



Tuesday, June 2, 2026, 7:00 P.M.

Location: City Council Chambers, 240 W. Huntington Drive

Pursuant to the Americans with Disabilities Act, persons with a disability who require a disability related modification or accommodation in order to participate in a meeting, including auxiliary aids or services, may request such modification or accommodation from the City Clerk at (626) 574-5455. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to the meeting.

根据《美国残障人法案》，需要调整或提供便利设施才能参加会议的残障人士（包括辅助器材或服务）可与市书记官办公室联系（电话：(626) 574-5455）。请在会前 48 小时通知市书记官办公室，以便作出合理安排，确保顺利参加会议。

Pursuant to the City of Arcadia's Language Access Services Policy, limited-English proficient speakers who require translation services in order to participate in a meeting may request the use of a volunteer or professional translator by contacting the City Clerk's Office at (626) 574-5455 at least 72 hours prior to the meeting.

根据阿凯迪亚市的语言便利服务政策，英语能力有限并需要翻译服务才能参加会议的人可与市书记官办公室联系（电话：(626) 574-5455），请求提供志愿或专业翻译服务，请至少在会前 72 小时提出请求。

How to Submit Public Comment:

Members of the Public who wish to submit public comment may do so using one of the following methods. Public comment is limited to the time and words allotted.

1. **In-Person:** Complete a Speaker Card, indicating the agenda item number and place it in the Public Comment Drop Box, or simply come to the podium when the Mayor asks for those who wish to speak. Generally, the allotted time is determined by the number of speakers, in accordance with the following format: **5 speakers or less – 5 minutes each**; between **6 and 20 speakers – 3 minutes each**; between **21 and 50 speakers – 2 minutes each**; and more than **50 speakers – 1 minute each**. Comments on all non-public hearing items will generally be taken at the Public Comment portion of the agenda.
2. **Website:** Please submit your comments using our online public comment form at ArcadiaCA.gov/comment. Your comments must be received at least 30 minutes prior to the posted meeting time.
3. **Email:** Please submit your comments via email to CityClerk@ArcadiaCA.gov. Your comments must be received at least 30 minutes prior to the posted meeting time.

Electronic submission of Public Comment is also available via the City's website or by email as noted above. Public Comment submitted electronically will not be read into the record at the posted meeting time but are forwarded to the City Council prior to the meeting for consideration.

如何提交公众评论意见:

公众成员可以使用以下任何一种方法提交公众评论意见。请在时间和字数的限制范围内提交公众评论意见

1. **现场发言:** 填写发言卡, 注明议程项目编号并投入公众意见投递箱; 或在市长邀请发言者上前时, 直接上前至讲台。发言时间通常根据发言人数确定, 具体如下: **5 人及以下, 每人 5 分钟; 6 至 20 人, 每人 3 分钟; 21 至 50 人, 每人 2 分钟; 超过 50 人, 每人 1 分钟。**所有非公开听证事项的意见通常在议程中的公众意见环节听取。
2. **网站:** 请使用以下网站中刊载的在线公众评论意见表提交您的评论意见: ArcadiaCA.gov/comment。必须在公布的会议时间前至少提前 30 分钟提交评论意见。
3. **电子邮件:** 请将您的评论意见通过电子邮件发送至: CityClerk@ArcadiaCA.gov。必须在公布的会议时间前至少提前 30 分钟提交评论意见。

亦可按照以下方法在本市网站上或通过电子邮件以电子方式提交公众评论意见。以电子方式提交的公众评论意见不会在公布的会议期间读入记录, 但会在会议开始前转交给市议会, 供市议会考虑。

1. CALL TO ORDER

2. INVOCATION

Terrence Shay, Arcadia Police Department Chaplain

3. PLEDGE OF ALLEGIANCE

Terrence Shay, Arcadia Police Department Chaplain

4. ROLL CALL OF CITY COUNCIL MEMBERS

Paul P. Cheng, Mayor
David Fu, Mayor Pro Tem
Dr. Michael Cao, Council Member
Sharon Kwan, Council Member

5. REPORT FROM CITY ATTORNEY REGARDING CLOSED/STUDY SESSION ITEMS

6. SUPPLEMENTAL INFORMATION FROM CITY MANAGER REGARDING AGENDA ITEMS

7. CITY CLERK

- a. Administration of the oath of office to District 3 Council Member.

8. PRESENTATIONS

- a. Presentations of Mayor's Certificates of Commendation to the Junior Team Tennis USTA Southern California BBQ Ninjas Team for placing 1st in the San Gabriel Valley region and placing 2nd throughout the Southern California Division.
- b. Presentation of Mayor's Certificates of Commendation to the Arcadia High School Color Guard for winning the National Championship Title.
- c. Presentation of the 2026 Spring Home Awards.
- d. Presentation of America's 250th Anniversary Proclamation to Lieutenant Colonel Victor Shen of the United States Army.

9. PUBLIC HEARING

Any person wishing to speak before the City Council on a public hearing item is asked to complete a Speaker Card, noting the agenda item number and placing it in the Public Comment Drop Box, prior to the start of the public hearing. Separate and apart from the applicant (who may speak longer in the discretion of the City Council), the allotted time is determined by the number of speakers, in accordance with the following format: **5 speakers or less – 5 minutes each**; between **6 and 20 speakers – 3 minutes each**; between **21 and 50 speakers – 2 minutes each**; and more than **50 speakers – 1 minute each**. Under the Brown Act, the City Council is prohibited from discussing or acting on any item not listed on the posted agenda. The applicant may additionally submit rebuttal comments, at the discretion of the City Council.

You are hereby advised that should you desire to legally challenge in court or in an administrative proceeding any action taken by the City Council regarding any public hearing item, you may be limited to raising only those issues and objections you or someone else raised at the public hearing or in written correspondence delivered to the City Council at, or prior to, the public hearing.

- a. Resolutions relating to the adoption of the Fiscal Year 2026-27 Operating Budget and the Fiscal Years 2026-27 through 2030-31 Capital Improvement and Equipment Plan.

Resolution No. 7696 adopting a Budget for Fiscal Year 2026-27 and appropriating the amounts specified therein as expenditures from the various funds.

CEQA: Not a Project

Recommended Action: Adopt

Resolution No. 7697 adopting a Capital Improvement and Equipment Plan for Fiscal Years 2026-27 through 2030-31.

CEQA: Not a Project

Recommended Action: Adopt

10. PUBLIC COMMENTS (5-minute time limit each speaker)

Any person wishing to speak before the City Council is asked to complete a Speaker Card and place it in the Public Comment Drop Box prior to the time the Mayor calls for Public Comments. Generally, the allotted time is determined by the number of speakers, in accordance with the following format: **5 speakers or less – 5 minutes each**; between **6 and 20 speakers – 3 minutes each**; between **21 and 50 speakers – 2 minutes each**; and more than **50 speakers – 1 minute each**. Comments on all non-public hearing items will generally be taken at the Public Comment portion of the agenda. Under the Brown Act, the City Council is prohibited from discussing or taking action on any item not listed on the posted agenda.

11. CONSENT CALENDAR

- a. Regular Meeting Minutes of May 19, 2026.

CEQA: Not a Project

Recommended Action: Approve

- b. Resolutions relating to the General Municipal Election to be held on Tuesday, November 3, 2026.

Resolution No. 7686 calling for a General Municipal Election to be held on Tuesday, November 3, 2026, for the election of members of the City Council in Electoral Districts 2, 3, and 5, as required by the laws governing charter cities.

CEQA: Not a Project

Recommended Action: Adopt

Resolution No. 7687 requesting the Board of Supervisors of the County of Los Angeles to consolidate a General Municipal Election to be held on Tuesday, November 3, 2026, with the Statewide General Election to be held on the same date pursuant to Section 10403 of the California Elections Code.

CEQA: Not a Project

Recommended Action: Adopt

Resolution No. 7688 adopting regulations for candidates for elective office pertaining to candidate statements submitted to the voters at a General Municipal Election to be held on Tuesday, November 3, 2026.

CEQA: Not a Project

Recommended Action: Adopt

- c. Resolution No. 7689 adopting a list of projects for Fiscal Year 2026-27 funded by SB 1: The Road Repair and Accountability Act of 2017.

CEQA: Not a Project

Recommended Action: Adopt

- d. Resolutions initiating proceedings for the annual levy and collection of assessments, approving the Preliminary Engineer's Report, declaring intention to levy and collect assessments for Fiscal Year 2026-27, and appointing a time and place for a public hearing for the Arcadia Citywide Lighting District No. 1.

Resolution No. 7690 initiating proceedings for the annual levy and collection of assessments for the Arcadia Citywide Lighting District No. 1, pursuant to the provisions of Part 2 of Division 15 of the California Streets and Highways Code and ordering the preparation of the Engineer's Report.

CEQA: Not a Project

Recommended Action: Adopt

Resolution No. 7691 approving the preliminary Engineer's Report of Willdan Financial Services for the Arcadia Citywide Lighting District No. 1.

CEQA: Not a Project

Recommended Action: Adopt

Resolution No. 7692 declaring its intention to levy and collect assessments within the Arcadia Citywide Lighting District No. 1 for Fiscal Year 2026-27 and appointing a time and place for a public hearing.

CEQA: Not a Project

Recommended Action: Adopt

- e. Resolution No. 7695 establishing an appropriation limit for Fiscal Year 2026-27 pursuant to Article XIII-B of the California Constitution.

CEQA: Not a Project

Recommended Action: Adopt

- f. Mayor's appointments of City Council Members to City Boards and Commissions, and outside agencies.

CEQA: Not a Project

Recommended Action: Receive and File

- g. Statement of Investment Policy for Fiscal Year 2026-27.

CEQA: Not a Project

Recommended Action: Approve

- h. Professional Services Agreement with Liebert Cassidy Whitmore in an amount not to exceed \$75,000 in Fiscal Year 2026-27 to finalize currently in-process legal services; and Professional Services Agreement with Atkinson, Andelson, Loya, Ruud & Romo for professional legal services in the full scope of specialized labor and employment matters, in an amount not to exceed \$285,000, over a two-year period.
CEQA: Not a Project
Recommended Action: Approve
- i. Change Order to increase the Purchase Order with Performance Truck Repair Inc. for fire apparatus service and repairs in the amount of \$50,000.
CEQA: Not a Project
Recommended Action: Approve
- j. Accept all work performed by Horizons Construction Co. Int'l Inc. for the Debris Basins Debris Removal Project as complete.
CEQA: Exempt
Recommended Action: Approve

12. CITY MANAGER

- a. Resolution No. 7694 adopting the Telephonic and Internet Service Disruption Policy for City Council Meetings.
CEQA: Not a Project
Recommended Action: Adopt

13. AB 1234 REPORTS FROM MAYOR AND CITY COUNCIL (*limited to legally required reports*).

14. REQUEST FOR FUTURE ITEMS

15. CLOSED SESSION

- a. Pursuant to Government Code Section 54956.9 (d)(1) to confer with legal counsel regarding the matter of David Liu, et al v City of Arcadia, et all; and Does 1-100, inclusive (Case No. 26STCV13804).

16. ADJOURNMENT

The City Council will adjourn this meeting in memory of Ron Street, long-time Arcadia resident, to Tuesday, June 16, 2026, at 6:00 p.m. in the City Council Conference Room.

