

Table of Contents

City Council Agenda Packet, Monday, March 2, 2026

	Agenda	1
	Agenda Items	
	PRESENTATIONS	
	Women's History Month Proclamation	
	Irish American Heritage Month Proclamation	
	CONSENT CALENDAR	
1.	Council Minutes of the February 2, 2026 Closed Session and Regular meeting	6
2.	Register of Audited Demands	13
3.	Quarterly Status Update - Pilot Project Adding Three Firefighter Positions	23
4.	Approval of Amendment to PSA with LSA For Environmental Services & First Amendment with Lewis Mgmt Corp	27
	PUBLIC HEARINGS - None	
	DISCUSSION CALENDAR	
5.	RESO Opposing the LA County Healthcare Funding Restoration Act and Sales Tax Increase	44
6.	Consideration of Historical Civic Engagement Opportunities - Route 66 Centennial and US Semiquincentennial	53
7.	Review and Approval of Revision to Admin Reg No. 215 (Investment Policy) and Received/File Admin Reg-Fund Loan Policy	57



CITY OF LA VERNE

COUNCIL REGULAR MEETING AGENDA

Tim Hepburn, Mayor

Wendy Lau, Council Member
Steven Frank Johnson, Council Member

Rick Crosby, Council Member
Meshal "Kash" Kashifalghita, Mayor Pro Tem

Monday, March 2, 2026
Closed Session at 5:30 PM
Regular Meeting at 6:30 PM
La Verne City Hall - Council Chambers,
3660 D Street, La Verne, CA 91750

In compliance with the American Disabilities Act, any person with a disability who requires a modification or accommodation to participate in a meeting should contact the City Clerk's Office at (909) 596-8726 at least 48 hours prior to the meeting. Regular Meetings are held on the 1st and 3rd Monday of every month.

Individuals can email their comments to the City Clerk's Office at cityclerk@LaVerneCA.gov up to noon on the day of the meeting. Those comments will be shared with City Council in advance of the City Council meeting and included as part of the permanent record. **Please be advised that public comments submitted by emails or any other format to the City are public records that will be made available for public viewing.**

Individuals who wish to share their comments with Council during the meeting may do so in a variety of ways:

- Attend the City Council Meeting in person and fill out a comment card or raise your hand to request to comment on the current agenda item(s).
- Participate via Zoom, by visiting www.LaVerneCA.gov/zoom where you will be automatically redirected to the meeting or call into the meeting via phone **1-669-900-6833** and enter **ID 861 4191 7155** when prompted. Public comments via Zoom may be accepted for the agenda items listed within the **Consent Calendar, Public Hearing** and **Discussion Calendar** sections of the agenda. Zoom participants who violate decorum protocols will be called to order by the presiding officer and if a violation continues, will be muted by direction of the presiding officer.
- Once items are considered by the City Council, no further public comment on that matter will be accepted. A time limit of 3-minutes is set for all public comments.

Council Meeting Decorum: Per the City's Rules for Decorum, all Speakers and Members of the Audience are to conduct themselves with decorum and not engage in willful conduct which interrupts the meeting or with the orderly conduct of the meeting.

CLOSED SESSION AGENDA - 5:30 PM

CALL TO ORDER

ROLL CALL

Council Member Steven F. Johnson, Council Member Wendy Lau, Council Member Rick Crosby, Mayor Pro Tem Meshal "Kash" Kashifalghita, and Mayor Tim Hepburn.

CLOSED SESSION TOPIC**Conference with Labor Negotiators, pursuant to Government Code Section 54957.6:**

Negotiators: City Manager, Assistant City Manager, and City Attorney.

Employee Organization(s): La Verne City Employees Association, La Verne Fire Association, La Verne Fire Middle Management Association, La Verne Police Middle Management Association, and all Unrepresented Employees.

The City Council will recess and reconvene at 6:30 PM for the regularly scheduled City Council meeting.

REGULAR CITY COUNCIL MEETING - 6:30 PM**PLEDGE OF ALLEGIANCE - AIR FORCE, TECHNICAL SARGENT (E-6) ALBERTO JIMENEZ****ROLL CALL**

Council Member Steven F. Johnson, Council Member Wendy Lau, Council Member Rick Crosby, Mayor Pro Tem Meshal "Kash" Kashifalghita, and Mayor Tim Hepburn.

PRESENTATIONS

Women's History Month Proclamation - Women's History Month is an annual observance to highlight the contribution of women to events in history and contemporary society.

Irish American History Month Proclamation - Irish American Heritage Month is a celebration every March that highlights the rich culture and historical contributions of Irish Americans throughout the United States.

ANNOUNCEMENTS OF UPCOMING COMMUNITY EVENTS

(Any person who wishes to make a brief announcement of a future community event that is open to the public may do so at this time.)

CONSENT CALENDAR

(All items on the Consent Calendar are routine and will be enacted by one motion unless a member of the Council or member of the audience requests separate discussion.)

1. City Council Minutes of the Closed Session & Regular meeting of 02/17/26.

Recommendation: That the City Council approve the minutes.

2. Register of Audited Demands in the amount of \$732,705.23, dated 02/04/26, and in the amount of \$1,680,970.67, dated 02/11/26, and in the amount of \$546,692.38, dated 02/18/26.

Recommendation: That the City Council approve the audited demands.

3. Quarterly Status Update - Pilot Project Adding Three Firefighter Positions. This report provides a quarterly update on the two-year pilot project authorizing the addition of three full-time

against the goals outlined in the original staff report.

Recommendation: That the City Council receive and file this quarterly status update on the Fire Department's two-year pilot project adding three firefighter positions to improve staffing efficiency and reduce overtime requirements.

- 4. Approval of an Amendment to the Professional Service Agreement with LSA for Environmental Services and First Amendment to Agreement with Lewis Management Corp. for Reimbursement of Environmental Services Relating to 3960 Fruit Street (Villages at Legacy Green Project).** LSA Associates, Inc. (LSA) is under contract with the City of La Verne to prepare technical environmental studies for a proposed residential project on the former Lutheran High School site. As preparation of the technical studies progressed, it was determined that a full Environmental Impact Report (EIR) is required pursuant to the California Environmental Quality Act. As a result of this change, LSA has submitted a contract amendment for additional costs and staff is also proposing an amendment to the Reimbursement Agreement with Lewis Management Corp.

Recommendation: That the City Council:

1. Approve Contract Amendment No. 2 to the Professional Service Agreement with LSA Associates, Inc., to perform CEQA services related to the Villages at Legacy Green development project; and
2. Approve the First Amendment to the Reimbursement Agreement with Lewis Management Corp. for full reimbursement.

PUBLIC HEARINGS - NONE

DISCUSSION CALENDAR

- 5. Consideration of a Resolution Opposing the Los Angeles County Healthcare Funding Restoration Act and Sales Tax Increase.** Los Angeles County has placed a proposed ½-cent general sales tax measure on the June Primary ballot to support healthcare services, and the City of La Verne has formally opposed the measure, listing concerns about increased tax burdens on residents and businesses, reduced local fiscal flexibility, lack of guaranteed proportional return of funds, potential economic impacts, and questions regarding transparency and oversight.

Recommendation: That the City Council approve a Resolution titled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA VERNE, CALIFORNIA, OPPOSING THE LOS ANGELES COUNTY "HEALTHCARE FUNDING RESTORATION ACT" COUNTYWIDE SALES TAX MEASURE."

- 6. Consideration of Historical Civic Engagement Opportunities - Route 66 Centennial and United States Semiquincentennial.** 2026 marks a significant milestone in United States history, commemorating the nation's Semiquincentennial, or 250th Anniversary, and the celebration of the centennial of Route 66. To maximize opportunities associated with these historic celebrations, City staff is seeking direction from the City Council regarding potential programs, events, and initiatives to recognize and celebrate these milestones.

Recommendation: That the City Council provide direction to City staff regarding potential programs, events, and initiatives to celebrate and recognize the nation's Semiquincentennial and

the centennial of Route 66.

- 7. Review and Approval of Revisions to Administrative Regulation No. 215 (Investment Policy) and Receive and File Administrative Regulation – Fund Loan Policy.** Consideration of approval of revisions to Administrative Regulation No. 215 (Investment Policy) pursuant to California Government Code Section 53646 and receive and file of the Administrative Regulation – Fund Loan Policy, with direction to the City Manager to finalize and implement the Administrative Regulation.

Recommendation: That the City Council:

1. Review and approve revisions to Administrative Regulation No. 215 (Investment Policy) pursuant to California Government Code Section 53646; and
2. Receive and file the Administrative Regulation – Fund Loan Policy and direct the City Manager to finalize and implement the Administrative Regulation.

PUBLIC COMMENTS

This is the time set aside for anyone wishing to address the City Council on items not listed in any other place on the agenda and within the subject matter jurisdiction of the City Council. Under the provisions of the Brown Act, the legislative body is prohibited from talking or engaging in discussion on any item not appearing on the posted agenda. However, your concerns may be referred to staff or set for discussion later. Please email your public comment to the City Clerk's Office at cityclerk@LaVerneCA.gov. Your public comment will be shared with the City Council and included as part of the permanent record. There is a 3-minute time limit on public comments.

COUNCIL COMMENTS AND CONFERENCE/MEETING REPORTS

Each Council Member may address the Council and public on matters of general information and/or concern. This is also the time for Council Members to report on conferences and/or meetings they have attended per Assembly Bill 1234.

ADJOURNMENT

**THE NEXT MEETING OF THE LA VERNE CITY COUNCIL IS SCHEDULED FOR
MONDAY, MARCH 16, 2026, CLOSED/STUDY SESSION AT 5:30 P.M., REGULAR
MEETING AT 6:30 PM.**

Posting Statement: A true copy of this Agenda was posted on February 24, 2026, on the bulletin board at La Verne City Hall, 3660 D Street, La Verne, and on the City's website at www.LaVerneCA.gov.

RESIDENT INFORMATION

UPCOMING EVENTS AND MEETINGS

Monday, March 2 - Spring Coloring Contest Begins, entries due by March 23, at 5:30 pm

Tuesday, March 3 - Development Review Committee meeting, City Hall, 9:00 am

Monday, March 9 - Heritage Foundation Spring Squeeze, Heritage Park, 9:00 am

Monday, March 9 - Senior Movie Matinee, Community Center, 12:30 pm

Wednesday, March 11 - Public Financing Authority (EIFD) meeting, City Hall, 9:00 am

Wednesday, March 11 - Planning Commission meeting, City Hall, 6:30 pm

Saturday, March 14 - Heritage Foundation Spring Squeeze Vendor Faire, Heritage Park,
10:00 am - 3:00 pm

Monday, March 16 - City Council meeting, City Hall, 5:30 Closed/Study Session, 6:30
Regular meeting

Wednesday, March 18 - Senior Advisory Committee meeting, Community Center, 10:00 am

Tuesday, March 24 - Youth & Family Action Subcommittee meeting, City Hall, 5:00 pm

Saturday, March 28 - Eggcellent Adventure, Heritage Park, 9:00 am



CITY OF LA VERNE

MINUTES OF THE CLOSED SESSION & REGULAR MEETING OF FEBRUARY 17, 2026

ACTION MINUTES “SEE ITALICS”

CLOSED SESSION AGENDA - 5:30 PM

CALL TO ORDER - *meeting called to order at 5:30 PM*

ROLL CALL Council Member Steven F. Johnson, Council Member Wendy Lau, Council Member Rick Crosby, Mayor Pro Tem Meshal “Kash” Kashifalghita, and Mayor Tim Hepburn.

Council Members Present: Crosby, Johnson, Lau, Kashifalghita, and Hepburn.

Council Members Absent: None

Advisory Staff Present: City Manager Domer, Assistant City Manager Ranells, and Assistant City Attorney Ivy Tsai.

Assistant City Attorney Tsai read the closed session items for the record. It is anticipated there will be no report out.

Conference with Labor Negotiators, pursuant to Government Code Section 54957.6:

Negotiators: City Manager, Assistant City Manager, and City Attorney.

Employee Organization(s): La Verne City Employees Association, La Verne Fire Middle Management Association, La Verne Police Middle Management Association, and all Unrepresented Employees.

Conference with Legal Counsel, Existing Litigation pursuant to California Government Code section 54956.9(d) One (1) case: Alejandro v. City of La Verne, et al., Los Angeles Superior Court Case No. 24PSCV02330.

Mayor Hepburn called for Public Comment: There was none

The City Council recessed to Closed Session at 5:32 PM and from Closed Session at 6:05 pm, to reconvene at 6:30 PM for the regularly scheduled City Council meeting.

REGULAR CITY COUNCIL MEETING - 6:30 PM – *meeting was called to order at 6:32 PM.*

PLEDGE OF ALLEGIANCE - MARINE CORPORAL DAVID COFFEY

Mayor Pro Tem Kashifalghita, on behalf of the City Council, presented David with a Pride of La Verne certificate.

ROLL CALL Council Member Steven F. Johnson, Council Member Wendy Lau, Council Member Rick Crosby, Mayor Pro Tem Meshal “Kash” Kashifalghita, and Mayor Tim Hepburn.

Council Members Present: Crosby, Johnson, Lau, Kashifalghita, and Hepburn.

Council Members Absent: None

Advisory Staff Present: City Manager Domer, Assistant City Manager Ranells, and Assistant City Attorney Ivy Tsai

PRESENTATIONS

La Verne Emergency Communications Team (LECT) Volunteer Recognition - Recognition of volunteers who have dedicated more than three decades of exceptional service to the La Verne Police Department.

Council presented Kathy and David Macchia with a Pride of La Verne certificate.

Black History Month Proclamation - Every February, National Black History Month serves as both a celebration of the achievements of African Americans and a recognition of the central role they play in the nation's development.

Council presented the ULV Alpha Phi Alpha Fraternity with the Black History Month Proclamation.

Community Design Awards - The City of La Verne Community Design Awards (LVFDA) recognizes outstanding achievements in project development. It takes considerable effort to design a project, calling for cooperation between the applicants, owners, architects, contractors, and city staff for successful implementation. Realizing this, the City Council would like to award those projects that merit recognition for excellence in design and compliance with the General Plan policies to protect and promote La Verne's unique character by encouraging distinctive development through architectural quality and people-oriented design.

Council presented the following Community Design Awards:

Interior Design: Carpiaux Family Orthodontics - Weston Carpiaux and Leos Studios-Mario Villalobos

Commercial & Interior Design: Hotworx - Stella Pak and Orange Fish Sushi - Igna Saputra

Residential: Verdana I & Verdana II - Brandywine Homes

Residential and Landscape: The Felix Residence - Kenneth Felix

Residential and Public Art: Heritage on First - Victor Lockett

Industrial: White Industrial-Chalmer Corporation

ANNOUNCEMENTS OF UPCOMING COMMUNITY EVENTS

(Any person who wishes to make a brief announcement of a future community event that is open to the public may do so at this time.)

Public comments were received from: ***Tom Cornicelli LV Library, Sherry Best LV Historical Society, Raymond Swain, Deborah Carder Chamber of Commerce Board Member, and Frank Guzman Pomona Valley Pride Director.***

Council Comments: *Mayor Pro Tem Kashifalghita wished Mayor Hepburn a Happy Birthday.*

CONSENT CALENDAR

(All items on the Consent Calendar are routine and will be enacted by one motion unless a member of the Council or member of the audience requests separate discussion.)

Consent item #3 was pulled for further comment, it was then moved by Crosby, seconded by Lau to approve consent calendar items 1, 2, 4, 5 & 6 these items were approved by a vote of 5-0.

1. City Council Minutes of the Closed Session & Regular meeting of February 2, 2026.

Recommendation: That the City Council approve the minutes. *Approved*

2. Register of Audited Demands in the amount of \$2,043,245.20, dated January 28, 2026.

Recommendation: That the City Council approved the audited demands. *Approved*

3. Irish-American Heritage Month Proclamation Request. Richard Bowen, La Verne resident, is requesting City Council approval to present a proclamation in March recognizing Irish-American Heritage Month. Irish-American Heritage Month is celebrated every March in the United States to honor the significant contributions of Irish immigrants and their descendants to American society, coinciding with St. Patrick's Day to recognize their cultural impact, from politics and arts to community building.

Recommendation: That the City Council approve presenting a proclamation for Irish-American Heritage Month at the March 2 City Council meeting.

After a brief discussion this item was approved by a vote of 5-0, moved by Johnson, seconded by Kashifalghita.

4. Award of Contract to Fraijo Brothers Inc., in the amount of \$266,206.00 for Amherst Treatment Plant Pre-Filter Replacement Project. This action will award a construction contract to Fraijo Brothers Inc., in the amount of \$266,206.00 for the Amherst Treatment Plant Pre-Filter Replacement Project (CIP Project No. WT2502). The project was budgeted in Fiscal Year 2025-26 at \$318,000, using Water Capital Improvement Funds. The scope of the project includes the replacement of old treatment filters at the Amherst Treatment Plan with a newer filtering system.

Recommendation: That the City Council:

1. Award a City Attorney approved to form public works construction contract to Fraijo Brothers Inc., the lowest, most responsible bidder, in the amount of \$266,206.00 for the Amherst Treatment Plant Pre-Filter Replacement Project;
2. Authorize the City Manager, or designee, to issue change orders not exceeding 10% of the construction budget for a total possible construction contract cost of \$292,826.60; and
3. Authorize staff to issue a purchase order in the amount of \$18,500 to CivilTEC, the City's utility engineer, to provide construction management services during the project.

All recommendations were approved as stated above.

5. **Metro A-Line (Formerly Gold Line) Transit Oriented Development Bridge, Grant of Easement from Los Angeles County Fairplex Association Acceptance.** The proposed pedestrian bridge crossing over Arrow Highway providing connection between the La Verne A-Line Station and the Fairplex Campus will require easements for the portion of the facilities that land on the adjoining properties. Discussions with the Los Angeles County Fairplex Association have recently reached a conclusion, and they have offered a grant of easement for the project.

Recommendation: That the City Council adopt a resolution accepting the permanent easement from the Los Angeles County Fairplex Association for the purpose of the Transit Oriented Development Pedestrian Bridge Project. *Approved*

6. **Special Event Agreement for Car Shows.** Agreement with Flying Deuces to promote and organize two car shows in Old Town La Verne in 2026.

Recommendation: That the City Council approve the draft agreement, in a form substantially as attached, and authorize a waiver of fees, along with the use of City personnel, equipment, and materials, for two car show events to be held in Old Town La Verne in Spring and Fall 2026. *Approved*

PUBLIC HEARINGS

7. **Resolution Renewing the La Verne Police Department's AB 481 Military Equipment Policy and reaffirming the provisions of Ordinance No. 1115.** Adopt a Resolution renewing the La Verne Police Department's AB 481 Military Equipment Policy and reaffirming the provisions of Section 9.10.010 010 - Military Equipment Use Policy to the La Verne Municipal Code (Ord. No. 1115).

Recommendation: That the City Council receive and file the staff report and adopt a Resolution approving the continuance of the La Verne Police Department Policy 701 and affirming the provisions of Ordinance No. 1115 as required pursuant to AB 481.

Mayor Hepburn opened the Public Hearing and Captain Tibbetts reported on this item.

Council Comments: None

Public Comments: None

It was moved by Kashifalghita, seconded by Crosby, and approved by a vote of 5-0.

8. **Weed Abatement Protest Hearing.** On February 2, 2026, the City Council adopted Resolution No. 26-05, accepting the Declaration List of Properties which has been found by inspections to have growing weeds or brush and /or rubbish. This item is the opportunity to hear protests from affected property owners.

Mayor Hepburn opened the Public Hearing and, due to a conflict-of-interest, Council Member Johnson recused himself. Fire Chief Coatney presented the item and introduced LA County Inspector Nanette Cardenas.

Council Comments: Mayor Hepburn thanked the Scouts that have done several projects on trailheads, cleaning up and signage.

Public Comments: None

It was moved by Kashifalghita, seconded by Lau, and approved by a vote of 4-0, with Johnson recusing himself.

DISCUSSION CALENDAR

9. **Contract Award For The City of La Verne Fire Station No. 1 Living Quarters Gender Compliance Improvement Project.** This action will award a construction contract to the Contractor with the lowest responsive bid submitted for the City of La Verne Fire Station No. 1 Living Quarters Gender Compliance Improvement Project. Bids were opened on January 6, 2026.

Recommendation: That the City Council:

1. Reject the bid submitted by Oasis Design & Construction for failure to submit a completed and signed bid proposal form;
2. Reject the bid submitted by Co Brothers LLC, for failure to submit a completed bid due to missing information on the required Subcontractor List;
3. Award a construction contract for the subject project to First Trade LLC DBA YMC in the amount of \$489,000;
4. Authorize staff to issue change orders not exceeding 10% of the construction budget for a total possible construction contract cost of \$537,900;
5. Authorize staff to issue a purchase order for construction management and inspection up to the amount of \$40,740 to RKA Consulting Group to manage the Construction Phase of the Project; and,
6. Appropriate \$243,750 in funds to the project (CF2306) budget.

City Engineer Howing reported on this item.

Council Discussion/Comments: Council discussed the different options of this project and the ultimate desired outcome.

Public Comments: None

It was moved by Kashifalghita, seconded by Crosby, and approved 5-0.

