranty by any person, (b) notice of the amount of indebtedness under the Lease now existing or which may hereafter exist, (c) notice of demand for payment, notice of default or nonpayment, presentment, protest, notice of protest, and notice of dishonor on the Lease or any obligation covered by this Guaranty, (d) notice of assignment, transfer, or negotiation of the Lease, and (e)

all other notices to which Guarantor might otherwise be entitled in connection with this Guaranty or the Lease.

4. Guarantor hereby expressly waives (a) any right to require City, as a condition precedent to the enforcement of this Guaranty, to exhaust any security City may have for performance under the Lease, including payment of the Minimum Rent, or to pursue any other rights or remedies which City has or hereafter may have against Lessee, or any other maker or subsequent endorser of the Lease, it being agreed by Guarantor that this Guaranty is an absolute guaranty of performance and not of collection and that the liability of Guarantor hereunder is direct and unconditional, and (b) any right of Guarantor to proceed against Lessee or any other maker or subsequent endorser of the Lease.

5. Until all of the obligations guaranteed hereby, including, without limitation the obligation to pay Minimum Rent, have been performed in full or discharged in full by City, Guarantor shall not have any right of subrogation unless it is expressly given to it in writing by City.

6. In the event of a default in the performance of the obligations of Lessee guaranteed hereby, all existing or future indebtedness of Lessee and any other maker or subsequent endorser of the Lease to Guarantor is hereby subordinated to all of the obligations guaranteed hereby, and without the prior written consent of City, Guarantor shall not accept payments on such indebtedness. Each payment to Guarantor by Lessee and any other maker or subsequent endorser of the Lease in violation of this Section 6 shall be deemed to have been received by Guarantor as trustee for City and shall be paid by Guarantor to City immediately on account of all indebtedness evidenced by the Lease.

7. Liability of Guarantor hereunder shall continue notwithstanding, and shall be unaffected by (a) a change of ownership or legal title to the business for which the Lease was entered into, whether effected with or without the consent of City, (b) the filing of a bankruptcy, insolvency or similar proceeding by or against Lessee or any other person or entity, or (c) the incapacity, death, disability, dissolution, or termination of Guarantor, Lessee, or any other person or entity.

8. The failure by City to file or enforce a claim against the estate (either in administration, bankruptcy, or other proceedings) of Guarantor, Lessee, or any other persons, shall not affect the liability of Guarantor hereunder if recovery from Lessee or any other person becomes barred by the statute of limitations or is otherwise prevented. If the maturity of any obligation guaranteed hereby is accelerated, by bankruptcy or otherwise, that maturity shall also be accelerated for purposes of this Guaranty, and without demand or notice to Guarantor.

9. Guarantor waives and agrees not to exercise or take advantage of the defense of the statute of limitations in any action hereunder or for the enforcement, collection, or payment of any obligation guaranteed hereby.

10. Guarantor agrees to file all claims against Lessee in any bankruptcy or other proceedings in which the filing of claims is required by law on any indebtedness of Lessee and will assign to City all of its rights thereunder. If Guarantor does not file any such claims, City, as the attorney-in-fact of Guarantor, is hereby authorized to do so in the name of Guarantor, or, in the discretion of City, to assign the claim to, and cause proof of claim to be filed in, the name of City's nominee. In all such cases, whether in administration, bankruptcy, or otherwise, the person or

persons authorized to pay such claim shall pay to City the full amount payable on the claim in the proceeding before making any payment to Guarantor and, to the extent necessary for that purpose, Guarantor assigns to City all of its right to any payment or distributions to which Guarantor would otherwise be entitled. If the amount so paid is greater than the obligations of Guarantor to City pursuant to this Guaranty, City will pay the amount of the excess to the party entitled thereto.

11. In the event of a default in the performance of any of the obligations of Lessee guaranteed hereby, City may maintain an action upon this Guaranty, whether Lessee is joined therein or whether or not a separate action is brought against Lessee. The rights of City hereunder are cumulative and shall not be exhausted by the exercise of any of its rights hereunder, or otherwise, against Guarantor, or any security given for this Guaranty or by any number of successive actions until and unless all obligations hereby guaranteed have been performed and each of the obligations of guarantor hereunder have been fully performed.

12. If Guarantor shall consist of one or more individuals or entities, the obligations of each shall be joint and several and may be enforced by action against any one of said persons or entities without the necessity of joining the other of such persons in such action. If the obligations guaranteed hereby are in any manner guaranteed by any other person, expressly or by endorsement of the Lease, or otherwise, the obligation of such other person and the obligations guaranteed hereunder shall be deemed to be several, and the release by City of any other such person, or settlement with such person, or the revocation or impairment of any other agreement or guaranty providing for the assumption by any other person of the obligations of Lessee shall not operate to prejudice City's rights against Guarantor hereunder.

13. This Guaranty shall be governed by and construed under the internal laws of the State of California without regard to conflict of law principles. The parties agree that in any litigation arising out of this Guaranty, the Superior Court of the State of California in and for the County of Orange shall have exclusive jurisdiction. The prevailing party in any litigation between the parties arising out of or connected to this Guaranty, in addition to whatever other relief to which the prevailing party is entitled, shall also be entitled to reasonable attorney's fees, including fees and costs for discovery, expert witness fees, and any fees and costs for appeal. In the event of such legal action, service of process on City shall be made in such manner as provided by law for service on a California public entity; service of process on Guarantor shall be made in such manner as may be provided for by law, and shall be valid whether made within or without the State of California.

14. This Guaranty shall inure to the benefit of City and its successors and assigns, and a notice of assignment, transfer, or negotiation of the Lease is expressly waived by Guarantor.

15. Whenever possible, each provision of this Guaranty shall be interpreted in such manner as to be effective and valid under applicable law, although if any provision of this Guaranty shall be prohibited or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such, or the remaining provisions of this Guaranty.

16. Guarantor hereby waives (a) notice of the acceptance of this Guaranty by any person or entity, (b) notice of the amount of Minimum Rent or any change in said amount, (c)

notice of demand for payment, notice of default or nonpayment, presentment, protest, notice of protest, and notice of dishonor on any obligation, and (d) all other notices to which Guarantor might otherwise be entitled in connection with this Guaranty or the Lease.

17. Formal notices, demands, and communications between City and Guarantor shall be sufficiently given if delivered to the addresses indicated below by (i) registered or certified mail, postage prepaid, return receipt requested, or (ii) by same-day or overnight courier or delivery service that provides a receipt showing the date and time of delivery. Notices delivered by same-day or overnight courier or delivery service shall be effective upon receipt. Notices delivered by mail shall be effective upon the earlier of (i) receipt or (ii) Noon on the second business day following deposit with the United States Postal Service. Notices shall be addressed as follows:

<u>If to Lessor:</u>	City of La Palma 7822 Walker Street La Palma, CA 90623 Attn: City Manager
<u>If to Lessee:</u>	Elite Taekwondo Center 15843 Galaxy Place Gardena, CA 90249 Attn: Victor Chung, President

Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by notice delivered as provided in this Paragraph.

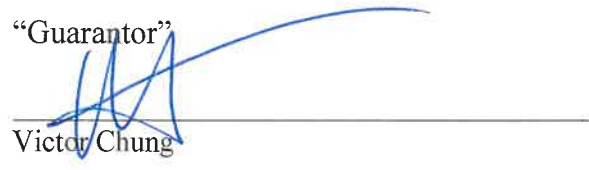
18. This instrument and the agreements contained herein may be amended or modified only by an instrument in writing signed by both the City and Guarantor.

19. This Guaranty sets forth the exclusive agreement between Guarantor and City pertaining to the subject matter hereof and supersedes all prior negotiations, whether oral or in writing, pertaining to the subject matter hereof.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the date and year first above written.

“Guarantor”

Victor Chung



CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Orange

On October 30, 2024 before me, Kimberly Kenney, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Victor Hyung-Soo Chung
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Kimberly Kenney
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Lease Agreement - Exhibit "C" - Personal Guaranty

Document Date: December 10, 2024 Number of Pages: 6

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: Victor Hyung-Soo Chung Signer's Name: _____

☐ Corporate Officer – Title(s): _____ ☐ Corporate Officer – Title(s): _____

☐ Partner – ☐ Limited ☐ General ☐ Partner – ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact ☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator ☐ Trustee ☐ Guardian or Conservator

☒ Other: President, Elite Taekwondo ☐ Other: _____

Signer is Representing: himself Signer is Representing: _____

City of La Palma

Agenda Item No. 18



MEETING DATE: November 5, 2024

TO: City Council

FROM: City Manager

SUBMITTED BY: Belinda Deines, Community Development Manager

AGENDA TITLE: Economic Development/Land Use Ad-Hoc Subcommittee Findings and Recommendations

RECOMMENDED ACTION:

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

1. Approve the update to the City of La Palma Economic Development Plan 2030 and direct City staff to implement its programs and policies;
2. Adopt a resolution to establish the Economic Development Oversight Task Force;
3. Direct staff to solicit Statements of Interest for the Economic Development Oversight Task Force; and
4. Direct staff to request proposals from qualified consulting firms to prepare an Economic and Market Analysis.

SUMMARY:

In December 2023, the City Council established the Economic Development/Land Use Ad-Hoc Committee, which consists of Mayor Marshall Goodman, Councilmember Nitesh Patel, with assistance from City staff. The one-year committee was established to report back to Council on advisable land use changes that are based on the Housing Element Update and support goals of neighborhood preservation, economic development, and enhancing our shopping centers. City staff was tasked with contacting commercial property owners and having staff analyze economic issues specific to La Palma.

From February to October 2024, the Committee convened seven meetings to evaluate land use considerations and draft updates to the City's Economic Development Plan 2030 (EDP 2030) to include findings and recommendations for City Council consideration. The findings and recommendations are outlined as a five-year strategic plan in the EDP 2030, which includes establishment of the Economic Development Oversight Task Force and a request for proposals (RFP) to prepare an Economic and Market Analysis.

DISCUSSION:

Housing Element Policy Implementation

In compliance with La Palma General Plan Housing Element Programs 8, 11, and 13, the Economic Development/Land Use Ad-Hoc Committee was charged with reviewing the following items:

- **Program 8: Housing Zoning Code Amendments** related to: (Phase 1) emergency shelter parking, low barrier navigation centers, transitional and supportive housing, residential care facilities, elimination of Precise Plan for new single-family residences, allowing three stories and increased lot coverage for multifamily residences by December 2024; (Phase 2) objective design standards and multifamily residential parking requirements by June 2025.
- **Programs 11 & 13: City Planning Fee Reductions** for new deed-restricted low-income housing and waive application fees for consolidation of small parcels to meet RHNA; adopted by City Council in June 2024.
- **Program 11: Housing Land Use Analysis** to review City-owned properties and identify surplus land for affordable housing, and facilitate affordable housing development on religious, institutional, and adaptive reuse on underutilized properties. Recommendations outlined in the Economic Development Plan include developing an opportunity sites inventory with the proposed economic and market profile.
- **Program 11: Develop Economic Development Strategic Plan** with report back to City Council on findings, recommendations, and update on implementation of programs.

City of La Palma Economic Development Plan 2030

Originally drafted in May 2002 and subsequently updated in 2006, 2009, and 2013, the City of La Palma Economic Development Plan 2030 (Attachment 1) is a five-year strategic plan that sets forth a comprehensive framework aimed at fostering sustainable economic growth and prosperity within the community. Developed through extensive research, stakeholder engagement, and strategic analysis, this strategy outlines key initiatives to capitalize on La Palma's unique strengths, address challenges, and seize opportunities for economic advancement. This Plan continues to promote goals for fiscal sustainability, business attraction and retention, and development efforts.

EDP 2030 contains detailed chapters including an introduction to local economic development, guiding principles, economic trends, key economic development goals, policies and programs, a five-year Action Plan, roles and responsibilities, and funding sources. Furthermore, the Plan contains a description of the City's current economic development climate in terms of its strengths, weaknesses, opportunities, and threats.