Welcome to the Arcadia City Council Meeting!

The City Council encourages public participation, and invites you to share your views on City business.

MEETINGS: Regular Meetings of the City Council are held on the first and third Tuesday of each month at 7:00 p.m. in City Council Chambers. A full City Council agenda packet with all backup information is available at City Hall and on the City's website at www.ArcadiaCA.gov. Copies of individual Agenda Reports are available via email upon request (CityClerk@ArcadiaCA.gov). Documents distributed to a majority of the City Council after the posting of this agenda will be available for review at the Office of the City Clerk, 240 W. Huntington Drive, Arcadia, California. Live broadcasts and replays of the City Council Meetings are on cable television. Your attendance at this public meeting may result in the recording and broadcast of your image and/or voice as previously described.

PUBLIC PARTICIPATION: Your participation is welcomed and invited at all City Council meetings. Time is reserved at each regular meeting for those in the audience who wish to address the City Council. The City requests that persons addressing the City Council refrain from making personal, slanderous, profane, or disruptive remarks. Where possible, please place a **Speaker Card** in the Public Comment Drop Box, or simply come to the podium when the Mayor asks for those who wish to speak, and state your name and address (optional) for the record.

PUBLIC COMMENTS: Should be presented during the time designated as "PUBLIC COMMENTS", for all matters on the agenda or not on the agenda. **By State law, the City Council may not discuss or vote on items not on the agenda. The matter may be referred to staff for appropriate action or response or will be placed on the agenda of a future meeting except for public hearing items.**

PUBLIC HEARINGS AND APPEALS: Are items scheduled for which public input is either required or desired. Separate and apart from the applicant (who may speak longer in the discretion of the City Council), the allotted speaking time is generally determined by the number of speakers, in accordance with the following format: **5 speakers or less – 5 minutes each**; between **6 and 20 speakers – 3 minutes each**; between **21 and 50 speakers – 2 minutes each**; and more than **50 speakers – 1 minute each**. The applicant may additionally submit rebuttal comments.

AGENDA ITEMS: The Agenda contains the regular order of business of the City Council. Items on the Agenda have generally been reviewed and investigated by the City Staff in advance of the meeting so that the City Council can be fully informed about a matter before making its decision.

CONSENT CALENDAR: Items listed on the Consent Calendar are considered to be routine by the City Council and will be acted upon by one motion. There will be no separate discussion on these items unless a member of the City Council, Staff, or the public so requests. In this event, the item will be removed from the Consent Calendar and considered and acted on separately.

DECORUM: While members of the public are free to level criticism of City policies and the action(s) or proposed action(s) of the City Council or its members, members of the public may not engage in behavior that is disruptive to the orderly conduct of the proceedings, including but not limited to, conduct that prevents other members of the audience from being heard when it is their opportunity to speak or which prevents members of the audience from hearing or seeing the proceedings. Members of the public may not threaten any person with physical harm or act in a manner that may reasonably be interpreted as an imminent threat of physical harm. All persons attending the meeting are expected to adhere to the City's policy barring harassment based upon a person's race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, gender, sexual orientation, or age. The Chief of Police, or such member or members of the Police Department, shall serve as the Sergeant-at-Arms of the City Council meeting. The Sergeant-at-Arms shall carry out all orders and instructions given by the presiding official or a majority of the Councilmembers, for the purpose of maintaining order and decorum at the meeting. Any person who violates the order and decorum of the meeting may be placed under arrest and such person may be prosecuted under the provisions of Penal Code Section 403 or applicable Arcadia Municipal Code section.

欢迎参加阿凯迪亚市议会会议!

市议会鼓励公众参与，欢迎您就市政事务分享观点。

会议： 市议会例行会议于每月第一个和第三个星期二晚 7:00 在市议会议事厅举行。完整的市议会议程资料包（含所有背景信息）可在市政厅和市网站 www.ArcadiaCA.gov 获取。如有需要，可通过电子邮件 (CityClerk@ArcadiaCA.gov) 索取单项议程报告副本。本议程公布后分发给多数市议会成员的文件，可在市书记官办公室查阅，地址为 240 W. Huntington Drive, Arcadia, California。市议会会议将通过有线电视直播和重播。您出席本次公开会议，您的影像和/或声音可能如前所述被录制和播放。

公众参与： 欢迎您参加所有市议会会议。每次例行会议均为希望在市议会发言的与会者预留时间。市府要求在市议会发言的人士避免发表人身攻击、诽谤、亵渎或扰乱秩序的言论。请尽可能将**发言卡**投入公众意见投递箱，或在市长邀请发言者上前时直接上前至讲台，并报上姓名和地址（可选）以供记录。

公众意见： 所有关于议程内或议程外事项的意见，均应在指定的“公众意见”环节提出。**根据州法律，对于未列入议程的项目，市议会不得予以讨论或投票表决。相关事宜可转交工作人员采取适当行动或做出回应，或列入未来会议议程，公开听证事项除外。**

公开听证和上诉： 这些是已列入议程、需要或希望听取公众意见的项目。除申请人外（市议会可酌情允许其发言更长时间），发言时间通常根据人数确定，具体如下：**5 人及以下，每人 5 分钟；6 至 20 人，每人 3 分钟；21 至 50 人，每人 2 分钟；超过 50 人，每人 1 分钟。** 申请人可另外提交反驳意见。

议程项目： 议程包含市议会的常规议事顺序。议程上的项目通常已由市府工作人员在会前进行审查和调查，以便市议会在决策前充分了解相关事项。

同意议程： 同意议程上的项目被市议会视为常规事项，将通过一次动议进行表决。除非市议会成员、工作人员或公众提出要求，否则不会对这些项目单独讨论。若有此要求，该项目将从同意议程中移除，并另行审议和表决。

会场秩序： 公众可自由批评市政政策以及市议会或其成员的行动或拟议行动，但不得有扰乱会议正常进行的行为，包括但不限于：妨碍其他与会者在发言时被听见，或妨碍其他与会者听见或看见会议进程。公众不得以人身伤害威胁任何人，或以任何可合理解读为迫在眉睫的人身伤害威胁的方式行事。所有与会者均须遵守市府禁止基于种族、宗教信仰、肤色、国籍、血统、身体残疾、健康状况、婚姻状况、性别、性取向或年龄进行骚扰的政策。警察局长或其指定的警局成员担任市议会会议的秩序官。秩序官须执行会议主持官员或多数议员下达的命令和指示，以维持会场秩序和礼仪。任何违反会场秩序和礼仪的人员可能被逮捕，并根据《刑法》第 403 节或适用的《Arcadia 市政法典》条款被起诉。



OFFICE OF THE CITY MANAGER

DATE: June 2, 2026

TO: Honorable Mayor and City Council

FROM: Dominic Lazzaretto, City Manager
Henry Chen, Administrative Services Director

SUBJECT: RESOLUTIONS RELATING TO THE ADOPTION OF THE FISCAL YEAR 2026-27 OPERATING BUDGET AND THE FISCAL YEARS 2026-27 THROUGH 2030-31 CAPITAL IMPROVEMENT AND EQUIPMENT PLAN

RESOLUTION NO. 7696 ADOPTING A BUDGET FOR FISCAL YEAR 2026-27 AND APPROPRIATING THE AMOUNTS SPECIFIED THEREIN AS EXPENDITURES FROM THE VARIOUS FUNDS

CEQA: Not a Project

Recommendation: Adopt

RESOLUTION NO. 7697 ADOPTING A CAPITAL IMPROVEMENT AND EQUIPMENT PLAN FOR FISCAL YEARS 2026-27 THROUGH 2030-31

CEQA: Not a Project

Recommendation: Adopt

SUMMARY

Sections 1204 and 1205 of the Arcadia City Charter require a public notice and a public hearing for consideration of the proposed Operating Budget and Five-Year Capital Program for the ensuing fiscal year, which is required to be adopted by July 1. The recommended actions are necessary to implement the budget for Fiscal Year 2026-27.

Recent shifts in federal and state economic policy, persistent inflationary pressures, evolving trade and tariff conditions, and continued volatility in financial markets have created heightened uncertainty for both the national and regional economy, reinforcing the importance of prudent fiscal planning for the upcoming fiscal year.

Due to Arcadia's longstanding commitment to fiscal discipline and conservative budgeting practices, the City remains in a strong financial position and is well prepared to navigate potential economic challenges. While the City's fiscal outlook remains stable, Arcadia will continue to maintain a cautious approach in implementing the FY 2026–27 Budget. This measured strategy positions the City to sustain high-quality public services, preserve financial flexibility, and proactively prepare for potential economic slowdowns or revenue fluctuations.

Given these dynamics, the FY 2026–27 Budget reflects a cautious but balanced fiscal strategy. City departments have carefully prepared the annual spending plan to maintain essential service levels while avoiding structural cost increases, where possible. The Budget can be considered a "status quo" type document with some proposed increases to address staffing needs and to enhance transparency and technological capabilities.

The proposed FY 2026-27 General Fund Operating Budget outlines Total Operating Revenues of \$96.6 million and Expenditures of \$100.1 million (including new programs). After accounting for all Transfers In and Out, the General Fund is expected to end the Fiscal Year with a positive net balance of \$276,000. At the end of FY 2026-27, the projected Fund Balance of the General Fund Operating Budget is expected to be \$21.7 million. The General Fund Operating Budget is summarized in the table below:

GENERAL FUND SUMMARY

	FY26-27 Budget
Beginning Fund Balance	\$ 21,454,300
Estimated Revenues	96,563,100
Transfers In	9,516,000
Budgeted Expenses	(99,605,900)
Transfers Out	(912,000)
New Programs	(485,200)
Revenue over Expenses	\$ 5,076,000
Transfer to Equipment Replacement	(1,900,000)
Transfer to Capital Improvement Fund	(2,900,000)
Total Transfer Out	(4,800,000)
Subtotal Operating Balance	276,000
Ending Fund Balance	\$ 21,730,300

Overall, new programs proposed for the City’s Operating Budget demonstrate Arcadia’s commitment to being responsive to community needs.

In alignment with the City's long-term financial strategy, the proposed FY 2026-27 Budget allocates funds for addressing long-term liabilities. To this end, \$1.5 million has been allocated for the City’s Pension and Other Post Employment Benefits (“OPEB”) Trust accounts, which help address future employee benefits costs, especially in times of economic constraint. The \$1.5 million allocation is in addition to required payments to CalPERS, retiree healthcare premiums, and pension obligation bond payments.

This year’s budget process started with a Budget Study Session with the City Council on May 5, 2026. After the initial study session, minor modifications were made to the proposed capital and equipment budgets. An additional \$25,000 for traffic signal improvements was added from the Proposition A Fund, bringing the total expenditure in the Capital Improvement Plan to \$17,285,100. For the Equipment Replacement Fund budget, some adjustments to the cost estimates for vehicles and communications equipment decreased the budgeted amount by \$148,000, to \$6,942,300.

The Capital Improvement Fund plays a vital role in funding crucial maintenance projects, including pavement rehabilitation, building repairs, and parks maintenance. In the FY 2026-27 Budget, \$4.8 million will be transferred into the Capital Improvement and Equipment Replacement Funds, with the Equipment Fund receiving \$1.9 million, and the Capital Improvement Fund receiving \$2.9 million. The transfer amounts equate to approximately the 10-year average spend in each account, collectively, with actual deposits being sent to the Fund with the greatest needs in the near term.