10. **Fiscal Year 2025-26 Mid-Year Budget Review.** The Finance Department is providing a financial update for the 2025-26 budget, originally approved on June 16, 2025, to reflect economic and operational changes since adoption. Updated estimates for the General Fund show a \$390,000 revenue increase and \$247,232 in additional expenditures, primarily due to building permit activity. Additional adjustments to other funds as well as details of the general fund are outlined in the Budget Adjustment Listing.

Recommendation: That the City Council approve the resolution titled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA VERNE, CALIFORNIA, AMENDING THE FISCAL YEAR 2025-26 ADOPTED BUDGET TO ADJUST FOR MID-YEAR BUDGET ADJUSTMENTS,"

that incorporate the "Budget Adjustment Listing" as attached adjusting revenue and expenditure appropriations for the Fiscal Year 2025-26 budget.

Finance Director Lopez reported on this item.

Council Discussion/Comments: Council appreciates the transparency, bringing this to Council at mid-year, and thanked Finance for the quarterly reports as well as keeping the community informed, this is a testament to our City Manager, Department Heads, and Employees to assist with having a balanced budget.

Public Comments: None

It was moved by Kashifalghita, seconded by Lau, and approved 5-0.

- 11. Amended Employment Agreement with City Manager.** Consideration of an Amended Employment Agreement for the City Manager following the City Council's annual performance evaluation.

Recommendation: That the City Council approve an "AMENDED EMPLOYMENT AGREEMENT - CITY MANAGER," providing the City Manager certain benefits based on a positive performance evaluation.

Assistant City Manager Ranells reported on this item.

Council Discussion/Comments: Council had a lengthy discussion and spoke positively on the City Manager' leadership, guidance and responsiveness. The City Council decided to follow the report recommendations as well as give the step merit increase of 2.5% due from his previous agreement that the City Manager had offered to decline.

Public Comments: Rick Bowen, Cynthia Gabaldon, and Gilbert Ivy

It was moved by Kashifalghita, seconded by Crosby, and approved 5-0.

PUBLIC COMMENTS

This is the time set aside for anyone wishing to address the City Council on items not listed in any other place on the agenda and within the subject matter jurisdiction of the City Council. Under the provisions of the Brown Act, the legislative body is prohibited from talking or engaging in discussion on any item not appearing on the posted agenda. However, your concerns may be referred to staff or set for discussion later. Please email your public comment to the City Clerk's Office at cityclerk@LaVerneCA.gov. Your public comment will be shared with the City Council and included as part of the permanent record. There is a 3-minute time limit on public comments.

Public Comments received from: Ralph Beltran and Asdghig Salazar.

COUNCIL COMMENTS AND CONFERENCE/MEETING REPORTS

Each Council Member may address the Council and public on matters of general information and/or concern. This is also the time for Council Members to report on conferences and/or meetings they have attended per Assembly Bill 1234.

Council Comments: Council Member Lau thanked staff and residents that attended and participated in the Strategic Plan meeting and thanked Council Member Johnson for filling in for her at the Tri-City meeting, the next meeting is Wednesday, February 18th, which will be the first meeting for our new representative Trent West. Just a reminder the State of the City is tomorrow at 8:00 am. ULV is having a blood drive on campus from 10:00 am to 4:00 pm tomorrow, also the 4th of July Committee is starting to meet. Happy Lunar New Year, it's the year of the horse.

Council Member Crosby represented Council at the LV Softball opening day event, PD was there as well, the girls were very excited. Thanked the Parks & Recreation Department for last Friday's Inclusion Sweethearts Day Dance it was a great event, and thanked the Police Department for all their work with the High School, during a recent threat, the campus was secured with students and staff on lockdown while officers conducted a thorough assessment of the campus, the threat was ultimately determined to be a hoax. La Verne is a safe place because of them and the work they do.

Council Member Johnson wished Mayor Hepburn a happy birthday.

Mayor Pro Tem Kashifalghita attended the veteran peer access network event at VFW Post #12034, LA County Military and Veteran Affairs, through the Wheels for Heroes program, donated a mobility chair to a La Verne veteran. Graduation is just around the corner, looking forward to recognizing them.

Mayor Hepburn thanked Council Member Crosby for his assistance on the sub-committee for the City Manager evaluation. The Bonita girls' soccer team will be playing their semifinal game at the stadium at 5:00 pm. Ms. Wooten recently passed away, we will do an adjournment in her honor soon. There is a bond measure with the school district coming up, which will be used to upgrade the 40 year old HVAC Systems and the 50 year old sewer and plumbing systems, the portable building and upgrade the technology in the labs.

ADJOURNMENT - meeting adjourned at 8:47 PM.

Respectfully submitted,

***Debra Fritz, CMC
Deputy City Clerk***

CITY OF LA VERNE
REGISTER OF AUDITED DEMANDS
2/4/2026
FY 25-26

DEMANDS PRESENTED HAVE BEEN APPROVED CONSISTENT WITH THE CITY'S PURCHASING/FUNDING POLICY AND HAVE BEEN REVIEWED BY THE DIRECTOR FOR ACCURACY AND PROPER APPROVAL.

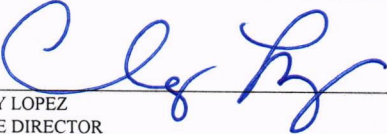
SUMMARY OF DEMANDS

LARGEST 10 CITY DEMAND PAYMENTS OTHER THAN PAYROLL AND RELATED BENEFITS.

	<u>AMOUNT</u>	<u>ISSUED TO</u>	<u>DESCRIPTION</u>
1.	315,384.41	WASTE MANAGEMENT	JANUARY 2026 REFUSE SERVICE
2.	154,140.78	PAVEMENT REHAB COMPANY	PROGRESS BILLING THRU 12/31/2025 CRACK SEAL/SLURRY
3.	43,838.59	RKA CONSULTING GROUP	NOVEMBER 2025 BUILDING SAFETY CITYWIDE
4.	20,055.75	D & H WATER SYSTEMS	TIDAL WAVE MIXER FOR MT SPRING RESERVIOR
5.	15,781.55	INTER-CON SECURITY SYSTEMS, INC.	JANUARY 2026 PARKING ENFORCEMENT
6.	15,548.98	BREENTAG PACIFIC, INC.	AMMONIA SULFATE/LA CHEMCHLOR/AQUAPURE CHEMICAL PURCHASES
7.	11,723.75	CIVILTEC ENGINEERING, INC.	DECEMBER 2025 BILLING FOR SEVERAL PROJECTS
8.	11,328.68	COUNTY OF L.A. INTERNAL SVCS. DEPT.	JULY-NOVEMBER 2025 RADIO /MDC UPGRADE
9.	10,225.40	SIERRA PACIFIC ELEC. CONTRACTING	SERVICE CALLS VARIOUS LOCATIONS
10.	9,893.99	DEPARTMENT OF TRANSPORTATION	OCTOBER TO DECEMBER 2025 SIGNALS/LIGHTING SERVICE
	<u>116,019.15</u>	OTHER DEMANDS	
	\$ 723,941.03		

DEMANDS OF \$8,764.20 WERE PAID ON BEHALF OF LA IMPACT FOR LAW ENFORCEMENT TASK FORCE OPERATIONS.

IN ACCORDANCE WITH GOVERNMENT CODE SECTION 37202, I HEREBY CERTIFY THAT THIS IS A TRUE AND ACCURATE REGISTER OF AUDITED DEMANDS.



CHRISTY LOPEZ
FINANCE DIRECTOR

CITY OF LA VERNE
 REGISTER OF AUDITED DEMANDS - EXHIBIT A

02/04/26

CHECK NO.	AMOUNT	ISSUED TO
176104	1,977.95	AARDVARK
176105	160.22	ALBERTSONS/SAFEWAY
176106	1,511.53	ALCO TARGET CO.
176107	440.00	ARKANCE
176108	465.01	AXIA SOLAR CORP.
176109	3,084.83	BAB STEERING HYDRAULICS, INC.
176110	85.09	BLOOMING VIEW
176111	40.00	BURRO CANYON SHOOTING PARK
176112	1,058.17	CHARTER COMMUNICATIONS
176113	250.00	CHAVIRA, DAVID
176114	620.00	RETIRED SENIOR VOLUNTEER PATROL
176115	11,723.75	CIVILTEC ENGINEERING, INC.
176116	1,481.60	COAST APPLIANCE PARTS CO.
176117	11,328.68	COUNTY OF L.A. INTERNAL SVCS. DEPT.
176118	16.93	CROWN LIFT TURCKS
176119	20,055.75	D & H WATER SYSTEMS
176120	9,893.99	DEPARTMENT OF TRANSPORTATION
176121	304.00	DIVISION OF THE STATE ARCHITECT
176122	250.00	ECKS, JEREMY
176123	12.50	EL POLLO LOCO #5379
176124	68.36	EVERSOFT
176125	415.16	FACTORY MOTOR PARTS
176126	250.00	FIDLER, ZACHARY
176127	164.85	FIRE APPARATUS SOLUTIONS
176128	2,600.00	FRANCISCO JAUREGUI
176129	2,277.01	FRONTIER COMMUNICATIONS
176130	126.24	FRONTIER COMMUNICATIONS
176131	114.13	FRONTIER COMMUNICATIONS
176132	127.98	FRONTIER COMMUNICATIONS
176133	1,139.99	HOLIDAYGOO INC.
176134	273.17	HOLLIDAY ROCK CO.
176135	2,582.99	HOME DEPOT CREDIT SERVICES
176136	93.00	HOMETOWN RENTALS
176137	1,735.06	INLAND EMPIRE STAGES, LTD.
176138	70.95	INLAND VALLEY DAILY BULLETIN
176139	2,085.72	INTREPID NETWORKS LLC
176140	125.20	LA VERNE PETTY CASH
176141	1,000.00	LA VERNE POLICE DEPARTMENT
176142	795.00	LOPEZ CONCRETE PUMPING, INC.
176143	133.23	LOWE'S
176146	4,500.00	MCLAY SERVICES, INC.
176148	50.00	OGONNA AGU
176149	154,140.78	PAVEMENT REHAB COMPANY
176150	275.12	PITNEY BOWES GLOBAL FINANCIAL
176151	5,520.00	PLANETBIDS, INC.
176152	4,863.47	RINGCENTRAL INC.
176153	10,225.40	SIERRA PACIFIC ELEC. CONTRACTING
176154	240.00	STEPHY HUANG
176155	1,794.82	T-MOBILE
176156	396.50	T-MOBILE
176157	3,298.75	UNDERGROUND SERVICE COMPANY, INC.
176158	100.00	VALERIE E. FRANKLIN-VALDEZ
176159	89.34	VERIZON WIRELESS
176160	349.88	WALTERS WHOLESALE ELECTRIC CO.
176161	1,750.00	WET VIEWS
176162	57.00	YAIR CERVANTES

CITY OF LA VERNE
 REGISTER OF AUDITED DEMANDS - EXHIBIT A

02/04/26

CHECK NO.	AMOUNT	ISSUED TO
176163	2,500.00	APPLIED INFORMATION SCIENCES CORP.
176164	41.98	KENNETH CORDRAY
176165	1,728.00	GOTO TECHNOLOGIES USA, INC.
176166	2,514.77	MASERGY CLOUD COMMUNICATIONS, INC
176167	569.86	ODP BUSINESS SOLUTIONS, LLC
176168	1,372.24	VERIZON WIRELESS
EFT	15,548.98	BREENTAG PACIFIC, INC.
EFT	8,821.72	CALIFORNIA JPIA - EXCESS LIABILITY
EFT	250.00	CAMBERO, FRANCISCO
EFT	5,242.46	CAMPBELL, LARRY
EFT	394.71	CEDENO, JASLYN
EFT	291.00	COLLEGIATE PRESS
EFT	666.30	CORTEZ, ALYSSA
EFT	1,840.00	COUNTY OF LOS ANGELES/LA-RICS
EFT	2,748.00	ENVIRONMENT CONTROL PUENTE HILLS
EFT	335.71	FLORES, ALEXANDRA
EFT	54.12	GRAINGER
EFT	800.00	GREENSCAPE MAINTENANCE SERVICES INC
EFT	3,167.94	HASA INC
EFT	2,989.28	HDL COREN & CONE
EFT	15,781.55	INTER-CON SECURITY SYSTEMS, INC.
EFT	1,705.14	L.N. CURTIS AND SONS
EFT	1,225.00	LAW ENFORCEMENT MEDICAL SERVICES
EFT	165.39	LIFE-ASSIST INC
EFT	4,233.29	MUNISERVICES
EFT	183.25	PULIDO, DAISY
EFT	43,838.59	RKA CONSULTING GROUP
EFT	75.00	SANDERS LOCK & KEY
EFT	185.00	SPRARGUE PEST CONTROL
EFT	329.40	TIFCO INDUSTRIES INC
EFT	1,961.57	U.S. POSTMASTER
EFT	299.90	UNDERGROUND SERVICE ALERT OF SO CAL
EFT	800.17	UNIVERSAL FLEET SUPPLY
EFT	315,384.41	WASTE MANAGEMENT
EFT	2,402.50	WATERTALENT LLC
EFT	250.00	WELLS, JOSHUA
EFT	3,500.00	WEST COAST ARBORISTS
EFT	3,294.47	WESTERN WATER WORKS
EFT	5,515.00	WILLDAN FINANCIAL SERVICES
CASH DRAWN	2,345.23	CINTAS
	<u>723,941.03</u>	
	8,764.20	
Total Demand	<u>732,705.23</u>	

LAIMPACT Law Enforcement Task Force Demands

176169	1,812.50	LOS ANGELES COUNTY SHERIFF'S DEPT.
176170	110.00	SOUTHLAND SHREDDING, INC.
176171	1,340.50	STAPLES
176172	375.00	TECHNOLOGY MANAGEMENT CONCEPTS
176173	2,262.00	TOTAL NETWORK SOLUTIONS
176174	2,500.00	TOWNSEND PUBLIC AFFAIRS, INC
176175	364.20	TRANSUNION RISK & ALTERNATIVE DATA
Total	<u>8,764.20</u>	

LAIMPACT demands are paid from federal asset forfeiture dollars allocated to LAIMPACT crime prevention activities. These funds are not City funds and are not available for City use outside of LAIMPACT activities.

CITY OF LA VERNE
 REGISTER OF AUDITED DEMANDS
 2/11/2026

FY 2025-2026

DEMANDS PRESENTED HAVE BEEN APPROVED CONSISTENT WITH THE CITY'S PURCHASING/FUNDING POLICY AND HAVE BEEN REVIEWED BY THE DIRECTOR FOR ACCURACY AND PROPER APPROVAL.

SUMMARY OF DEMANDS

LARGEST 10 CITY DEMAND PAYMENTS OTHER THAN PAYROLL AND RELATED BENEFITS.

	AMOUNT	ISSUED TO	DESCRIPTION
1.	142,450.24	STRATEGIC CONTRACTING SERVICES	PAYROLL 12/04/2025 TO 01/02/2026 (L.A. CLEAR)
2.	52,000.00	PEN-LINK, LTD	ANNUAL RENEWAL GEOTIME ANALYSIS SOFTWARE 3/01/2026 TO 02/28/2027 (L.A. CLEAR)
3.	24,964.54	SDI PRESENCE LLC	DECEMBER 2025 LICENSES AND IT SUPPORT
4.	22,087.08	JONES MAYER	DECEMBER 2025 LEGAL SERVICES AND FEBRUARY 2026 RETAINER
5.	20,120.68	BABCOCK LABORATORIES, INC.	WATER TESTING FROM 9/23/2025 TO 12/23/02025
6.	14,027.77	ATHENS SERVICES	STREET SWEEPING SERVICE FOR DOWNTOWN AND CITY
7.	12,000.00	TRI-CITY MENTAL HEALTH SERVICES	CITY'S SHARE OF THE LOCAL MATCH FOR FISCAL YEAR 2025-2026
8.	11,264.00	WEST COAST ARBORISTS INC	TREE REMOVALS AND TREE MAINTENANCE FOR 1/16-1/31/2026
9.	10,300.00	LA VERNE CHAMBER OF COMMERCE	1ST QUARTER 2026 PARTNERSHIP AGREEMENT
10.	4,325.16	JEFFREY PETERSEN	4TH QTR 2025 MEDICAL RETIREE REIMBURSEMENT
	45,185.59	OTHER DEMANDS	
	\$ 358,725.06		

DEMANDS OF \$14,449.99 WERE PAID ON BEHALF OF LA IMPACT FOR LAW ENFORCEMENT TASK FORCE OPERATIONS.

DEMANDS OF \$1,307,795.62 WERE PAID FOR PAYROLL AND EMPLOYEE BENEFIT RELATED ITEMS.

IN ACCORDANCE WITH GOVERNMENT CODE SECTION 37202, I HEREBY CERTIFY THAT THIS IS A TRUE AND ACCURATE REGISTER OF AUDITED DEMANDS.



CHRISTY LOPEZ
 FINANCE DIRECTOR

CITY OF LA VERNE
 REGISTER OF AUDITED DEMANDS - EXHIBIT A

FY 2025-2026

2/11/2026

CHECK NO.	AMOUNT	ISSUED TO
176176	800.00	AJ'S ENTERTAINMENT
176177	3,485.37	ALOHAT LLC DBA MELIN
176178	50.00	ARIADNA MEZA
176179	14,027.77	ATHENS SERVICES
176180	500.00	CHRISTINE DURAN
176181	1,000.00	DAISY PONCE
176182	220.35	DANIELS TIRE SERVICE
176183	42.96	DETAILER'S CHOICE, INC.
176184	107.00	DIRECTV
176185	709.00	EMPLOYMENT DEVELOPMENT DEPARTMENT
176186	899.15	FACTORY MOTOR PARTS
176187	1,575.00	FRONTIER COMMUNICATIONS
176188	1,302.70	HOLLIDAY ROCK CO.
176189	485.09	HOME DEPOT CREDIT SERVICES
176190	118.58	INNOVATION AND TECHNOLOGY DEPT.
176191	300.00	JIMENEZ FLEET SERVICES, INC.
176192	945.00	KELLY'S K9 COLLEGE INC
176193	1,195.00	LOPEZ CONCRETE PUMPING, INC.
176194	875.00	MARIN CONSULTING ASSOCIATES
176195	50.00	MARY GARS
176196	500.00	MCCOURT, MAX
176197	1,115.79	O.F. WOLFINBARGER
176198	4,325.16	JEFFREY PETERSEN
176199	354.48	POSTAL ANNEX
176200	137.50	REGIONAL TAP SERVICE CENTER
176201	90.00	SAFESHRED COMPANY, INC.
176202	250.00	SANDOVAL, MICHAEL
176203	150.00	SCA BARONY OF ANGELS
176204	70.00	SHARON STANNISLAUS
176205	959.50	SIERRA PACIFIC ELEC. CONTRACTING
176206	16.62	SO CAL GAS CO
176207	517.08	SO CAL INDUSTRIES
176208	1,350.00	SOUTHERN CALIF. REG. RAIL AUTH.
176209	28.72	SOUTHERN CALIFORNIA EDISON
176210	555.97	T-MOBILE
176211	2,658.27	TPX COMMUNICATIONS
176212	304.00	TRANSUNION RISK & ALTERNATIVE DATA
176213	12,000.00	TRI-CITY MENTAL HEALTH SERVICES
176214	1,327.14	WAGeworks, INC.
176215	155.72	WALTERS WHOLESALE ELECTRIC CO.
176216	1,318.28	WELLS FARGO VENDOR FINANCIAL SVCS
176217	2,408.90	WEST COVINA WHOLESALE NURSERY
176218	101.25	KENNETH CORDRAY
176219	20.68	FEDEX
176220	25.66	ODP BUSINESS SOLUTIONS, LLC
176221	52,000.00	PEN-LINK, LTD
176222	281.94	RIO HONDO - LA CLEAR
176223	150.00	SOCAL SHRED LLC
176224	425.00	TOWERSTREAM CORPORATION
EFT	2,572.50	A. UPLAND FIRE PROTECTION
EFT	140.00	ALL PURPOSE DOCUMENT DESTRUCTION
EFT	20,120.68	BABCOCK LABORATORIES, INC.
EFT	95.00	BEE REMOVERS
EFT	3,433.00	ENVIRONMENT CONTROL PUENTE HILLS
EFT	239.89	BEILSTEIN, ERIN
EFT	108.58	EWING IRRIGATION PRODUCTS
EFT	124.71	GRAINGER
EFT	1,005.58	IMS REFRIGERATION

CITY OF LA VERNE
REGISTER OF AUDITED DEMANDS - EXHIBIT A

FY 2025-2026

2/11/2026

CHECK NO.	AMOUNT	ISSUED TO
EFT	22,087.08	JONES MAYER
EFT	10,300.00	LA VERNE CHAMBER OF COMMERCE
EFT	133.45	LA VERNE POWER EQUIPMENT, INC.
EFT	14.00	RADC, INC.
EFT	1,098.76	RUSSI, ROBERT
EFT	43.92	SANDERS LOCK & KEY
EFT	24,964.54	SDI PRESENCE LLC
EFT	465.00	SEAL BEACH COUNSELIMG INC
EFT	670.59	SKYLINE SAFETY AND SUPPLY
EFT	425.00	SPRAGUE PEST CONTROL
EFT	3,018.75	THE COUNSELING TEAM INTERNATIONAL
EFT	175.00	THREE VALLEYS MUNICIPAL WATER DIST
EFT	495.00	VENTEK INTERNATIONAL
EFT	590.87	WAXIE SANITARY SUPPLY
EFT	11,264.00	WEST COAST ARBORISTS INC
EFT	65.79	AMAZON CAPITAL SRVC - LA CLEAR
EFT	337.50	MICHAEL W TYNES
EFT	142,450.24	STRATEGIC CONTRACTING SERVICES
TOTAL	358,725.06	
	1,307,795.62	Total Payroll and Employee Benefit Payments
	14,449.99	Total LAIMPACT Demands
Total Demands	1,680,970.67	