The Plan identifies three economic development goals to be addressed over the next five years, from 2025 to 2030. These goals were developed based on a review of the City's existing economic market, internal and external working sessions, regional economic trends, and technology advancements. The key goals are:

1. *Enhance community development processes;*
2. *Facilitate business attraction, retention, and expansion; and*
3. *Promote marketing and communications outreach*

The Action Plan is divided into short-, mid-, long-term and ongoing objectives, identifying the program, responsible entity, necessary resources, and performance measures. While the updated plan draws largely on the framework established from the original document, its general objectives remain true, and its principles have been successful toward improving the City's finances. New goals, policies, and programs are proposed, and completed programs have been removed. The adoption of the updated EDP 2030 will help direct City staff and resources to maximize La Palma's potential to maintain and enhance its strong business base. It is recommended that the City Council review the draft EDP 2030, solicit public input, approve the update to the City's Economic Development Plan, and direct staff to implement its policies and programs.

Establishment of the Economic Development Oversight Task Force

As recommended by the Economic Development/Land Use Ad-Hoc Committee and identified as EDP 2030 Program 1.4.c., a draft resolution (Attachment 2) is proposed to form an Economic Development Oversight Task Force to assist in oversight and implementation of the EDP 2030. Task Force members will be charged with:

- Review existing goals and policies of the City's General Plan Community Building Element related to economic development and long-term fiscal sustainability;
- Review of the City of La Palma EDP 2030 goals, policies, programs, and Action Plan;
- Assist in the oversight and implementation of programs identified in the Action Plan;
- Act as ambassadors to provide outreach, engagement, and education on behalf of the City of La Palma to the business community, and provide an annual progress report to the City Council for review.

Participation as a Task Force member is voluntary and ends after two years, by December 31, 2026. The Task Force will consist of a maximum of nine (9) community members who represent a diversity of interests related to economic development. The Task Force composition is recommended to include the following:

- Two (2) City Council members
- One (1) Development and Circulation Committee member
- One (1) Community Activities and Beautification Committee member
- One (1) Business Owner Representative
- One (1) Commercial Property Owner Representative
- At-Large Representatives (1-3), preferably with commercial real estate, construction, and/or entrepreneurship experience

Community members interested in serving on the Task Force must submit a Statement of Interest (Attachment 2, Exhibit A). It is recommended that an Appointment Committee, consisting of the Mayor and Mayor Pro Tem, review and recommend Task Force candidates for City Council approval by February 2025. Interested persons who are not appointed are encouraged to attend the Task Force regular meetings and provide their input during the scheduled public comment period. The Task Force is expected to hold quarterly meetings from January 2025 to December 2026. Meetings will be open to the public, noticed and posted in accordance with the Brown Act.

Request for Proposals for an Economic and Market Analysis

As an addendum to the EDP 2030, the Committee recommends preparation of an Economic and Market Analysis. The draft RFP (Attachment 3) seeks proposals from qualified consulting firms to

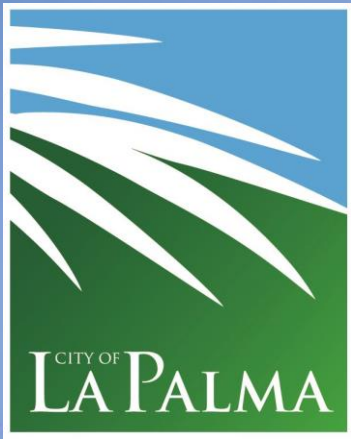
prepare deliverables that contain a site inventory, economic dashboard, and peer review. The consultant will be tasked with reviewing the City's existing policies and programs, creating a site inventory to identify and evaluate opportunity sites, existing assets, and emerging industry clusters, and development of an economic dashboard with the City's economic conditions, relevant demographics, and statistics. The estimated cost, budget, and proposal will be presented to the City Council for review and consideration in early 2025.

FISCAL IMPACT:

The EDP 2030 identifies a variety of potential funding sources for the implementation of programs. There is no direct fiscal impact on approving the Plan and many of the programs can be implemented within existing budgetary resources. Elements for which there are no existing resources will be brought back to the City Council for authorization of funds.

ATTACHMENTS:

1. City of La Palma Economic Development Plan 2030
2. Draft Resolution for ED Task Force
3. RFP for Economic and Market Profile



ECONOMIC DEVELOPMENT PLAN 2030

PUBLIC REVIEW DRAFT
CITY OF LA PALMA

"Sustainable development is the pathway to the future we want for all. It offers a framework to generate economic growth, achieve social justice, exercise environmental stewardship, and strengthen governance."

- Ban Ki-Moon

ACKNOWLEDGEMENTS

City Council

Marshall Goodman, Mayor
Mark Waldman, Mayor Pro Tem
Debbie S. Baker
Janet S. Keo
Nitesh P. Patel

Economic Development/Land Use Ad-Hoc Committee

Marshall Goodman
Nitesh P. Patel

Business Engagement Ad-Hoc Committee

Debbie S. Baker
Nitesh P. Patel

City Staff

Conal McNamara, City Manager
Ryan Hallett, Assistant City Manager
Joe Cisneros, Deputy City Manager

Prepared by: Belinda Deines, Community Development Manager

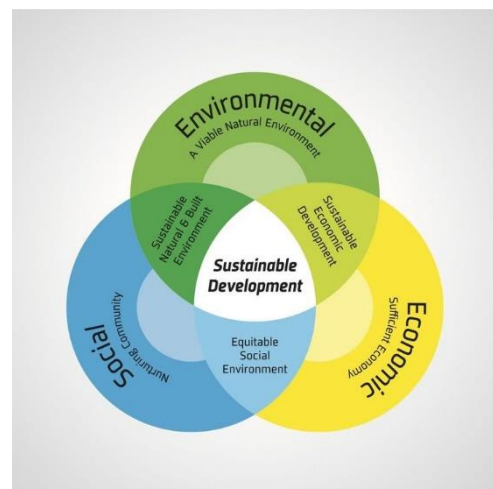
Public Review Draft – October 2024



EXECUTIVE SUMMARY

The City of La Palma Economic Development Plan 2030 sets forth a comprehensive framework aimed at fostering sustainable economic growth and prosperity within the community. Developed through extensive research, stakeholder engagement, and strategic analysis, this five-year strategy outlines key initiatives to capitalize on La Palma's unique strengths, address challenges, and seize opportunities for economic advancement. Originally developed in 2002 and subsequently updated in 2009 and 2013, this Plan continues to promote goals for fiscal sustainability, business attraction and retention, and development efforts. As the City of La Palma embarks on celebrating its 70th year of cityhood in 2025, it is important to evaluate the City's current conditions and outline steps to address economic opportunities and investment.

Economic development is the creation of wealth in which community benefits are realized. It is an investment in growing the City's economy and enhancing quality of life for all residents. Local economic development involves the allocation of limited resources – land, labor,



La Palma strives toward sustainable development, which is achieved when social, environmental, and economic needs are met.

capital, and entrepreneurship – in a way that has a positive effect of the level of business activity, employment, income distribution patterns, and fiscal solvency. The City has the ability to influence the direction of private sector investment toward opportunities that can lead to sustained economic growth. This growth can provide sufficient incomes for the local labor force, profitable business opportunities for employers, and tax revenues for maintaining an infrastructure to support this continued growth. For La Palma, economic development requires a multifaceted approach focusing on enhancing the City's business environment, fostering innovation and entrepreneurship, and promoting workforce development.

The quality of life enjoyed by La Palma residents depends largely on income derived from its businesses. For instance, here are just a few examples of how businesses affect the City's future:

- While commercial/industrial land constitutes only 18% of the City's land area, it accounts for over 65% of City property tax revenues.
- Sales tax and transaction and use tax received from businesses operating in La Palma makes up 27% of General Fund revenues.
- Business license fees, hotel tax, and franchise fees paid by businesses account for over 10% of General Fund revenues.
- Businesses contribute toward infrastructure improvements as a component of new development.

By implementing the strategies outlined in this plan, the City of La Palma aims to create a thriving economy that benefits all residents, businesses, and stakeholders. The Plan will continue to be updated periodically to accommodate the dynamic nature of La Palma's economy. Through proactive leadership, strategic investments, and a commitment to innovation, La Palma is poised to continually improve the economic well-being of the City and build a sustainable future for generations to come.



Isla Cuban-Latin Kitchen and Bar is a family-owned restaurant that opened at Centerpointe La Palma in August 2019.

INTRODUCTION TO LOCAL ECONOMIC DEVELOPMENT

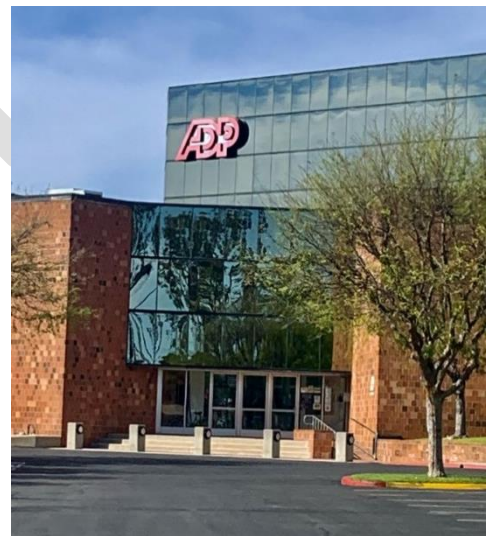
Business and government both have roles in economic development. Business utilizes human, financial, and natural resources to create marketable goods and services. Government influences business investment and location decisions with taxes, revenue spending, and investment policies through regulations, incentives, services, and marketing. Business is motivated by profit. Government's motives are jobs, revenues (increased taxes and reduced social services expenditures), and quality of life. A local government can only be as healthy as its local economy.

The objectives of Local Economic Development include:

1. Business Retention – businesses that feel appreciated will tend to stay in town.
2. Job Development – to provide better wages, benefits, and employment opportunities.
3. Increased Tax Base – additional revenue to support, maintain, and improve local services such as roads, parks, libraries, and emergency services.
4. Economic Diversification – helps expand the economy and reduces a community's vulnerability to a single business sector.
5. Productive Use of Property – property used for its "highest and best use" maximizes the productivity of that property.
6. Quality of Life – more local tax dollars and jobs raise the overall standard of living of the residents.
7. Recognition of Local Products – often times, successful economic development will occur when locally produced goods are consumed to a greater degree in the local market.

Because economic developers are facilitators, there are several "partners" needed to aid in the process of economic development, such as:

- Business Associations
- Education and Training Institutions
- Executive Placement Groups
- Networking Groups



Located along the 91 Freeway at the La Palma and Orange County border is ADP, the City's top employer with over 600 employees who work on human capital management solutions for businesses of all sizes.

- Private Sector
- Public Sector (Local, State, Federal)
- Regional Economic Development and Workforce Training Organizations
- Service Sector (Banks, Utilities, Brokers, Hospitals)
- Technology Providers
- Venture Capitalists and Investors

The partners identified above ensure that there is financing available for new development and expansions, a trained workforce to attract or retain business, and business organizations to nurture a prosperous business climate. Economic development uses any tool available to make sure that there is a friendly environment for business growth and prosperity.

Why is an Economic Development Plan Important?

As with any planning document, an economic development plan's value lies in its ability to be easily understood and easily referenced while providing information applicable to the planning area. A great looking plan that says nothing stays on the shelf unused. A plan with far reaching, but unrealistic, ideals is better served as a paper weight. An effective economic development strategy:

- Provides Direction – Where are we today and where do we want to go?
- Sets a Framework – Who do we target and how will we target them?
- Links Future to Present – How will we recognize and measure success?
- Is a Foundation for Change – What is our first step?
- Shows Action vs. Reaction – We are in charge of our fate.
- Helps Focus on Doing the Right Things – Spending resources wisely.
- Harnesses Creativity – How can we test new, innovative ideas?

The City of La Palma Economic Development Plan is intended to follow these ideals by analyzing the current marketplace, identifying trends, and proposing programs and activities that will make La Palma an even better place to live and work.



In 2024, California Joint Powers Insurance Authority is expanding their campus at the corner of Moody Street and La Palma Avenue. CJPIA provides risk management solutions to over 100 public agencies.

What is Business Retention?

"Business Retention" is the effort to retain existing businesses, which provide significant income, employment, and/or desired amenities to the La Palma community.

Commercial leases generally span from five to ten years; however, if a business is expanding or contracting, it will often sub-lease its space and move to a building that better meets its business needs. Because of the fluid nature of business, a long-term lease is not a guarantee of a business staying in one place.

The ability to retain a business begins with the motivation of corporate management to stay within a city by expanding, contracting, or renewing their lease. If the local city does not have the appropriate space to respond to a business' changing needs, the business will not stay. Other factors that may affect retention include the city's responsiveness to issues raised by the business, the extent to which relationships are established and maintained, and the ability of the city to continue to provide a safe, effective environment in which to do business.