Several key projects are budgeted within the Capital Improvement Fund, including facility improvements at the Arcadia Public Library, Council Chambers, and Community Center, as well as Citywide LED lighting upgrades. In response to increasingly stringent water quality standards, significant investment is also planned to expand the treatment capacity of the Orange Grove Well. The total proposed allocation for projects within the Capital Improvement Fund is \$7.3 million. When combined with capital projects funded through all sources, total capital investment for the Fiscal Year is budgeted at \$17.3 million.

The Equipment Replacement Fund is utilized to replace assets that have reached the end of their useful service life, including computers, vehicles, and major office equipment, thereby ensuring continuity in City operations. For FY 2026–27, a total of \$4.4 million is budgeted for equipment replacement activities. Notable expenditures include \$1.5 million for the replacement of the Police Department’s computer-aided dispatch and records management system, \$926,800 for vehicle replacements within the Streets Division, and \$286,300 for vehicle replacements within the Police Department.

It is recommended that the City Council determine that these actions do not constitute a project under the California Environmental Quality Act (“CEQA”); and:

- 1) Adopt Resolution No. 7696, adopting a Budget for Fiscal Year 2026-27 and appropriating the amounts specified therein as expenditures from the various funds; and
- 2) Adopt Resolution No. 7697, adopting a Capital Improvement and Equipment Plan for Fiscal Years 2026-27 through 2030-31.

BACKGROUND

Sections 1204 and 1205 of the Arcadia City Charter require a public notice and a public hearing for consideration of the proposed Operating Budget and Five-Year Capital Program for the ensuing fiscal year. The annual Budget and associated documents are required to be adopted by July 1 each year. The recommended actions in this report are necessary to implement the Budget for Fiscal Year 2026-27.

This year's budget process started with a Budget Study Session with the City Council on May 5, 2026. Inclusive in the draft budget were all operating funds, including General, Special Revenue, Enterprise, and the Successor Agency. Additionally, the City Council received the Capital Improvement and Equipment Replacement Fund budgets in a separate document. All funds total \$206.4 million in expenditures, of which, the General Fund's budget is \$105.8 million (including Transfers Out as noted below).

After the initial study session, some modifications were made to the proposed Capital Improvement and Equipment Replacement Fund budgets. An additional \$25,000 for traffic signal improvements was added from the Proposition A Fund, bringing the total expenditures in the Capital Improvement Plan to \$17,285,100. For the Equipment Replacement Fund budget, some adjustments to the cost estimates for vehicles and the communications equipment decreased the budgeted amount by \$148,000 to \$6,942,300.

DISCUSSION

As the Fiscal Year 2025–26 Operating Budget was being developed, the economic environment reflected elevated levels of uncertainty at global, national, and regional levels. The Fiscal Year 2026-27 Budget is being developed in a similar environment.

Current economic forecasts point to moderating but persistent inflation, slower economic growth, evolving federal and state policy decisions, and continued volatility in financial and energy markets. In California and the greater Los Angeles region, economic conditions remain mixed, with strength in technology and investment sectors offset by slower labor market growth, affordability challenges, and ongoing pressure on consumer costs. Continued trade and tariff uncertainties, military

actions worldwide, higher borrowing costs, and future inflationary pressures further contribute to an unpredictable fiscal outlook.

Given this complex and evolving environment, a wide range of economic outcomes remains possible, requiring cities to remain adaptable and fiscally prudent. Arcadia is maintaining a conservative and flexible budgeting approach to ensure the City can respond effectively to changing economic conditions, while continuing to provide high-quality public services and preserve long-term financial stability.

As in previous fiscal cycles, this discussion centers primarily on the General Fund, as Special Revenue, Enterprise, and Debt Service funds are restricted for specific purposes. Staff will continue to closely monitor economic trends throughout FY 2026–27 and return to the City Council with any recommended mid-year adjustments that may be necessary to maintain fiscal balance and service continuity, should conditions change significantly over the year.

Summarized in the table below is the General Fund Operating Budget, inclusive of the FY 2025-26 Year-End Estimates; FY 2026-27 Proposed Budget; FY 2027-28 Preliminary Budget; and the Ending Fund Balance, which is projected to reach \$21.5 million by the end of FY 2025-26, without any additional transfers into long-term savings accounts.

THREE-YEAR GENERAL FUND BUDGET SUMMARY

	FY 25-26 Estimates	FY 26-27 Budget	FY 27-28 Budget
Beginning Fund Balance	\$ 29,319,400	\$ 21,454,300	\$ 21,730,300
Estimated Revenues	\$ 94,031,900	\$ 96,563,100	\$ 98,074,500
Transfers In	6,088,300	9,516,000	7,016,600
Expenses & Uses	(92,273,300)	(99,605,900)	(102,130,800)
Transfers Out	(912,000)	(912,000)	(912,000)
New Programs	0	(485,200)	(345,500)
Revenue over Expenses	\$ 6,934,900	\$ 5,076,000	\$ 1,702,800
Transfer to Equipment Replacement Fund	(1,900,000)	(1,900,000)	(1,900,000)
Transfer to Capital Improvement Fund	(2,900,000)	(2,900,000)	(2,900,000)
Total Transfer Out	(4,800,000)	(4,800,000)	(4,800,000)
Subtotal Operating Balance	2,134,900	276,000	(3,097,200)
Special One-Time Transfer	(10,000,000)	-	-
Ending Fund Balance	\$ 21,454,300	\$ 21,730,300	\$ 18,633,100

As shown in the table above, City staff had originally anticipated only a modest surplus for FY 2025–26; however, due to favorable revenue performance and effective expenditure management, the current Fiscal Year is now projected to close with an operating surplus of over \$2 million. The FY 2026–27 budget is currently projected to generate a surplus of approximately \$276,000, while the FY 2027–28 forecast reflects a projected deficit of approximately \$3 million based on standard growth assumptions and currently known economic indicators. This projected deficit is similar to the situation encountered in the previous Fiscal Year, where the out-year also forecast a potential shortfall.

The City's Executive Management Team will continue to closely monitor revenue trends, expenditure levels, and broader economic conditions throughout the Fiscal Year. As part of the City's ongoing commitment to fiscal responsibility, any necessary adjustments to revenues, expenditures, or operational assumptions will be evaluated to ensure that a balanced and sustainable budget is presented for adoption in the following Fiscal Year.

FY 2026-27 Expected Revenues

When staff began formulating the FY 2026–27 Budget, economic trends and available data were presenting mixed and, at times, conflicting signals regarding the overall direction of the economy. In the absence of a clear and consistent trend, a conservative and cautious forecasting approach was adopted across the City’s major revenue sources.

For FY 2026-27, total General Fund revenues are expected to increase 2.62% when compared to FY 2025-26 Year-End Estimates. The largest revenue source for the City’s General Fund are taxes and fees. The key revenues under these two groups are: Sales & Use Tax, Property Tax, Utility Users’ Tax, Transient Occupancy Tax, and Motor Vehicle License Fees. The projected receipts for each tax are shown in the tables below:

GENERAL FUND REVENUES

	FY 25-26	FY 26-27	Changes	
	Estimates	Budget	\$	%
Taxes	\$ 64,113,300	\$ 64,862,900	\$ 749,600	1.16%
License & Permits	6,788,300	7,919,300	1,131,000	14.28%
Fines & Penalties	430,700	551,500	120,800	21.90%
Use Money & Property	3,190,000	3,134,000	(56,000)	-1.79%
Revenue from Other Agen	10,124,100	10,315,100	191,000	1.85%
Charge Current Services	5,478,700	5,512,000	33,300	0.60%
Library	98,000	102,000	4,000	3.92%
Recreation	1,355,600	1,642,000	286,400	17.44%
Other Revenue	2,453,200	2,524,300	71,100	2.82%
Total Revenue	\$ 94,031,900	\$ 96,563,100	\$ 2,531,200	2.62%

GENERAL FUND TAX REVENUE SUMMARY

Description	FY 2025-26 Estimate	FY 2026-27 Budget	Difference	% Change
Sales and Use Tax	\$ 24,962,900	\$ 25,305,100	\$ 342,200	1.35%
Property Tax	21,468,900	22,023,900	555,000	2.52%
Utility Users' Tax	9,807,400	9,999,400	192,000	1.92%
Transient Occupancy Tax	5,508,100	5,126,600	(381,500)	-7.44%
Motor Vehicle License Fees	9,818,500	10,029,100	210,600	2.10%

Sales and Transaction Use Tax: For Sales and Transaction Use Tax, total estimated revenues for the upcoming Fiscal Year are projected at \$25.3 million, representing a 1.35% increase over the current year's estimates. Recent retail data indicates moderate growth driven by regional consumer spending and continued inflationary impacts on taxable goods and services. Although overall economic growth is expected to remain modest, taxable sales activity in sectors such as retail, food services, technology, and construction materials continues to support local revenue generation. At the same time, increased volatility related to interest rates, tariffs, and the potential risk of an economic slowdown may affect the stability of future growth trends. All things considered, current trends continue to support a moderate level of sales tax revenue growth for the next Fiscal Year.

A key part of the Sales Tax projection is Measure A, a 0.75% Transaction and Use Tax approved by Arcadia voters in June 2019. Since its adoption, Measure A has strengthened the City's long-term fiscal stability and supported the continued delivery of essential municipal services. In Fiscal Year 2025–26 alone, Measure A is estimated to generate approximately \$11.7 million in revenue. The ongoing performance of Measure A has played a critical role in supporting the City's operational and financial needs, particularly during periods of economic uncertainty and rising service costs.

Property Tax: Property tax revenues for Fiscal Year 2026–27 are expected to be supported by continued increases in assessed property valuations and new development activity, resulting in moderate growth. However, growth trends are expected to be constrained relative to historical averages due to higher interest rates, slowing real estate market conditions, and broader economic uncertainty. The

City's reputation for providing a high quality of life, well-maintained neighborhoods, and highly regarded public schools is recognized as a key factor in sustaining long-term residential desirability. These conditions support steady housing demand, even during periods of elevated interest rates and broader economic uncertainty. These factors will contribute to a moderate growth in property taxes next Fiscal Year. For Fiscal Year 2026–27, property tax receipts are estimated to increase by approximately 2.52%, to \$22 million.

Utility Users' Tax ("UUT"): The projected revenue from the Utility Users' Tax is \$9.9 million, representing a 1.9% increase compared to the previous Fiscal Year. For Fiscal Year 2026–27, UUT revenues are generally expected to experience minimal growth, with performance primarily influenced by utility rate adjustments and shifts in household utility usage, rather than broader economic expansion. The rate changes are primarily driven by the need for utilities to invest in infrastructure resiliency compounded with expected increases in energy and water prices. These increases are expected to be partially offset by structural changes in telecommunications consumption, as usage continues to shift toward services that may be exempt from UUT under existing tax provisions.