CITY OF LA VERNE
REGISTER OF AUDITED DEMANDS - EXHIBIT A

FY 2025-2026

2/11/2026

CHECK NO.	AMOUNT	ISSUED TO
<u>Payroll and Employee Benefit Payments:</u>		
176231	2,278.04	DELTA DENTAL INSURANCE COMPANY
176232	12,335.54	DELTA DENTAL(0020785555)
176233	588.00	CITY OF LAVERNE EMPLOYEE FUND
176234	150.00	FIDELITY INVESTMENTS #P0754
176235	9,719.94	THE HARTFORD-PRIORITY ACCOUNTS
176236	144,641.81	HEALTH NET
176237	99,982.15	KAISER FOUNDATION HEALTH PLAN
176238	1,711.58	METLIFE - GROUP BENEFITS
EFT	4.00	UNITED WAY CAMPAIGN
BANK DRAWN	638,207.15	PAYROLL
BANK DRAWN	117,443.18	UNITED STATES TREASURY
BANK DRAWN	41,780.67	STATE OF CALIFORNIA
BANK DRAWN	571.46	STATE DISBURSEMENT BD0005689
BANK DRAWN	193,717.91	STATE OF CALIFORNIA
BANK DRAWN	26,742.45	EMPOWER TRUST COMPANY, LLC-457
BANK DRAWN	7,260.25	EMPOWER TRUST COMPANY, LLC-ROTH
EFT	3,366.10	LA VERNE POLICE FIRE ASSOCIATION'
EFT	2,456.38	LA VERNE POLICE OFFICERS ASSOC.
EFT	3,489.01	CHARLES SCHWAB BANK
EFT	1,250.00	MISSION SQUARE
EFT	100.00	WAGeworks-ADMIN FEE
Total	1,307,795.62	

Break down of standard providers and the benefits they provide

Provider	Benefits Description
A.C. Newman Co.	
Delta Dental	Employee dental insurance coverage
The Hartford	Life Insurance Policy
Health Net	Employee health insurance
Kaiser	Employee health insurance
Wage Works	Flexible Savings Account (FSA) deductions
US Treasury	Employee federal tax withholdings
State of California	Employee state income tax, unemployment insurance and child support/garnishments
Mass Mutual A	401A plan
Mass Mutual B	457B plan
Mass Mutual Roth	Roth plan
Lincoln National	Replacement Social Security plan
Fire/Police/La Verne Employee Fund	Employee Group Dues

LAIMPACT Law Enforcement Task Force Demands

176225	2,350.00	CODE 5 GROUP, LLC.
176226	839.53	FLEXTG, LLC
176227	50.00	MILLET SOFTWARE
176228	200.12	T-MOBILE
176229	6,770.82	TANGRAM
176230	4,239.52	VERIZON WIRELESS
EFT		
Total	14,449.99	LAI ENFORCEMENT OPERATIONS

LAIMPACT demands are paid from federal asset forfeiture dollars allocated to LAIMPACT crime prevention activities. These funds are not City funds and are not available for City use outside of LAIMPACT activities.

CITY OF LA VERNE
 REGISTER OF AUDITED DEMANDS
 2/18/2026
 FY 25-26

DEMANDS PRESENTED HAVE BEEN APPROVED CONSISTENT WITH THE CITY'S PURCHASING/FUNDING POLICY AND HAVE BEEN REVIEWED BY THE DIRECTOR FOR ACCURACY AND PROPER APPROVAL.

SUMMARY OF DEMANDS

LARGEST 10 CITY DEMAND PAYMENTS OTHER THAN PAYROLL AND RELATED BENEFITS.

	<u>AMOUNT</u>	<u>ISSUED TO</u>	<u>DESCRIPTION</u>
1.	175,000.00	U.S. BANK	LA VERNE PUB FIN AUTH 96 TRUST ACCOUNT
2.	142,256.17	DEPARTMENT OF JUSTICE	OCTOBER TO DECEMBER 2025 LEASE PAYMENT (L.A. CLEAR)
3.	121,400.50	OPPENHEIMER NATIONAL	PROGRESS BILLING THRU 1/20/26 ARROW HWY URBAN GREENING PROJECT
4.	16,076.00	RKA CONSULTING GROUP	DECEMBER 2025 BILLING VARIOUS PROJECTS
5.	14,162.00	INLAND VALLEY HUMANE SOCIETY	JANUARY 2026 ANIMAL CARE & CONTROL SERVICES
6.	14,087.08	SO CAL GAS CO	BILLING GAS SERVICE FOR 01/06/26-02/04/26 VARIOUS LOCATIONS
7.	7,881.24	STRATEGIC CONTRACTING SERVICES	CREDIT CARD PURCHASES 01/03/2026-02/03/2026 (L.A. CLEAR)
8.	4,446.50	POWER SOLVE INC DBA SURVIVAL SUPPLY	CERT ACTION RESPONSE UNIT #2307 SAFETY PACKS
9.	3,512.21	CITY OF CLAREMONT	SHARE JOINT AGENCY LEADERSHIP TRAINING & SEWER MAINT 01/01/25-12/31/25
10.	2,961.20	SIERRA PACIFIC ELEC. CONTRACTING	REMOVE AND DISPOSE OF KNOCKED DOWN STREET LIGHT
	<u>43,159.48</u>	OTHER DEMANDS	
	\$ 544,942.38		

DEMANDS OF \$1,750.00 WERE PAID ON BEHALF OF LA IMPACT FOR LAW ENFORCEMENT TASK FORCE OPERATIONS.

IN ACCORDANCE WITH GOVERNMENT CODE SECTION 37202, I HEREBY CERTIFY THAT THIS IS A TRUE AND ACCURATE REGISTER OF AUDITED DEMANDS.

CHRISTY LOPEZ
 FINANCE DIRECTOR

CITY OF LA VERNE FY 25-26
REGISTER OF AUDITED DEMANDS - EXHIBIT A

02/18/26

CHECK NO.	AMOUNT	ISSUED TO
176239	94.88	ACTION AWARDS, INC.
176240	15.00	ALICE MATHEW
176241	225.00	AMERICAN TANK TESTING
176242	632.50	AQUATIC SERVICE, INC.
176243	31.17	AUTO CLUB ENTERPRISES
176244	676.53	BILLION AIR AVIATION
176245	1,998.00	CHARTER COMMUNICATIONS
176246	3,512.21	CITY OF CLAREMONT
176247	389.90	CLEANTECH ENVIRONMENTAL INC
176248	875.00	COLLEGE GLASS, INC.
176249	362.29	COLLEY FORD
176250	250.00	DAWN TOBIN
176251	157.50	DPI LABS INC
176252	125.01	DUBARRY, TIFFANY
176253	752.48	FACTORY MOTOR PARTS
176254	1,478.43	FORTEL TRAFFIC, INC.
176255	107.11	FOURTH STREET MILL
176256	20.00	FRANCINE MALDONADO
176257	468.00	FRESHMOBILECA LLC
176258	600.00	FRONTIER COMM. HOLDINGS
176259	316.82	GOLDEN STATE WATER COMPANY
176260	1,553.07	HOLLIDAY ROCK CO.
176261	65.00	IAPE
176262	14,162.00	INLAND VALLEY HUMANE SOCIETY
176263	1,680.12	KYOCERA DOCUMENT SOLUTIONS WEST
176264	500.00	MARTIN CELESTINO
176265	2,698.16	MAXPLUS INT'L INC.
176266	172.00	MELLARD, KEVIN
176267	150.00	MITCHELL, ROBERT
176268	157.91	MOMAR INCORPORATED
176269	20.07	MUGS COFFEE ROASTERS LLC
176270	241.20	MURO, LISETTE
176271	1,565.00	NAZ ELECTRIC AND CONTROLS, INC.
176272	152.00	NENA
176273	37.28	ODP BUSINESS SOLUTIONS, LLC
176274	121,400.50	OPPENHEIMER NATIONAL
176275	612.65	PARADISE EMBROIDERY & SCREEN PRINT.
176276	1,790.00	FERGUSON ENTERPRISES LLC #3325
176277	21.75	POOL CHLOR SERVICE
176278	4,446.50	POWER SOLVE INC DBA SURVIVAL SUPPLY
176279	831.09	SAM'S CLUB/SYNCHRONY BANK
176280	100.00	SARA RIOS
176281	2,961.20	SIERRA PACIFIC ELEC. CONTRACTING
176282	51.49	SOUTHEAST CONSTRUCTION PRODUCTS INC
176283	82.16	SOUTHERN CALIFORNIA EDISON
176284	1,674.36	SUPPLY SOLUTIONS
176285	44.00	T-MOBILE
176286	109.00	THE WATER HEATER & PLUMBING CO.
176287	1,070.63	UPSCALE AUDIO, INC.
176288	279.53	WATEROUS COMPANY
176289	1,010.84	WM CORPORATE SERVICES, INC.
176290	54.73	WYLDLWR
176291	110.54	Z ENTERPRISES
176292	2,329.73	CHARTER COMMUNICATIONS
176293	349.99	CHARTER COMMUNICATIONS
176294	142,256.17	DEPARTMENT OF JUSTICE

CITY OF LA VERNE FY 25-26
REGISTER OF AUDITED DEMANDS - EXHIBIT A

02/18/26

<u>CHECK NO.</u>	<u>AMOUNT</u>	<u>ISSUED TO</u>
176295	935.15	DIGITAL SOLUTIONS LLC
176296	264.85	ODP BUSINESS SOLUTIONS, LLC
EFT	95.00	A. UPLAND FIRE PROTECTION
EFT	632.06	AMERICAL GRAPHICS SYSTEMS, INC.
EFT	200.00	DETROIT AUTO BODY, INC
EFT	2,434.49	EWING IRRIGATION PRODUCTS
EFT	364.00	GIRON, ANTHONY
EFT	590.85	GRAINGER
EFT	203.13	HIRSCH PIPE AND SUPPLY
EFT	902.93	LIFE-ASSIST, INC.
EFT	655.05	MERRIMAC ENERGY GROUP
EFT	16,076.00	RKA CONSULTING GROUP
EFT	93.26	SALAS, GABRIEL
EFT	444.02	SANDERS LOCK & KEY
EFT	2,142.77	SOUTHERN CALIFORNIA NEWS GROUP
EFT	450.00	SPRAGUE PEST SOLUTIONS
EFT	219.94	TRILOGY MEDWASTE WEST, LLC
EFT	990.09	ULINE
EFT	126.97	UNIVERSAL FLEET SUPPLY
EFT	2,325.00	WATERTALENT LLC
EFT	7,881.24	STRATEGIC CONTRACTING SERVICES
BANK DRAWN	14,087.08	SO CAL GAS CO
BANK DRAWN	175,000.00	U.S. BANK
	<u>544,942.38</u>	
	1,750.00	
Total Demand	<u><u>546,692.38</u></u>	

<u>LAIMPACT Law Enforcement Task Force Demands</u>		
EFT	1,750.00	FOOTHILL COMMUNICATIONS
Total	<u>1,750.00</u>	

LAIMPACT demands are paid from federal asset forfeiture dollars allocated to LAIMPACT crime prevention activities. These funds are not City funds and are not available for City use outside of LAIMPACT activities.

City of La Verne, City Council Agenda Report



DATE: March 2, 2026
TO: Honorable Mayor and City Council
FROM: Jennifer Brown, Senior Management Analyst
SUBJECT: QUARTERLY STATUS UPDATE - PILOT PROJECT ADDING THREE FIREFIGHTER POSITIONS.

SUMMARY

On June 2, 2025, the City Council approved a two-year pilot project authorizing the addition of three full-time Firefighter/EMT positions to serve as shift-based floaters. The pilot was designed to reduce reliance on overtime, improve daily staffing flexibility, support operational readiness, and mitigate the fiscal and workforce impacts associated with frequent staffing vacancies. This report provides a quarterly update on the pilot program and evaluates early performance against the goals outlined in the original staff report.

RECOMMENDATION

That the City Council receive and file this quarterly status update on the Fire Department's two-year pilot project adding three firefighter positions to improve staffing efficiency and reduce overtime requirements.

DISCUSSION

As outlined in the original staff report, the La Verne Fire Department operates with staffing levels sufficient to staff two engines and one Quint. Any unplanned or scheduled firefighter absence, including sick leave, vacation, injury on duty, training, or deployment activity, historically required backfilling through overtime. This resulted in fiscal unpredictability, frequent forced overtime, and periodic reliance on higher-paid personnel filling lower-rank assignments.

To address these challenges, on June 2, 2025, the City approved a two-year pilot program adding one firefighter position to each shift (A, B, and C) to function as shift-based floaters, commonly referred to operationally as "suitcase" positions. These positions were intended to backfill daily vacancies that would otherwise trigger overtime, while also providing supplemental staffing when no absences occur.

Importantly, the pilot does not establish a new minimum staffing requirement and includes a sunset clause to ensure fiscal accountability.

During the first three months of the pilot period (October 6, 2025, through January 6, 2026), the shift-based floater positions were utilized 59 (65%) times to backfill firefighter or firefighter/paramedic absences. These instances represent shifts that would have otherwise required overtime coverage to maintain minimum staffing. The pilot program calculated that 71% of shifts would need to be required in order for the program to "break even". While only 65% is currently being achieved, there will be fluctuations in sick and vacation time coverage.

For example, during summer months when vacation leave is regularly used, possibly leading to 100% coverage to balance out the annual coverage.

While the original staff report projected annual utilization based on a full-year historical average, early results demonstrate that the floater positions are being used as intended and are meaningfully absorbing staffing vacancies within the firefighter and firefighter paramedic positions that previously resulted in overtime or work-downs. Utilization rates are expected to fluctuate throughout the year due to seasonal leave patterns, training schedules, and deployment activity, and will continue to be evaluated through quarterly reporting.

A central objective of the pilot program was to reduce reliance on overtime and minimize the operational and fiscal impacts associated with staffing work-downs.

Early results indicate that the floater positions are successfully replacing a significant portion of overtime that would otherwise be required to maintain minimum staffing. By providing dedicated firefighter-level coverage, the program also reduces the need to assign higher-paid Captains or Engineers to firefighter roles, preserving supervisory coverage and reducing indirect premium costs. This approach improves operational stability, limits last-minute staffing adjustments, and reduces the cascading impacts that overtime and work-downs can have on scheduling, fatigue, and leadership continuity.

In addition to fiscal benefits, the pilot program was designed to address firefighter wellness concerns associated with excessive overtime, forced callbacks, and cumulative fatigue.

While wellness impacts are not immediately quantifiable, early operational observations indicate:

- Fewer forced overtime assignments
- Improved predictability in daily staffing
- Reduced fatigue associated with extended overtime hours
- Reducing reliance on overtime supports long-term workforce sustainability, lowers injury risk, and aligns with the department's Standards of Cover and Strategic Plan recommendations regarding safety and task saturation.

An additional operational benefit of the pilot program has been the department's ability to absorb extended leave and special assignment impacts within those positions without triggering sustained overtime coverage. During the first quarter of the pilot period, the shift-based floater positions allowed the department to support:

- Two months of paramedic school assignment, and
- Three months of military leave,

These results are also without requiring ongoing overtime to maintain minimum staffing levels.

Historically, extended absences of this duration would have resulted in consistent backfill overtime, increased work-downs, and added strain across shifts. The availability of the floater positions provided built-in coverage capacity, allowing the department to maintain operational continuity while supporting professional development and honoring military service obligations.

Beyond the fiscal impact, outlined below, this flexibility reinforces workforce sustainability by allowing the department to support employee development and military service commitments without disproportionately increasing fatigue or forced overtime among remaining personnel.

FISCAL ANALYSIS

To evaluate the fiscal impact of the pilot program, staff conducted a year-over-year comparison between the firefighter and firefighter paramedic classifications of personnel-related costs for the same operational period: October through January in consecutive fiscal years.

Between October 2024–January 2025 and October 2025–January 2026, personnel wages decreased from \$565,264 to \$426,108, representing a year-over-year reduction of approximately \$139,156.

The most significant driver of this reduction was a substantial decline in overtime expenditures, consistent with the pilot program’s intent to reduce overtime usage by absorbing daily staffing vacancies through the shift-based floater positions. Additional reductions were observed in fire and sick pay and workers' compensation costs, reflecting improved staffing flexibility and reduced end-of-period leave pressures.

While regular straight-time hours increased during this period, this reflects a planned and predictable staffing model approved by City Council, rather than reactive overtime usage. This shift enhances budget stability, improves forecasting, and reduces exposure to premium pay. Early fiscal results indicate that the pilot program is producing meaningful cost savings while maintaining operational readiness and service levels.

Personnel Cost Comparison – October to January (Year Over Year)

Category	Oct 2024–Jan 2025	Oct 2025–Jan 2026	Difference
Overtime (Fire)	\$172,429	\$27,406	(\$145,023)
Comp Payout	\$47,282	\$19,774	(\$27,507)
Regular Straight-Time Hours	\$286,635	\$326,195	\$39,559
Military Differential Pay	\$0.00	\$11,887	\$11,887
Fire Vacation	\$22,096	\$10,131	(\$11,965)
Workers Compensation Leave & Sick	\$36,822	\$13,056	(\$23,766)
Total Salary Costs	\$565,264	\$408,449	(\$156,815)
Benefit Costs (3 Pilot Program Firefighters 3 months)	\$0.00	\$17,659	\$17,659
Total Salary & Benefit Change	\$565,264	\$426,108	(\$139,156)

Note: Comparison reflects the same operational period in consecutive fiscal years to ensure consistency.

ENVIRONMENTAL ANALYSIS

Not applicable.

LEGAL REVIEW

This report has been reviewed and approved by the City Attorney.

ATTACHMENTS

None

Coordinated with:
Isabella Guzman, Senior Accountant

City of La Verne, City Council Agenda Report



DATE: March 2, 2026
TO: Honorable Mayor and City Council
FROM: Eric Scherer, Community Development Director
SUBJECT: **APPROVAL OF AN AMENDMENT TO THE PROFESSIONAL SERVICE AGREEMENT WITH LSA FOR ENVIRONMENTAL SERVICES AND FIRST AMENDMENT TO AGREEMENT WITH LEWIS MANAGEMENT CORP. FOR REIMBURSEMENT OF ENVIRONMENTAL SERVICES RELATING TO 3960 FRUIT STREET (VILLAGES AT LEGACY GREEN PROJECT).**

SUMMARY

Lewis Management Corporation is developing the former Lutheran High School property for residential development. As this development has progressed, it has been determined that preparation of a full Environmental Impact Report is required under the California Environmental Quality Act, and LSA Associates, Inc. has submitted Contract Amendment No. 2 to expand the scope accordingly. The proposed amendment increases the contract by \$183,550 for a total not-to-exceed amount of \$374,630, and a corresponding amendment to the Reimbursement Agreement is requested to ensure full cost recovery with no impact to the General Fund.

RECOMMENDATION

That the City Council:

1. Approve Contract Amendment No. 2 to the Professional Service Agreement with LSA Associates, Inc., to perform CEQA services related to the Villages at Legacy Green development project; and
2. Approve the First Amendment to the Reimbursement Agreement with Lewis Management Corp. for full reimbursement.

DISCUSSION

At the October 21, 2024, meeting, the City Council approved a Professional Service Agreement (PSA) with LSA Associates, Inc. (LSA) to prepare technical environmental studies and an Initial Study to support the preparation of a Mitigated Negative Declaration for the proposed Villages at Legacy Green residential development project on the site of the former Lutheran High School. The project site encompasses approximately 9.3 gross acres (7.6 net acres).

On December 5, 2024, City staff notified LSA that the project scope would be expanded to include two City-owned parcels—Assessor Identification Numbers (AINs) 8381-034-014 and 8381-034-017—totaling approximately 0.15 acres. These parcels, located near the southwest corner of A Street and 1st Street, are proposed for the development of two affordable housing units. As a result, LSA submitted a request for a contract amendment to update the scope of work to reflect the inclusion of these parcels in the technical studies and Initial Study and it was

Approval of an Amendment to the Professional Service Agreement with LSA for Environmental Services and First Amendment to Agreement with Lewis Management Corp. for Reimbursement of Environmental Services Relating to 3960 Fruit Street (Villages at Legacy Green Project)., Page 2

approved in August of 2025 bringing the total contract cost to \$191,080 along with a Reimbursement Agreement between the City of La Verne and Lewis Management Corp. The purpose of the Reimbursement Agreement is to ensure that all City-incurred costs associated with the review of the project—including but not limited to environmental review, planning, engineering, and legal services—are fully reimbursed by the applicant.

As preparation of the technical studies progressed, it was determined, after consultation with LSA and Lewis Management, that a full Environmental Impact Report (EIR) is required pursuant to the California Environmental Quality Act (CEQA), rather than a Mitigated Negative Declaration. Preparation of an EIR provides a comprehensive evaluation of potential environmental impacts, including transportation and Vehicle Miles Traveled analysis, cumulative impacts, alternatives to the project, and formal responses to public and agency comments. The EIR process also includes public scoping and extended public review periods. LSA has submitted Contract Amendment No. 2 (Attachment 1) to replace the Initial Study/Mitigated Negative Declaration scope with preparation of a full EIR and to update certain technical studies, including traffic counts, Vehicle Miles Traveled mitigation analysis, and cultural resources review.