What is Business Attraction?

"Business attraction" is the process of alluring desirable businesses into the city to lease or buy space in which to operate. A business attraction program is primarily a marketing effort to commercial brokers and potential businesses.

Most cities recognize the importance of business attraction activities to expand their financial base and effectively compete with surrounding areas for large sales tax generating businesses. Generally, business attraction efforts involve "packaging" the city's assets, communicating those assets to its target audience, developing attractive financial assistance programs, and implementing a business friendly, relationship-driven process to get them located into the city quickly and easily.



La Palma Collection, a commercial strip center along Valley View Street, is fully leased in 2024 after façade improvements to the existing structure.



GUIDING PRINCIPLES

The guiding principles established in 2002 continue to be valid and will be used as the principles for this document and the City's economic development activities. They are as follows:

Vision: Our economic development vision is that La Palma will continue to be the preferred business location in the West Orange County area.

Mission: Our economic development mission is to provide a safe, positive, and profitable environment for our businesses and their employees.

Economic Development Philosophy:

- Income producing businesses are vital to the quality of life of our residents.
- Efforts should focus on retaining and attracting quality, high income producing businesses and business services that will enhance La Palma's commercial and industrial areas.
- Businesses should be treated with dignity and respect and be recognized as an important part of La Palma's community.

Economic Development Priorities:

- Protect and expand La Palma's General Fund revenue base.
- Convert non-income producing land/business properties into income producing ones where practical.
- Attract businesses that enhance the quality of life for La Palma's businesses and residents.



ECONOMIC TRENDS

Incorporated in 1955 as City of Dairyland, a small farming community, the City of La Palma is now a built-out suburban city with a diverse population, quiet and safe neighborhoods, strong families, and several desirable schools. As Orange County's smallest city by land area, local businesses and merchants embrace La Palma's small-town charm. The majority of development in La Palma occurred within a brief 20-year period between 1960 and 1980, and population growth has remained stable since then.

La Palma maintains a prominent commercial and industrial center located north of Orangethorpe Avenue with direct frontage along the State Route 91 freeway. This area includes Centerpointe La Palma, which is an office/commercial complex developed between 1985-1989. La Palma has benefitted greatly from this concentrated area, which contains nine of the Top 10 property tax and sales tax contributors.

A variety of small neighborhood commercial centers constructed in the 1970s are located at major intersections with easy access to goods and services. While there is no traditional downtown area or main street, Civic Center, Central Park, and La Palma Intercommunity Hospital serves as a centralized hub for public facilities along Walker Avenue.

Because there is little available space for new development, the City will need to find ways to enhance the existing business base. This will need to be done by helping existing businesses grow and attracting economically viable businesses when vacancies occur. It is important to note that "economically viable businesses" are not simply sales tax generating businesses. Although sales taxes are certainly a key component, economically viable businesses also include firms that provide stable, good paying jobs. When a community has a solid employment base, not only does a single business thrive, but supporting industries can also flourish.

In 2016, Measure JJ was passed with support of over 60 percent of La Palma voters to establish a one percent sales tax toward funding City services. The local sales tax initiative provided a direct revenue source when the City was facing financial shortfalls. Measure JJ is an important revenue source that helps diversify the City's General Fund.



La Palma Intercommunity Hospital is the second top employer in the City, with approximately 480 employees.

When the pandemic hit in 2020, tax revenues declined at the same time as the needs for government support rose. The City of La Palma received financial support from Federal, State, and County resources to deliver necessary local services in the recovery.

While La Palma is home to only one hotel establishment, La Quinta Inn & Suites by Wyndham, the City adopted a local ordinance in 2022 for short-term rentals, which is anticipated to contribute additional revenue in the near future toward the City's transient occupancy tax. Also, in 2022, Measure P was passed in support to raise the transient occupancy tax rate paid by hotel and short-term rental guests from 8% to 12%.

Today in 2024, the majority of the City's economy has recovered after the pandemic, with the exception of some lost businesses and vacancies especially in brick-and-mortar retail and office spaces. Home-based and hybrid work has reduced the demand for office area. The City's average and median sales prices for detached single-family residences is anticipated to exceed \$1 million this year.

High inflation and the most aggressive rate-hiking cycle in 40 years are unfavorable conditions that the United States is facing at present. In California, challenges that continue to affect businesses and the workforce include minimum wage requirements, housing affordability, and homelessness. Globally, the impact of artificial intelligence on employment is also an uncertainty, as trends show that AI may reduce job opportunities for lower-income earners. It is anticipated that the economy may approach a recession in the short-term. However, it is important for the City of La Palma to adopt policies that are effective, efficient, and resilient for the City's long-term economic outlook.



The potential for hotel development in La Palma may be affected by recent additions to the hotel supply in Buena Park and average daily rates/revenue levels for North Orange County are markedly lower than the county average.

KEY ECONOMIC DEVELOPMENT GOALS

This EDP 2030 identifies three (3) economic development goals to be addressed over the next five years, from 2024 to 2029. The goals were developed based on a review of the City's existing economic market, internal and external working sessions, regional economic trends, and technology advancements.

1	ENHANCE COMMUNITY DEVELOPMENT PROCESSES
2	FACILITATE BUSINESS ATTRACTION, RETENTION, AND EXPANSION
3	PROMOTE MARKETING AND COMMUNICATIONS OUTREACH

1. ENHANCE COMMUNITY DEVELOPMENT PROCESSES

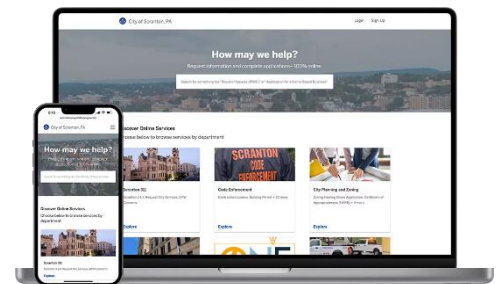
The City of La Palma Community Development Department is prioritizing customers by enhancing access and continually improving the quality of our services.

1.1 Update land use regulations and evaluate opportunity areas for new investment

- Complete 2024 Zoning Code Update to evaluate entitlement processes and procedures, parking requirements, objective design standards, and housing code amendments. Identify common organizational "roadblocks" to expanding or relocating a business in La Palma, such as the time needed to process a Conditional Use Permit.
- Initiate comprehensive Zoning Code Update
- Prepare for future General Plan updates, including the Safety Element and 2029 Housing Element

1.2 Enhance "business friendly" perceptions and customer service

- Launch OpenGov Citizen Access Portal to provide online permitting, plan review, business licenses, and fees in a one-stop centralized system
- Conduct fee schedule update



OpenGov Permitting and Licensing is set to launch in August 2024, streamlining Community Development processes through a one-stop citizen access portal that is online and accessible 24/7. Building permits, plan reviews, business licenses, and code enforcement service requests will be centrally digitized to improve communication and transparency.

- c. Prepare Welcome New Business Packet and “how to guides” for typical business needs such as navigating through the City’s processes
- d. Conduct “Jump Start” pre-development meetings with property owners, developers, and applicants

1.3 Create new revenue sources where possible

- a. Seek direct revenue generating sources (i.e. digital display billboard, wireless facility, etc.)
- b. Advance the initiative for reviewing sales tax exemptions for Utility Users Tax
- c. Coordinate with property owners and brokers to target large utility uses, hotel development, and sales tax generators for recruitment
- d. Leverage financial tools available through Federal, State, and County levels and explore creative incentive financing as an alternative method for project financing to attract new quality investments.

1.4 Monitor and support legislation that advance economic development

- a. Participate in League of California Cities and ACCOC Legislative committees. Draft letters of support for economic development and redevelopment initiatives.
- b. Conduct outreach to La Palma elected representatives at the Federal, State, and County levels to express support for economic development initiatives
- c. Establish an Economic Development Task Force to assist in oversight and implementation of this Action Plan. The Task Force will meet quarterly and act as an advisory group to the City Council. Meetings will be open to the public and subject to Brown Act noticing requirements. It is recommended that the Task Force consist of the following members:
 - a. City Council (2)
 - b. Development and Circulation Committee Member (1)
 - c. Community Activities and Beautification Committee Member (1)
 - d. At-Large Representatives (1-3), preferably with commercial real estate, construction, and/or entrepreneurship experience
 - e. Business Owner Representative (1)

76
 7-ELEVEN (3 LOCATIONS)
 ACME BAG CO
 ARCO AM/PM
 A ROMA RISTORANTE
 BERKSHIRE ESUPPLY
 CARL’S JR
 CONVERGINT TECHNOLOGIES
 EVOCATIVE
 ISLA CUBAN-LATIN KITCHEN
 LA CAPILLA
 MARATHON PETROLEUM
 MCDONALDS
 MR LEE’S BBQ
 MULTI SALES
 PANDA INN
 POPEYES CHICKEN
 PRECISION CUTTING TOOLS
 PROVEN SKINCARE
 SHOW SUSHI
 SMP
 SUPER 1 MART
 WALMART NEIGHBORHOOD

**TOP 25 SALES TAX
 PRODUCERS IN 2023**

- f. Commercial Property Owner Representative (1)
- g. City staff liaison

2. FACILITATE BUSINESS ATTRACTION, RETENTION, AND EXPANSION

2.1 Continually promote the importance of businesses on La Palma's quality of life

- a. Submit Mosaic quarterly articles for Business Spotlight and Business of the Year
- b. Continue public education about the City's budget and major revenue sources
- c. Conduct regular meetings with local neighborhood groups and walkabouts to survey business owners and employees and keep a pulse on La Palma's business environment
- d. Promote continued dialogue and communication on code enforcement and property abatement

2.2 Coordinate and enhance business appreciation events

- a. Market the State of the City as the annual premier business networking event
- b. Host informal networking mixers to demonstrate appreciation and build relationships to facilitate retention and expansion
- c. Encourage businesses to hold ribbon cuttings, open houses, business anniversary parties, and other special events. Promote City's ribbon cutting coordination services for stakeholders and media.
- d. Recognize top 25 sales tax generators for their contributions to the City's commerce, employment, and overall economic health on an annual basis.

2.3 Engage with various active groups who enhance and improve La Palma's business community

- a. Create and maintain collaboration efforts with local community organizations such as the La Palma Community Foundation, various Chambers of Commerce, Small Business



The City of La Palma takes pride in celebrating our businesses' milestones and vibrancy. Various programs will be enhanced to increase the City's support for our business community.

Diversity Network, U.S. Small Business Administration, Orange County Small Business Development Center, Service Corps of Retired Executives (SCORE), Governor's Office of Business and Economic Development.

- b. Restart and continue Corporate Connections sponsorship program. Encourage sponsorship opportunities for events by local businesses when conducting business visits.

2.4 Reduce vacant and idle properties

- a. Contact commercial property owners and encourage reinvestment in their properties
- b. Meet with property owners, managers, and brokers to identify quality businesses for vacant properties
- c. Offer incentives and economic subsidies to encourage La Palma businesses to expand, stay, and grow their business
- d. Prepare recruitment letters for targeted businesses that complement La Palma
- e. Promote business expansion by continuing business visits and staying updated on land transactions
- f. Invest in data technology to inform market intelligence on physical places in order to support actions and decisions on retail recruitment and business attraction.



In late 2020, Precision Cutting Tools relocated its operations to a 60,000 square-foot manufacturing facility in La Palma.

2.5 Revitalize and enhance existing commercial centers

- a. Prepare economic and market analysis to inform the City's investment of time and resources. Evaluate and quantify current and projected market demand for retail, industrial, and mixed-use development. Develop strategies to capture leaked retail and attract more consumer spending from beyond the city. Analysis of opportunity sites to determine types of development that would be financially feasible.
- b. Evaluate opportunities for property acquisition

2.6 Foster Workforce Development Opportunities

- a. Preserve and promote affordable housing options within the City through implementation of the 2021-2029 Housing Element
- b. Foster workforce development opportunities by partnering with Kennedy High School and Cypress College

3.PROMOTE MARKETING AND COMMUNICATIONS OUTREACH

3.1 Enhance the City's ability to brand the community

- a. Continue to work with the community, local stakeholders, and partners to execute the City's marketing and outreach strategy
- b. Maintain ongoing collaborative efforts in existing economic target areas and continue to promote local activities to attract new business creation.
- c. Distribute digital and print marketing materials via City's website, social media, and direct marketing in Mosaic (quarterly) and The Visionary (monthly e-newsletter).