Transient Occupancy Tax ("TOT"): The TOT revenue is projected to be \$5.1 million in FY 2026-27, representing a 7.4% decrease compared to the current Fiscal Year. Continued downward pressure on TOT revenues is expected to be driven by an uncertain travel and tourism environment, including ongoing geopolitical uncertainty. A current indicator of this uncertainty is the unexpectedly soft demand for 2026 World Cup tickets, and related hotel bookings. In addition, a portion of the decline is expected to result from the planned closure of up to two local hotel properties in the near term. As a result, overall hotel occupancy levels and related taxable room revenues are expected to soften, contributing to the projected decrease of \$381,500 in TOT collections for the upcoming Fiscal Year.

Motor Vehicle License Fees ("VLF"): The Motor Vehicle License Fees ("VLF") tax is projected to increase by 2.1%, generating \$10.0 million in revenue next Fiscal Year. Since the State implemented a formula-based adjustment that links the City's VLF allocation to annual assessed property valuations, VLF revenue growth in Arcadia has been consistently healthy.

Most other revenue areas are projected to be fairly flat or growing slightly during the upcoming Fiscal Year. A minor exception to this is the 1.79% expected decrease in the Use of Money and Property category, where declining federal interest rates will reduce the potential growth in the City's investments.

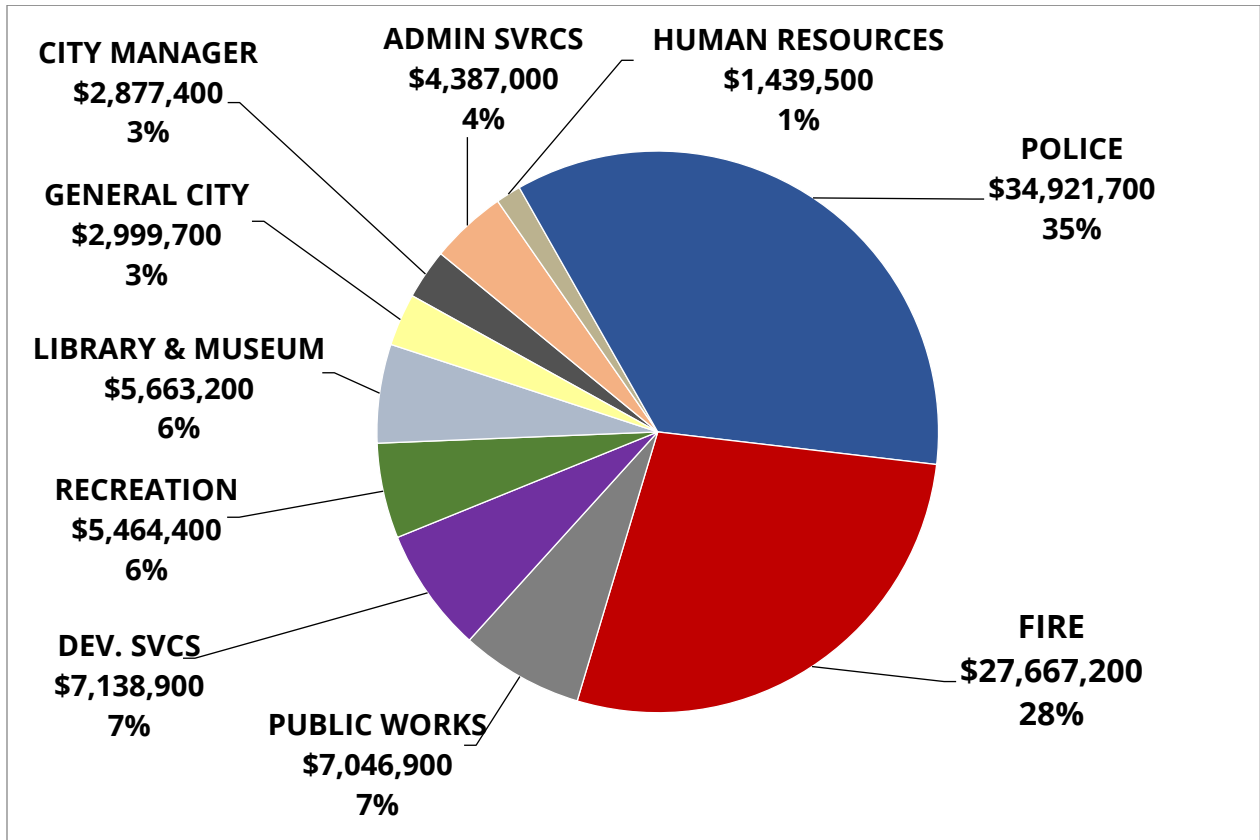
License and permit revenue is projected to increase 14.28% in Fiscal Year 2026–27, due primarily to higher building permit activity. The increase reflects continued development activity within the City, including both mixed-use and new hotel construction. Development, and permit-related revenues, are inherently variable and can fluctuate significantly from year-to-year based on the timing, size, and volume of construction activity within the City.

Revenue from fines and penalties is expected to increase \$120,800 in Fiscal Year 2026–27, primarily due to an increase in the number of citations issued, and an improved collection rate for delinquent citations. The increase reflects ongoing enhanced collection procedures that have contributed to higher overall revenue recovery.

Recreation revenues are forecasted to increase by 17.44% in Fiscal Year 2026–27, driven primarily by expanded programming. A significant factor contributing to the increase is the addition of the America's 250 Anniversary Event, which is expected to generate sponsorship and ticket revenues. Additional growth is also assumed from the expansion of recreation leagues and classes, reflecting continued demand for community-based programs and services.

FY 2026-27 Proposed Expenses

GENERAL FUND EXPENDITURES BY DEPARTMENT



The proposed FY 2026-27 Operating Budget sets total operating expenditure at \$99.6 million, representing an 8.8% increase compared to the previous year's Revised Budget of \$91.5 million. Much of this increase can be attributed to contractual increases from multi-year service agreements, higher costs for supplies and materials due to increased pricing pressures, and the expected increases in salary and benefits for employees. The increases can generally be attributed to a high inflationary environment nationwide and particularly in the Southern California area.

Furthermore, the budget continues to allocate "prefunding" of long-term benefit accounts, including the City's Retiree Medical Benefit (Other Post Employee Benefit liabilities) and the contribution to the City's Pension Trust Account. The proposed budget includes a total of \$1.5 million for those accounts (\$750,000 each).

New Programs Proposed

New services and programs are presented by various departments to respond to emerging operational needs and direction from the City Council. Most of the new programs support a combination of technology modernizations and providing greater transparency throughout the organization. New programs proposed for the FY 2026-27 Budget total \$485,200 and are described in the following sections.

City Clerk's Office: Public Records Software (\$20,000): The volume of California Public Records Act (CPRA) requests received and processed by the City has nearly doubled over the past three years alone. Currently, the process is fully manual and handled by a single employee, leading to inefficiencies and delays. The proposed software would support records request processing across all departments, except Police and Fire, which have dedicated staffing and handle records with greater levels of protected information. To manage the growing demand, the City Clerk's Office is pursuing an AI-driven solution to more effectively identify, locate, retrieve, and respond to public records requests.

City Clerk's Office: Document Management System (\$40,000): Arcadia currently uses a document management system to store and access public records and City documents, which include meeting agendas and minutes for City Council and City Boards and Commissions, contracts, permits, licenses, agreements, bids, and much more. Digital records date back to the 1950's and are available to the public through a portal on the City's website.

Currently, the system contains over 245,000 documents, for a total of 1.9 million pages and 735 gigabytes of storage space. The current contract for document management services will expire in June 2026, and a Request For Proposals ("RFP") process is underway to source a replacement system. The City uses a legacy version of Laserfiche that stores documents on a local server managed by City staff. It is expected that a new system would utilize cloud-based storage and be managed by the vendor. This approach will provide more reliable uptime, regular upgrades, and the ability for more users to simultaneously access documents and records. To reflect a new contract period at a higher level of service and sophistication, a \$40,000 budget is being requested to cover potential new costs. The requested amount will be refined based on RFP results. The City's current contract covers Police separately from the rest of the City, and both total approximately \$25,000 annually.

Administrative Services Department: IT Coordinator (\$30,300): Increased reliance on technology across City operations necessitates the establishment of a centralized coordination function to support the planning, development, and implementation of the City's information technology roadmap. This position would serve as a key liaison across departments to collect, assess, and prioritize technology needs, ensuring that operational requirements are clearly defined and aligned with the City's broader strategic objectives. The coordinator would be responsible for researching, evaluating, and recommending technology solutions, as well as assisting in the management of project resources to support the successful deployment of systems and services. This role would also support the coordination of implementation efforts across departments, helping to ensure that projects are delivered on time, within scope, and in alignment with established standards and goals. The request would be for a part-time employee or contractual hours with the City's current service provider, which are separate from routine help desk and maintenance type activities.

Administrative Services Department: User and Impact Fee Update (\$100,000): The City's last comprehensive User Fee Study was conducted in 2019. Since then, fees have been updated annually based on standard inflationary factors. The City's user fees are intended to cover the reasonable cost of providing specific services to individuals or entities, rather than relying on the general taxpayer. When fees are outdated, the gap between actual costs and collected revenues grows, effectively subsidizing fee-supported services with General Fund resources. Updating these fees ensures a fair allocation of costs, promotes fiscal sustainability, and preserves limited public funds for broader community priorities.

The City's current Park and Traffic Impact Fees have not been updated since 2007 and 2016, respectively. During this time, the cost of maintaining infrastructure and accommodating growth has increased significantly. As a result, existing fees may no longer reflect the true cost of service delivery or the impacts generated by new development.

Adjusting fees brings them into alignment with current economic realities and ensures that revenue keeps pace with expenditures. A total of \$100,000 is requested for a joint study of Citywide User Fees and an update to both the Park and the Traffic Impact Fees. Future revenues collected from these updates will recover the cost of these efforts.

Police Department: Digital Forensics Lab (\$15,000): Increasingly, evidence stored by the Police Department is in the form of digital information from cell phones, laptops, and the internet. To ensure digital records are securely stored, maintain legally defensible chains of custody, and protect against hacking and other cyber intrusions, the Department is requesting \$15,000 to upgrade its Digital Forensics Lab. These funds would be used to procure, replace, and upgrade specialized equipment necessary to ensure the lab continues to function effectively, and remain aligned with current investigative and evidentiary standards.

Police Department: Civic Plus NextRequest Document Management (\$16,300): NextRequest is a cloud-based, public records request software designed for government agencies to manage public records requests from submission to fulfillment. It acts as a centralized portal that streamlines workflows, reduces compliance risks, and provides a transparent way for the public to request, view, and receive documents.

Requests processed through the portal enhance efficiency and allow for a more streamlined process. Automating the public records request process significantly reduces the burden on staff, allowing them to focus on more critical tasks that require human insight and judgment. The portal also helps staff address challenges such as managing the volume and complexity of requests, tracking requests, decentralization, concerns around data security, and redaction capabilities. This system would be designed specifically to meet federal and state security and privacy standards for policing agencies. This system will also be coordinated with the City Clerk's Document Management System upgrade to ensure all systems work seamlessly.

Fire Department: Local Hazard Mitigation Plan (\$100,000 with FEMA grant potentially paying 75%, with remaining \$25,000 from the General Fund): Local governments are required to have an approved Local Hazard Mitigation Plan in place to receive pre-disaster and post-disaster mitigation federal funding. The City's Local Hazard Mitigation Plan (LHMP) was last approved by FEMA on May 2022 and must be updated every five years. Thus, an LHMP Update must be submitted to FEMA before May 2027. The LHMP update is to address modern threats to the community and to adhere to federal standards and guidelines.