The amendment increases the contract amount by \$183,550, resulting in a total not-to-exceed contract amount of \$374,630. LSA will continue to bill on an hourly basis and will not exceed the authorized budget without prior City approval. As this represents an increase of more than 10 percent from the original contract amount, City Council approval is required.

Staff is also requesting that the City Council approve an amendment to the Reimbursement Agreement between the City of La Verne and Lewis Management Corp. for the project. The purpose of this agreement is to ensure that all City-incurred costs associated with the review of the project—including but not limited to environmental review, planning, engineering, and legal services—are fully reimbursed by the applicant. As this project will require a comprehensive evaluation in compliance with the California Environmental Quality Act (CEQA), as well as detailed planning and technical analysis, the agreement provides a mechanism for the City to retain the necessary consultants and experts without bearing the financial burden. Approval of this reimbursement agreement with an increased amount of \$183,550 will allow the City to move forward efficiently with the review process while protecting public resources.

FISCAL ANALYSIS

All City-incurred costs associated with the review of the project—including but not limited to environmental review, planning, engineering, and legal services—are fully reimbursed by the applicant.

ENVIRONMENTAL ANALYSIS

Not applicable.

LEGAL REVIEW

The City Attorney's office has reviewed the Contract Amendment, the Reimbursement Agreement, and this report.

ATTACHMENTS

Approval of an Amendment to the Professional Service Agreement with LSA for Environmental Services and First Amendment to Agreement with Lewis Management Corp. for Reimbursement of Environmental Services Relating to 3960 Fruit Street (Villages at Legacy Green Project)., Page 3

1. LSA Contract Amendment No. 2_Villages at Fruit Street Project_VMT Mitigation & EIR_v2
2-19-26
2. First Amendment to Reimbursement Agreement

Report Prepared By:
Candice Bowcock, Principal Planner

Coordinated with:
Christy Lopez, Finance Director
Lisa Kranitz, Assistant City Attorney



CONTRACT AMENDMENT

LSA Project #:	<u>20242052</u>	Date:	<u>February 9, 2026</u>
Project Name:	<u>Villages at Fruit Street Residential Project</u>		
Client:	<u>City of La Verne</u>	Attention:	<u>Candice Bowcock</u>

The following description of services will amend the Contract between LSA and the City of La Verne for the Villages at Fruit Street (Lutheran High School) Residential Project (project) (LSA Project # 20242052), dated October 21, 2024.

LSA is under contract with the City of La Verne (City) to prepare technical environmental studies and an Initial Study in support of a Mitigated Negative Declaration for a proposed 121 residential unit project on 9.3 gross-acres (7.6 net-acres) (Assessor’s Identification Number [AIN] 8666-018-009) on the site of the former Lutheran High School in the City of La Verne; this is referred to as the “Fruit Street Site.” Two additional properties (AINs 8381-034-014 and 8381-034-017) totaling approximately 0.15 acre near the southwest corner of A Street and 1st Street are included in the project scope of work for development of two affordable housing units; this is referred to as the “1st Street Site.”

The description of services below will replace the contracted Initial Study (Task 3) and Mitigated Negative Declaration (Task 4) with an EIR (NEW Tasks 3 through 6) and includes updates to select technical studies for the project to prepare a cultural resources records search for the Fruit Street Site (Task 2.2)¹ and update traffic counts and develop mitigation measures for the Transportation Study and Vehicle Miles Traveled Assessment (Task 2.5). Contracted Task 5 (Project Management and Meetings) will become Task 7 and will be augmented with additional budget commensurate with preparation of an EIR.

Description of Services

Task 2.2: Architectural History Assessment: LSA will conduct a cultural resources records search and request a Sacred Lands File search of the Fruit Street Site from the California Native American Heritage Commission and present this information to the City for staff to conduct Native American Consultation pursuant to Assembly Bill 52 and Senate Bill 18. The objectives of this research will be to (1) establish the status and extent of previously recorded archaeological sites, surveys, and excavations in the project area and (2) note what types of resources may be expected to occur on the project site based on the existing data from known cultural resources and studies within a one-mile radius. Costs associated with the record search include fees imposed by the South Central Coastal Information Center (SCCIC) for access and documentation.

¹ The original contract did not include a cultural resources record search because LSA proposed to utilize recent record search data compiled from our evaluation of the 2021 Brandywine Homes Residential (Verdana) Project adjacent to the south of the Fruit Street Site for City staff to use during consultation with interested Native American Tribes pursuant to Senate Bill 18 and Assembly Bill 52. However, due to the age of the previous records search results, LSA recommends updating the records search data for the Fruit Street Site.

Task 2.5: Transportation Study and Vehicle Miles Traveled Assessment: The following updates to Task 2.5 are proposed to update traffic counts and develop mitigation measures for the Transportation Study and Vehicle Miles Traveled Assessment.

Existing Gymnasium Trip Generation and Update to Traffic Scoping Agreement: LSA has surveyed the existing driveways and collected traffic counts to analyze the operations of the gymnasium. However, per recommendation from City staff, new traffic counts need to be collected, and the trip generation of the gymnasium needs to be updated accordingly. The new data will be used to update the traffic scoping Agreement and prepare the Transportation Study.

Collection of Updated Traffic Counts: At the City's request, LSA will collect new traffic counts at all study intersections and existing project driveways. These new traffic counts will be used for the development of existing, opening year, and horizon year traffic conditions.

Identification and Analyzation of VMT Mitigation Measures: LSA will identify and analyze VMT mitigation measures in coordination with City staff to reduce the VMT impact of the proposed project. The VMT mitigation measures will be analyzed based on the California Air Pollution Control Officers Association (CAPCOA) *Handbook for Analyzing Greenhouse Gas Emission Reductions, Assessing Climate Vulnerabilities, and Advancing Health and Equity* (CAPCOA Handbook), dated October 2024, mitigation measures within the City Transportation Study Guidelines, and San Gabriel Valley Council of Governments (SGVCOG) VMT Evaluation tools. The VMT mitigation measures within the CAPCOA Handbook represent the best available strategies in achieving Greenhouse Gas/VMT reduction.

Task 3.0: Notice of Preparation, Notice of Completion, and Public Scoping Meeting

Task 3.1: Notice of Preparation/Notice of Completion

LSA will prepare a Notice of Preparation (NOP) and a Notice of Completion (NOC) stating an EIR is being prepared for the project. The NOP will solicit comments on the scope of analysis to be included in the EIR document. The draft NOP will be prepared using the City's preferred format. Once approved, LSA will distribute the NOP via certified mail (return receipt) to the parties on the distribution list provided by the City. LSA will provide the City with confirmation of all deliveries. The City will post the NOP with the Los Angeles County Clerk, in a newspaper of general circulation, and on the City's website, and provide other required notification.

LSA will submit the NOP and NOC to the State Clearinghouse for repository and distribution to State Agencies. As currently permitted, the NOP, NOC, and California Office of Land Use and Climate Innovation Summary Form will be uploaded to the CEQAnet database electronically.

LSA will prepare and distribute via certified mail (return receipt) up to 25 hard copies of the NOP for public review per City's distribution list, and work efforts related to distribution of the NOP to additional recipients will be billed on a time-and-materials basis.

Task 3.2: Public Scoping Meeting

LSA will participate in one public scoping meeting for the proposed project. The City will schedule the scoping meeting, secure an appropriate venue and media for the meeting, and notice the meeting in a local newspaper. The date, place, media, and time for the scoping meeting will be identified in the NOP (refer to Task 3.1), and the meeting will be scheduled during the 30-day NOP review period.

During the scoping meeting, LSA will collect public input on the project, explain the EIR process, and respond to questions related to the preparation and processing of the EIR. After the meeting, LSA will summarize the written and verbal comments received and submit the meeting summary to the City for review and approval to be included as an appendix to the EIR. LSA will identify and address in the EIR all pertinent comments received during the scoping meeting.

LSA will provide up to 25 hard copies of handout materials for the scoping meeting and submit one electronic document to the City summarizing the written and verbal comments received during the public scoping meeting.

Task 4.0: Administrative Draft Environmental Impact Report

Task 4.1: Administrative Draft EIR No. 1

Prior to the EIR work effort, LSA will submit an EIR document template to the City for review and approval. LSA will review the City's General Plan, environmental records for the site, Applicant-prepared reports, and/or other relevant documents to ascertain the existence of and/or extent of potential environmental impacts.

LSA will conduct a comprehensive assessment of the project's impact(s). ADEIR No. 1 will address the following environmental factors presented in Appendix G of the *State CEQA Guidelines* as they relate to the project, applicable City standards, and/or the standards of State or federal entities:

- Aesthetics
- Agriculture and Forestry Resources
- Air Quality
- Biological Resources
- Cultural Resources
- Energy
- Geology and Soils
- Greenhouse Gas Emissions
- Hazards and Hazardous Materials
- Hydrology and Water Quality
- Land Use and Planning
- Mineral Resources
- Noise
- Population and Housing
- Public Service
- Recreation
- Transportation
- Tribal Cultural Resources
- Utilities and Service Systems
- Wildfire

Additionally, LSA will address the following CEQA-mandated topics:

- Any significant irreversible environmental changes that would be involved in the proposed action, should it be implemented;
- Any significant unavoidable impacts resulting from project development;
- Any cumulative impacts associated with the proposed project;
- The proposed project's consistency with local and/or regional plans;
- The potential growth-inducing aspects of the project; and
- The identification of potential alternatives to the proposed project. In addition to the "No Build" alternative, up to three "build" alternatives will be evaluated. The scope of the alternatives will be developed in consultation with the Applicant and City staff. The evaluation of alternatives will provide a comparative analysis of alternatives to the proposed project. Consideration of additional alternatives can be accommodated through an amendment to this scope and cost estimate.

LSA will examine all potentially significant environmental factors in an appropriate level of detail, and each issue will include an assessment of the direct and indirect short-term and long-term environmental impacts that would be created by the project based on established thresholds of significance. In addition, LSA will evaluate implementable mitigation measures that can be effectively monitored and enforced for each significant impact identified.

The EIR will address relevant comments received during the NOP period and public scoping meeting (refer to Task 3.0). These work efforts will be compiled into Administrative Draft EIR (ADEIR) No. 1, along with analysis of topical issues required by CEQA, an Executive Summary, an Introduction, a Project Description, and Alternatives.

LSA will provide the City and Applicant with one electronic copy (in Word) of the ADEIR for review within 12 weeks of public distribution of the NOP. This scope and cost estimate assume up to two rounds of review/revision and one electronic copy of ADEIR No. 1 during each of the two review cycles.

Note

A round of comments, as referenced throughout this scope, refers to a group of written consolidated comments from City departments (including the City Attorney). Review of the ADEIR by the Applicant (as permitted by the City) will also constitute one separate round of review. Additional round(s) of review of the ADEIR by the City and/or the Applicant, third parties, or any other persons or entities will be considered an additional round of review and may be completed upon authorization of an amendment to this scope and cost estimate. To limit duplication of work efforts, LSA will commence work on ADEIR No. 2 upon receipt of the City and, as permitted, Applicant comments.

Task 4.2: Administrative Draft EIR No. 2

Upon receipt of a consolidated, non-contradictory set of written comments on ADEIR No. 1 from City staff and the Applicant's team, LSA will revise the EIR as necessary to address comments. LSA will wait until all comments and incorporation of the responses to these comments are completely reconciled prior to completing ADEIR No. 2. After all required revisions have been incorporated into the document, LSA will submit ADEIR No. 2 to the City and Applicant for review and approval.

LSA will provide the City and Applicant with one electronic copy (in Word) of ADEIR No. 2 for review within 4 weeks of receipt of a consolidated, non-contradictory set of written comments on ADEIR No. 1 from City staff and the Applicant's team.

Task 5.0: Draft Environmental Impact Report

Task 5.1: Prepare Draft EIR for Public Review

Upon receipt of a consolidated and non-contradictory set of written comments from City staff and the Applicant's team on ADEIR No. 2 (Task 4.2), LSA will prepare the Draft EIR for public review. LSA will wait until all comments and incorporation of the responses to these comments are completely reconciled prior to completing the Draft EIR.

Task 5.2: Mitigation Monitoring and Reporting Program

LSA will prepare a Mitigation Monitoring and Reporting Program (MMRP) to assist the City in implementing the mitigation measures prescribed in the EIR. The MMRP will delineate the procedures for monitoring and complying with each mitigation measure, identify the agency/

position responsible for the monitoring and reporting of each measure, and outline the schedule for implementation.

Task 5.3: Notice of Completion and Notice of Availability

LSA will prepare the NOC to accompany the Draft EIR to the State Clearinghouse and will prepare a Notice of Availability (NOA) of the EIR for filing with the Los Angeles County Clerk.

Task 5.4: Circulate Draft EIR for Public Review

LSA will distribute the Draft EIR to agencies and the public within 1 week of receiving City approval. Distribution of the Draft EIR will be via electronic upload to the State Clearinghouse and via Certified Mail (return receipt) of the NOA to up to 25 parties on the distribution list provided by the City. Work efforts related to distribution of the NOA to additional recipients will be billed on a time-and-materials basis. As permitted by the City, the NOA will include a weblink to provide access to electronic copies of the Draft EIR and supporting studies.

LSA will utilize the most recent distribution list compiled and provided by the City. The City will post the NOA with the Los Angeles County Clerk, make arrangements to have the NOA published in a newspaper of general circulation and on the City's website, and provide other required public notification.

LSA will provide the NOC and the Draft EIR to the State Clearinghouse for distribution to State agencies. As currently permitted, the NOA, NOC, and Draft EIR will be uploaded to the CEQAnet database electronically. Upon request, LSA will provide up to 3 hard copies of the Draft EIR to the City for staff and/or public uses. If hard copies of the Draft EIR are required, supporting technical appendices will be provided as PDF files on flash drives included with each hard copy of the Draft EIR.

Task 6.0: Final Environmental Impact Report

Task 6.1: Response to Comments

Upon close of the public review period, LSA will prepare responses to public and agency comments received on the Draft EIR. As necessary, LSA will formulate responses to the comments received on the Draft EIR within 3 weeks of receipt of a complete set of comments from the public review period. LSA will submit draft responses to comments to the City and Applicant for review.

Note

This scope and cost estimate anticipates that up to 128 hours of LSA staff time at a composite rate of \$200 per hour will be required for this task. Work efforts related to this task in excess of the time identified in this scope and cost estimate will be billed on a time-and-materials basis.

Task 6.2: Administrative Final EIR

LSA will prepare an Administrative Final EIR that includes modifications to the Draft EIR in response to comments received. The Administrative Final EIR will include an Executive Summary of the Draft EIR, modifications to the Draft EIR in response to comments received, comment letters, and responses regarding the Draft EIR and Draft MMRP.

To facilitate review of the Final EIR, revisions made subsequent to public review of the Draft EIR will be identified with underline/~~strikeout~~ (strikeout) text. The Administrative Final EIR will be provided to the City and Applicant for up to two rounds of review and consolidated, non-

conflicting comments. This scope and cost estimate anticipates that City review of the Administrative Final EIR will include concurrent review by responsible City departments, including, but not limited to, Public Works, Fire/Police, Planning, Building & Safety, and the City Attorney. LSA will wait until all comments and incorporation of the responses to these comments are completely reconciled prior to completing the Final EIR.

Task 6.3: Draft Facts, Findings, and Statement of Overriding Considerations

Prior to hearings on the project, LSA will prepare a draft Facts, Findings, and Statement of Overriding Considerations (SOC), if needed, which summarizes the findings and mitigation measures contained in the Final EIR. The Draft Facts, Findings, and SOC will be delivered to the City in electronic format for use by legal counsel and finalization by the City.

Note

This scope and cost estimate anticipates the Facts, Findings, and SOC will be finalized by the City Attorney prior to consideration of the project by the Planning Commission and City Council.

Task 6.4: Final EIR

LSA will revise the Administrative Final EIR per City staff and Applicant comments and prepare the Final EIR for public hearings on the project and EIR. LSA will distribute the Final EIR to all commenting parties at least 10 days prior to Planning Commission action on the project. This scope and cost estimate anticipates that up to 25 commenting parties will receive the Final EIR electronically in PDF format, and work efforts related to distribution of the Final EIR to additional recipients will be billed on a time-and-materials basis. LSA will distribute the following:

- Electronic copies (in Word) of Draft Response to Comments to the City and Applicant for review and comment.
- Electronic copies (in Word) of the Administrative Final EIR to the City and Applicant during each round of review.
- Up to 3 hard and electronic copies (in Word and PDF formats) of the Final EIR to the City.
- Up to 25 electronic copies of the Final EIR distributed to commenting parties.

Task 7.0: Project Management and Meetings

Task 7.1: Project Management

Proven specific quality control and project management tasks include the following:

- Assign the most appropriate Principal in Charge and Project Manager for the project and ensure their availability throughout the project.
- Have the LSA Project Manager, City Planner, and the project Applicant systematically review the work program to ensure a clear understanding of project definition and scope of work.
- Assign a project team with experience on similar projects and coordinate with task managers to ensure staffing availability.
- Ensure that all project team members jointly understand applicable local, County, State, and federal standards, policies, and procedures.
- Ensure quality of work products and cost estimates, and timely delivery at lowest cost.



The work program is intended to ensure the smooth functioning of the CEQA process for the project by maintaining open communications with City staff and the project Applicant, as permitted. LSA will maintain a continuous liaison with City staff and the project Applicant, as permitted, by identifying and defining key issues as they arise and coordinating responses.

The cost estimate for Task 7.1 is based on a 12-month schedule. LSA will review the project status with the Applicant and the City at agreed upon intervals to ensure implementation of the scope of work and harmonious functioning of all team members, as well as to identify any potential conflicts due to possible changes in scope, baseline conditions, or public concerns.

Task 7.2: Meetings and Public Hearings

Progress Meetings. In addition to the scoping meeting, LSA will participate in up to two in-person meetings with City staff and the project Applicant team, as well as ongoing bi-weekly (every other week) teleconference meetings (up to one hour each) with the project Applicant team for the duration of the anticipated 12-month schedule.

Additionally, LSA anticipates periodic telephone conferences throughout the duration of the EIR process with City staff and project Applicant team to ensure the timely progression of work efforts and resolution of issues of concern. Ongoing telephone and email coordination among LSA, City staff, and the Applicant will ensure the smooth preparation of the EIR.

Planning Commission. LSA will attend one public hearing of the La Verne Planning Commission to consider the environmental document(s) and action on the proposed project. If requested, LSA will explain the content, findings, and determinations of the environmental document(s) and will respond to relevant comments raised during the hearing.

City Council. LSA will attend one hearing of the La Verne City Council to consider approval of the environmental document(s) and action on the proposed project. If requested, LSA will explain the content, findings, and determinations of the environmental document(s) and will respond to relevant comments raised during the hearing. LSA anticipates the following meetings:

Meeting Type	Number of Meetings
Public Scoping	1
In-Person Progress Meetings	2
Planning Commission	1
City Council	1
Total City/Public Meetings	5
Regular Project Team Bi-Weekly Meetings	28
Total Project Team Meetings	28
GRAND TOTAL MEETINGS	33

Task 7.3: Notice of Determination

Upon adoption of the environmental document, LSA will provide the Notice of Determination (NOD) to the City to file and secure the appropriate filing fees from the Applicant for submission to the Los Angeles County Clerk. Failure to file the NOD within 5 business days of project approval will substantially increase the period in which the project approval may be legally challenged. It will be the responsibility of the Applicant to pay any applicable California Department of Fish and Wildlife (CDFW) filing fees. LSA will submit the NOD to the City electronically and will file the NOD with the State Clearinghouse after each approval of the project. It is expected that the City will file the NOD with the Los Angeles County Clerk.



PROJECT SCHEDULE

The following is an updated schedule estimate based upon LSA’s working experience with similar projects in this region for which an EIR is required. It should be noted that the date of delivery column is an estimate only. This estimate anticipates the availability of technical studies provided by the Applicant and conformance with the review cycles cited below.