3.2 Increase public awareness of the City of La Palma

- a. Coordinate and distribute press releases from the City and its businesses to regional and local newspapers
- b. Enhance the City's economic development brand identity and reputation as a premier business location among key industry groups.
- c. Educate brokers and business leaders about key advantages to locating in La Palma.
- d. Attend regional business development events and trade shows to introduce businesses to the City of La Palma.

3.3 Explore creative opportunities to enhance community culture and sense of place

- a. Consider requiring public art for large-scale development projects, activate underutilized areas with temporary installations, and potential for a utility box art program.
- b. Encourage placemaking and business participation through promotion of community events, supporting local artists and creative entrepreneurs. Consider establishing artist residences, co-working spaces, and artisan markets to showcase and sell handmade goods, generate income, and foster entrepreneurship.



Landscape upgrades to the City's existing street medians are currently under construction. Anticipated new monument signage will enhance City brand identity.

- c. Invest in infrastructure projects in public spaces and services that provide economic value to the City.

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ACTION PLAN 2030

Program	Responsible Entity	Resources Needed	Performance Measures
SHORT-TERM OBJECTIVES (12-18 MONTHS)			
1.1.a 2024 Zoning Code Update	CDD ED/LU Ad-Hoc	Staff time	- Adopt housing code updates per Housing Element - Evaluate parking minimums - Modify procedures to streamline processes for starting new business
1.2.a OpenGov Citizen Access Portal	CDD BE Ad-Hoc	\$60k annually	- Online permitting and digital plan reviews by August 2024 - Conduct outreach program to citizens, businesses by December 2024
1.2.b Fee Schedule Update	Admin Svcs.		
1.2.c Welcome New Business Packet	CDD BE Ad-Hoc	Staff time + printing costs	-Publish by September 2024 and distribute to new and prospective businesses
1.4.a Participate in Legislative Committees	Management	Staff time	
1.4.c Economic Development Task Force	City Council		- Establish Task Force in December 2024, solicit applications - Conduct regular quarterly meetings beginning in 2025
2.1.c Business Survey/Walkabouts	CDD BE Ad-Hoc	Staff time	-Conduct annual survey -Schedule walkabouts and targeted outreach
2.2.a State of the City	City Council Management		-Engage business community in attendance, sponsorships
2.2.b Networking Mixers	CDD BE Ad-Hoc	\$1k	-Host two events per year (spring and fall) with local businesses
2.2.c-d Special Events/Recognition	CDD BE Ad-Hoc	Staff time	-Offer ribbon cutting services -Celebrate milestones, top generators, etc.
2.5.a Economic and Market Profile	CDD	\$50-100k	-Seek bids for preparation of economic and market profile for sites analysis
3.1 Marketing and Outreach Strategy	CDD		-Promote local activities to attract new business creation

			-Distribute digital and print materials
MID-TERM OBJECTIVES (2-3 YEARS)			
1.1.b Comprehensive Zoning Code Update	CDD ED Task Force	\$100-150k	-Evaluate land uses and development standards for infill and reuse in 2025 -Consider future changes in parking and mobility needs
1.3.b Review Sales Tax Exemption for Utility Users Tax	Management		-Evaluate UUT in 2025
2.3.a Community Organizations	CDD		-Partner with local groups to host small business workshops
2.3.b Corporate Connections Sponsorship Program	ED Task Force		-Evaluate potential for promoting local businesses through sponsorship pilot program
3.2 Enhance City's Brand Recognition	ED Task Force Management		-Formalize brand identity and enhance reputation -Contact brokers and business leaders to promote key advantages to relocating in La Palma
3.2.d Business Development Events	CDD	Staff time	-Attend regional business development events and trade shows
3.3.a Arts and Culture Initiatives	Management		-Consider utility box program, temporary installations -Engage business community in cultural and city events
LONG-TERM OBJECTIVES (3-5 YEARS)			
1.1.c General Plan Updates		\$150k	- Complete Safety Element Update by June 2025 - Begin preparation for 2029 Housing Element in 2027 - Update LUE consistent with zoning code update if needed
2.4.a Property Reinvestment Inquiries	ED Task Force		-Contact property owners of shopping centers -Seek improvements at Granada Liquor, 7-Eleven,

			Hannam Center, Walmart Center,
2.4.b Identify and Target Vacant Properties	ED Task Force		-Coordinate with new tenant at Burger King -Seek retailer or commercial tenant for Family Mart upon initiation of parking lot improvements
2.4.c Incentives and Economic Subsidies	Management		-Consider sales tax sharing agreements
2.4.d Recruitment Letters	ED Task Force		-Identify desirable uses and businesses based on market data
2.6.a Affordable Housing Implementation	ED Task Force CDD		-Adopt 2024 Zoning Code Update by December 2024
2.6.b Workforce Development	ED Task Force CDD		-Partner with existing local organizations for employee programs
ONGOING OBJECTIVES (5+ YEARS)			
1.2.d "Jump Start" Program	CDD	Staff time at applicant cost	-Encourage potential developers to utilize program in initial design phase
1.3.a Revenue Generating Sources	CDD Management		-Initiate development agreements with billboard, communications tower -Evaluate opportunities
1.3.c Target Recruitment	CDD		-Potential EV dealership with point of sale -Seek developers for mixed-use development -Connect property owners with CRE and retailers
1.4.a Financial Tools and Incentive Financing	CDD		
1.4.b Outreach to Elected Representatives	Management	Staff time	
2.1.a Mosaic Quarterly Articles	Admin Svcs. CDD	Staff time	-Business Spotlight Awards -Business of the Year
2.1.b Public Education on Budget/Revenue	Admin Svcs.	Staff time	-Continue Citizens' Academy and budget workshops
2.1.d Code Enforcement	CDD	Staff time	-Achieve voluntary compliance for commercial property maintenance

2.4.e Monitor Land Transactions	CDD	Staff time	-Contact new property owners and work with potential investors -Track properties for sale and make contact with new property owners
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ROLES AND RESPONSIBILITIES

The success of the La Palma Economic Development Plan is dependent upon different managers, leaders, and policy makers fulfilling some clearly defined roles and responsibilities as follows.

City Council/Successor Agency

The City Council/Successor Agency are responsible for providing overall policy direction related to business retention and attraction efforts. Previously the Community Development Commission, the Successor Agency was formed following the dissolution of the City's Redevelopment Agency. The City also previously had a Business Retention Committee, which was originally formed in 1992, disbanded in 2005, and reestablished as the Business Engagement Ad-Hoc Committee in 2019. Business retention and outreach efforts are being conducted through the Lunch with the Mayor Program and directly by the Community Development Director and in certain cases the City Manager. The City Council acts in the role of facilitating economic development activities through the following actions:

- Policy oversight of the Economic Development Plan.
- Allocation of City resources to support the Plan.
- Participation in business recognition events.
- Communication of a business-friendly attitude within the community.
- Meet with business leaders and Chambers of Commerce as appropriate.

City Manager

The City Manager oversees all City departments to encourage quality customer service and helps to establish and promote a business-friendly environment. Where appropriate, the City Manager meets with existing and potential businesses to negotiate for assistance and address concerns.

- Direct City departments in establishing quality customer service.

- Promote business friendly environment within City Hall and the community.
- Participate in and/or lead Red Teams as appropriate.
- Meet with potential businesses to negotiate assistance and/or promote the City has a place to be.
- Meet with existing businesses to address concerns.
- Implement training programs, either in-house or through use of training consultants, to improve business sensitivity and customer service skills of City staff.

Community Development Director

The Community Development Director is responsible for the day-to-day implementation of the Economic Development Plan and for making recommendations to the City Council on specific programs and funding mechanisms for economic development opportunities. In addition, the Community Development Director manages economic development resources and the Community Development Department, which has the most regular contact with local businesses and commercial development. It is important to note that the City has not had a full-time Community Development Director since 2017 due to budgetary constraints.

- Implement the Economic Development Plan.
- Manage the daily implementation of the Economic Development Plan.
- Modifying policies or procedures which inhibit implementation of the Economic Development Plan.
- Implement new programs or services that would meet the needs of La Palma's businesses.
- Lead and manage Community Development Department staff in cultivating a positive, business friendly environment.
- Implement training programs, either in-house or through use of training consultants, to improve business sensitivity and customer service skills of City staff.
- Call for Red Team, as needed, to respond to specific needs of high priority businesses.
- Be accessible to business owners, property owners, and commercial brokers to resolve problems.
- Recommend the hiring of consultants, as necessary, to implement Plan components and identify funding mechanisms to pay for them.

Department Directors

City Department Directors are responsible for overseeing the day-to-day operations of their respective departments. All Departments should have

policies and procedures which recognize the importance of businesses to the La Palma community.

- Create a positive, “business friendly” environment within each department.
- Work with the City Manager and Community Development Director to implement the Economic Development Plan.
- Serve on a Red Team when requested.
- Facilitate staff training to improve business sensitivity and customer service skills.
- Make recommendations for modifying policies or procedures which inhibit implementation of the Economic Development Plan.
- Make recommendations for new programs or services which would meet the needs of La Palma’s businesses.

City Staff

No matter what their position, every City of La Palma employee has an opportunity to make a positive impression on the community. The responsibility of City staff is to participate in evaluating and identifying procedures and processes that inhibit economic development and to provide the best possible service to both residential and business customers.

- Participate in customer service and other training opportunities.
- Serve on a “Red Team” when requested.
- Focus daily activities on providing quality customer service.

Consultants

Consultants can provide expertise not present in existing City staff. They also can provide temporary assistance to complete specific projects, when the work load of in-house staff cannot accommodate them.

- As needed, assist City Staff with processing and permitting expertise in the areas of Fats, Oils, and Grease Permits for businesses, expediting reviews,
- As needed, assist City staff in the processing of land use entitlements, special planning studies, and/or environmental documentation to minimize turnaround time for individual projects during times of high volume of planning requests.
- As needed, assist City staff with the development of business promotion/business attraction materials to promote La Palma as a great place to do business.
- As needed, assist staff with business-related improvements to the City’s website.

- As needed, provide business sensitivity and/or customer service training to City staff.
- As needed, participate in Red Teams to resolve concerns of high priority businesses.

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FUNDING SOURCES

Currently, the City of La Palma has various sources of funds for implementing elements of the Economic Development Plan. While the majority of funding available is local, there are state and federal funds available to assist economic development efforts. Opportunities and limitations for each of these funds are described below.

City General Fund

The City's General Fund is the largest source of funding for basic City services and programs, such as police protection, park and recreation programming, planning, building and safety services, and administrative support for City operations. Because of its discretionary nature, the General Fund could be used for all elements of the Economic Development Plan, if resources were unlimited. Because they are limited, however, General Funds could be used most appropriately for the following elements of the Economic Development Plan.

- Public education and outreach through the City's various newsletters and the City Website;
- In service training related to customer service to the business community;
- Staff costs associated with normal City operations, such as review of planning and permitting processes, troubleshooting and problem solving, etc.;
- Retention of special consultants to augment the expertise of City staff in such areas as seismic retrofitting, high rack storage, etc.;
- Retention of additional consultants to assist with high volume workloads as necessary;
- Loans to the Community Development Commission for business attraction/retention of high priority businesses.

Capital Outlay Reserve

The Capital Outlay Reserve (COR) fund is a special set-aside of General Fund dollars that is specifically reserved for capital projects. These funds could be used in the same way as General Fund dollars; however, the City Council has established a policy expenditures from this fund should be allocated to "one time" capital projects (infrastructure improvements, new facilities, etc.).

Assuming this policy direction continues, eligible uses of the COR fund to fund elements of the Economic Development Plan include the following:

- Improvements to the public infrastructure that benefit the business community;
- Improvements to the public infrastructure as part of a financial assistance program for a high priority business;
- Other one-time capital expenses that are directly related to business retention or attraction goals and objectives.

Community Development Commission Funds

With the dissolution of the City's Community Development Commission, La Palma no longer receives redevelopment tax increment funds. Previously, these funds were used to benefit redevelopment project areas within the City. Of which, twenty percent of those funds were to be used to increase and improve the supply of affordable housing in the community. A significant portion of the remaining tax increment is pledged towards bonded indebtedness, pass-through agreements with other taxing agencies, and existing owner participation or rehabilitation loan agreements with sales tax generating businesses.