The City is currently in the process of securing a FEMA grant that can fund up to 75% of its total eligible cost, with the remaining 25% to be funded by the City. FEMA can fund most activities related to developing or updating the LHMP. All grant documents have been submitted, and the approval of its sub-application is pending. The preliminary cost for securing a contractor specializing in the LHMP update is approximately \$100,000. The FEMA share, if approved, could be up to \$75,000 of the project's total cost. After the LHMP update has been completed, an estimated \$5,000 is planned for its ongoing maintenance annually.

Public Works Services Department: Arborist (\$202,100): The establishment of an Arborist position is necessary to ensure continued management of the City's urban forestry program and to maintain a healthy and sustainable tree population, while reducing risks associated with tree-related hazards. The Arborist function has traditionally been an ancillary responsibility of the Streets Superintendent in the Public Works Services Department; however, as the City's urban forest matures and legal requirements become more complex, a dedicated position is more essential to reduce risk and better manage the health of City trees. This position would be responsible for conducting systematic assessments of trees for structural integrity and potential safety concerns, maintaining comprehensive inventories of tree species and conditions, and developing long-term strategies for urban forestry management and infrastructure protection.

The Arborist would also play a critical role in planning and implementing preventative maintenance programs designed to promote tree health, extend asset life, and minimize conflicts with public infrastructure. In addition, following major storm events or emergency conditions, having an in-house arborist would ensure timely inspections and expert evaluation of damaged or hazardous trees. This capability would allow for informed and efficient decision-making regarding the removal or mitigation of dangerous trees, thereby enhancing public safety and improving the City's overall emergency response capacity.

Development Services Department: Downtown Parking Study (\$29,500): The proposed parking study would evaluate current parking patterns within the Downtown area and assess the effectiveness of existing timed parking regulations in light of significant private development that is either underway or nearing completion. The study would also consider whether adjustments to parking time

limits and management strategies are warranted to better accommodate changing demand conditions.

Following the opening of the A Line, ridership increased significantly, with the parking structure adjacent to the Transit Plaza frequently reaching capacity on most days of the week, approximately three years after commencement of service. In June 2019, when LA Metro implemented parking fees at its facilities, some transit users began shifting to free on-street parking in surrounding neighborhoods and City-owned parking lots within the Downtown area. In response, additional 4-hour parking restrictions were implemented on streets adjacent to the A Line station and within Downtown parking areas to help manage spillover demand.

Given the continued evolution of the area, including the near completion of developments such as the Alexan Azalea Apartments, the anticipated Alexan Arroyo project, and other future private developments, it is timely to update the 2019 Downtown Parking Study. In addition, the A Line has expanded eastward again, potentially changing parking patterns near stations along the route. The updated analysis would ensure that parking policies remain aligned with current and projected demand, support economic development, and maintain accessibility within the Downtown core.

Recreation and Community Services Department: Lunar New Year Red Envelope (\$7,000): During the Lunar New Year period, it is traditional for friends, families, and organizations to exchange red envelopes to celebrate and bring goodwill in the coming year. With this new program, the City of Arcadia would participate in this cultural tradition by providing patrons who visit a City facility with a specially designed red envelope that includes a message and a coupon for a giveaway. Giveaways could include items such as an Arcadia sticker, gift certificates to local businesses, or themed merchandise. Gift amounts would be nominal in value but could be enhanced with support from local businesses.

The table below summarizes the New Programs included in this proposed budget.

NEW PROGRAMS

Proposed New Programs	FY 2026-27 Start Up Costs	Ongoing Annual Costs
City Clerk		
Public Records Software	\$ 20,000	\$ 20,000
Document Management	40,000	40,000
Administrative Services		
IT Coordinator	30,300	32,000
User and Impact Fee Updates	100,000	-
Police		
Digital Forensics Lab	15,000	15,000
Civic Plus - Document Management	16,300	15,000
Fire		
Local Hazard Mitigation Plan	25,000	
Public Works Services		
Arborist	202,100	208,500
Development Services		
Downtown Parking Study	29,500	
Recreation Services		
Lunar New Year Red Envelopes	7,000	15,000
Total New Programs	485,200	345,500

Capital Improvement and Equipment Replacement Funds

The City strategically allocates resources to the Capital Improvement Fund and the Equipment Replacement Fund to support significant, non-recurring expenditures that occur on an intermittent basis. The balances in these funds have been reinforced over time through prudent fiscal management and the transfer of year-end General Fund surpluses. The City's ongoing objective is to maintain annual General Fund contributions at a level consistent with the 10-year average expenditures from each respective fund, thereby ensuring long-term funding stability and continuity.

This proactive funding approach is essential to preserving the integrity of the City's infrastructure systems and ensuring that staff have the necessary capital assets and equipment to provide essential services. For the FY 2026-27 Budget, a total transfer of \$4.8 million from the General Fund is proposed, with \$2.9 million allocated to the Capital Improvement Fund and \$1.9 million allocated to the Equipment Replacement Fund. Collectively, these amounts reflect the 10-year average expenditure levels for these funds.

The FY 2026-27 Capital Improvement Plan entails 35 projects, with a total expenditure of \$17.3 million. Of this amount, \$7.3 million will be funded from the Capital Improvement Fund. The Capital Improvement Fund primarily supports crucial maintenance initiatives such as pavement rehabilitation, building repairs, and parks maintenance. The following table provides a summary of the major projects proposed for the upcoming year.

FY 2026-27 MAJOR CAPITAL IMPROVEMENT PROJECTS

Project Description	Project Budget	Funding Source
Sewer Main Replacement	\$1,350,000	Sewer Fund
Arboretum Sewer Project	\$1,000,000	Sewer Fund
Pavement Rehabilitation Program	\$2,500,000	Capital Improvement \$1.0M & RMRA (SB1) - \$1.5M
LED Lighting Conversion	\$1,120,000	Capital Improvement Fund
Annual Slurry Seal Program	\$1,400,000	Capital Improvement Fund
Downtown Parking Lot	\$1,150,000	Capital Improvement Fund

The Equipment Replacement Fund plays a critical role in funding essential equipment, such as computers, vehicles, and major office equipment. The budgeted annual transfer of \$1.9 million properly funds current spending levels and allows the City to replace equipment before it becomes obsolete.

In the proposed budget, there are several vehicle replacements planned – specifically, heavy-duty vehicles used by the Public Works Services and Police Departments. In addition, there is a project to upgrade the Police Department’s computer dispatch and records management (CAD/RMS) software that is critical to maintaining reliable operations, compliance, and interoperability with regional partners.

The Equipment Replacement Fund encompasses a comprehensive list of 30 equipment purchases, totaling \$6.9 million. Sixty-four percent (64%) of the \$6.9 million (or \$4.4 million) will be funded by the Equipment Replacement Fund. The table below summarizes some significant equipment purchases for the upcoming period.

FY 2026-27 MAJOR EQUIPMENT REPLACEMENT PURCHASES

Equipment Replacement Description	Replacement Budget	Funding Source
Water Vehicle Replacements:		
<ul style="list-style-type: none"> • Crane Truck • Heavy Duty Dump Truck • Compact Pickup Truck • ¾ Ton Pickup Truck • Installation of Equipment and Accessories 	\$932,400	Water Fund
Police Department:		
<ul style="list-style-type: none"> • 2 New Patrol Vehicles • ½ Ton Pickup Truck • Radio Replacement • Installation of Equipment and Accessories 	\$286,300	Equipment Replacement

FY 2026-27 MAJOR EQUIPMENT REPLACEMENT PURCHASES

Equipment Replacement Description	Replacement Budget	Funding Source
Police Department:		
<ul style="list-style-type: none"> CAD/RMS Upgrade 	\$1,500,000	Equipment Replacement
Police Department:		
<ul style="list-style-type: none"> Reconstruction of Radio Communication Tower 	\$1,321,100	Equipment Replacement/Insurance
Streets Vehicle Replacements:		
<ul style="list-style-type: none"> 2 ¾ Ton Pickup New CNG Street Sweeper Installation of Equipment and Accessories 	\$926,800	Equipment Replacement

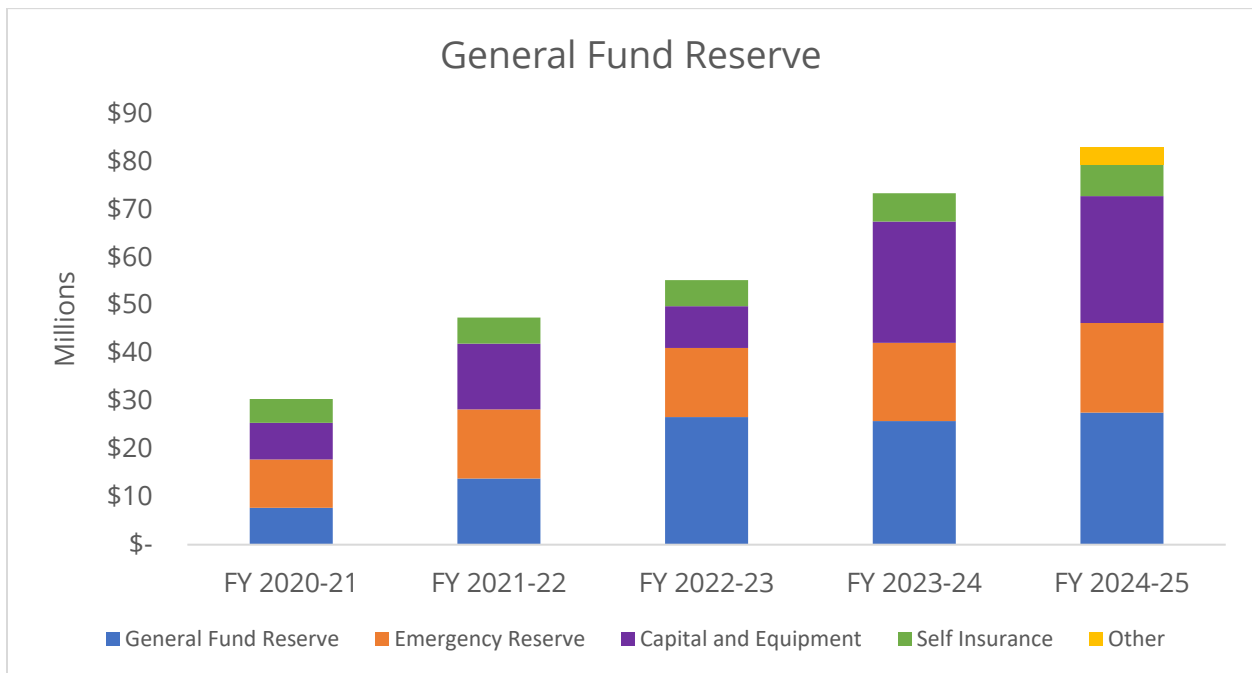
OVERALL ECONOMIC OUTLOOK

The General Fund FY 2026–27 Operating Budget was developed based on expectations of moderate and steady economic growth, although broader economic conditions are anticipated to remain uncertain and uneven throughout the Fiscal Year. Economic forecasting for FY 2026–27 has proven challenging due to the presence of conflicting economic indicators regarding the overall direction of the economy. While certain measures, including employment levels, consumer spending, and property valuations have continued to demonstrate relative strength and stability, other indicators have reflected slowing economic growth, persistent inflationary pressures, elevated interest rates, and increased market volatility.