SCHEDULE OF TASKS	DURATION	DATE OF DELIVERY ¹
Task 1.0: Project Initiation		
1.1: Project Kick-off Meeting	1 day	Occurred under prior contract
1.2: Project Description	2 weeks	Mid-March
Task 2.0: Technical Studies/Reports¹		
2.1: Literature Search, Habitat Assessment, and Arborist Report	6 weeks	Mid-April
2.2: Architectural History Assessment	6 weeks	Mid-April
2.3: Noise and Vibration Assessment	8 weeks ²	Late April
2.4: Air Quality, Greenhouse Gas, and Energy Assessment	8 weeks ²	Late April
2.5: Transportation Study/VMT Assessment & Mitigation	12 weeks ³	Early June
Task 3.0: Notice of Preparation, Notice of Completion, and Public Scoping Meeting		
3.1: Notice of Preparation/Notice of Completion	1 day	Mid-March
City/Applicant Review	1 week	Mid-March
Distribute NOP and NOC	1 day	Late March
Public Review Period	30 days	Late March to Late April
3.2: Public Scoping Meeting	1 day	April ⁴
Task 4.0: Administrative Draft EIR		
4.1: Administrative Draft EIR No. 1	12 weeks	Late June
City/Applicant Review	3 weeks	Mid-July
4.2: Administrative Draft EIR No. 2	4 weeks	Mid-August
City/Applicant Review	2 weeks	Late August
Task 5.0: Draft EIR		
5.1: Prepare Draft EIR for Public Review	2 weeks	Mid-September
5.2: Mitigation Monitoring and Reporting Program	2 days	Mid-September
5.3: Notice of Completion and Notice of Availability	1 day	Mid-September
City/Applicant Review	1 week	Late September
5.4: Circulate Draft EIR for Public Review	1 week	Late September
Public Review Period	45 days	Late September to Mid-November
Task 6.0: Final EIR		
6.1: Response to Public Comments	4 weeks	Mid-December
City/Applicant Review of Responses to Public Comments	2 weeks	Early January 2027 ⁵
6.2: Administrative Final EIR	2 weeks	Late January
City/Applicant Review	2 weeks	Mid February
6.3: Draft Facts, Findings, and Statement of Overriding Considerations	3 weeks	Late February
City/Applicant Review/Finalization	2 weeks	Mid-March
6.4: Final EIR	2 weeks	Mid-March
Task 7.0: Project Management and Meetings		
7.1: Project Management		Ongoing
7.2: Meetings and Public Hearings	1 day each	To be determined ⁶
7.3: Notice of Determination	2 days	Once per each City Council hearing (1st and 2nd reading)
TOTAL: Environmental Impact Report (Tasks 1.0 through 7.0)		12 months



SCHEDULE OF TASKS	DURATION	DATE OF DELIVERY ¹
¹ From date of receiving authorization to proceed and all required information.		
² Four weeks to compile requisite traffic data and 4 weeks to conduct the analysis and prepare the report.		
³ Six weeks from receipt of cumulative project information, City approval of the Transportation Scoping Agreement, and collection of traffic counts. It is anticipated that all requisite data, including collection of traffic counts and City approval of the Transportation Scoping Agreement would be obtained in six weeks.		
⁴ Placeholder date. Actual date to be determined by City.		
⁵ Date of delivery takes into account close of business for holidays.		
⁶ Progress meetings as needed; City staff controls and administers Planning Commission and City Council calendars.		



COST ESTIMATE

The cost estimate below will amend the cost estimate under contract between LSA and the City of La Verne for the Villages at Fruit Street (Lutheran High School) Residential Project (project) (LSA Project # 20242052), dated October 21, 2024.

The budget for Task 2.2 (Architectural History Assessment) and Task 2.5 (Transportation Study and Vehicle Miles Traveled Assessment) will be augmented to provide the additional services described above, and budget remaining from Task 3 (Initial Study) and Task 4 (Mitigated Negative Declaration) will be transferred to new Task 4 (Administrative Draft EIR), new Task 5 (Draft EIR), and new Task 6 (Final Environmental Impact Report) and augmented to provide the additional services described above. Additionally, budget remaining from Task 5 (Project Management and Meetings) will be transferred to new Task 7 (Project Management and Meetings) and be augmented with additional budget commensurate with preparation of an EIR.

LSA's fees are charged on an hourly basis. The fee estimate will not be exceeded without prior authorization. Should there be any changes to the scope described above, the budget may need to be amended. The following table provides estimated budgets by task for information and convenience. The final budget will be completed as an hourly approach, with a not-to-exceed amount for the entire project.

Task	Contracted Budget Remaining	Amended Expenses ¹	Amended Labor	Total Amended Budget Remaining
Task 1.0: Project Initiation				
1.1: Project Kick-off Meeting	\$0	--	--	\$0
1.2: Project Description	\$3,595	--	--	\$3,595
Subtotal Task 1.0	\$3,595	--	--	\$3,595
Task 2.0: Technical Studies/Reports				
2.1: Literature Search, Habitat Assessment, and Arborist Report	\$11,457.50	--	--	\$11,457.50
2.2: Architectural History Assessment	\$2,505.08	\$800	\$4,000	\$7,305.08
2.3: Noise and Vibration Assessment	\$10,953.75	--	--	\$10,953.75
2.4: Air Quality, Greenhouse Gas, and Energy Assessment	\$13,280.00	--	--	\$13,280.00
2.5: Transportation Study/VMT Assessment & Mitigation	\$29,711.25	\$800	\$16,000	\$46,511.25
Subtotal Task 2.0	\$67,907.58	\$1,600	\$20,000	\$89,507.58
Task 3.0: Notice of Preparation, Notice of Completion, and Public Scoping Meeting				
3.1: Notice of Preparation/Notice of Completion	--	\$150	\$4,000	\$4,150
3.2: Public Scoping Meeting	--	\$500	\$2,000	\$2,500
Subtotal Task 3.0	--	\$650	\$6,000	\$6,650
Task 4.0: Administrative Draft EIR				
4.1: Administrative Draft EIR No. 1	\$31,982.50 ²	\$0	\$50,000	\$81,982.50
4.2: Administrative Draft EIR No. 2	--	\$0	\$30,000	\$30,000
Subtotal Task 4.0	\$31,982.50²	\$0	\$80,000	\$111,982.50
Task 5.0: Draft EIR				
5.1: Prepare Draft EIR for Public Review	\$4,830 ³	\$0	\$4,670	\$9,500
5.2: Mitigation Monitoring and Reporting Program	\$1,070 ⁴	\$0	\$1,230	\$2,300
5.3: Notice of Completion and Notice of Availability	--	\$0	\$1,200	\$1,200
5.4: Circulate Draft EIR for Public Review	--	\$1,000	\$6,500	\$7,500
Subtotal Task 5.0	\$5,900^{3,4}	\$1,000	\$13,600	\$20,500
Task 6.0: Final EIR				
6.1: Response to Public Comments	\$13,600 ⁵	\$0	\$12,000	\$25,600 ⁶
6.2: Administrative Final EIR	--	\$0	\$13,100	\$13,100
6.3: Draft Facts, Findings and Statement of Overriding Considerations	--	\$0	\$5,900	\$5,900
6.4: Final EIR	\$6,960 ⁷	\$1,000	\$2,000	\$9,960
Subtotal Task 6.0	\$20,560^{5,7}	\$1,000	\$33,000	\$54,560
Task 7.0 Project Management and Meetings				



Task	Contracted Budget Remaining	Amended Expenses ¹	Amended Labor	Total Amended Budget Remaining
7.1: Project Management	\$5,581.25 ⁸	\$0	\$10,000	\$15,581.25
7.2: Meetings and Public Hearings	\$3,423.75 ⁹	\$300	\$15,300	\$19,023.75
7.3: Notice of Determination	--	\$0	\$1,100	\$1,100
Subtotal Task 7.0	\$9,005^{8,9}	\$300	\$26,400	\$35,705
Total: Tasks 1.0 through 7.0	\$138,950.08	\$4,550	\$179,000	\$322,500.08
ADDITIONAL BUDGET REQUESTED		\$183,550		

- ¹ Reimbursable expenses (e.g., Fees at the South Central Coastal Information Center, Traffic Counts).
- ² Budget remaining from contracted Task 3.1 (Draft Initial Study)
- ³ Budget remaining from contracted Task 4.1 (IS/MND Public Review Materials)
- ⁴ Budget remaining from contracted Task 3.2 (Mitigation Monitoring and Reporting Program)
- ⁵ Budget remaining from contracted Task 4.2 (Response to Public Comments)
- ⁶ Assumes 128 hours of LSA professional staff time at a composite rate of \$200 per hour.
- ⁷ Budget remaining from contracted Task 4.3 (Final IS/MND and Notice of Determination)
- ⁸ Budget remaining from contracted Task 5.1 (Project Management).
- ⁹ Budget remaining from contracted Task 5.2 (Meetings, Public Workshops, and Public Hearings).

Direct costs (including outside vendors used for photocopying) will be charged at cost and are not included in the hourly fee for professional services provided above. Direct costs can be invoiced separately at the request of the City.

LSA will perform the Description of Services above on an hourly basis in accordance with our existing Contract with the City of La Verne for this project. The original contracted budget for the project was \$191,080, of which LSA has spent \$52,129.92 to date, with \$138,950.08 remaining. We estimate that a budget amendment of \$183,550 will be sufficient to complete the Description of Services; this includes all expenses and indirect charges. The budget will not be exceeded without your approval. As shown in the Summary of Budget History, approval of the amendment will increase our total authorized budget to \$374,630, of which \$322,500.08 would remain to complete the scope of services detailed above.

Contracted Budget	<u>\$191,080</u>
Amendment Budget	<u>\$183,550</u>
Total Budget	<u>\$374,630</u>

If you agree with these terms, please provide written authorization below and return a copy to me. Please contact me at dionisios.glentis@lsa.net or 951-777-2338 if you have any questions.

THE ABOVE STATED TERMS ARE HEREBY ACCEPTED AND AUTHORIZED.

CONSULTANT:

CLIENT:

LSA Associates, Inc.
Company

City of La Verne
Company

Authorized Signature

Authorized Signature

Name

Name



Title	Title
Date	Date

**FIRST AMENDMENT TO REIMBURSEMENT
AGREEMENT BETWEEN THE CITY OF LA VERNE AND
LEWIS LAND DEVELOPERS, LLC. FOR THE PAYMENT
OF FEES AND COSTS FOR CONTRACT
ENVIRONMENTAL, PLANNING, ENGINEERING AND
LEGAL SERVICES RELATING TO THE HOUSING
PROJECT LOCATED AT
3960 FRUIT STREET**

This First Amendment to Reimbursement Agreement “First Amendment” is entered into effective this 2nd day of March, 2026 by and between the City of La Verne (“City”), a general law city, and Lewis Land Developers, LLC (“Developer”), who agree as follows:

1. Recitals. This Agreement is made with reference to the following facts and circumstances:

A. On or about August 4, 2025, the City and Developer entered into a Reimbursable Agreement regarding the Project located at 3960 Fruit Street in the City of La Verne.

B. Staff has since determined that preparation of a full Environmental Impact Report is required under the California Environmental Quality Act and the Environmental Consultant, LSA Associates, Inc. has submitted Contract Amendment No. 2 to expand the scope accordingly. The proposed amendment increases the contract by \$183,550 for a total not-to-exceed amount of \$374,630.

2. Agreement to Pay for Services.

Developer agrees to pay for all costs and expenses related to the additional services as provided for in this Agreement.

3. Remaining Provisions Effective.

Except as specifically amended herein, all provisions of the Reimbursement Agreement dated August 4, 2025 remain in full force and effect.

Deposits/Payments.

Upon execution of this agreement, Developer shall deposit \$191,080 for the Environmental Services.

IN WITNESS WHEREOF the parties hereto have executed this contract.

CITY OF LA VERNE:

Tim Hepburn, Mayor
Dated:_____

ATTEST:

Debra Fritz, Deputy City Clerk
Dated:_____

APPROVED AS TO FORM:

Kimberly Hall Barlow, City Attorney
Dated:_____

DEVELOPER

Glen Crosby, Lewis Land Developers, LLC., Vice President
Dated:_____

City of La Verne, City Council Agenda Report



DATE: March 2, 2026
TO: Honorable Mayor and City Council
FROM: Ken Domer, City Manager
SUBJECT: **CONSIDERATION OF A RESOLUTION OPPOSING THE LOS ANGELES COUNTY HEALTHCARE FUNDING RESTORATION ACT AND SALES TAX INCREASE.**

SUMMARY

Los Angeles County has placed a proposed ½-cent general sales tax measure on the June Primary ballot to support healthcare services, and the City of La Verne sent a letter of opposition to the measure, signed by the Mayor, listing concerns about increased tax burdens on residents and businesses, reduced local fiscal flexibility, lack of guaranteed proportional return of funds, potential economic impacts, and questions regarding transparency and oversight.

RECOMMENDATION

That the City Council approve a Resolution titled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA VERNE, CALIFORNIA, OPPOSING THE LOS ANGELES COUNTY "HEALTHCARE FUNDING RESTORATION ACT" COUNTYWIDE SALES TAX MEASURE."

DISCUSSION

Background Information

Cuts from House Resolution 1 law, otherwise known as the "Big Beautiful Bill," approved in July 2025 will reduce the county healthcare funding by \$2.4 billion over the next three years, removing hundreds of thousands of low-income residents from federal healthcare coverage, while stripping funds from county Department of Health Services and Department of Public Health for medical services provided by 24 clinics, numerous county hospitals and also prevention services such as vaccines and ocean water testing.

In response, at the start of the year, Los Angeles County proposed a temporary ½ cent general sales tax to cover the reduction in federal healthcare funds. On February 10, 2026, the Los Angeles County Board of Supervisors voted to place the sales tax measure on the June primary ballot after a lengthy discussion and public testimony from dozens of residents and civic leaders, including Mayor Tim Hepburn. The board voted 4-1, with Fifth District Supervisor Kathryn Barger opposing.

City Concerns

On February 4, 2026, the City submitted a letter from Mayor Hepburn, on behalf of the City, to the County Board of Supervisors in opposition to the Healthcare Funding Restoration Act. The

proposed Healthcare Funding Restoration Act would impose a countywide sales tax increase that raises several policy and fiscal concerns for the City of La Verne. While the County faces documented healthcare funding challenges, the measure would further compound the cumulative tax burden on La Verne residents and businesses and constrain the City's long-term fiscal flexibility. Additional countywide taxation may also diminish voter support for locally controlled revenue measures needed to sustain essential municipal services, including public safety, infrastructure maintenance, and community programs, and could compete with other pending local initiatives.

The structure of the proposed measure does not provide a mechanism to ensure that revenues generated within La Verne would be returned to the community in proportion to its contribution. Instead, funds would be allocated through centralized county programs, limiting the likelihood of direct, measurable local benefit. The City is also concerned about potential economic impacts, as higher sales tax rates may reduce consumer spending and place small, independently owned businesses at a competitive disadvantage. Finally, recent challenges associated with the administration and restructuring of countywide programs raise questions regarding transparency, accountability, and the County's ability to efficiently implement and manage additional revenues in a manner that it is publicly stating in its advocacy for the sales tax measure. Published reports state the County will "lose" \$2.4 billion over three years, yet the proposed tax will generate \$1 billion per year for five years.

In addition to the concerns outlined in the letter, the City is further concerned that the proposed measure is structured as a general tax, rather than a special tax. While the County has presented a spending plan describing how revenues are intended to be used, a general tax allows the Los Angeles County Board of Supervisors broad discretion over the ultimate allocation of funds through the annual budget process. Unlike a special tax, which legally restricts revenues to clearly defined purposes and requires a two-thirds voter approval threshold, a general tax requires only a simple majority to pass and does not permanently bind future Boards to a specific expenditure framework. The City is concerned that the choice to pursue a general tax structure appears designed to lower the voter approval threshold and increase the likelihood of passage, rather than to ensure legally dedicated funding for specific healthcare purposes.

Although the measure proposes the formation of an oversight committee, such bodies typically provide advisory review and reporting functions rather than enforceable spending authority. As a result, revenues generated from La Verne residents and businesses would not be guaranteed to remain dedicated to the specific uses described, nor assured to provide measurable local benefit. For a proposal of this magnitude, the City believes a special tax structure with legally restricted uses would better ensure accountability, transparency, and adherence to voter intent over time.

As an update to the County's effort to place a ½-cent sales tax measure on the June Primary Election ballot, the City received a response letter from Supervisor Holly Mitchell (attached), along with proposed County Counsel language for related state legislation. City staff also participated in a webinar hosted by Board of Supervisors staff and County medical officials to better understand the intent and implementation of the proposal; however, the presentation provided limited clarity regarding the structure, enforceability, and oversight mechanisms

governing the expenditure of funds.

Taking Action & Looking Forward

Cities across the County have submitted their letters in opposition as well as associations such as the California Contract Cities Association. While La Verne has already voiced its opposition in a letter submitted by the Mayor as allowed by our Legislative Platform, approving the resolution would further reinforce the City's stance against this measure.

FISCAL ANALYSIS

Not applicable.

ENVIRONMENTAL ANALYSIS

Not applicable.

LEGAL REVIEW

Pursuant to the City Council's general legislative authority under Article XI of the California Constitution and applicable provisions of the Government Code, the City Council may adopt a resolution expressing support for or opposition to a local government ballot measure, including a proposed sales tax initiative. Additionally, as general guidance for City Councils, the California Institute for Local Government states a City Council taking a position on a ballot measure in an open and public meeting where all perspectives may be shared is permissible. While not entirely applicable to this situation, California's Elections Code allows agencies to inform the public of its opinion on a measure by submitting written arguments in favor or against ballot measures. (*Vargas v. City of Salinas*, 46 Cal. 4th 1, 35-37 (2009)) The City Attorney has reviewed and approved this agenda report.

ATTACHMENTS

1. Healthcare Funding Restoration Act City of La Verne Opposition Letter
2. Supervisor Mitchell Response Letter
3. Resolution Opposing County Sales Tax Measure

Report Prepared By:

Andrea Blockinger, Management Analyst



CITY OF LA VERNE CITY HALL

3660 "D" Street, La Verne, California 91750-3599
www.cityoflaverne.org

February 4, 2026

Honorable Kathryn Barger
Chair, Los Angeles County Board of Supervisors
500 W Temple Street, Room 381B
Los Angeles, CA 90012

RE: Opposition to Proposed Countywide Sales Tax Increase – Healthcare Funding Restoration Act

Dear Chair Barger and Members of the Board:

On behalf of the City of La Verne, I write to formally oppose the proposed countywide sales tax increase described as the Healthcare Funding Restoration Act.

The City acknowledges the fiscal challenges confronting healthcare and public health services across Los Angeles County. At the same time, cities have faced a steady erosion of local revenue authority alongside growing expectations to deliver services without adequate funding. These pressures reflect the combined impact of federal, state, and county actions that redirect local revenues and impose additional responsibilities on cities without providing sufficient financial support.

The imposition of a countywide sales tax compounds the cumulative tax burden on residents and constrains local fiscal flexibility. When additional County taxes are layered onto residents and local businesses, cities face greater difficulty securing voter support for locally controlled funding measures needed to plan for, fund, and sustain essential municipal services such as public safety, street and infrastructure maintenance, and community programs. This dynamic also has the potential to undermine other locally driven ballot measures, including current efforts by the Bonita Unified School District to seek voter approval for a school bond to modernize aging classrooms and facilities. Competing countywide measures risk diminishing voter support for critical local investments, weakening community priorities that directly benefit residents.

While La Verne residents and businesses would bear the financial burden of this countywide sales tax, the structure of the measure provides no mechanism to ensure that funds are returned to communities in proportion to their contribution. The measure’s prescriptive, countywide allocation model prioritizes centralized programs and select service areas, limiting the likelihood that La Verne residents would experience meaningful or measurable local benefit. At the same time, the proposed sales tax increase would have direct economic consequences for La Verne’s local economy. Higher sales taxes reduce the amount residents are able to spend on everyday purchases and place small, independently owned retailers and restaurants at a competitive disadvantage compared to neighboring jurisdictions,

undermining efforts to support local businesses and sustain economic vitality. Taken together, these impacts would result in La Verne residents and businesses bearing a disproportionate share of the tax burden without receiving corresponding, tangible benefits within the community.

The City is also concerned about the County's ability to effectively administer and implement additional revenues through centralized County programs. Recent challenges associated with the restructuring and transition of County homelessness programming, including the Department of Homeless Services and Housing, underscore the risks inherent in large-scale, county-administered funding models. These experiences raise serious questions regarding transparency, continuity of service delivery, and whether new revenues would result in timely, measurable outcomes for the communities generating the tax.

Funds raised within cities should primarily remain within those cities and be used to directly benefit the communities from which they are generated. The proposed measure does not meet that standard. For these reasons, the City of La Verne does not support the proposed countywide sales tax increase and urges the County to refrain from advancing this proposal.

Sincerely,

A handwritten signature in black ink that reads "Tim Hepburn". The signature is written in a cursive, flowing style.

Tim Hepburn
Mayor

CC: La Verne City Council
Honorable Los Angeles County Board of Supervisors
Honorable Assemblymember John Harabedian
Honorable Senator Susan Rubio



BOARD OF SUPERVISORS COUNTY OF LOS ANGELES

Kenneth Hahn Hall of Administration
500 W. Temple Street, Ste. 866, Los Angeles, California 90012
Phone: 213-974-2222 | Fax: 213-680-3283

HOLLY J. MITCHELL
SUPERVISOR, SECOND DISTRICT

February 6, 2026

The Honorable Tim Hepburn
Mayor, City of La Verne
La Verne City Hall
3660 "D" Street
La Verne, CA 91750

RE: Response Letter to City of La Verne on Concerns Regarding Supervisor Mitchell's Motion, Securing Funding to Preserve Critical County Services Cut by H.R.1

Dear Mayor Hepburn:

I am writing to address concerns raised in your letter regarding the proposal to give Los Angeles County (County) voters a choice to temporarily pay an additional 0.5% General Sales Tax, for up to five years, in order to preserve critical County services. I am introducing a motion with co-author Supervisor Solis for a temporary ½ percent (0.5 %) general sales (for up to five years) to the Board of Supervisors (Board) to help preserve critical health services that would otherwise face cuts due to H.R. 1. The Board will vote on February 10, 2026 on whether to place this measure on the June 2nd ballot. We would greatly appreciate your support and are happy to answer questions. The proposed County tax would not reduce or affect the taxing powers of the City of La Verne or count against its caps. (Please see the attached Legislative Counsel language).