The remaining funds were used on a variety of activities, including land assembly, site preparation, planning studies, land write downs, loans and grants, and various capital improvements. In recent years, priority has been placed on using CDC funds to construct eligible capital projects that benefit the entire community.

Other Governmental Funds

Federal, State, Regional, County, and other governmental agencies have funds available for various economic development programs, projects, and activities. Each funding source has its advantages and its drawbacks, but common factors amongst most of these sources are that they tend to be competitive in nature and restricted to specific uses.

The most common funding source would be the U.S. Department of Housing and Urban Development through the Community Development Block Grant (CDBG) program. Due to the size of the City of La Palma, CDBG funds are administered through the County of Orange via a competitive grant application process and HUD generally puts priority on programs focused on low income households. Also available from HUD are Economic Development Initiative grants.

Additional sources would include Environmental Protection Agency Brownfields Cleanup Initiative Grants, U.S. Economic Development

Administration grants and loans, South Coast Air Quality Management District programs, U.S. Small Business Administration Loan Guarantees, Southern California Edison and Southern California Gas Company economic development activities, Verizon/SBC/other local phone company programs, and California Economic Development Department business development programs.

The Community Development Department maintains a list of public funding sources that can be utilized for matching needs with available resources. This listing also includes non-financial assistance such as business training and education programs. In 2024, the City began utilizing a third-party consultant for grant writing services.

Because of the variety of available funds, public funding could be used to further virtually all of the programs and activities in the Economic Development Plan.

Private Financing

The variety of private funding available is nearly limitless. Between local, regional, and national banks, real estate investment firms, private foundations, land developers, and venture capitalists, public-private partnerships could be the single largest resource for economic development funding in La Palma. However, it is important to remember that private corporations exist solely to make profits and use of these funding avenues must be made with the realization that the partnership will cease to exist when the risk becomes too great.

The Community Development Department also maintains a limited list of private funding sources for projects. Private funding could be used for all of the programs and projects identified in the Economic Development Plan; however, the most realistic activities are those that would result in a profit for the private firm. These would include:

- Rehabilitation and redevelopment of multi-tenant centers;
- Development of vacant properties;
- Small business growth through leveraged partnerships;
- Additions to existing structures to add leasable/usable areas.

ECONOMIC CLIMATE

Analysis of La Palma's Economic Climate

Strengths

The City's business leaders cite several key benefits of locating a business in La Palma:

- **Location.** The City's most important benefit is the location. La Palma is located in the "golden triangle" of the 91, 5, and 605 freeways, and thereby offers easy access to the Los Angeles/Orange County/Inland Empire regions, regional airports, and shipping ports.
- **Variety of Spaces.** La Palma is somewhat unique in offering industrial, Class A office, and business services within immediate proximity of one another. This is very attractive to businesses desiring to locate their executive offices close to their manufacturing or distribution facilities.
- **Safety and Service.** There is a perception of safety in the community thanks to a low overall crime rate and a very low property crime rate for businesses. Companies regularly comment on the high service levels provided by the La Palma Police Department and also mention that the maintenance of the City's infrastructure is of the highest quality.
- **Small Town Feel.** Businesses appreciate the personal scale of the community, which is a stark contrast to the larger communities in the region. They comment on feeling an attachment to the sense of place created by the residents, the ability to meet with the Mayor, Councilmembers, City Manager, and Community Development Director and the ability to participate in – and often financially support – community events.
- **Patterns of Clustering.** "Clustering" is an economic development theory which suggests that individual businesses can better compete when they exist in an area of similar and complementary companies. It creates healthy competition and allows for a coordination of resources and ideas, which can help attract the best employees. In other words, the whole is greater than the sum of its parts. The best example of this would be the healthcare cluster along Walker Avenue and La Palma Avenue. La Palma Intercommunity Hospital, Joshua Medical Center, Peppertree Plaza

medical offices, La Palma Medical Center, and Ivy Park Assisted Living Facility, have potential to work together to create a greater regional draw for healthcare. Another example would be a cluster linked by cultural interests, such as Asian-based businesses locating in the Hannam Center and Centerpointe.

Weaknesses

As with any organization, there are areas for improvement, which include:

- **Business Friendly Climate.** It appears that the City has experienced a decline in its “business friendly” atmosphere from the last update of this Plan. Permits are processed slower than in the past, and many customers have conveyed their frustrations with approvals taking several months and years to complete. Delays and excessive requirements in the approval process have become the public’s perception of the City’s services. Furthermore, applicants are continually asking for alternatives to paper submittals for applications and plan reviews. Due to budgetary constraints, the City has not maintained a Community Development Director on staff since 2017, and the Community Development Department has been limited to two full-time staff members. La Palma has more stringent entitlement requirements, development standards, and processing procedures than other cities in the region. The City’s enforcement of nonconforming conditions, such as the need for additional parking and grease interceptors, has limited and deterred new small businesses.
- **Increased vacancies.** Despite that the City is nearly built out, the COVID pandemic resulted in business closures and vacancies especially in retail and office spaces. There are few opportunities for parcel assemblage for large projects and most buildings are being utilized at or near their highest and best use. The opportunities that do exist are located in two of the City’s largest neighborhood commercial centers, which are owned by several different property owners with varying levels of interest in improving and/or selling their properties. Stringent development standards leave little opportunity to add new businesses or to make sizeable impacts to an area.
- **Lack of Undeveloped Land.** At present, there are no vacant parcels available for commercial development. The only vacant parcel at the southeast corner of Crescent Avenue and Moody

Street that was previously a gas station was rezoned to residential in 2015. Though there is interest in commercial development at that site, State law now prohibits downzoning of residential land. All other new development must involve infill development of underutilized parcels, either through demolition of existing structures or adaptive reuse.

- ***Aging Commercial Areas.*** Most of La Palma's commercial centers were built in the 1960's and 1970's. Since their inception, they have been very active retail facilities that provide many of the neighborhood services La Palma residents demand. Unfortunately, these centers have shown their age. Designs are becoming outdated and maintenance is being deferred, requiring code enforcement for safety conditions. As a result, tenants are somewhat marginal, rents lag behind area rates, and vacancies remain open longer than in the past. The larger commercial centers are characterized by multiple parcels and multiple owners, making the redevelopment of these centers more difficult. With the dissolution of the City's Redevelopment Agency in 2012, various tools and funding sources are no longer available.
- ***Onerous Entitlement Requirements.*** The City requires a Precise Plan for any new construction or improvements, which requires two hearings for Development and Circulation Committee and City Council. New or larger signage requires Development and Circulation Committee approval. Conditional Use Permits require City Council approval. Often, these lengthy processes, sense of uncertainty, and significant costs deter potential business starts and tenant improvements. The City of La Palma has had a long-standing requirement that all pre-1978 industrial buildings be seismically retrofitted upon a change of use or ownership. While the majority of the City's industrial buildings have now been upgraded, there remain a few which have not. This requirement adds to the expense of occupying the building and can delay occupancy while the improvements are being made.
- ***Sign Requirements.*** Businesses often comment that they would like to have enhanced signage to announce their presence. Individual businesses generally desire larger permanent and temporary signs both on the building and at the street. However, the City's approval process for larger and more signage requires either a Master Sign Program or variance,

which adds to time and costs associated with opening new businesses.

- ***Where is La Palma?*** While we were recognized nationally by Money Magazine in 2007 as one of the Best Small Cities in the U.S., and by Parenting Magazine in 2008 as the Best Small City in Orange County, La Palma is still sometimes referred to as “Orange County’s Best Kept Secret.” While residents can rightfully take pride in this fact, businesses suffer from the lack of identity. Businesses comment that their customers appreciate La Palma once they find it, but that the City has no established identity that businesses can draw upon.
- ***Good Distribution is Not the Same as Sales.*** The industrial area of the City located along wide, straight streets with good freeway access. Many of the industrial sites were built with large buildings with limited parking areas. All of these factors are very enticing to warehousing and distribution uses. Unfortunately, modern warehousing does not generate many jobs and sales are usually recorded outside of the community. Unless industrial buildings are razed or retooled, the City will continue to be naturally attractive to warehouseers that create very little economic impact for the community.
- ***Regional Shopping Centers Nearby.*** The neighboring cities of Buena Park, Cerritos, and Cypress have regional shopping centers and/or big box stores that draw retail dollars away from La Palma’s businesses. La Palma does not have the land available to create centers to compete with these outlets; therefore, it will be necessary to La Palma’s businesses to compete in other ways, such as by providing individualized services or goods that are not available through the national chain stores.

While there are weaknesses that either cannot be overcome or would not be in the best interests of the general public to modify, the City should look for means of changing these situations wherever possible in order to make La Palma even more attractive to the business sector.

Opportunities

There are several underutilized attributes that would make the City more economically competitive, which include:

- **Reputation.** The City of La Palma envisions being seen as a premier city to do business with. Many of the road blocks to entitlements and processing procedures are proposed to be removed upon implementation of this revised Economic Development Plan. Transitioning to a one-stop, fully digital and online portal for permitting and licenses that will be accessible 24/7 will be a changemaker in the Community Development Department's procedures overall. This tool will improve communication among departments and with customers with semi-automated services, allowing City staff to maximize efficiency and focus on proactive customer service. In addition, because La Palma's organizational structure is small, it is possible to quickly meet with key decision makers and to receive personalized services. Unfortunately, we have yet to really capitalize on this reputation. The City could market these facts to local brokers and potential businesses.
- **Growing Asian Population.** Over the past decade, La Palma has seen a dramatic demographic shift toward an Asian majority. The 2023 American Community Survey shows that the Asian population in the City has grown to 50.6% of the total population. Of that, 13.9% Korean, 7.8% Filipino, and 7% Indian. One shopping center at the northwest corner of La Palma Avenue and Moody Street, officially known as the Hannam Center, has been transfigured into a shopping area with restaurants, a grocery store, retail stores, and a bank geared toward Asian (mostly Korean) customers. The City could benefit by enhancing services for Korean businesses and by marketing the shopping center as a Korean/Asian marketplace.

Threats

It has been said that the only constant in life is change. While the City enjoys many benefits, potential changes could dramatically affect the future of the economic climate in La Palma. Some of these include:

- **Major Tenant Leaves.** Six companies make up over 70% of the City's sales tax base. Several of these businesses are on short-term leases. If any one of these businesses left La Palma, it would result in a significant loss of revenue for the City. The City will need to coordinate efforts to maintain these tenants; failing that, the City will need to quickly identify a replacement tenant to cover the potential loss of revenues. Furthermore, fuel and service stations make up over 45% of the sales tax revenue as

the City's major industry. In California, regulatory mandates toward zero-emissions and electric vehicles will be resource-intensive and challenge the state's energy future.

- **Lack of Patience.** Real estate professionals understand the City's goals of economic development; however, their personal motivations are sometimes at odds with the City's goals. Ultimately, brokers and landlords are interested in getting a building occupied. A rent check is the goal. While tax generating businesses typically also pay more rent, brokers and property owners often will accept tenants who can pay lower rent rather than taking the time to find the "right" tenant. Because land is limited in La Palma, it is even more important for the City to impress upon real estate professionals the importance of maximizing the use of a property.
- **Fluctuating Unemployment Rates.** Prior to COVID, Orange County was experiencing unemployment record lows of 2.6%. The pandemic caused peak unemployment high of 15.5% and has slowly recovered since then. At present in July 2024, the unemployment rate is 3.2% in Orange County, which is lower than the 4.1% national average.

Because La Palma is constrained in many ways physically, the importance of providing intangible benefits to businesses is critical to competing with surrounding communities. Such intangible benefits include:

- The ability to establish relationships and friendships with businesses
- Speed of processes, direct line accessibility to City leadership
- Understanding the needs of a business and providing a caring, creative attitude
- Honesty, integrity, respect of City officials and staff

Since the adoption of the original Economic Development Plan in 2002, the City has reorganized to create a Community Development Department and has focused on providing quality customer service in all parts of the organization, which has helped to make significant progress in providing the levels of service necessary to provide these intangibles.

This plan is intended to protect and expand the revenue stream from La Palma businesses by retaining current income-producing businesses and by proactively attracting new ones when an existing business is closing. By maximizing La Palma's strengths and opportunities, as well as addressing

weaknesses and potential threats, by redefining staff roles and responsibilities, and by establishing a clear vision for economic development, the City of La Palma will be well positioned to respond to the changing needs of business well into the future.