Additional external factors, including geopolitical uncertainty, global trade concerns, supply chain adjustments, and fluctuations in energy prices, are also expected to continue contributing to economic uncertainty. Consumer spending patterns have shown signs of moderation as households continue adjusting to higher living costs and changing financial conditions. Collectively, these factors have created an economic environment in which long-term trends and revenue projections have become more difficult to evaluate with a high degree of certainty.

Despite these uncertainties, the overall economic outlook is expected to remain generally stable, with moderate growth anticipated during Fiscal Year 2026–27. Nevertheless, the proposed budget has been prepared using conservative forecasting assumptions intended to preserve fiscal stability, maintain operational flexibility, and position the City to respond appropriately to evolving economic conditions throughout the Fiscal Year.

The City’s General Fund reserve has grown over the past several fiscal years, increasing from approximately \$30.5 million in Fiscal Year 2020–21 to \$82.9 million in Fiscal Year 2024-25. This substantial growth reflects the City’s long-term focus and fiscal prudence. Maintaining healthy reserve levels strengthens the City’s financial stability and provides flexibility to address unforeseen expenses, economic uncertainty, or revenue shortfalls. As a result, the City is well-positioned to weather potential economic downturns while continuing to maintain essential services and respond to community needs.



CONCLUSION

The proposed FY 2026-27 General Fund Operating Budget demonstrates a balanced financial position, with a projected surplus of \$276,000. This surplus is the result of Total Operating Revenues and Transfers In, amounting to \$106.1 million, net of Operating Expenditures and Transfers Out, totaling \$105.8 million.

Arcadia's commitment to careful budgeting has resulted in a strong financial buffer, positioning the City to better withstand periods of short-term economic uncertainty. The General Fund reserve balance, at approximately \$21.5 million, provides the City with the flexibility needed to respond to unforeseen events and emerging fiscal challenges. The City's ability to sustain essential services during periods of economic volatility reflects its fiscal discipline, adaptability, and commitment to maintaining service continuity for residents and businesses.

Looking ahead, these foundational strengths are expected to be maintained by the City's management team through continued prudent financial planning and disciplined resource allocation. As a result, the City is expected to remain well-positioned to deliver effective, efficient, and fiscally responsible municipal services, while maintaining long-term financial stability.

To move forward with the proposed budget and ensure effective financial planning, it is recommended that the City Council adopt the proposed resolutions, which include enacting the FY 2026-27 Operating Budget as well as the Five-Year Capital and Equipment Replacement Plans.

Attached to this staff report are the following:

- Exhibit "A": A summary of Sources and Uses for All Funds reflecting the proposed FY 2026-27 Operating Budget presented to City Council for adoption.
- Exhibit "B": A summary of the proposed Five-Year Capital Improvement and Equipment Replacement Plan.

ENVIRONMENTAL ANALYSIS

The proposed actions do not constitute a project under the California Environmental Quality Act ("CEQA"), based on Section 15061(b)(3) of the CEQA Guidelines, as it can be seen with certainty that they will have no impact on the environment.

Many of the budgeted items in the attached documents may require their own environmental review, which will be conducted when each project is brought forward for consideration.

FISCAL IMPACT

The General Fund Operating Fund Balance is projected to reach \$21.0 million by the end of FY 2025-26, providing the necessary reserves to sustain operations throughout the Fiscal Year.

The proposed budget is balanced, with revenues exceeding expenditures by \$276,000. In accordance with the City's financial policies, which recommend maintaining a 20% balance in the Emergency Reserve Fund relative to annual operating expenditure, a transfer of \$427,000 is expected to be made to the Emergency Reserve Fund at the conclusion of FY 2025-26. In total, the City has \$82.9 million in unrestricted reserve funds to address future needs, emergencies, and unexpected circumstances that may arise in the future.

RECOMMENDATION

It is recommended that the City Council determine these actions do not constitute a project under the California Environmental Quality Act ("CEQA"); and:

- 1) Adopt Resolution No. 7696 adopting a Budget for Fiscal Year 2026-27 and appropriating the amounts specified therein as expenditures from the various funds; and
- 2) Adopt Resolution No. 7697 adopting a Capital Improvement and Equipment Plan for Fiscal Years 2026-27 through 2030-31.

FY 2026-27 Operating Budget and CIP and Equipment Plans

June 2, 2026

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Attachments: Resolution No. 7696

Resolution No. 7697

Exhibit "A" – All Funds Fiscal Year 2026-27 Operating Budget Summary

Exhibit "B" – Five-Year Summary of Capital and Equipment Plan

RESOLUTION NO. 7696

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, ADOPTING A BUDGET FOR FISCAL YEAR 2026-27 AND APPROPRIATING THE AMOUNTS SPECIFIED THEREIN AS EXPENDITURES FROM THE VARIOUS FUNDS

WHEREAS, on June 2, 2026, the City Manager submitted to the City Council a proposed Budget for Fiscal Year 2026-27, a copy of which is on file in the Office of the City Clerk; and

WHEREAS, Section 1204 of the Arcadia City Charter requires notice and hearing for consideration of a proposed operating budget and its adoption by resolution; and

WHEREAS, the aforementioned proposed Budget includes the budget for the ensuing Fiscal Year 2026-27; and

WHEREAS, notice of the public hearing on the proposed Budget and a summary of the proposed Budget were published on May 22, 2026; and

WHEREAS, the duly noticed public hearing was conducted by the City Council on June 2, 2026.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. That certain "City of Arcadia Budget, Fiscal Year 2026-27", as on file in the office of the City Clerk, together with any approved amendments thereto, is hereby adopted, in pertinent part, as the official budget of the City of Arcadia for

the Fiscal Year 2026-27 and the amounts specified therein as expenditures from the funds indicated are hereby appropriated for the purposes specified therein.

SECTION 2. The City Clerk shall certify to the adoption of this Resolution.

Passed, approved and adopted this 2nd day of June, 2026.

Mayor of the City of Arcadia

ATTEST:

City Clerk

APPROVED AS TO FORM:



Michael J. Maurer
City Attorney

RESOLUTION NO. 7697

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, ADOPTING A CAPITAL IMPROVEMENT AND EQUIPMENT PLAN FOR FISCAL YEARS 2026-27 THROUGH 2030-31

WHEREAS, on June 2, 2026, the City Manager submitted to the City Council a proposed plan entitled, "Capital Improvement and Equipment Plan, Fiscal Years 2026-2031", a copy of which is on file in the office of the City Clerk; and

WHEREAS, Section 1205 of the Arcadia City Charter requires notice and hearing for the consideration of a capital program and its adoption by resolution of the City Council; and

WHEREAS, notice of the public hearing on the proposed Capital Improvement and Equipment Plan was published on May 22, 2026; and

WHEREAS, the duly noticed public hearing was conducted by the City Council on June 2, 2026.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. That certain "Capital Improvement and Equipment Plan, Fiscal Years 2026-2031", as on file in the office of the City Clerk, together with any approved amendments thereto, is hereby adopted, in pertinent part, for Fiscal Year 2022-2027.

SECTION 2. The City Clerk shall certify to the adoption of this Resolution.

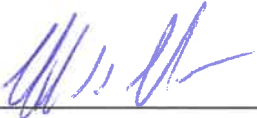
Passed, approved and adopted this 2nd day of June, 2026.

Mayor of the City of Arcadia

ATTEST:

City Clerk

APPROVED AS TO FORM:



Michael J. Maurer
City Attorney

Exhibit "A"

**CITY OF ARCADIA
SUMMARY BY FUND
FISCAL YEAR 2026-2027 PROPOSED BUDGET**

Fund	SOURCES OF FUNDS				USES OF FUNDS			Ending Fund Balance FY
	Beginning Fund FY	Outside Sources	Transfer In	Total	Appropriation	Transfer Out	Total	
General Fund	21,454,300	96,563,100	9,516,000	127,533,400	100,091,100	5,712,000	105,803,100	21,730,300
Narcotic Seizure Federal	227,000	21,800	0	248,800	0	0	0	248,800
COPS	311,600	207,800	0	519,400	215,600	0	215,600	303,800
Medical/Dental	490,700	0	4,432,000	4,922,700	4,200,000	2,000	4,202,000	720,700
Local Law Enforcement	900	155,800	155,800	312,500	311,600	0	311,600	900
IRS Task Force	517,800	17,900	0	535,700	0	0	0	535,700
Worker Compensation/Liability	5,918,400	147,000	3,585,000	9,650,400	4,179,600	0	4,179,600	5,470,800
Homeland Security	0	100,000	0	100,000	100,000	0	100,000	0
Library State Grant	600	0	0	600	0	0	0	600
Homelessness Plan	2,500	318,000	0	320,500	318,000	0	318,000	2,500
Office of Traffic Safety Grant	3,400	110,000	0	113,400	110,000	0	110,000	3,400
California OES HSGP	(32,500)	75,000	0	42,500	50,000	0	50,000	(7,500)
Autotheft Prevention Taskforce	0	0	0	0	0	0	0	0
Emergency Reserve	18,737,800	0	0	18,737,800	0	0	0	18,737,800
America Rescue Plan Act	0	0	0	0	0	0	0	0
Public, Educational/Governmental Access	1,396,600	99,900	0	1,496,500	15,000	0	15,000	1,481,500
Parks & Recreation	6,218,400	1,674,200	0	7,892,600	0	0	0	7,892,600
Fire Facilities Fund	460,500	136,500	0	597,000	0	0	0	597,000
Used Oil Grant	17,800	8,300	0	26,100	8,200	0	8,200	17,900
DOC Beverage Grant	80,100	16,200	0	96,300	14,100	0	14,100	82,200
Traffic Safety	0	142,800	0	142,800	0	142,800	142,800	0
Solid Waste	2,751,600	910,500	0	3,662,100	609,300	300,000	909,300	2,752,800
Measure W - Safe Clean Water Program	4,222,300	1,122,800	0	5,345,100	2,037,800	0	2,037,800	3,307,300
Dow Settlement Fund	14,111,800	423,400	0	14,535,200	0	0	0	14,535,200
State Gas Tax	12,100	1,646,700	0	1,658,800	104,500	1,600,000	1,704,500	(45,700)
Road Maintenance/Rehabilitation Act	2,471,700	1,657,700	0	4,129,400	1,500,000	0	1,500,000	2,629,400
Air Quality Management District	278,400	81,900	0	360,300	62,700	0	62,700	297,600
Community Development Block Grant	0	260,000	0	260,000	257,600	0	257,600	2,400
Santa Anita Grade Separation	824,600	20,600	0	845,200	0	0	0	845,200
Transit	0	3,849,800	663,400	4,513,200	3,845,500	0	3,845,500	667,700
Proposition A	5,049,900	1,569,200	0	6,619,100	447,800	1,498,900	1,946,700	4,672,400
Transportation Impact Fund	684,500	417,100	0	1,101,600	659,900	0	659,900	441,700
TDA Article 3 Bikeway	4,600	44,700	0	49,300	40,000	0	40,000	9,300
STPL & ITS Special Fund	0	0	0	0	0	0	0	0
Measure M	2,534,300	2,580,800	0	5,115,100	3,449,500	0	3,449,500	1,665,600
Capital Improvement	23,697,300	877,400	2,900,000	27,474,700	24,064,200	0	24,064,200	3,410,500
City Hall Reserve	100	0	0	100	0	0	0	100
Lighting Maintenance	310,900	1,542,300	922,600	2,775,800	1,537,700	0	1,537,700	1,238,100
Water Fund	(7,519,300)	19,445,000	0	11,925,700	20,513,400	0	20,513,400	(8,587,700)
Sewer Fund	8,535,400	3,019,900	0	11,555,300	4,646,200	0	4,646,200	6,909,100
Par 3 Golf Course Fund	3,124,700	1,819,200	0	4,943,900	1,569,000	0	1,569,000	3,374,900
Equipment Replacement	18,281,500	1,508,400	1,900,000	21,689,900	5,583,200	36,600	5,619,800	16,070,100
Redevelopment Successor Agency	233,000	2,430,600	0	2,663,600	2,663,600	0	2,663,600	0
General Obligation Bond 2012	400,600	410,000	0	810,600	410,100	0	410,100	400,500
General Obligation Bond 2011	554,500	534,600	0	1,089,100	524,400	0	524,400	564,700
Pension Obligation Bonds 2020	0	5,874,600	0	5,874,600	5,874,600	0	5,874,600	0
Total	144,415,000	154,075,700	24,074,800	322,565,500	195,922,900	10,484,100	206,407,000	116,158,500