This proposed County tax would not reduce or affect the cities' taxing powers. The County is pursuing legislation that exempts this tax from any taxing caps. So, it would not count against the City of La Verne's caps and would not affect your power to pursue any municipal taxes.

The County is trying to respond to the hard reality that H.R. 1 will result in devastating cuts to federal Medicaid (Medi-Cal) funding. Among other things, these cuts will cause the County's Department of Health Services (DHS) and Department of Public Health (DPH) to lose more than \$1 billion from their combined annual budgets. If the County's public hospitals close, residents will need to turn to private hospital emergency rooms for care, driving up waits and costs for all. The County needs to take steps to ensure public health is preserved.

Delaying care drives up costs for everyone. When people can't afford routine care, they end up relying on emergency rooms and hospitals increasing public spending, medical debts and worsening health outcomes. Community clinics provide high-quality primary care at a much lower cost, making prevention a smarter investment. Keeping healthcare accessible also helps people stay at work, supporting local businesses and the workforce. Working families contribute to this County every day and deserve healthcare they can afford. In accordance with State law, this sales tax would not apply to all goods and services. It would exclude certain items, including most groceries and basic cold foods, prescription medicine, certain medical devices, and all items

Mayor Tim Hepburn
February 6, 2026
Page 2

purchased through the Supplemental Nutritional Assistance or Women, Infants and Children programs.

The County's DHS operates the second-largest public health system in the nation, providing care to residents from every city in the County. It directly operates four public hospitals, including Los Angeles General Medical Center, that serve as the backbone of emergency and trauma care for the entire region. The services provided by the County's health departments are foundational to the County's and cities' efforts for the well-being of our communities. The County's DPH has maintained public health contracts with 85 cities, providing essential services at no cost to your municipal budgets. These services include communicable disease surveillance, environmental health and sanitation, and emergency preparedness operations that protected our communities during public health emergencies and outbreaks – such as COVID-19, Ebola, Zika, Hepatitis A, Measles – and continue to respond to emerging health threats. No other viable and timely alternatives exist to restore essential health and wellness services that H.R. 1 and federal policies cut, other than temporarily raising local taxes.

Additionally, my office is hosting a Lunch and Learn discussion on Monday, February 9, 2026 to hear from our Department of Health Services Director, Dr. Christina Ghaly, and Director of Public Health, Dr. Barbara Ferrer, on the state of healthcare services across the County – we invite you to join us from 12:00 PM – 1:00 PM.

Join Zoom Meeting

<https://us06web.zoom.us/j/88063514310?pwd=KsAuoXqMcO94QESPdXYkuVH06Rxiyn.1>

Meeting ID: 880 6351 4310 Passcode: 812110

One tap mobile

+16694449171,,88063514310#,,,,*812110# US

+12532050468,,88063514310#,,,,*812110# US

Thank you for your consideration, and if you should have further questions, please feel free to contact my Senior Deputy for Health and Wellness, Yolanda Vera, at YVera@bos.lacounty.gov or (213) 974-2222.

Sincerely,



Holly J. Mitchell
Supervisor, Second District
Los Angeles County Board of Supervisors

(YV:sw)

Enclosure/Attachment

RESOLUTION NO. 26-XX

1 **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA VERNE,**
2 **CALIFORNIA, OPPOSING THE LOS ANGELES COUNTY “HEALTHCARE**
3 **FUNDING RESTORATION ACT” COUNTYWIDE SALES TAX MEASURE.**

4 **WHEREAS**, Los Angeles County has proposed placing a one-half cent
5 ($\frac{1}{2}\%$) countywide general sales tax measure, known as the *Healthcare Funding*
6 *Restoration Act*, on the June 2026 Primary Election ballot; and,

7 **WHEREAS**, the City of La Verne recognizes the importance of
8 healthcare and public health services while also acknowledging the need to
9 maintain local fiscal sustainability and economic stability for residents and
10 businesses; and,

11 **WHEREAS**, the proposed measure would increase the overall sales tax
12 burden on residents and businesses and may impact local economic activity
13 and the ability of cities to secure voter support for locally controlled funding
14 measures; and,

15 **WHEREAS**, the structure of the proposed measure does not guarantee
16 proportional return of revenues to the communities from which they are
17 generated and relies on centralized County allocation decisions; and

18 **WHEREAS**, the County has immediately jumped to the imposition of a
19 sales tax increase instead of conducting the necessary reviews of the its system
20 to ensure efficient and effective health care service delivery; and

21 **WHEREAS**, the City has expressed concerns regarding accountability,
22 transparency, and long-term local benefit associated with the proposed
23 measure; and

24 **WHEREAS**, the County has developed a spending plan for sales tax
25 proceeds that would direct such a general sales tax if passed, but cannot
26 guarantee that such funding be actually delivered and provide for a sustained
27 health care system; and

28 **WHEREAS**, the City previously communicated its opposition to the Los
29 Angeles County Board of Supervisors through formal correspondence from the
Mayor dated February 4, 2026.

**NOW, THEREFORE, BE IT RESOLVED by the City Council of the City
of La Verne as follows:**

Section 1. The City Council formally expresses its opposition to the proposed Los Angeles County *Healthcare Funding Restoration Act* countywide general sales tax measure.

Section 2. The Deputy City Clerk is directed to transmit a copy of this Resolution to the Los Angeles County Board of Supervisors, the County Chief Executive Officer, local legislative representatives, and other appropriate agencies.

Section 3. That the Mayor shall sign and the Deputy City Clerk shall certify to the passage and adoption of this Resolution and thereupon the same shall take effect and be in force.

PASSED, APPROVED AND ADOPTED this 2nd day of March, 2026.

Mayor Tim Hepburn

ATTEST:

Debra Fritz CMC, Deputy City Clerk

CERTIFICATION

I hereby certify that the foregoing **Resolution No. 26-XX** was duly and regularly adopted by the City Council of the City of La Verne at a meeting thereof held on the **2nd day of March 2026**, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Debra Fritz CMC, Deputy City Clerk

City of La Verne, City Council Agenda Report



DATE: March 2, 2026
TO: Honorable Mayor and City Council
FROM: Ken Domer, City Manager
SUBJECT: **CONSIDERATION OF HISTORICAL CIVIC ENGAGEMENT OPPORTUNITIES -
ROUTE 66 CENTENNIAL AND UNITED STATES SEMIQUINCENTENNIAL.**

SUMMARY

To maximize opportunities associated with the nation's Semiquincentennial and the centennial of Route 66, City staff is seeking direction from the City Council regarding potential programs, events, and initiatives to recognize and celebrate these milestones.

RECOMMENDATION

That the City Council provide direction to City staff regarding potential programs, events, and initiatives to celebrate and recognize the nation's Semiquincentennial and the centennial of Route 66.

DISCUSSION

Through these two historic milestones, the United States Semiquincentennial and the Route 66 Centennial, the City has an opportunity to honor the nation's history while highlighting the City of La Verne's unique role in shaping its local and regional legacy. In addition to commemorating these significant anniversaries, the City also seeks to leverage these celebrations to support local economic activity, increase visitation, and strengthen community pride.

At this time, staff is seeking Council direction and ideas as the City does not have dedicated funding allocated for either celebration. As such, staff is seeking a pragmatic, fiscally responsible approach that focuses on delivering meaningful and engaging community activities or ornamentation in a cost-effective manner. Preliminary discussions amongst City staff have identified several low-cost opportunities. However, successful implementation will rely heavily on collaboration with community-based organizations, local businesses, residents, and potentially neighboring cities. This partnership-driven model allows the City to participate in these historic celebrations while remaining mindful of current financial constraints.

While the program details for both events have not been solidified, the ideas described below serve as a starting point to help guide both concept and budget discussions.

Route 66 Centennial Celebration – November 11, 2026

Route 66 Centennial celebrations officially begin in late April 2026 and continue throughout the year, with cities across the country planning events to commemorate the historic corridor. Common activities include car shows, historic tours, and programming that highlights iconic Route 66 landmarks. Many cities host vintage car shows, and the City could host a car show at a relatively modest cost. The City currently has an agreement with a car show producer for two

shows in the Old Town La Verne area. While Route 66 is not a City-controlled roadway, alternative locations, such as Durward Way and the Civic Center parking lot, with public parking at Bonita High School, may provide a feasible option. Additional opportunities include the installation of an official Route 66 Centennial monument (estimated at \$30,000), decorative street signs, partnership with the La Verne Chamber of Commerce to update street banners along Foothill Boulevard, community events, and coordinated business-focused programming designed to increase foot traffic and economic activity along the corridor.

The City was also recently contacted by a member of the California Historic Route 66 Association about having the City adopt a resolution honoring the Route 66 Centennial. Such a resolution can be a further way of calling attention to the Centennial and City staff have requested a meeting with the Association to find out more opportunities.

United States Semiquincentennial – 250th Anniversary July 4, 2026

The United States Semiquincentennial, branded nationally as the “America 250” campaign, centers around three key initiatives: Our American Story, America’s Field Trip, and America Gives. Aligning with these national themes, the City has identified several cost-effective concepts to participate in the celebration. For Our American Story, the City could collaborate with community groups to develop a year-long social media and storytelling campaign recognizing notable La Verne residents and local history that have contributed to the community’s development. For America’s Field Trip, potential programming includes partnerships with local organizations to host historic walking tours highlighting landmarks such as the Liberty Bell, the Methodist Church, public art installations, and other significant sites, as well as tours of City facilities. For America Gives, the City could find a community partner to coordinate volunteer-based activities throughout the year, such as community clean-up days or other service-oriented initiatives. Staff anticipates that these efforts to celebrate the United States Semiquincentennial would also be incorporated into existing City events, including the Fourth of July celebration. Staff is also exploring patriotic themed ornamentation to include street sign toppers, or more opportunities to post American flags on streetlights.

Potential partners for both commemorations include, but are not limited to, the La Verne Chamber of Commerce, La Verne Historical Society, La Verne Heritage Foundation, VFW Post 12034, and other community-based organizations.

Staff is requesting City Council direction on the preferred path forward, specifically regarding the identification of potential funding to support associated costs, which may include the use of available public art funds. Staff time dedicated to these events would be absorbed within existing resources, with other projects re-prioritized should the Council determine that these outreach efforts are a priority. Given the City’s current fiscal constraints and the compressed timelines associated with both celebrations, staff seeks City Council input on how to proceed, if desired, in a manner that is both cost-effective and reflective of the significance of these milestones. City Council direction will provide staff the flexibility to pursue community partners and to continue to review low-cost programming opportunities as well as adapt implementation strategies as partnerships and new opportunities emerge.

FISCAL ANALYSIS

For discussion purposes, the costs below reflect general estimates based on previous implementation of similar concepts. As discussed above, staff time would be absorbed into existing budgets.

Outreach mailers: Generally, Community Mailer cost approximately \$6,000 each to hit all residential addresses in the City. Typically, the City mixes the type of information in a mailer to more effectively communicate issues.

Programming: Currently, the City is in an agreement with a car show promoter for \$2,000 per show. This amount may be offset by sponsors. The Route 66 Centennial Monument Project is offering 16' illuminated Route 66 monuments for approximately \$30,000. City street sign replacement (12 signs) or street toppers range from \$500 to \$1,500 in material. Banners on streetlight poles are approximately \$150 each with a potential of up to 30 pole placements (not including new pole attachment accessories.)

ENVIRONMENTAL ANALYSIS

Not applicable.

LEGAL REVIEW

The City Attorney has reviewed and approved this report.

ATTACHMENTS

1. Route 66 Celebration Mock Ups

Report Prepared By:

Andrea Blockinger, Management Analyst

Example of Potential Street Sign with Route 66 Logo



Example of Potential Streetlight Banner with Route 66 Celebration Theme



City of La Verne, City Council Agenda Report



DATE: March 2, 2026
TO: Honorable Mayor and City Council
FROM: Christy Lopez, Finance Director
SUBJECT: **REVIEW AND APPROVAL OF REVISIONS TO ADMINISTRATIVE REGULATION NO. 215 (INVESTMENT POLICY) AND RECEIVE AND FILE ADMINISTRATIVE REGULATION – FUND LOAN POLICY.**

SUMMARY

At its February 18, 2026, meeting, the Finance Commission reviewed two financial governance items. A proposed Administrative Regulation establishing a formal Fund Loan Policy and proposed revisions to Administrative Regulation No. 215 (Investment Policy). In accordance with its advisory role, the Finance Commission reviewed both items for fiscal soundness, transparency, and alignment with applicable law and best practices. Following discussion, the Commission recommended that the City Council approve the revisions to the Investment Policy and receive and file the proposed Fund Loan Policy.

RECOMMENDATION

That the City Council:

1. Review and approve revisions to Administrative Regulation No. 215 (Investment Policy) pursuant to California Government Code Section 53646; and
2. Receive and file the Administrative Regulation – Fund Loan Policy and direct the City Manager to finalize and implement the Administrative Regulation.

DISCUSSION

Administrative Regulation – Fund Loan Policy

The proposed Fund Loan Policy establishes a formal citywide framework governing temporary interfund loans for short-term cash flow purposes. The proposed Administrative Regulation:

- Establishes criteria under which fund loans may occur
- Applies to all City funds, including the General Fund, Special Revenue Funds, Capital Project Funds, Internal Service Funds, and Enterprise Funds.
- Requires City Council approval by resolution for all interfund loans
- Defines required repayment schedules and terms
- Establishes interest considerations based on reasonable benchmarks, including the City's pooled cash investment yield or the Local Agency Investment Fund (LAIF) yield
- Ensures compliance with Generally Accepted Accounting Principles (GAAP)

- Requires disclosure of outstanding balances in the City’s Annual Comprehensive Financial Report (ACFR)

Importantly, adoption of the policy does not authorize any specific interfund loan, does not approve permanent transfers between funds, and does not alter existing budget authority. Any future interfund loan would require separate City Council action consistent with the requirements established in the Administrative Regulation.

The Finance Commission reviewed the policy in its advisory capacity for fiscal discipline, transparency, and protection of lending funds and recommended the item to the City Council. The Fund Loan Policy is an Administrative Regulation issued under the authority of the City Manager and is not statutorily required. The proposed Council action acknowledges the policy framework and provides transparency while allowing the City Manager to finalize and implement the Administrative Regulation.

Administrative Regulation No. 215 – Investment Policy Revisions

Administrative Regulation No. 215 establishes the City’s investment objectives, authorized investment instruments, reporting requirements, delegation of authority, and internal control standards. Staff conducted a comprehensive review of the Investment Policy in collaboration with Shuster Advisory Group, the City’s financial advisors, to ensure:

- Continued compliance with California Government Code Sections 53600 et seq., which govern the investment of public funds
- Alignment with current municipal investment best practices
- Regulatory modernization and clarification of governance language
- Strengthened internal control and risk management standards

The proposed revisions are technical and clarifying in nature and do not materially change the City’s conservative investment philosophy or expand authorized investment types. Key updates include:

Statutory Alignment and Maturity Clarifications

- Clarifies that no investment may exceed the five-year statutory maturity limitation unless expressly authorized by the City Council pursuant to Government Code Section 53601
- Updates commercial paper maturity language to reference the statutory maximum permitted under Government Code Section 53601
- Clarifies the monitoring of Weighted Average Life (WAL), a supplemental risk measurement used to evaluate the average time to principal repayment on certain structured securities

Delegation and Governance

- Reaffirms delegation of investment authority to the Finance Director pursuant to Government Code Section 53607

- Clarifies that any external investment advisor acts under the direction and delegated authority of the Finance Director
- Provides direction regarding future legislative changes affecting authorized investment types or maturity limits

Risk Management and Internal Controls

- Enhances due diligence requirements for investment pools and mutual funds
- Maintains prudent diversification standards, including limiting Joint Powers Authority pool investments to no more than 75 percent of the City’s surplus funds
- Updates deposit collateral language consistent with Government Code Sections 53630 and 53652

The revisions strengthen the regulatory framework while maintaining the City’s prioritization of safety, liquidity, and prudent yield in managing public funds.

Following review and discussion, the Finance Commission recommended approval of the revised Investment Policy to the City Council. California Government Code Section 53646 requires the legislative body to annually review and adopt a written investment policy. Approval of the revised Investment Policy satisfies this statutory requirement.

FISCAL ANALYSIS

There is no direct fiscal impact associated with approval of the revised Investment Policy or the establishment of the Fund Loan Policy.

ENVIRONMENTAL ANALYSIS

Not Applicable

LEGAL REVIEW

The City Attorney has reviewed and approved this report.

ATTACHMENTS

1. La Verne IPS 2-18-2026_redline
2. La Verne IPS 2-18-2026_clean
3. La Verne Fund Loan Policy Draft 2-18-2026



Administrative Regulation

Number: 215

Issued: 07-01-2018

Effective Date: ~~2-18-2026~~10-07-2024

Revised:10-02-2023

Subject: **INVESTMENT POLICY**

: 10-07-2024

PURPOSE

This statement is intended to provide guidelines for the prudent investment of the City of La Verne's temporary idle cash and outline the policies for maximizing the efficiency of the cash management system. The ultimate goal is to enhance the economic status of the City while protecting its pooled cash.

SCOPE

Included in the scope of the City's investment policy are the following major guidelines and practices which are to be used in achieving the City's primary investment objectives:

- Investment Authority and Responsibilities
- Eligible Financial Institutions
- Authorized Investments
- Investment Maturities
- Cash Management
- Evaluation of Investment Performance
- Investment Reporting
- Investment Policy Review and Adoption

It is intended that this policy cover all funds and investment activities under the direct authority of the City. These funds are accounted for in the City's Annual Comprehensive Financial Report (ACFR) and include the general fund, special revenue funds, debt service funds, capital project funds, enterprise funds, internal service funds and agency funds. Funds excluded from this policy include proceeds of debt issuance, retirement/pension funds and deferred compensation funds, and pension or other post-employment benefit funds held in a trust.

OBJECTIVES

The City's cash management system is designed to accurately monitor and forecast expenditures and revenues, thus enabling the City to invest funds to the fullest extent possible. The City

attempts to obtain a market rate of return on funds as long as investments meet the criteria established for safety and liquidity.

POLICY AND INVESTMENT PHILOSOPHY

The City of La Verne's investment philosophy is to invest conservatively to minimize risk. Investments shall be made in the context of the Prudent Investor Rule for trustees of local government money, which is defined in Government Code Section 53600.3:

When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

The fundamental principles of the City's philosophy are:

- Diversification of the portfolio by investment type or maturity;
- Quality standards for securities issuers;
- Limits on the maximum maturity of investments; and
- Passive investment strategy of purchasing investments with the intent to hold them until maturity.

Portfolio diversification in terms of maturity, instrument types and issuer helps to reduce the overall risk while obtaining an average market rate of return. Therefore, the portfolio should consist of a mix of various types of securities, issuers and maturities. Occasional measured losses are inevitable and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented.

DELEGATION OF AUTHORITY

Investment authority and responsibility to invest or reinvest the funds of the City of La Verne is hereby delegated by the City Council to the Finance Director. The Finance Director is a trustee and a fiduciary subject to the prudent investor standard.

The City may retain the services of an outside investment advisor or manager as approved by the City Council to act in an advisory capacity to assist with the City's investment program who under the direction and delegated authority of the Finance Director shall make all investment decisions and transactions in strict accordance with State Law, this Policy and such other written instructions as are provided.

AUTHORIZED INVESTMENTS

Investments may be made in the following media:

1. ~~Money Market Account~~
2. ~~Passbook Savings Account~~

3. U. S. Treasury Issues
4. Federal Agency Securities
5. Certificates of Deposit
Municipal Bonds
6. Negotiable Certificates of Deposits
7. Bankers Acceptances
8. Commercial Paper
9. Medium Term Corporate Notes
- ~~10. Repurchase Agreements~~
11. Local Agency Investment Fund (LAIF)
- ~~12. Los Angeles County Pooled Funds~~
13. Secured Obligations
14. Money Market Mutual Funds (including money market)
Mortgage or Asset Backed Securities
15. Joint Powers Authority Pools

Descriptions of these investments are listed in Appendix A.

Proceeds from bonds and other obligations of indebtedness that are held by a trustee or fiscal agent may be invested in any instruments as specified in the bond indenture, resolution or issuance agreement.

Criteria for selecting investments and the order of priority are:

1. Safety. The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of these amounts. The City only operates in those investments that are considered very safe.
2. Liquidity. This refers to the ability to convert investments into cash or cash equivalents without significant loss of principal. Liquidity is an important investment quality especially when the need for unexpected funds occurs occasionally.
3. Yield. Yield is the potential dollar earnings an investment can provide, and sometimes is described as the rate of return. Yield should become a consideration only after the basic requirements of safety and liquidity have been met.

INTERNAL CONTROL

The Finance Department is responsible for ensuring compliance with the City's investment policy as well as for establishing systems of internal control designed to prevent loss due to fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by city officers and employees. Timely bank reconciliations are conducted to ensure proper handling of all transactions.

An independent analysis by an external auditor shall be conducted annually to review internal control and compliance with policies and procedures.

CONFLICTS OF INTEREST

The City adopts the following policy concerning conflicts of interest:

1. Officers and employees involved in the investment process shall not conduct personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.
2. Officers and employees involved in the investment process shall disclose to the City Clerk any material financial interests in financial institutions that conduct business with the City of La Verne, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City's portfolio.