OPPORTUNITY AREAS

Appendix A: Economic and Market Profile

DRAFT

RESOLUTION NO. 2024-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA
PALMA, CALIFORNIA, ESTABLISHING THE LA PALMA
ECONOMIC DEVELOPMENT OVERSIGHT TASK FORCE**

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LA PALMA, CALIFORNIA
DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. Establishment of Economic Development Oversight Task Force

There is hereby created an Economic Development Oversight Task Force which shall be a volunteer advisory group that informs the City Council and assists in implementation of various programs identified the City of La Palma Economic Development Plan 2030.

SECTION 2. Duties of the Economic Development Oversight Task Force

The Economic Development Oversight Task Force shall be responsible for and limited to the following duties:

- Review existing goals and policies of the City's General Plan Community Building Element related to economic development and long-term fiscal sustainability;
- Review the City of La Palma Economic Development Plan 2030 goals, policies, programs, and Action Plan;
- Assist in the oversight and implementation of programs identified in the Action Plan;
- Act as ambassadors to provide outreach, engagement, and education on behalf of the City of La Palma to the business community; and
- Provide an annual progress report to the City Council for review.

SECTION 3. Task Force Membership

A. The Task Force shall consist of a maximum of nine (9) volunteer members representing a wide variety of backgrounds, perspectives, and interests. Community members interested in participating on the Task Force shall submit a Statement of Interest (Exhibit A) to City staff. The Appointment Committee, consisting of the Mayor and Mayor Pro Tem, shall review and recommend Task Force candidates for City Council consideration by February 2025. At minimum, Task Force membership shall include:

- Two (2) City Council members
- One (1) Development and Circulation Committee member
- One (1) Community Activities and Beautification Committee member
- One (1) Business Owner Representative
- One (1) Commercial Property Owner Representative
- At-Large Representatives (1-3), preferably with commercial real estate, construction, and/or entrepreneurship experience

B. The Task Force shall elect a Chair and Vice-Chair.

- C. RESIGNATION. Any member of the Task Force may resign at any time by delivering written notice to the Chair and Staff Liaison. A resignation shall be effective when the notice is delivered to the Chair unless notice specifies a later date.
- D. DISMISSAL. Any member of the Task Force may be removed for three (3) unexcused absences.
- E. APPOINTMENT OF REPLACEMENT MEMBER. Upon the dismissal, resignation or incapacity of a Task Force member, the Mayor and Mayor Pro Tem shall appoint a replacement.

SECTION 4. Staff Assistance

The City Manager will allocate necessary technical and clerical assistance, including a Staff Liaison, to the Task Force subject to the City's priorities and workload.

SECTION 5. Compensation

Task Force members shall serve without compensation.

SECTION 6. Term of Task Force

The Task Force shall be established upon the adoption of this resolution and shall continue in effect until December 31, 2026. The Task Force shall provide an annual update to the City Council on the implementation of the Action Plan.

SECTION 7. Meetings of the Task Force

- A. REGULAR AND SPECIAL MEETINGS. The Task Force is expected to meet on a quarterly basis at a date, time, and location based on a survey of the availability of the Task Force Members.
- B. IN-PERSON PARTICIPATION. Members must attend in person to participate in a meeting.
- C. NOTICE OF MEETINGS. Notice of all scheduled Task Force meetings will be noticed and posted in accordance with the Brown Act.
- D. QUORUM. A quorum at any meeting shall consist of Task Force members who represent a simple majority of all members.
- E. VOTING. The Task Force shall attempt to make recommendations by consensus. Upon request of any member, a vote will be taken, in which case each member in attendance at the meeting shall be entitled to cast one vote. Votes may not be made by proxy. A routine matter will be approved by a simple majority of all votes cast.
- F. MINUTES. Action minutes shall be kept of Task Force meetings. Minutes shall be approved by the Task Force, and as approved shall be available to the public.

- G. The staff liaison designated to provide support to the Task Force shall be responsible for the maintenance and circulation of the minutes and agendas of the meetings, and preparation and mailing or delivery of all meeting notices, agendas, and materials to Task Force members.

SECTION 8. Certification

That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

APPROVED AND ADOPTED by the City Council of La Palma at a regular meeting on the 5th day of November, 2025.

Marshall Goodman
Mayor

ATTEST:

Kimberly Kenney, CMC
City Clerk

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

I, KIMBERLY KENNEY, City Clerk of the City of La Palma, California, DO HEREBY CERTIFY that the foregoing Resolution was adopted by the City Council of said City at a regular meeting of said City Council held on the 5th day of November, 2024, and that it was so adopted by called vote as follows:

AYES:

NOES:

Kimberly Kenney, CMC
City Clerk

EXHIBIT A



CITY OF LA PALMA ECONOMIC DEVELOPMENT OVERSIGHT TASK FORCE OVERVIEW AND RESPONSIBILITIES

OVERVIEW

The City of La Palma is forming an Economic Development Oversight Task Force to advise the City Council and assist in implementation of the La Palma Economic Development Plan 2030. Task Force members will be charged with: review existing goals and policies of the City's General Plan Community Building Element related to economic development and long-term fiscal sustainability; review the City of La Palma Economic Development Plan 2030 goals, policies, programs, and Action Plan; assist in the oversight and implementation of programs identified in the Action Plan; act as ambassadors to provide outreach, engagement, and education on behalf of the City of La Palma to the business community; and provide an annual progress report to the City Council for review.

The Task Force will consist of a maximum of nine (9) community members who represent a diversity of interests. The Task Force composition is outlined below:

- Two (2) City Council members
- One (1) Development and Circulation Committee member
- One (1) Community Activities and Beautification Committee member
- One (1) Business Owner Representative
- One (1) Commercial Property Owner Representative
- At-Large Representatives (1-3), preferably with commercial real estate, construction, and/or entrepreneurship experience

The City invites individuals interested in participating to submit a Statement of Interest to the City of La Palma Community Development Department for consideration. The Appointment Committee, consisting of the Mayor and Mayor Pro Tem, shall select the Task Force members using a range of available information including individual Statements of Interest, City Council recommendations, and consultation with groups and organizations. Interested persons who are not appointment are encouraged to attend the Task Force regular meetings and provide their input during the scheduled public comment period.

RESPONSIBILITIES

- Quarterly Task Force will be subject to the Brown Act, California's Open Meeting Law, and will hold regular, noticed public meetings. There will be time allotted on the agenda for public comments.
- Prior to each meeting, members are expected to review the agenda and Action Plan, and be ready to discuss key issues and opportunities with the group.
- Participation by members appointed to the Task Force is temporary and voluntary; the roles and responsibilities will terminate by December 31, 2026.
- Continuity and attendance for all Task Force meetings are important.



**CITY OF LA PALMA ECONOMIC DEVELOPMENT OVERSIGHT TASK FORCE
STATEMENT OF INTEREST**

Please email completed form to bdeines@cityoflapalma.org by 5:00 PM on December 5, 2024.

NAME:

MAILING ADDRESS:

PHONE NUMBER:

EMAIL ADDRESS:

ARE YOU A LA PALMA:

☐ **RESIDENT** ☐ **PROPERTY OWNER** ☐ **BUSINESS OWNER** ☐ **OTHER**_____

Please use the space below to briefly introduce yourself to the City of La Palma (100 words max). Why are you interested in serving on the Economic Development Oversight Task Force? How does your background or experience qualify you for this important role?



CITY OF LA PALMA
REQUEST FOR PROPOSALS
PROFESSIONAL CONSULTING SERVICES TO CONDUCT AN ECONOMIC AND MARKET ANALYSIS
NOVEMBER 2024

Notice is hereby given that the City of La Palma is requesting proposals from qualified firms or a consultant to prepare an Economic and Market Analysis to inform the City’s Economic Development Plan 2030.

Anticipated Schedule

The anticipated timeline for evaluating and selecting proposals is identified below. The City reserves the right to alter the schedule as needed.

ACTIVITY	DATES
RFP Release Date	November 11, 2024
Proposal Submittal Deadline	Thursday, December 12, 2024
Consultant Interviews	Week of December 16, 2024
Consultant Selection	TBD
City Council Approval of Contract	TBD

Proposals shall be submitted electronically via email **no later than Thursday, December 12, 2024 at 5:00 p.m.** labeled as “RFP – Economic and Market Analysis” and addressed to:

Belinda Deines
Community Development Manager
City of La Palma
7822 Walker Street
La Palma, CA 90623
(714) 690-3336
bdeines@cityoflapalma.org

The City of La Palma reserves the right to reject any and all proposals or portions thereof, to accept a proposal or portion thereof, and to waive minor technicalities.

Project Overview

The City of La Palma is issuing a Request for Proposal (RFP) to solicit and select a qualified firm or Consultant to conduct an economic and market analysis of La Palma and the Orange County region. Under the direction of the Community Development Manager, the consultant will provide economic and market

analysis needed to support the City's Economic Development Plan 2030 (draft available). This five-year plan will create a comprehensive and integrated approach to economic development that strengthens the City's economic base. The recommendations intend to support the City of La Palma's goals to: (1) enhance community development processes; (2) facilitate business attraction, retention, and expansion; and (3) promote marketing and communications outreach. Through the provision of services, the Consultant shall contribute toward the following deliverables:

- Create a site inventory to identify and evaluate opportunity sites, existing assets, and emerging industry clusters unique to La Palma to retain and evaluate potential business growth and expansion.
- Develop an economic dashboard of relevant demographics and statistics on La Palma. Key components will be updated on an annual basis by City staff.
- Support City staff in peer review and finalizing the development of the Plan. City staff will be the primary lead to develop and finalize the draft plan based on the economic analysis and community outreach.

Project Scope

The Consultant will prepare an economic and market analysis to support Community Development staff and the Economic Development/Land Use Ad-Hoc Subcommittee in updating its Economic Development Plan. The Consultant is expected to fulfill the following tasks, roles, and responsibilities:

- A. Review of existing City policies and programs, city departmental plans, general and specific plans, regional economic development plans, and other relevant documents.
- B. Create a site inventory to identify and evaluate opportunity sites, existing assets, and emerging industry clusters. Inventory to provide a common factual foundation for discussing trade-offs between various types of development in a limited number of opportunity areas.
 1. Quantify current and projected market demand for commercial, office, and industrial development for 5-, 10- and 20-year horizons.
 2. Provide retail market demand analysis with projected demand for retail stores, personal services, dining, lodging, entertainment, and commercial recreation.
 3. Identify strategies to capture leaked retail spending and attract more consumer spending from beyond the City.
 4. Include residential market demand analysis describing current residential market and the City's participation in the regional market.
 5. Analyze specific opportunity sites, including shopping centers, office buildings, and underutilized uses, as identified by City staff to determine future types of development that would be financially feasible.
- C. Develop an economic dashboard of existing economic conditions, relevant demographics, and statistics on La Palma including the following:
 1. Local demographics in neighborhoods within La Palma, City boundaries, Orange County, and regional levels including household income, education levels, unemployment patterns, commuting patterns, languages, etc.
 2. Market position analysis of City's strengths and competitiveness within the region.

3. Cluster examination and analysis of regional growth industries including the following: retail, manufacturing, and small businesses.
 4. Land use data and inventory to determine appropriate locations for both retaining and accommodating businesses.
 5. Business data including density, retail mix, ownership patterns, small business and industry cluster composition.
 6. Workforce characteristics including top 20 major employers, job classifications, employment clusters, wage rates and patterns.
 7. Gap analysis of existing retail and commercial businesses.
 8. Analysis of commercial and retail conditions including property inventory, vacancies, lease rates, industry leakage, and surplus.
 9. Additional local and/or regional data e.g. planning/zoning, land use, parcel data, transportation networks, etc. that may support economic growth within the City.
- D. Examination of community assets that data may not capture, e.g., community coalitions, networks, and other civic structures; arts and culture, community history, and entrepreneurial sources.

Submittal Requirements

Proposal Format

The Proposer shall submit via email an electronic PDF version of the proposal containing the following information in the format indicated below. Incomplete proposals and those not organized according to this format may be rejected. **Faxed proposals will be rejected.**

Response to this RFP must be in the form of a proposal package, which must be submitted in the following format:

1. **Cover Letter/Executive Summary:** Provide an overview of the proposal, its highlights, your firm's interest in the project, the proposed approach to successfully complete this project, and estimated time frame (limited to two (2) pages in length).
2. **Table of Contents:** All pages of the proposal, including the enclosures, must be clearly and consecutively numbered and correspond to the Table of Contents.
3. **List of Deliverables:** Provide a detailed list of project deliverables, specifying number of documents (draft and final) and meetings.
4. **Schedule:** The tentative project schedule (shown in weeks and months) shall identify specific tasks, milestones, and critical dates.
5. **Qualifications:** An outline of your firm's background, qualifications, and ability to perform the services required. Provide relevant information about the firm's capabilities, size, and range of services and length of time in existence.