Exhibit "B"

CITY OF ARCADIA
SUMMARY OF PROPOSED FIVE YEAR CAPITAL PROGRAMS
FISCAL YEAR 2026-27 THROUGH 2030-31

	ESTIMATED FUNDS 7/01/2026	ESTIMATED FIVE-YEAR REVENUE	PROPOSED FIVE-YEAR EXPENDITURE	ESTIMATED FUNDS 6/30/2031
CAPITAL OUTLAY FUND	23,697,300	25,034,500	(38,093,700)	10,638,100
AMERICAN RESCUE PLAN FUND	3,042,700	-	(3,042,700)	-
PARK AND RECREATION FUND	6,218,400	6,291,800	(7,900,000)	4,610,200
FIRE FACILITIES FUND	460,500	613,700	-	1,074,200
MEASURE W CLEAN, SAFE WATER PROGRAM	4,222,300	5,523,100	(5,960,800)	3,784,600
GAS TAX (HUTA) FUND	12,100	8,256,200	(8,122,500)	145,800
ROAD MAINTENANCE AND REHABILITATION PROGRAM	2,471,700	8,351,600	(6,600,000)	4,223,300
AQMD	278,400	415,600	(153,500)	540,500
PROP C LOCAL RETURN	4,478,000	6,194,800	(10,077,900)	594,900
TRANSPORTATION IMPACT FUND	684,500	1,324,300	(959,900)	1,048,900
MEASURE R LOCAL RETURN	1,104,500	4,516,100	(8,648,700)	(3,028,100)
MEASURE M LOCAL RETURN	2,534,300	6,837,600	(7,319,500)	2,052,400
WATER FACILITY RESERVE	11,445,900	275,600	(19,883,900)	(8,162,400)
WATER EQUIPMENT RESERVE	(1,989,400)	-	(2,274,500)	(4,263,900)
SEWER FUND	8,535,400	15,143,000	(22,332,100)	1,346,300
EQUIPMENT FUND	18,281,500	11,884,600	(22,510,500)	7,655,600

**ARCADIA CITY COUNCIL
REGULAR MEETING MINUTES
TUESDAY, MAY 19, 2026**

1. **CALL TO ORDER** – Mayor Pro Tem Cheng called the Regular Meeting to order at 7:00 p.m.
2. **INVOCATION** – Reverend Eva Thai-Erwin, Church of the Good Shepherd
3. **PLEDGE OF ALLEGIANCE** – Reverend Eva Thai-Erwin, Church of the Good Shepherd
4. **ROLL CALL OF CITY COUNCIL MEMBERS**

PRESENT: Cao, Fu, Kwan, and Cheng
ABSENT: None

5. **SUPPLEMENTAL INFORMATION FROM CITY MANAGER REGARDING AGENDA ITEMS**

City Manager Lazzaretto thanked everyone in attendance and addressed the circumstances leading to Eileen Wang’s resignation; he stated that Ms. Wang’s resignation was not part of the City Council’s agenda this evening, noting that federal criminal matters do not fall under the authority of the City or the City Council; he explained that the City Council was not authorized to remove Ms. Wang from office; and he reminded members of the public to maintain decorum during public comment, encouraging everyone to respectfully listen to one another.

6. **PUBLIC COMMENTS**

Angela, an Arcadia resident, appeared and spoke about an incident involving alleged misconduct by an Arcadia Police Officer in October 2024; she expressed disappointment with Mayor Pro Tem Cheng’s response to her allegation, and stated that the allegations were later substantiated at the conclusion of the investigation. She further expressed disappointment regarding the lack of support for Council Member Kwan’s request to place an item on the agenda concerning Eileen Wang so residents could address the matter publicly.

The following speakers appeared and expressed disappointment with the City Council’s handling of matters related to Eileen Wang, citing concerns regarding transparency, public trust, and the lack of public discussion encouraging Ms. Wang to resign following Yaoning “Mike” Sun’s arrest:

Batman
Tom Beck

Steve Rhee
Sonia

Burton Brink
Michael Danielson
Michael Durgerian
Cindy Monji
Ophelia

Eli Tsou
Christine Yee
Benny Yee
Stephanie Aikin
Julie Lim

City Attorney Maurer provided a point of clarification regarding the City Charter's mayoral rotation process; he stated that Eileen Wang's appointment as Mayor occurred pursuant to the Charter's established procedure and was not the result of separate City Council action.

Mark Bower, an Arcadia resident, appeared and expressed safety concerns regarding the increase in pedestrian incidents involving bicycles and e-bikes; he noted that many cities have adopted safety regulations; and he encouraged the City Council to consider implementing similar measures.

Donna Choi, Executive Director of the Downtown Arcadia Improvement Association, appeared and stated that the Association produces and promotes its signature community events; she clarified that the Association is a separate entity from the City of Arcadia; she also stated that the Association's 2025 Annual Report has been submitted to City Manager Lazzaretto; and she announced that a community event is planned for the end of August.

Feng Lam Luu appeared and shared that her business was broken into in 2020; she expressed concern regarding the recent increase in crime in the area; she referenced crime prevention measures implemented by Temple City; and she encouraged the City Council to consider similar efforts in Arcadia.

Amy Moufarrege, Arcadia Chamber of Commerce Board Member, appeared and announced the following upcoming events: Multi-Chamber Mix at Le Meridien on May 20; Rise & Shine at Santa Anita Park on May 21; and Networking at Noon at the Derby and Happy Hour Hop at Dave & Buster's on May 28.

Domenico Tallerico, an Arcadia resident, appeared and offered suggestions to help restore public trust following Eileen Wang's resignation, including hiring an independent firm to review and verify the City's financial statements; he also expressed agreement with comments made by City Manager Lazzaretto and Mr. Beck.

Cris Arzate, an Arcadia resident, appeared and stated that he found the situation to be unfortunate; that it is difficult to separate facts from the emotions surrounding the issue; and he encouraged the community to come together and focus on ways to heal and move forward.

Transgender Goddess appeared and expressed support for Eileen Wang, sharing moments in which Ms. Wang assisted them during a period of hardship.

Mayor pro Tem Cheng thanked everyone for attending the meeting and acknowledged the challenges facing the community during this difficult time; he offered words of encouragement, emphasized the importance of moving forward together; and he stated that the City Council remains committed to rebuilding public trust and focusing on the work ahead for the community.

Council Member Kwan thanked everyone for attending the meeting; she spoke about the current issues surrounding the City; she expressed frustration regarding the City Council's decision to censure her and the scrutiny she experienced as a result of asking difficult questions; she stated that her actions have always been guided by the best interests of the public; and she emphasized the importance of transparency, fiscal responsibility, and accountability.

Council Member Cao stated that it has been one of the greatest honors of his life to serve the nation; he stated that the serious charges against Eileen Wang would not be tolerated and emphasized the importance of upholding the rule of law for all; he further stated that attempts to divide the community are wrong and expressed confidence that Arcadia is resilient and will overcome the current challenges; he reaffirmed his commitment to focusing on issues most important to residents, including public safety, fiscal responsibility, quality City services, and good governance.

Council Member Fu asked City Attorney Maurer whether the City Council has the authority to conduct an investigation or take action upon allegations against another Council Member, noting that some members of the public believed the City Council should have acted sooner.

City Attorney Maurer explained that the City Charter addresses vacancies in office rather than investigative authority and clarified that, in this type of situation, a vacancy occurs only upon a conviction or resignation. He noted that, despite the existence of a plea agreement, no conviction has yet been entered, and reiterated that the City Council does not have the authority under the Charter to remove one of its members from office.

Council Member Fu further inquired whether the City Council could remove a Council Member based solely on allegations or suspicion.

City Attorney Maurer clarified that even in the event of a conviction, the City Council does not vote to remove the individual from office; rather, the office becomes vacant pursuant to the provisions of the City Charter.

Council Member Fu stated that the City Council is committed to making the City a better place for the community; he indicated that he did not believe there was any basis to encourage Eileen Wang to resign; he emphasized that the priority moving forward should be for the community and City Council to work together and begin the healing process.

The City Council recessed at 8:59 p.m. and reconvened at 9:13 p.m.

7. CITY CLERK

- a. Appoint the Mayor and Mayor Pro Tem in accordance with Resolution No. 7463.

CEQA: Not a Project

Recommended Action: Make Appointments

After City Council discussion, a motion was made by Council Member Cao, seconded by Council Member Fu, and carried on a roll call vote to continue with the rotational order established in Resolution No. 7463, appointing current Mayor Pro Tem and District 4 Council Member Cheng as Mayor, and District 1 Council Member Fu as Mayor Pro Tem.

AYES: Cao, Fu, and Cheng

NOES: Kwan

ABSENT: None

- b. Discussion and direction regarding the District 3 City Council vacancy.

CEQA: Not a Project

Recommended Action: Provide Direction

City Manager Lazzaretto presented the Staff Report.

After City Council discussion, a motion was made by Mayor Pro Tem Fu, seconded by Council Member Cao, and carried on a roll call vote to fill the District 3 vacancy by appointment pursuant to the Arcadia City Charter; the motion included the following provisions for the application and interview process: applications would be due by Friday, May 22, at 11:59 p.m.; candidate interviews would be conducted on Tuesday, May 26, at 5:00 p.m. in the City Council Chambers and televised; the City would issue a short application form consisting of two questions proposed by Council Member Cao; applicants must meet the same eligibility requirements applicable to City Council Members, including residency within District 3; applicants would provide an approximately two-minute statement during their interview; each Council Member would be permitted to ask two questions of each candidate; applicants would be evaluated using a 3-2-1 point system; and the appointment would fill only the unexpired term for the District 3 seat.