SAFEKEEPING

Securities purchased from brokers/dealers shall be held in third party safekeeping by the trust department of the local agency's bank or other designated third-party trustee/agent in local agency's name and control, whenever possible. All trades where applicable will be executed by delivery vs. payment (DVP). This ensures that securities are deposited in the eligible financial institution prior to the release of funds.

INVESTMENT OBJECTIVE

The cash management system of the City of La Verne is designed to:

- Safeguard and protect the principal of the funds in the City's investment portfolio;
- Ensure that the City has adequate cash to pay budgeted expenditures and other operating costs by selecting maturities that reflect projected future;
- Achieve a return on the funds; and
- Comply with applicable law governing investment of governmental funds.

REPORTING

In accordance with Government Code Section 53646(b)(1), the Treasurer shall render a quarterly report to the City Council. The Treasurer's report shall be submitted to the City Clerk's office within 30 days following the end of the quarter covered by the report. The report on investments shall include the:

- Type of each investment,
- Issuer of each investment,
- Date of purchase and maturity of each investment,
- Par value and dollar amount invested on each security, investment and moneys held by local agency,

- Interest rate or yield on each investment,
- Current market value of the investment portfolio as of the date of the report and the source of the valuation.

In addition, the report on investments shall include a statement:

- As to whether the City's investments comply with this Statement of Investment Policy, and if not, why not,
- Denoting the ability of the City to meet its expenditure requirement for the next six months.

The investment portfolio will be diversified to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions. The City may invest to the maximum limits with LAIF. Investments made through Broker/Dealers shall be made through firms that are members of the New York Stock Exchange, registered with the Securities and Exchange Commission (SEC), members of the Financial Industry Regulatory Authority (FINRA), and subject to applicable Municipal Securities Rulemaking Board (MSRB) regulations. ~~will be made through firms who are members of the New York Stock Exchange or regulated by either the Securities Exchange Commission or the National Association of Securities Dealers.~~ In addition, investment advisors must have at least five years' experience investing in the securities and obligations authorized under this policy and managing assets in excess of five hundred million dollars (\$500,000,000).

No investment (except for those made from the proceeds of bonds) will be made in any security which at the time of the investment has a term remaining to maturity in excess of five years.

The City strives to maintain the level of investment of all funds as near 100 percent as possible through daily and projected cash flow determinations. Idle cash management and investment transactions are the responsibility of the City Treasurer and Finance Director.

The basic premise underlying the City's investment philosophy is, and will continue to be, to ensure that money is always safe and available when needed.

The Investment Advisor shall report to the City, on a monthly basis, the weighted-average life for each structured security to ensure compliance with the individual 5-year weighted average-life limitation. Weighted-Average-Life (WAL) measures the average length of time for anticipated principal repayments to measure a bond's risk and liquidity. In order to calculate a bond's WAL, assumptions must be made regarding prepayment event probabilities, prepayment amounts, prepayment speed, underlying asset leverage, and other collateral features as well as macroeconomic drivers such as, but not limited to, interest rate expectations, home prices, and mortgage rates. Institutionally, proprietary models use these various assumed inputs to estimate the amount and timing of principal repayments in order to produce a WAL output that functions as a useful metric to understand interest rate risk, prepayment risk, and extension risk.

All data shall be maintained by the Investment Advisor for record-keeping purposes. If a structured security is reported to have a weighted-average-life greater than 5 years, it shall be flagged for

immediate discussion with both the City and Investment Advisor to determine if the security shall be held or liquidated, depending on underlying risk and broader market conditions. Notwithstanding the aforementioned process, any security with a weighted-average-life greater than 4 years shall be monitored on a monthly basis to note any reporting trends. WAL monitoring is used solely as a supplemental risk metric and does not supersede statutory maturity limitations.

DEPOSITS

Money must be deposited in a nationally or state-chartered commercial bank, savings bank, savings and loan association, or credit union in the state. It may be in inactive deposits, active deposits, or interest-bearing active deposits. All deposits shall be made in accordance with California Government Code Sections 53630 et seq. and 53652 et seq., and shall be secured through the State of California's collateralization program for public deposits. Deposits shall be collateralized at the level required by law and monitored by the California Department of Financial Protection and Innovation or its successor.~~The deposits cannot exceed the amount of the bank's, savings and loan's, or credit union's paid-up capital and surplus.~~

~~The bank or savings and loan must secure the active and inactive deposits with eligible securities having a market value of 110 percent of the total amount of the deposits. State law also allows, as an eligible security, first trust deeds having a value of 150 percent of the total amount of the deposits.~~

The Finance Director or Treasurer may at his/her discretion waive security for that portion of a deposit, which is insured pursuant to federal law. Currently, the first \$250,000 of a deposit is federally insured. It is to the City of La Verne's advantage to waive this collateral requirement for the first \$250,000 because we receive a higher interest rate.

DEPOSITORY SERVICES

ACTIVE DEPOSITS are demand or checking accounts, which receive revenues and pay disbursements.

INTEREST-BEARING ACTIVE DEPOSITS are money market accounts at a financial institution (i.e., bank, savings and loan, credit union). These accounts are demand accounts (i.e., checking accounts) with restricted transaction activity.

INACTIVE DEPOSITS are certificates of deposits issued in any amount for periods of time as short as fourteen days and as long as several years. Interest must be calculated on a 360-day basis, actual number of days. At any given time, the City may have certificates of deposit in numerous financial institutions. As a matter of policy, we do not invest in Certificate of Deposits (CDs) for longer than ~~one~~five years or invest through an outside CD broker.

We require that each financial institution submit current financial statements, which are evaluated by staff prior to the investment of funds. We use the following criteria:

1. The institution must have been in business at least four years.
2. The institution must have assets of at least \$500 million and a net worth to asset value greater than 3.5 percent.

3. Investments in Credits Unions require an equity (net worth) to asset value of 5.0 percent.

PASSBOOK SAVINGS ACCOUNT is similar to an inactive deposit except not for a fixed term. The interest rate is generally lower than CDs, but the savings account allows us flexibility. Funds can be deposited and withdrawn according to City needs.

INVESTMENT SECURITIES

Investment of City funds is governed by the California Government Code Sections 16429.1 and 53601. Investments may not have a term or maturity at the time of investment of longer than that authorized by Section 53601 or five years (measured by settlement date) unless the City Council has granted express authority, no less than three (3) months prior to the investment, for a specific investment to exceed such limit. It should be noted that while the Government Code specifies the maximum percentage of the portfolio which may be held in each type of investment at any one time, fluctuations in the portfolio balance will prevent strict adherence to such restrictions. Therefore, percentage limitations shall apply to investments at the time of purchase. The City will diversify its investments by security type and institution. Within the context of the State limitations, the following investments are authorized:

1. U.S. TREASURY OBLIGATIONS

Government Code Section 53601(b): are direct obligations of the United States Government. These issues are called bills, notes, and bonds. The maturity range of new issues is from thirteen weeks (T-bills) to thirty years (T-bonds). These are highly liquid and are considered the safest investment security. There is no limit as to the amount of the investment portfolio that may be invested in US Treasury Obligations. The City will not invest in U.S. Treasury Obligations having a final stated maturity greater than five (5) years from the settlement date, unless expressly authorized by the City Council pursuant to Government Code Section 53601. Weighted Average Life (WAL) may be utilized as a supplemental risk measurement but shall not replace or supersede statutory maturity limitations..

2. U.S. GOVERNMENT SECURITIES

Government Code Section 53601(f): are issued by direct U. S. Government agencies or quasi-government agencies. The United States Government guarantees these issues directly or indirectly. Examples of these securities are Federal Home Loan Bank (FHLB) notes, Federal National Mortgage Associations (FNMA) notes, Federal Farm Credit Bank (FFCB) notes, Federal Intermediate Credit Bank (FICB) debentures, Small Business Administration (SBA) notes, Government National Mortgage Association (GNMA) notes and Student Loan Association (SALLMAE) notes, and other US Government Agency Securities. Securities eligible for investment under this subdivision shall have a final stated maturity of five (5) years or less from the settlement date. Agency Mortgage-Backed or Asset-Backed Securities shall have a maximum remaining maturity of five years or less measured on a weighted average life (WAL) basis. There is no limitation as to the percentage of the City's portfolio that may be invested in this category.

7

3. CERTIFICATES OF DEPOSIT

Government Code Section 53635 are investments for inactive funds issued by banks, savings and loans and credit unions. Investments of \$250,000 are insured respectively by Federal Deposit Insurance Corporation (FDIC). Federal Savings and Loan Insurance Corporation (FSLIC) and the National Credit Union Share Insurance Fund (NCUSIF). Certificates of Deposit can be issued from fourteen days to several years in maturity allowing the City investment of funds to be matched to cash flow needs. For deposits exceeding \$250,000 we require the financial institution to collateralize with 110 percent government securities collateral. The City of La Verne will not accept 150 percent collateral (First Trust Deeds) or 105 percent Letters of Credit (LC). There is no limit as to the amount of the investment portfolio that may be deposited in certificates of deposit, however the City may invest up to the maximum amount permitted by Government Code and prudent diversification practices. The maximum maturity for this investment is five years from the time of purchase.

4. CALIFORNIA STATE, CALIFORNIA LOCAL GOVERNMENT AGENCIES, and other UNITED STATES STATE BONDS

Government Code Sections 53601(c) through (e): ~~Thir~~twenty percent (320%) of the City's portfolio may be invested in this category having at the time of investment minimum "AA" or its rating equivalent or better by an NRSRO. This category includes:

- Registered state warrants or treasury notes or bonds of the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by the state or by a department, board, agency, or authority of the state.
- Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.
- Bonds, notes, warrants, or other evidence of indebtedness of a local agency within the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

5. BANKERS ACCEPTANCES

Government Code Section 53601(g) are short-term credit arrangement to enable business to obtain funds to finance commercial transactions. They are time drafts drawn on a bank by an exporter or importer to obtain funds to pay for specific merchandise. By its acceptance, the bank becomes primarily liable for the payment of the draft at maturity. An acceptance is a high-grade negotiable instrument. Acceptances are purchased in various denominations for 30 to 270 days. The City cannot purchase banker's acceptances with a maturity longer than 180 days. The interest is calculated on 360-day discount basis similar to Treasury Bills. Local agencies cannot invest more than 40 percent of their excess funds in banker's acceptances and no more than 30 percent of the agency's funds in any one commercial bank.

6. COMMERCIAL PAPER

Government Code Section 53601(h):

is short term unsecured promissory note issued by a corporation to raise working capital. These negotiable instruments may be purchased at a discount to par value or interest bearing. Commercial paper is issued by corporations such as General Motors Acceptance Corporation (GMAC), Shearson-American Express, Bank of America, Wells Fargo Bank, etc.

Twenty-five percent (25%) of the City's portfolio may be invested in "Prime" commercial paper as rated by a nationally recognized statistical-rating organization (NRSRO). Issuing corporations must be organized and operating in the United States, have \$500 million total assets, and have at least an "A1" rating by an NRSRO on debt other than commercial paper. No more than 10% of the portfolio may be invested in the commercial paper and medium-term notes of any single issuer. The maturity period shall not exceed the maximum permitted by Government Code Section 53601(h) cannot exceed 270 days.

7. NEGOTIABLE CERTIFICATES OF DEPOSIT

Government Code Section 53601(i): Thirty percent (30%) of the City's portfolio may be invested in Negotiable Certificates of Deposit issued by a nationally or state-chartered bank or a state or federal association or by a state-licensed branch of a foreign bank. These securities shall be rated in a ratings category of "A" or its equivalent or better by an NRSRO.

8. MEDIUM TERM CORPORATE NOTES

Government Code Section 53601(k) are unsecured promissory notes issued by a corporation operating in the United States. These are negotiable instruments and are actively traded in the secondary market. Medium Term Corporate Notes (MTN) can be defined as extended maturity commercial paper. Corporations use these MTNs to raise capital. Examples of MTN issuers are General Electric, GMAC, Citibank, Wells Fargo Bank, etc.

Defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less (measured by settlement date), issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision must be rated in a rating category of "A" or its equivalent or better by an NRSRO. No more than 10% of the portfolio may be invested in the commercial paper and medium-term notes of any single issuer. Up to 30% of the City's portfolio may be so invested.

9. LOCAL AGENCY INVESTMENT FUND (LAIF)

Government Code Section 16429.1: is a special fund in the California State Treasury, which local agencies may use to deposit funds for investment. There is no minimum investment period and the minimum transaction is \$5,000, in multiples of \$1,000 above that, with a maximum of \$75 million (except for proceeds from bonds) for any agency. It offers high liquidity because deposits can be converted to cash in twenty-four hours and no interest is lost. All interest is distributed to those agencies participating on a proportionate share determined by amounts deposited and the length of time they are deposited. Interest is paid quarterly via direct deposit to the LAIF account.

The State keeps an amount for reasonable cost of making the investments, not to exceed one-quarter of one percent of the earnings.

10. SECURED OBLIGATIONS

Government Code Section 53601 (m) & (n)N, are notes, bonds, or other obligations which are at all times secured by a valid first priority security interest in eligible securities pursuant to Section 53651. The securities serving as collateral shall be in the custody of a trust company or the trust department of a bank, which is not affiliated with the issuer of the secured obligations. ~~Also included are mortgage pass-thru investments and collateralized mortgage obligation (CMO). The CMO is a cash flow bond in which mortgage payments from the underlying mortgage pools pay principal and interest to the CMO bondholder. Investments in secured obligations, et al, may not exceed 20 percent of the local agency's excess funds.~~

11. MONEY MARKET MUTUAL FUNDS

Government Code Section 53601(l) are "shares of beneficial interest issued by diversified management companies." in order to invest in a mutual fund, it must be restricted by its by-laws to the same investments as the Government Code allows local agencies. These investments include treasury debt obligations, banker's acceptances, commercial paper, certificates of deposit, negotiable certificates of deposit, repurchase agreements, secured obligations, and medium term corporate notes. The quality rating and percentage restrictions in each investment category applicable to the local agency also applies to the mutual fund.

A further restriction is that the purchase price of the shares of the mutual funds shall not include any sales commission. Investments in mutual funds shall not exceed twenty percent of the local agency's excess funds pursuant to this section and no more than ten percent may be invested in shares of beneficial interest of any one mutual fund.

12. MORTGAGE OR ASSET BACKED SECURITIES

Government Code Section 53601(o): Up to twenty percent (20%) of the City's portfolio may be invested in mortgage pass-through securities, collateralized mortgage obligations, mortgage-backed or other pay-through bonds, equipment lease-backed certificates, consumer receivable passthrough certificates, or consumer receivable-backed bonds. The 20% limit does not apply to securities issued by the US Government or any US Agency. Securities eligible for investment under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO. Securities eligible for investment under this subdivision shall have a maximum remaining maturity of five years or less measured on a weighted average life (WAL) basis.

13. JOINT POWERS AUTHORITY POOLS

Government Code Section 53601(p): Shares of beneficial interest issued by a Joint Powers Authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions 53601(a) to 53601(r), inclusive (e.g. Cal Trust, CAMP, CLASS). Each share shall represent an equal proportional interest in the underlying pool of securities owned by the Joint Power's Authority. There is no maximum limit for JPA investments however the City will limit the investment to no more than 75% of the City's surplus funds.

DUE DILIGENCE REQUIREMENT

The Finance Director shall make a thorough investigation of an investment pool or mutual fund prior to investing funds and on a continual basis. At a minimum, the following information shall be on file for each pool and/or mutual fund:

1. A description of eligible investment securities, and a written statement of investment policy and objectives.
2. A description of interest calculations, how interest is distributed, and how gains and losses are treated.
3. A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
4. A description of who may invest in the program, how often, and the size of deposits and withdrawals.
5. A schedule for receiving statements and portfolio listings.
6. Whether reserves, retained earnings, etc. are utilized by the pool/fund.
7. A fee schedule, and when and how fees are assessed.
8. Whether the pool/fund is eligible for bond proceeds and/or will it accept such proceeds.

PROHIBITED INVESTMENTS

In compliance with Government Code Section 53631.5, the City of La Verne

shall not invest in inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages. Additionally, the City shall not invest in any security that could result in zero interest accrual if held to maturity.

The City does not participate in any form of portfolio leverage, including but not limited to securities lending programs, reverse repurchase agreements and margin accounts.

Unless otherwise authorized above by the City Council pursuant to Government Code Section 53601, no investment may have a final stated maturity greater than five (5) years from the settlement date.

DERIVATIVE INVESTMENTS

Derivatives are investments whose value is "derived" from or based upon the value of other assets or on the level of an interest rate index. The City of La Verne does not invest in derivative instruments whose value is derived from speculative leverage. Mortgage-backed

securities permitted under §53601(o) are not considered derivatives for purposes of this policy products.

LEGISLATIVE CHANGES

Any State of California legislative action that further restricts allowable maturities, investment types or percentage allocations will be incorporated into the City of La Verne Statement of Investment Policy and supersede any and all previous applicable language. If the City is holding an investment that is subsequently prohibited by a legislative change, the City may hold that investment, if it is deemed prudent by the Finance Director with notification to the City Council Investment Review Committee, until the maturity date to avoid an unnecessary loss.

CASH MANAGEMENT

In order to obtain a reasonable return on public funds, the following cash management practices will be followed:

1. Maintain maximum investment of all City funds not required to meet immediate cash flow needs.
2. Pool cash from all City administered funds for investment purposes with interest earnings allocated monthly, distributed quarterly based on the average cash balance of each fund at month end as a percentage of the entire pooled portfolio.
3. Maximize the City's cash flow through immediate deposit of all cash receipts, use of direct deposit when available, and appropriate timing of payment to vendors.
4. Maximize cash flow information available through the use of only one operating bank account.

City Manager

Date



Administrative Regulation

Number: 215

Issued: 07-01-2018

Effective Date: 2-18-2026

Revised: 10-02-2023

Subject: **INVESTMENT POLICY**

: 10-07-2024

PURPOSE

This statement is intended to provide guidelines for the prudent investment of the City of La Verne's temporary idle cash and outline the policies for maximizing the efficiency of the cash management system. The ultimate goal is to enhance the economic status of the City while protecting its pooled cash.

SCOPE

Included in the scope of the City's investment policy are the following major guidelines and practices which are to be used in achieving the City's primary investment objectives:

- Investment Authority and Responsibilities
- Eligible Financial Institutions
- Authorized Investments
- Investment Maturities
- Cash Management
- Evaluation of Investment Performance
- Investment Reporting
- Investment Policy Review and Adoption

It is intended that this policy cover all funds and investment activities under the direct authority of the City. These funds are accounted for in the City's Annual Comprehensive Financial Report (ACFR) and include the general fund, special revenue funds, debt service funds, capital project funds, enterprise funds, internal service funds and agency funds. Funds excluded from this policy include proceeds of debt issuance, retirement/pension funds and deferred compensation funds, and pension or other post-employment benefit funds held in a trust.

OBJECTIVES

The City's cash management system is designed to accurately monitor and forecast expenditures and revenues, thus enabling the City to invest funds to the fullest extent possible. The City attempts to obtain a market rate of return on funds as long as investments meet the criteria established for safety and liquidity.

POLICY AND INVESTMENT PHILOSOPHY

The City of La Verne's investment philosophy is to invest conservatively to minimize risk. Investments shall be made in the context of the Prudent Investor Rule for trustees of local government money, which is defined in Government Code Section 53600.3:

When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

The fundamental principles of the City's philosophy are:

- Diversification of the portfolio by investment type or maturity.
- Quality standards for securities issuers.
- Limits on the maximum maturity of investments; and
- Passive investment strategy of purchasing investments with the intent to hold them until maturity.

Portfolio diversification in terms of maturity, instrument types and issuer helps to reduce the overall risk while obtaining an average market rate of return. Therefore, the portfolio should consist of a mix of various types of securities, issuers and maturities. Occasional measured losses are inevitable and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented.

DELEGATION OF AUTHORITY

Investment authority and responsibility to invest or reinvest the funds of the City of La Verne are hereby delegated by the City Council to the Finance Director. The Finance Director is a trustee and a fiduciary subject to the prudent investor standard.

The City may retain the services of an outside investment advisor or manager as approved by the City Council to act in an advisory capacity to assist with the City's investment program who under the direction and delegated authority of the Finance Director shall make all investment decisions and transactions in strict accordance with State Law, this Policy and such other written instructions as are provided.

AUTHORIZED INVESTMENTS

Investments may be made in the following media:

3. U. S. Treasury Issues
4. Federal Agency Securities
5. Certificates of Deposit
Municipal Bonds
6. Negotiable Certificates of Deposits

7. Bankers Acceptances
8. Commercial Paper
9. Medium Term Corporate Notes
11. Local Agency Investment Fund (LAIF)
13. Secured Obligations
14. Money Market Mutual Funds
Mortgage or Asset Backed Securities
15. Joint Powers Authority Pools

Descriptions of these investments are listed in Appendix A.

Proceeds from bonds and other obligations of indebtedness that are held by a trustee or fiscal agent may be invested in any instruments as specified in the bond indenture, resolution or issuance agreement.