6. **Key Personnel:** Include a list of all key personnel and anticipated supporting personnel, who will be assigned to perform services or be employed on the project. Brief resumes of the project manager, key personnel, and sub-consultants (if any) should be included as related to this project, their roles in the project, and a synopsis of their experience relevant to these roles. List firm experience separate from individual experience.
7. **Cost Proposal and Budget:** Please submit a budget showing costs for each deliverable and task of the project, and hourly billing rates for all the members of the team. Prices shall represent the cost of finished products and cost estimates shall identify expenditures for other incidental and administrative costs.
8. **References:** List five public sector clients including three of the most recent and relevant, with whom similar, comparable services have been performed. Provide a brief description of the service provided and the dates of the work provided.

Additional Information

Right to Reject Proposals

The City of La Palma reserves the right to reject any or all proposals, or any part of any proposal, to waive minor technicalities, or to solicit new proposals on the same project. Proposals may be rejected for any alterations of form, additions, or alternatives not requested, incomplete information, or irregularities of any kind.

Notification of Withdrawal of Proposals

Proposals may be modified or withdrawn prior to the time and date specified for proposal submission by formal written notice from an authorized representative of the Consultant. Proposals submitted will become property of the City of La Palma after the proposal submission deadline and may be released as a public document after that time.

Cost of Preparation of Proposal

The City of La Palma will not pay any costs incurred in the preparation, printing, interview, or negotiation process. All costs associated with preparing and presenting proposals shall be borne by the proposing Consultant.

Request for Proposals is Not a Commitment

This Request for proposals is not a contract or commitment of any kind by the City of La Palma and does not commit the City to award a contract or to pay any costs incurred in the submission of a proposal. All proposals will become the property of the City of La Palma.

City of La Palma

Agenda Item No. 19



MEETING DATE: November 5, 2024

TO: City Council

FROM: City Manager

SUBMITTED BY: Conal McNamara, City Manager

AGENDA TITLE: Good Governance Policy Discussion

RECOMMENDED ACTION:

Staff recommends that the City Council receive the report and provide direction to staff.

BACKGROUND:

At the February 12, 2024, goal setting meeting, the City Council directed staff to do the following under Goal 1: "Review and update the City Council Code of Conduct to reflect best practices, promote accountability, and support effective governance, particularly in anticipation of transitioning to district-based representation." Staff has prepared this report to initiate discussion so that the Council can make any desired changes or additions to our current policy.

DISCUSSION:

The City currently has two documents (see attachments) that address conduct:

Council Norms (under Council Policy #1):

City Council Norms are intended to guide City Council, City Manager and staff behavior in order to promote positive, productive, and effective public meetings, public business and organization. The Norms are also intended to inspire public trust in the City of La Palma and the services it provides. The Norms are part of a policy document that includes various topics such as: Public Meetings and Meeting Agendas, Speaker Cards and Public Testimony, Council Discussions Prior to Voting, City Council Comments and Reports, Reorganization, Interaction and Communication, Committees, Selection of the Mayor and the Mayor Pro Tem, Role of the Mayor, Travel and Meetings, Use of Stationery, and Accountability,

This policy consolidates and amends several prior policies relating to the conduct of City Council business including Travel and Meetings, Seating Arrangement of Council Members After Reorganization, Use of City Stationery by Council Members, Public Meetings and Meeting Agendas, Selection of Mayor and Mayor Pro Tem; Role of the Mayor, Council Norms, Speaker Cards, and Meals. This policy guides the smooth operations of the City Council and City organization and promotes a positive, productive, effective organization which inspires public trust in the City and in its services and activities. It represents a shared set of expectations on a variety of logistical issues. The

prior policies were originally adopted on December 15, 1987, January 17, 1989, August 7, 1990, August 16, 2005, August 16, 2005, August 16, 2005, December 19, 1995, May 3, 2005, respectively. This policy was amended on March 20, 2018.

In adopting these topics, the Council clearly wanted to promote efficient meetings but also ensure that proper decorum is followed when addressing day to day interactions with staff. City Council Norms address the roles and responsibilities of both Councilmembers and the City Manager with an emphasis on promoting efficiency and ensuring that both City Councilmembers and staff are proper stewards of the public's trust.

Code of Fair Campaign Practices:

The Code of Fair Campaign Practices is taken from the State election code as a recommendation from the Secretary of State for each candidate to follow. The Code is presented to each candidate to read and sign; however, adherence is strictly voluntary and does not apply after a candidate wins or loses office.

City of La Palma

The City of La Palma has a Council-Manager form of government where the City Council sets policy which the City Manager is responsible for implementing. The City Council hires the City Manager and City Attorney, while the City Manager is responsible for hiring all other staff. Because of the small staff size, maintaining a positive relationship between the City Council and staff is especially vital. Organizations to which the City belongs (through Councilmembers or staff) that lend support to good governance include the League of California Cities (CalCities) and the International City/County Management Association (ICMA), while there are other organizations to which the City does not currently belong, such as the Association of California Cities--Orange County (ACCOC), the California Contract Cities Association, and the Independent Cities Association (ICA) that offer similar support to Councilmembers and staff.

Both CalCities and ICMA discuss extensively the need for both good governance and positive working relationships between city councils and staff. At the most recent CalCities conference, a session with both City Councilmembers and City Managers focused specifically on this and discussed:

Attributes of High Performing Councils:

- True partnership among Councilmembers, City Manager, and staff
- Clarity and respect for roles and responsibilities
- Civility and respect for all
- Conduct effective meetings
- Hold each other and City Manager accountable
- Practice continual learning

Elements of Successful Council/Manager Relationships:

- Mayor, Councilmembers and City Manager develop a sense of team, working together in furtherance of common purpose
- The team values diversity of leadership style and perspective
- Clear and mutual understanding of respective roles, responsibilities and stated expectations

- Develop and sustain effective communication between the chief executive and governing board
- Trust is a crucial characteristic in any successful relationship and communication is essential for fostering trust

Revisiting good governance periodically is a worthwhile exercise to ensure that the Council and staff are clear about expectations and that the public understands the importance. Should the Council wish to modify the current Council Norms, staff would recommend that the dialogue begin with the above mentioned points. Staff also recommends that the Council continue with the following practices currently in place:

Governance:

- Make decisions that are in the strategic interest of the City
- Govern as a body and not as individuals
- Be consistent and transparent with policy and decision making
- When Councilmembers disagree, keep it professional and never personal
- Trust staff to do their jobs
- Ensure that the public addresses the Council collectively
- Meet with the City Manager as Councilmembers believe necessary to ensure you are receiving all the information you need

Financial Matters:

- Utilize outside funding sources whenever possible before using the City's General Fund
- Be conservative when estimating revenues and expenditures in preparation of the City's budget
- Ensure that the City maintains sufficient reserves in the event that a downturn occurs and funds are needed

Successful Council/Manager relations and good governance deliver positive results in a number of areas including organizational effectiveness, mutual success and fulfillment, positive staff morale, heightened accountability, enhanced community confidence, and successful community outcomes.

FISCAL IMPACT:

There is no fiscal impact associated with this discussion.

ATTACHMENTS:

1. Council Goals and Objectives 2024
2. City Council Policy 1 - Norms
3. Code of Conduct



CITY COUNCIL GOALS & OBJECTIVES 2024 - 25

www.CityOfLaPalma.org

La Palma's Vision

Pioneering Tomorrow's Success:
Building Community and
Creating Prosperity

Goal 1: Model municipal management excellence, fiscal discipline, and financial stewardship.

- Continue efforts to ensure succession planning throughout the organization.
- Continue to promote community engagement through avenues such as town hall meetings, a community survey, and/or miscellaneous outreach.
- Implement and document standard operating procedures (SOP) for fiscal practices to ensure ongoing financial stability and stewardship.
- Enhance the City's brand identity and image through initiatives such as updating signage and other visual elements to reflect a cohesive and modern aesthetic.
- Review and update the City Council Code of Conduct to reflect best practices, promote accountability, and support effective governance, particularly in anticipation of transitioning to district-based representation.





Goal 2: Maintain the City's low crime rate through continued investment in public safety best practices.

- (There were no specific objectives identified by the City Council but objectives could be identified during the budget process).

Goal 3: Create and maintain City assets, infrastructure, and neighborhoods to demonstrate municipal pride of ownership.

- Establish a neighborhood preservation ordinance (multi-year objective):
 - Residential Rentals
 - Sale of Properties
 - Ensuring Fees are Received to Cover Costs
 - Integrating with Code Enforcement
 - Review Rental Inspection Programs from Other Jurisdictions (e.g. Santa Ana)
 - Council to Ultimately Define Strictness of the Program
 - Ensure Continuity with Short Term Rental Ordinance
- Prioritize and expedite water treatment upgrades to address the issue of brown water manganese in the water supply system, ensuring water quality and public health.
- Improve the aesthetics and functionality of shopping centers within the City through the implementation of ordinances focused on capital improvements and code enforcement.
- Explore solar feasibility at City facilities.

Goal 4: Encourage business attraction, retention, and workforce development opportunities through a proactive Economic Development strategy.

- Develop and communicate clear, actionable goals for the Business Engagement Ad Hoc Committee on an annual basis to guide their focus and measure progress to attract and retain businesses.
- Study and enhance shopping centers to strengthen our fiscal stability and ensure that they fit the community's expectations for quality of life (multi-year objective).
- Foster synergy between the Business Engagement Ad Hoc Committee and the Economic Development Ad Hoc Committee to streamline efforts in attracting and retaining businesses.
- Continue the efforts of the Economic Development Ad Hoc Committee to enhance engagement with land and property owners in commercial and industrial areas to reassess land designations and zoning regulations, thereby optimizing opportunities for business attraction and retention.

Goal 5: Provide residents and visitors of all ages with community events that encourage citizen involvement, foster human development, promote physical and mental health, and strengthen community through people, parks, and programs.

- Develop a City event focused on bringing together families and youth.
- Ensure that all programs and services for the City's senior population are well-publicized, accessible, and that available funding opportunities are fully utilized.
- Incorporate mental and physical wellness activities into City events.
- Enhance and improve City/school relationship with all 5 of La Palma's schools.
- Explore increasing passive and active recreation space.



CITY OF LA PALMA

COUNCIL POLICY

NUMBER: 1

DATE (Adopted/Amended): March 20, 2018

SUBJECT: City Council Norms

POLICY:

General

City Council Norms are intended to guide City Council, City Manager and staff behavior in order to promote positive, productive, and effective public meetings, public business and organization. The Norms are also intended to inspire public trust in the City of La Palma and the services it provides.

Public Meetings and Meeting Agendas

Public meetings shall be for the purpose of conducting City business and/or educating the citizens. They are not “show time” for individual Council Members. Council Members are expected to focus on the business at hand and on giving their full attention to the public.

The City Manager and staff are responsible for formulating agendas for public meetings. The Consent Calendar shall be used for routine City business items and items already approved in the City Budget. The City Manager shall exercise judgment in determining whether an item is appropriate for the Consent Calendar. Council Members may request items be placed on a meeting agenda at any time and should indicate whether or not they wish a written staff report prepared. Such requests are encouraged to be announced under “Council Reports and Comments” in order to alert the full City Council to the request and to determine the estimated staff time required to research the item.

Items may also be “pulled” from an agenda for a public meeting. Any Council Member may pull any agenda item at any time during a public meeting, particularly when something new comes up or more information is needed. Council Members are encouraged to contact the City Manager in advance to ask questions, get clarification, or discuss any agenda item. Council Members planning to pull or ask questions publicly about an agenda item should notify the City Manager in advance to inform her/him of their intent and the reasons for it. To the extent possible, Council Members should indicate the questions they plan to ask to allow staff to prepare, including doing any additional research. Staff recognizes that sometimes questions arise in the course of discussion where such notice is not practical. Corrections to minutes should be shared with the City Manager or City Clerk before the meeting so that they can be corrected before the City Council approves them.

Speaker Cards and Public Testimony

For clarity and transparency in the official record, and to facilitate follow up with the speaker if needed, members of the public wishing to address the City Council, Planning Commission or Successor Agency, shall be requested to complete a speaker card. Completion of the card is voluntary. The speaker will be encouraged by the Mayor/Chair to complete the card in advance of the item the speaker wishes to discuss before the elected body.