Criteria for selecting investments and the order of priority are:

1. Safety. The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of these amounts. The City only operates in those investments that are considered very safe.
2. Liquidity. This refers to the ability to convert investments into cash or cash equivalents without significant loss of principal. Liquidity is an important investment quality especially when the need for unexpected funds occurs occasionally.
3. Yield. Yield is the potential dollar earnings an investment can provide and sometimes is described as the rate of return. Yield should become a consideration only after the basic requirements of safety and liquidity have been met.

INTERNAL CONTROL

The Finance Department is responsible for ensuring compliance with the City's investment policy as well as for establishing systems of internal control designed to prevent loss due to fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by city officers and employees. Timely bank reconciliations are conducted to ensure proper handling of all transactions.

An independent analysis by an external auditor shall be conducted annually to review internal control and compliance with policies and procedures.

CONFLICTS OF INTEREST

The City adopts the following policy concerning conflicts of interest:

1. Officers and employees involved in the investment process shall not conduct personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

2. Officers and employees involved in the investment process shall disclose to the City Clerk any material financial interests in financial institutions that conduct business with the City of La Verne, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City's portfolio.

SAFEKEEPING

Securities purchased from brokers/dealers shall be held in third party safekeeping by the trust department of the local agency's bank or other designated third-party trustee/agent in local agency's name and control, whenever possible. All trades where applicable will be executed by delivery vs. payment (DVP). This ensures that securities are deposited in the eligible financial institution prior to the release of funds.

INVESTMENT OBJECTIVE

The cash management system of the City of La Verne is designed to:

- Safeguard and protect the principal of the funds in the City's investment portfolio.
- Ensure that the City has adequate cash to pay budgeted expenditures and other operating costs by selecting maturities that reflect projected future.
- Achieve a return on the funds; and
- Comply with applicable law governing investment of governmental funds.

REPORTING

In accordance with Government Code Section 53646(b)(1), the Treasurer shall render a quarterly report to the City Council. The Treasurer's report shall be submitted to the City Clerk's office within 30 days following the end of the quarter covered by the report. The report on investments shall include the:

- Type of each investment,
- Issuer of each investment,
- Date of purchase and maturity of each investment,
- Par value and dollar amount invested on each security, investment and moneys held by local agency,
- Interest rate or yield on each investment,
- Current market value of the investment portfolio as of the date of the report and the source of the valuation.

In addition, the report on investments shall include a statement:

- As to whether the City's investments comply with this Statement of Investment Policy, and if not, why not,
- Denoting the ability of the City to meet its expenditure requirement for the next six months.

The investment portfolio will be diversified to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions. The City may invest to the maximum limits with LAIF. Investments made through Broker/Dealers shall be made through firms that are members of the New York Stock Exchange, registered with the Securities and Exchange Commission (SEC), members of the Financial Industry Regulatory Authority (FINRA), and subject to applicable Municipal Securities Rulemaking Board (MSRB) regulations. In addition, investment advisors must have at least five years' experience investing in the securities and obligations authorized under this policy and managing assets in excess of five hundred million dollars (\$500,000,000).

No investment (except for those made from the proceeds of bonds) will be made in any security which at the time of the investment has a term remaining to maturity in excess of five years.

The City strives to maintain the level of investment of all funds as near 100 percent as possible through daily and projected cash flow determinations. Idle cash management and investment transactions are the responsibility of the City Treasurer and Finance Director.

The basic premise underlying the City's investment philosophy is, and will continue to be, to ensure that money is always safe and available when needed.

The Investment Advisor shall report to the City, on a monthly basis, the weighted-average life for each structured security to ensure compliance with the individual 5-year weighted average life limitation. Weighted-Average Life (WAL) measures the average length of time for anticipated principal repayments to measure a bond's risk and liquidity. In order to calculate a bond's WAL, assumptions must be made regarding prepayment event probabilities, prepayment amounts, prepayment speed, underlying asset leverage, and other collateral features as well as macroeconomic drivers such as, but not limited to, interest rate expectations, home prices, and mortgage rates. Institutionally, proprietary models use these various assumed inputs to estimate the amount and timing of principal repayments in order to produce a WAL output that functions as a useful metric to understand interest rate risk, prepayment risk, and extension risk.

All data shall be maintained by the Investment Advisor for record-keeping purposes. If a structured security is reported to have a weighted-average life greater than 5 years, it shall be flagged for immediate discussion with both the City and Investment Advisor to determine if the security shall be held or liquidated, depending on underlying risk and broader market conditions. Notwithstanding the aforementioned process, any security with a weighted-average life greater than 4 years shall be monitored on a monthly basis to note any reporting trends. WAL monitoring is used solely as a supplemental risk metric and does not supersede statutory maturity limitations.

DEPOSITS

Money must be deposited in a nationally or state-chartered commercial bank, savings bank, savings and loan association, or credit union in the state. It may be in inactive deposits, active

deposits, or interest-bearing active deposits. All deposits shall be made in accordance with California Government Code Sections 53630 et seq. and 53652 et seq. and shall be secured through the State of California's collateralization program for public deposits. Deposits shall be collateralized at the level required by law and monitored by the California Department of Financial Protection and Innovation or its successor.

The Finance Director or Treasurer may at his/her discretion waive security for that portion of a deposit, which is insured pursuant to federal law. Currently, the first \$250,000 of a deposit is federally insured. It is to the City of La Verne's advantage to waive this collateral requirement for the first \$250,000 because we receive a higher interest rate.

DEPOSITORY SERVICES

ACTIVE DEPOSITS are demand or checking accounts, which receive revenues and pay disbursements.

INTEREST-BEARING ACTIVE DEPOSITS are money market accounts at a financial institution (i.e., bank, savings and loan, credit union). These accounts are demand accounts (i.e., checking accounts) with restricted transaction activity.

INACTIVE DEPOSITS are certificates of deposits issued in any amount for periods of time as short as fourteen days and as long as several years. Interest must be calculated on a 360-day basis, actual number of days. At any given time, the City may have certificates of deposit in numerous financial institutions. As a matter of policy, we do not invest in Certificate of Deposits (CDs) for longer than five years or invest through an outside CD broker.

We require that each financial institution submit current financial statements, which are evaluated by staff prior to the investment of funds. We use the following criteria:

1. The institution must have been in business for at least four years.
2. The institution must have assets of at least \$500 million and net worth to asset value greater than 3.5 percent.
3. Investments in Credit Unions require equity (net worth) to asset value of 5.0 percent.

PASSBOOK SAVINGS ACCOUNT is similar to an inactive deposit except not for a fixed term. The interest rate is generally lower than CDs, but the savings account allows us flexibility. Funds can be deposited and withdrawn according to City needs.

INVESTMENT SECURITIES

Investment of City funds is governed by the California Government Code Sections 16429.1 and 53601. Investments may not have a term or maturity at the time of investment of longer than that authorized by Section 53601 or five years (measured by settlement date) unless the City Council has granted express authority, no less than three (3) months prior to the investment, for a specific investment to exceed such limit. It should be noted that while the Government Code specifies the maximum percentage of the portfolio which may be held in each type of investment at any one time, fluctuations in the portfolio balance will prevent strict adherence to such restrictions.

Therefore, percentage limitations shall apply to investments at the time of purchase. The City will diversify its investments by security type and institution. Within the context of the State limitations, the following investments are authorized:

1. *U.S. TREASURY OBLIGATIONS*

Government Code Section 53601(b): are direct obligations of the United States Government. These issues are called bills, notes, and bonds. The maturity range of new issues is from thirteen weeks (T-bills) to thirty years (T-bonds). These are highly liquid and are considered the safest investment security. There is no limit to the amount of the investment portfolio that may be invested in US Treasury Obligations. The City will not invest in U.S. Treasury Obligations having a final stated maturity greater than five (5) years from the settlement date, unless expressly authorized by the City Council pursuant to Government Code Section 53601. Weighted Average Life (WAL) may be utilized as a supplemental risk measurement but shall not replace or supersede statutory maturity limitations.

2. *U.S. GOVERNMENT SECURITIES*

Government Code Section 53601(f): are issued by direct U. S. Government agencies or quasi-government agencies. The United States Government guarantees these issues directly or indirectly. Examples of these securities are Federal Home Loan Bank (FHLB) notes, Federal National Mortgage Associations (FNMA) notes, Federal Farm Credit Bank (FFCB) notes, Federal Intermediate Credit Bank (FICB) debentures, Small Business Administration (SBA) notes, Government National Mortgage Association (GNMA) notes and Student Loan Association (SALLMAE) notes, and other US Government Agency Securities. Securities eligible for investment under this subdivision shall have a final stated maturity of five (5) years or less from the settlement date. Agency Mortgage-Backed or Asset-Backed Securities shall have a maximum remaining maturity of five years or less measured on a weighted average life (WAL) basis. There is no limitation as to the percentage of the City's portfolio that may be invested in this category.

3. *CERTIFICATES OF DEPOSIT*

Government Code Section 53635 are investments for inactive funds issued by banks, savings and loans and credit unions. Investments of \$250,000 are insured respectively by Federal Deposit Insurance Corporation (FDIC). Federal Savings and Loan Insurance Corporation (FSLIC) and the National Credit Union Share Insurance Fund (NCUSIF). Certificates of Deposit can be issued from fourteen days to several years in maturity, allowing the City investment of funds to be matched to cash flow needs. For deposits exceeding \$250,000 we require the financial institution to collateralize with 110 percent government securities collateral. The City of La Verne will not accept 150 percent collateral (First Trust Deeds) or 105 percent Letters of Credit (LC). There is no limit to the amount of the investment portfolio that may be deposited in certificates of deposit, however the City may invest up to the maximum amount permitted by Government Code and prudent diversification practices. The maximum maturity for this investment is five years from the time of purchase.

4. CALIFORNIA STATE, CALIFORNIA LOCAL GOVERNMENT AGENCIES, and other UNITED STATES STATE BONDS

Government Code Sections 53601(c) through (e): Thirty percent (30%) of the City's portfolio may be invested in this category having at the time of investment minimum "A" or its rating equivalent or better by an NRSRO. This category includes:

- Registered state warrants or treasury notes or bonds of the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by the state or by a department, board, agency, or authority of the state.
- Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.
- Bonds, notes, warrants, or other evidence of indebtedness of a local agency within the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

5. BANKERS ACCEPTANCES

Government Code Section 53601(g) are short-term credit arrangement to enable business to obtain funds to finance commercial transactions. They are time drafts drawn on a bank by an exporter or importer to obtain funds to pay for specific merchandise. By its acceptance, the bank becomes primarily liable for the payment of the draft at maturity. Acceptance is a high-grade negotiable instrument. Acceptances are purchased in various denominations for 30 to 270 days. The City cannot purchase banker's acceptances with a maturity longer than 180 days. The interest is calculated on 360-day discount basis similar to Treasury Bills. Local agencies cannot invest more than 40 percent of their excess funds in banker's acceptances and no more than 30 percent of the agency's funds in any one commercial bank.

6. COMMERCIAL PAPER

Government Code Section 53601(h):

is short term unsecured promissory note issued by a corporation to raise working capital. These negotiable instruments may be purchased at a discount to par value or interest bearing. Commercial paper is issued by corporations such as General Motors Acceptance Corporation (GMAC), Shearson-American Express, Bank of America, Wells Fargo Bank, etc.

Twenty-five percent (25%) of the City's portfolio may be invested in "Prime" commercial paper as rated by a nationally recognized statistical-rating organization (NRSRO). Issuing corporations must be organized and operating in the United States, have \$500 million total assets, and have at least an "A1" rating by an NRSRO on debt other than commercial paper. No more than 10% of the portfolio may be invested in the commercial paper and medium-term notes of any single issuer. The maturity period shall not exceed the maximum permitted by Government Code Section 53601(h).

7. NEGOTIABLE CERTIFICATES OF DEPOSIT

Government Code Section 53601(i): Thirty percent (30%) of the City's portfolio may be invested in Negotiable Certificates of Deposit issued by a nationally or state-chartered bank or a state or federal association or by a state-licensed branch of a foreign bank. These securities shall be rated in a ratings category of "A" or its equivalent or better by an NRSRO.

8. MEDIUM TERM CORPORATE NOTES

Government Code Section 53601(k) are unsecured promissory notes issued by a corporation operating in the United States. These are negotiable instruments and are actively traded in the secondary market. Medium Term Corporate Notes (MTN) can be defined as extended maturity commercial paper. Corporations use these MTNs to raise capital. Examples of MTN issuers are General Electric, GMAC, Citibank, Wells Fargo Bank, etc.

Defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less (measured by settlement date), issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision must be rated in a rating category of "A" or its equivalent or better by an NRSRO. No more than 10% of the portfolio may be invested in the commercial paper and medium-term notes of any single issuer. Up to 30% of the City's portfolio may be invested so invested.

9. LOCAL AGENCY INVESTMENT FUND (LAIF)

Government Code Section 16429.1: is a special fund in the California State Treasury, which local agencies may use to deposit funds for investment. There is no minimum investment period, and the minimum transaction is \$5,000, in multiples of \$1,000 above that, with a maximum of \$75 million (except for proceeds from bonds) for any agency. It offers high liquidity because deposits can be converted to cash in twenty-four hours and no interest is lost. All interest is distributed to those agencies participating on a proportionate share determined by amounts deposited and the length of time they are deposited. Interest is paid quarterly via direct deposit to the LAIF account. The State keeps an amount for reasonable cost of making the investments, not to exceed one-quarter of one percent of the earnings.

10. SECURED OBLIGATIONS

Government Code Section 53601 (m) & (n), are notes, bonds, or other obligations which are at all times secured by a valid first priority security interest in eligible securities pursuant to Section 53651. The securities serving as collateral shall be in custody of a trust company or the trust department of a bank, which is not affiliated with the issuer of the secured obligations.

11. MONEY MARKET MUTUAL FUNDS

Government Code Section 53601(l) are "shares of beneficial interest issued by diversified management companies." in order to invest in a mutual fund, it must be restricted by its by-laws to the same investments as the Government Code allows local agencies. These investments include treasury debt obligations, banker's acceptances, commercial paper, certificates of deposit, negotiable certificates of deposit, repurchase agreements, secured obligations, and

medium-term corporate notes. The quality rating and percentage restrictions in each investment category applicable to the local agency also applies to the mutual fund.

A further restriction is that the purchase price of the shares of the mutual funds shall not include any sales commission. Investments in mutual funds shall not exceed twenty percent of the local agency's excess funds pursuant to this section and no more than ten percent may be invested in shares of beneficial interest of any one mutual fund.

12. MORTGAGE OR ASSET BACKED SECURITIES

Government Code Section 53601(o): Up to twenty percent (20%) of the City's portfolio may be invested in mortgage pass-through securities, collateralized mortgage obligations, mortgage-backed or other pay-through bonds, equipment lease-backed certificates, consumer receivable passthrough certificates, or consumer receivable-backed bonds. The 20% limit does not apply to securities issued by the US Government or any US Agency. Securities eligible for investment under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO. Securities eligible for investment under this subdivision shall have a maximum remaining maturity of five years or less measured on a weighted average life (WAL) basis.

Government Code Section 53601(p): Shares of beneficial interest issued by a Joint Powers Authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions 53601(a) to 53601(r), inclusive (e.g. Cal Trust, CAMP, CLASS). Each share shall represent an equal proportional interest in the underlying pool of securities owned by the Joint Power's Authority. There is no maximum limit for JPA investments, however the City will limit the investment to no more than 75% of the City's surplus funds.

DUE DILIGENCE REQUIREMENT

The Finance Director shall make a thorough investigation of an investment pool or mutual fund prior to investing funds and on a continual basis. At a minimum, the following information shall be on file for each pool and/or mutual fund:

1. A description of eligible investment securities, and a written statement of investment policy and objectives.
2. A description of interest calculations, how interest is distributed, and how gains and losses are treated.
3. A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
4. A description of who may invest in the program, how often, and the size of deposits and withdrawals.
5. A schedule for receiving statements and portfolio listings.

6. Whether reserves, retained earnings, etc. are utilized by the pool/fund.
7. A fee schedule, and when and how fees are assessed.
8. Whether the pool/fund is eligible for bond proceeds and/or will it accept such proceeds.

PROHIBITED INVESTMENTS

In compliance with Government Code Section 53631.5, the City of La Verne

shall not invest in inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages. Additionally, the City shall not invest in any security that could result in zero interest accrual if held to maturity.

The City does not participate in any form of portfolio leverage, including but not limited to securities lending programs, reverse repurchase agreements and margin accounts.

Unless otherwise authorized above by the City Council pursuant to Government Code Section 53601, no investment may have a final stated maturity greater than five (5) years from the settlement date.

DERIVATIVE INVESTMENTS

Derivatives are investments whose value is "derived" from or based upon the value of other assets or on the level of an interest rate index. The City of La Verne does not invest in derivative instruments whose value is derived from speculative leverage. Mortgage-backed securities permitted under §53601(o) are not considered derivatives for purposes of this policy.

LEGISLATIVE CHANGES

Any State of California legislative action that further restricts allowable maturities, investment types or percentage allocations will be incorporated into the City of La Verne Statement of Investment Policy and supersede any and all previous applicable language. If the City is holding an investment that is subsequently prohibited by a legislative change, the City may hold that investment, if it is deemed prudent by the Finance Director with notification to the City Council, until the maturity date to avoid an unnecessary loss.

CASH MANAGEMENT

In order to obtain a reasonable return on public funds, the following cash management practices will be followed:

1. Maintain maximum investment of all City funds not required to meet immediate cash flow needs.
2. Pool cash from all City administered funds for investment purposes with interest earnings allocated monthly, distributed quarterly based on the average cash balance of each fund at month end as a percentage of the entire pooled portfolio.
3. Maximize the City's cash flow through immediate deposit of all cash receipts, use of direct deposit when available, and appropriate timing of payment to vendors.

4. Maximize cash flow information available through the use of only one operating bank account.

City Manager Date



Administrative Regulation

Number:

Issued:

Effective Date:

Subject: **FUND LOAN POLICY**

1. PURPOSE

- 1.1. The purpose of this Fund Loan Policy is to establish clear guidelines for the temporary lending of funds between City funds to address short-term cash flow needs or to finance one-time expenditures. This policy is intended to promote transparency, fiscal discipline, and compliance with applicable provisions of California law, including Government Code sections governing the use of restricted and unrestricted funds.

This policy applies to all interfund loans entered into by the City of La Verne.

2. SCOPE

- 2.1. This Administrative Regulation establishes a citywide framework governing temporary interfund loans between City funds for short-term cash flow purposes. The policy applies to all City funds, including the General Fund, Special Revenue Funds, Capital Project Funds, Internal Service Funds, and Enterprise Funds such as the Water and Sewer Funds.
- 2.2. The regulation defines the conditions under which fund loans may occur, establishes required City Council approval, outlines repayment and interest considerations, and sets accounting and reporting standards consistent with applicable laws and Generally Accepted Accounting Principles (GAAP).
- 2.3. This Administrative Regulation does not approve a specific interfund loan, does not authorize permanent transfers between funds, and does not alter existing budget authority. Any future interfund loan will require separate City Council action in accordance with this policy.

3. POLICY OBJECTIVES

- 3.1. The City's objectives in authorizing fund loans are to:
 - 3.1.1. Ensure sufficient liquidity for all City funds.
 - 3.1.2. Avoid unnecessary external borrowing and associated financing costs.
 - 3.1.3. Protect the long-term financial stability of lending funds.
 - 3.1.4. Ensure timely repayment with appropriate interest.
 - 3.1.5. Ensure transparency and public awareness; and
 - 3.1.6. Maintain compliance with legal, accounting, and auditing standards.

4. CONDITIONS FOR FUND LOANS

- 4.1. Interfund loans may be authorized only when all of the following conditions are met:
- 4.2. Temporary Need
The borrowing fund demonstrates a temporary cash flow shortfall or a short-term financing need and identifies a specific and reliable source for repayment.
- 4.3. Availability of Lending Funds
The lending fund has sufficient cash reserves in excess of its operational, capital, and reserve requirements to accommodate the loan without impairing its financial integrity.
- 4.4. Legal Allowability
Loaned funds must be legally available for lending. Restricted, special revenue, or enterprise funds may only be used if the loan complies with all applicable legal and contractual restrictions.
- 4.5. One-Time or Short-Term Use
Fund loans are intended for short-term or interim financing purposes and shall not be used to address ongoing structural budget imbalances.

5. AUTHORIZATION USES

- 5.1. Fund loans may be used for:
- 5.2. Temporary cash flow support for operating expenditures
- 5.3. Interim financing pending receipt of revenues
- 5.4. One-time or timing-related funding needs
- 5.5. Fund loans are not intended to replace long-term financing solutions or permanently subsidize another fund.

6. AUTHORIZATION REQUIREMENTS

- 6.1. City Council Approval is required for all interfund loans.
- 6.2. All fund loans require City Council approval by resolution.
- 6.3. Each resolution shall specify:
- 6.4. Borrowing fund and lending fund
- 6.5. Loan amount
- 6.6. Purpose of the loan
- 6.7. Repayment schedule and term
- 6.8. Source of repayment
- 6.9. Interest rate, if applicable

7. LOAN TERM AND REPAYMENT

- 7.1. Loan Term - Interfund loans shall generally not exceed five (5) years, unless otherwise approved by the City Council.
- 7.2. Repayment Schedule - A defined repayment schedule shall be established at the time of approval. Repayment shall commence as soon as sufficient revenues are available in the borrowing fund.
- 7.3. Early Repayment - Loans may be repaid early without penalty.