Speaker cards shall be available in the lobby prior to every City Council meeting. Cards shall be delivered by the City Clerk to the Mayor/Chair in chronological order based on when they were received and based upon which item on the agenda the individual wishes to address. The Mayor/Chair will invite speakers to announce their name and city of residence for the record, if they so choose, when they come to the microphone. The Mayor/Chair shall return all cards to the City Clerk at the conclusion of the meeting for the official record.

Speakers will be asked to adhere to a five-minute time limit and may not transfer unused portions of that time to another speaker. The Mayor/Chair has discretion to permit additional time to individuals in order to rebut testimony. Large groups are encouraged to designate a spokesperson to speak on their behalf and the Mayor/Chair has discretion in such situations to grant the spokesperson additional time in lieu of multiple speakers. The Mayor/Chair also has the discretion to reduce the time limit if there are a large number of speakers anticipated.

Council Discussions Prior to Voting

Council discussions are designed to allow Council Members to express their views and opinions prior to taking a vote. Council Members should state their reasons for their positions. As a general rule, the Mayor should allow other Council Members to speak before giving his or her opinion. When it appears that the City Council lacks consensus or is “stuck” in determining a course of action, the City Manager may offer assistance upon the request of the City Council.

City Council Comments and Reports

Time is provided on each agenda for individual Council Members to report on activities relevant to the business of the City, including their service on regional boards and committees.

Reorganization – Seating, Selection of Mayor and Mayor Pro Tem

After reorganization of the City Council, the Mayor shall be seated in the center and other City Council Members shall be seated in alphabetical order (left to right when viewing the public). Council Members other than the Mayor may trade seats if mutually agreed. Council Members wishing to trade seats should make such arrangements in advance of the meeting in order to facilitate the efficiency of the reorganization process.

Interaction and Communication

Public confidence in the City of La Palma depends upon the behaviors and interactions of its elected leaders. City Council Members shall strive to show courtesy and respect for one another in all public settings. One way to demonstrate this is through flexibility in covering for each other and explaining each other's absences to the public when appropriate.

Public confidence also depends on the interactions of its elected leaders with the City Manager and staff and effective communications are essential to staff effectiveness. In general, Council Members should call the City Manager before going to the Department Director. Council Members should always go through the City Manager to direct staff to do research on items. Council Members can go directly to department directors for answers to simple questions. Answers to individual Council Member inquiries of common interest will be shared with the City Council through the City Manager's weekly report.

When Council Members email Directors or staff for information, they should copy the City Manager as a courtesy. Directors are also responsible for keeping the City Manager informed of any communication with City Council Members. If a Council Member has a concern about, or is unhappy with, a City employee, he or she shall discuss it directly with the City Manager and Council Members shall not criticize staff in public. The City Manager is responsible for informing the City Council whenever an unusual event occurs that the public would be concerned about (ex. significant safety event). The City Council, City Manager and staff shall not blindside each other in public.

Citizen complaints should be referred to staff with adequate time for response. Staff will report back to the City Council through the City Manager on the resolution of citizen complaints and when a written response has been requested or as appropriate, staff will assist the Mayor or Council Member in drafting an appropriate response.

Committees

The City Council may create external committees, internal standing committees, or ad hoc subcommittees.

1. Internal Standing Committees – The Mayor has authority to create or suspend internal standing committees when it is determined that a standing committee is required or no longer required.
2. For external committees and internal standing committees, the appointment process will be placed on the agenda, usually at the first meeting following a reorganization of the City Council, and the City Council will confer about each of the committee positions. Council Members are encouraged to openly discuss their desires and availability for each position. Appointments are made by mutual consent of all Council Members. In the event of multiple nominees for a specific position, a roll call vote will be taken using the following process:
 - a. Mayor will entertain nominations for the contested position. No second is required and Council Members may nominate themselves.
 - b. A motion is made to close the nominations and nominees will then be voted on in the order received by the Mayor until someone is selected. Once a nominee receives a majority vote, the election stops.
3. Ad Hoc Committees – The Mayor has authority to create, suspend, and appoint members to ad hoc subcommittees after determining individual Council Member interest.
4. Committee and subcommittee members are responsible for keeping the rest of the Council informed; other Council Members are responsible for letting subcommittee members know if they want more information.
5. Committee and subcommittee members will refrain from giving mixed direction to staff. When there is a disagreement between committee or subcommittee members, staff will be excused from the discussion or from implementing direction until such time as the disagreement has been resolved.

Selection of the Mayor and Mayor Pro Tem

Council Members wishing to be considered for Mayor or Mayor Pro Tem should express their interest to the other members. Procedures for selection of the Mayor and Mayor Pro Tem shall be per Rosenberg's Rules of Order. Mayor Pro Tem is not a natural ascendancy to Mayor. The Mayor and Mayor Pro Tem are peers of, and serve at the pleasure of, the other Council Members.

Role of the Mayor

The Mayor serves as the primary elected spokesperson for the City of La Palma. As such, the Mayor presides at public meetings, represents the City Council at events and activities in the community and is available to respond to requests for appearances from community organizations. The Mayor has no more or less official authority than any other Council Member.

At public meetings, the Mayor:

1. Will do his or her best to keep things moving;

2. Will pay attention to the consensus of the entire Council and will assist in building consensus among Council Members when necessary;
3. May use discretion to allow citizens to speak longer than the allotted five minutes and shall ensure that fairness prevails and speaking time is balanced for all speakers;
4. Shall encourage large groups coming to a public meeting to designate one spokesperson and has discretion to allow that spokesperson more than five minutes to speak in lieu of multiple speakers; and,
5. Shall remind citizens to show respect for the City Council and staff, when necessary.

Travel and Meetings

Attendance at conferences, seminars, or meetings of benefit to the City is encouraged within the limitations of budgeted appropriations. Monies shall be budgeted each fiscal year for City Council Members to attend conferences, monthly meetings, meetings required due to internal or external committee appointments, and for miscellaneous meetings and trainings including such events as attendance at the Americana Awards and City Council goal setting. Miscellaneous meetings and training monies are intended to be allocated somewhat equally to each City Council Member as they see fit, within the limitations of the total travel fund allocation. Council Members can also make requests to the full City Council for additional funds. Travel and registration arrangements are made through the City Manager's Executive Assistant.

Only expenses that have been incurred from authorized travel and meetings will be considered for reimbursement. Expenses incurred include items for the individual City Council Member only such as registration fees, hotel charges, mileage, airfare, car rental, meals and similar expenses. Any charges for a second person, such as an added charge on a hotel room, are the responsibility of the Council Member and are not reimbursable. Rates for reimbursement shall be as established in administrative policy and require completion of the administrative reimbursement form.

For extensive travel expenses, an advance may be authorized with the filing of an estimate of expenses with supporting documentation. Meals reimbursement may be for actual cost (receipts required) or via a per diem rate (no receipts required) and any meals covered in conference registration shall be deducted.

Use of Stationary

Use of City stationary by the City Council shall be limited to the following:

1. Used by the Mayor at the direction of the full City Council, such as for communicating legislative positions taken by the Council.
2. Used by the Mayor or any Council Member for the purpose of thanking citizens or groups, extending invitations to City-sponsored events, extending congratulations to persons or groups to note achievements, or to answer correspondence sent by constituents.

Accountability

The City Manager is responsible for holding staff accountable for adherence to the City Council norms. The City Council members are responsible for holding each other accountable for adherence to the City Council norms.

BACKGROUND:

This policy consolidates and amends several prior policies relating to the conduct of City Council business including Travel and Meetings, Seating Arrangement of Council Members After Reorganization, Use of City Stationary by Council Members, Public Meetings and Meeting Agendas, Selection of Mayor and Mayor Pro Tem; Role of the Mayor, Council Norms, Speaker Cards, and Meals.

This policy guides the smooth operations of the City Council and City organization and promotes a positive, productive, effective organization which inspires public trust in the City and in its services and activities. It represents a shared set of expectations on a variety of logistical issues. The prior policies were originally adopted on December 15, 1987, January 17, 1989, August 7, 1990, August 16, 2005, August 16, 2005, August 16, 2005, December 19, 1995, May 3, 2005, respectively. This policy was amended on March 20, 2018.

REVIEW:

This policy is to be reviewed as needed.



California Secretary of State CODE OF FAIR CAMPAIGN PRACTICES (ELECTIONS CODE § 20440)

There are basic principles of decency, honesty, and fair play which every candidate for public office in the State of California has a moral obligation to observe and uphold in order that, after vigorously contested but fairly conducted campaigns, our citizens may exercise their constitutional right to a free and untrammelled choice and the will of the people may be fully and clearly expressed on the issues.

THEREFORE:

- (1) I SHALL CONDUCT my campaign openly and publicly, discussing the issues as I see them, presenting my record and policies with sincerity and frankness, and criticizing without fear or favor the record and policies of my opponents or political parties that merit this criticism.
- (2) I SHALL NOT USE OR PERMIT the use of character defamation, whispering campaigns, libel, slander, or scurrilous attacks on any candidate or his or her personal or family life.
- (3) I SHALL NOT USE OR PERMIT any appeal to negative prejudice based on a candidate's actual or perceived race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age, sexual orientation, sex, including gender identity, or any other characteristic set forth in Section 12940 of the Government Code, or association with another person who has any of the actual or perceived characteristics set forth in Section 12940 of the Government Code.
- (4) I SHALL NOT USE OR PERMIT any dishonest or unethical practice that tends to corrupt or undermine our American system of free elections, or that hampers or prevents the full and free expression of the will of the voters including acts intended to hinder or prevent any eligible person from registering to vote, enrolling to vote, or voting.
- (5) I SHALL NOT coerce election help or campaign contributions for myself or for any other candidate from my employees.
- (6) I SHALL IMMEDIATELY AND PUBLICLY REPUDIATE support deriving from any individual or group that resorts, on behalf of my candidacy or in opposition to that of my opponent, to the methods and tactics that I condemn. I shall accept responsibility to take firm action against any subordinate who violates any provision of this code or the laws governing elections.
- (7) I SHALL DEFEND AND UPHOLD the right of every qualified American voter to full and equal participation in the electoral process.

I, the undersigned, candidate for election to public office in the State of California or treasurer or chairperson of a committee making any independent expenditures, hereby voluntarily endorse, subscribe to, and solemnly pledge myself to conduct my campaign in accordance with the above principles and practices.”

Date	Signature

(Amended by Stats. 2006, Ch. 551, Sec. 2. Effective January 1, 2007.)

City of La Palma

Agenda Item No. 20



MEETING DATE: November 5, 2024

TO: City Council

FROM: City Manager

SUBMITTED BY: Council Member Janet Keo Conklin

AGENDA TITLE: Council Member Request: La Palma Chamber of Commerce Presentation

RECOMMENDED ACTION:

It is recommended that the City Council consider Council Member Keo Conklin's request to receive the presentation and discuss the La Palma Chamber of Commerce.

BACKGROUND:

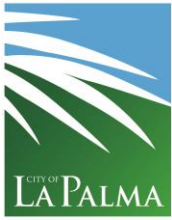
During Council Member Keo Conklin's AB 1234 report on October 1, 2024, she asked staff to place an item on the next City Council Meeting Agenda to discuss the La Palma Chamber of Commerce.

FISCAL IMPACT:

There is no fiscal impact at this time. Based on the discussion and direction to staff, there may be future budgetary impacts.

ATTACHMENTS:

1. Council Member Request



City Council Member Request

From: Janet Keo Conklin

Date: 10/3/24

Agenda Item Requested? Yes ☒ No ☐

Staff Research Requested? Yes ☐ No ☒

Request

(Please describe the request and its purpose, context, or other information that may be helpful.):

To present the La Palma Chamber of Commerce. The importance of working collabartively with the city
& gaining the support.. This is an open discussion and dialogue to the Mayor and Councilmembers
so we can take action to support or not to support the newly formed La Palma Chamber.

Desired Timeline for Completion:

☐ Within one week ☐ Within two weeks ☒ Within one month

☐ Within two months ☐ Within three months ☐ Within six months

Other/Specific date For November 5th, 2024 council meeting

Level of Priority (in relationship to established goals and priorities):

☒ Request is related to or expands upon existing goals

Which one? Economic development & Business promotion

☐ Request is new, not related to existing goals