AYES: Fu, Cao, Kwan, and Cheng

NOES: None

ABSENT: None

Council Member Kwan stated that, based on comments made by City Attorney Maurer and Council Member Fu, she requested the City Council rescind the prior censure against her and issue an apology.

City Attorney Maurer clarified that the action taken by the City Council was a vote to censure Council Member Kwan, not to remove her as Mayor; he further clarified that under the City Charter and California law, the City Council does not have the authority to remove a Council Member from office, and stated that this had been made clear during the censure process.

At the request of Mayor Pro Tem Fu, City Attorney Maurer clarified the distinction between “censure” and “censored”.

Council Member Kwan stated that her understanding was that the censure action effectively removed her from serving as Mayor and requested that the action be rescinded.

City Attorney Maurer noted that this topic was not agendized for discussion, that clarification had been provided, and indicated that the meeting should proceed.

The oath of office was administered to Mayor Cheng and Mayor Pro Tem Fu.

8. PUBLIC HEARING

- a. Annual Military Equipment Report per Assembly Bill No. 481 and reaffirm Ordinance No. 2387 Military Equipment Use Policy.

CEQA: Not a Project

Recommended Action: Approve

City Manager Lazzaretto presented the Staff Report.

Mayor Cheng opened the public hearing.

Transgender Goddess appeared and expressed opposition to the item.

Batman appeared and expressed support for this item.

Mayor Cheng closed the public hearing.

A motion was made by Mayor Pro Tem Fu, seconded by Council Member Cao, and carried on a roll call vote to approve the Annual Military Equipment Report per Assembly Bill No. 481 and reaffirm Ordinance No. 2387 Military Equipment Use Policy.

AYES: Fu, Cao, and Cheng

NOES: Kwan

ABSENT: None

- b. Resolution No. 7683 authorizing an amendment to the Statement of Objectives and Projects for use of Community Development Block Grant (“CDBG”) Funds for

Fiscal Year 2025-26 to add an Americans with Disabilities Act (“ADA”) Curb Ramp Project; and execute a Memorandum of Understanding with the Los Angeles County Development Authority (“LACDA”).

CEQA: Not a Project

Recommended Action: Adopt

City Manager Lazzaretto presented the Staff Report.

Mayor Cheng opened the public hearing.

Transgender Goddess appeared and expressed support for the item.

Batman appeared and expressed support for the item.

Mayor Cheng closed the public hearing.

A motion was made by Council Member Cao, seconded by Mayor Pro Tem Fu, and carried on a roll call vote to adopt Resolution No. 7683, authorizing an amendment to the Statement of Objectives and Projects for use of Community Development Block Grant (“CDBG”) Funds for Fiscal Year 2025-26 to add an Americans with Disabilities Act (“ADA”) Curb Ramp Project; and execute a Memorandum of Understanding with the Los Angeles County Development Authority (“LACDA”).

AYES: Cao, Fu, Kwan, and Cheng

NOES: None

ABSENT: None

9. CONSENT CALENDAR

- a. Regular Meeting Minutes of May 5, 2026.

CEQA: Not a Project

Recommended Action: Approve

- b. Professional Services Agreement with Phoenix Group Information Systems for citation and parking permit processing for \$83,000 annually.

CEQA: Not a Project

Recommended Action: Approve

- c. Purchase Order with Clean Energy for the purchase of Compressed Natural Gas fuel for the City’s fleet in an amount not to exceed \$160,000.

CEQA: Not a Project

Recommended Action: Approve

- d. Purchase Order with 72 Hour LLC DBA National Auto Fleet Group for the purchase of one 2027 Freightliner Stake Bed Truck in the amount of \$225,500.12.
CEQA: Not a Project
Recommended Action: Approve
- e. Purchase Order with Waterline Technologies, Inc. for the purchase and delivery of Sodium Hypochlorite for the disinfection of the City's municipal water supply, in the amount of \$127,627.50.
CEQA: Not a Project
Recommended Action: Approve
- f. Purchase Order with ODP Business Solutions ("Office Depot") for new furniture to be used throughout the Arcadia Police Department in an amount not to exceed \$19,592.
CEQA: Not a Project
Recommended Action: Approve
- g. Accept all work performed by PTM General Engineering Services, Inc. for the Baldwin Avenue at Longden Avenue Traffic Signal Improvements and Traffic Signal Fiber Optics Network Extensions Project, in the amount of \$528,705.38.
CEQA: Exempt
Recommended Action: Approve

It was moved by Mayor Pro Tem Fu, seconded by Council Member Cao, and carried on a roll call vote to approve Consent Calendar Items 9.a through 9.g.

AYES: Fu, Cao, Kwan, and Cheng
NOES: None
ABSENT: None

10. AB 1234 REPORTS FROM MAYOR AND CITY COUNCIL (*limited to legally required reports*).

No Council Members had anything to report.

11. REQUEST FOR FUTURE ITEMS

Council Member Kwan requested City Council support to place an item on a future agenda to discuss conducting a forensic accounting audit of the City's financial records.

City Manager Lazzaretto stated that the City undergoes an annual financial audit and explained the audit process.

Mayor Pro Tem Fu inquired whether individual City Council Members have any authority over City finances.

City Manager Lazzaretto clarified that any City expenditures or financial decisions involving the City Council require approval by at least three Council Members in a public meeting.

Council Member Kwan inquired about the City's last forensic accounting audit.

City Manager Lazzaretto stated that he was not aware of the City ever conducting a forensic accounting audit and noted that such audits are not typical.

Council Member Kwan stated that, given the current circumstances, she believed a forensic accounting audit would be reasonable.

Mayor Cheng asked whether there was City Council support to agendize the discussion; no support was expressed.

Council Member Kwan requested City Council support to place an item on a future agenda to discuss rescinding the censure against her and issuing a public apology; the request failed to receive support from two additional Council Members.

Council Member Kwan stated that comments made by City Attorney Maurer and Mayor Pro Tem Fu appeared contradictory.

City Attorney Maurer clarified that no Mayor has ever been removed from the mayorship under the City Charter; and that he never indicated the censure action itself was illegal.

12. ADJOURNMENT

Due to a scheduling conflict with the proposed May 26 Special Meeting, Council Member Kwan made a motion to reconsider the previously approved interview date and application deadline. Council Member Cao and Mayor Pro Tem Fu moved to approve the reconsideration.

Following discussion, it was the consensus of the City Council to amend the interview date to June 2, 2026, and extend the application deadline to May 29, at 11:59 p.m.

The City Council adjourned at 10:54 p.m. to Tuesday, June 2, 2026, at 6:00 p.m., in the City Council Conference Room.



Linda Rodriguez
City Clerk



CITY OF ARCADIA

STAFF REPORT

OFFICE OF THE CITY CLERK

DATE: June 2, 2026

TO: Honorable Mayor and City Council

FROM: Dominic Lazzaretto, City Manager
By: Linda Rodriguez, City Clerk

SUBJECT: RESOLUTIONS RELATING TO THE GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 3, 2026

RESOLUTION NO. 7686 CALLING FOR A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 3, 2026, FOR THE ELECTION OF MEMBERS OF THE CITY COUNCIL IN ELECTORAL DISTRICTS 2, 3, AND 5, AS REQUIRED BY THE LAWS GOVERNING CHARTER CITIES

CEQA: Not a Project

Recommendation: Adopt

RESOLUTION NO. 7687 REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO CONSOLIDATE A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 3, 2026, WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON THE SAME DATE PURSUANT TO SECTION 10403 OF THE CALIFORNIA ELECTIONS CODE

CEQA: Not a Project

Recommendation: Adopt

RESOLUTION NO. 7688 ADOPTING REGULATIONS FOR CANDIDATES FOR ELECTIVE OFFICE PERTAINING TO CANDIDATE STATEMENTS SUBMITTED TO THE VOTERS AT A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 3, 2026

CEQA: Not a Project

Recommendation: Adopt

SUMMARY

Pursuant to the provisions of the City Charter and Ordinance No. 2352, the City of Arcadia will hold a General Municipal Election on Tuesday, November 3, 2026, for the election of Members of the City Council in Electoral Districts 2, 3, and 5. In order to commence the election process for municipal officials, the California Elections Code requires the City Council to adopt certain resolutions. Therefore, it is recommended that the City Council adopt Resolution Nos. 7686, 7687, and 7688, calling for the Election, consolidating the election with the Statewide General Election, and adopting regulations for candidate statements.

BACKGROUND

City Council elections were historically administered locally by the City Clerk's Office; however, in 2022, Arcadia's City Council elections were transitioned from April to November in even-numbered years in response to Senate Bill 415 and policies encouraging greater voter turnout. Due to this change in State law and the growing number of cities consolidating their elections with Los Angeles County, the private firms that previously assisted with local elections have ceased operations. Therefore, it is necessary to consolidate the City's municipal elections with the County's efforts, providing significant cost savings and reducing City staff time.

In 2012, the City transitioned to all-mail ballot elections because they are more convenient for the voters, less expensive to facilitate, and tend to increase voter turnout. While the County elections will not be an all-mail ballot, voting by mail is possible along with a variety of other voting methods (in person, drop off locations, early voting, etc.).

Pursuant to Arcadia Municipal Code Section 1704 (Ordinance No. 2350, adopted on October 17, 2017, and amended by Ordinance No. 2386, adopted on April 11, 2022), members of the City Council shall be elected by-district, in five (5) single-member districts. For the 2026 General Municipal Election, Council Members from Electoral Districts 2, 3, and 5 will be elected.

DISCUSSION

The attached resolutions for City Council adoption pertain to the election of municipal officials, and regulations for candidate statements. The terms for Council Members from Districts 2, 3, and 5 would extend from the date the election results are certified, through November 2030.

Upon the adoption of the proposed resolutions, the nomination period for this election would begin on Monday, July 13, 2026, and close Friday, August 7, 2026. Candidates will be required to provide a deposit for costs associated with printing a candidate statement (200 words or less) in the Official Sample Ballot Booklet/Voter Guide, or for a fixed fee of \$279.60, online candidate statements will be published on the Los Angeles County Registrar-Recorder/County Clerk's website and excluded from the Official Sample Ballot Booklet/Voter Guide.

To request and receive any candidate instructions and informational paperwork during the nomination period (known as "pulling papers"), candidates must make an appointment with the City Clerk's Office. More information can be found by visiting the City's website at ArcadiaCA.gov/elections.

It is recommended that the November 3, 2026, General Municipal Election in Electoral Districts 2, 3, and 5, be consolidated with the Statewide General Election to be held on the same date, and that within the City, the precincts, polling places, voting centers, and election officers of the two elections be the same. It is also recommended that the Los Angeles County Registrar-Recorder/County Clerk canvass the returns of the General Municipal Election, and that the election be held in all respects as if there were only one election.

ENVIRONMENTAL ANALYSIS

The proposed action does not constitute a project under the California Environmental Quality Act ("CEQA"), and it can be seen with certainty that it will have no impact on the environment.

FISCAL IMPACT

The estimated cost from the Los Angeles County Registrar-Recorder/County Clerk is \$112,500 for the three offices (Members of the Council for Electoral Districts 2, 3, and 5) and the associated noticing, translated statements, and candidate binders. This amount has been included in the proposed Fiscal Year 2026-27 Operating Budget.

RECOMMENDATION

It is recommended that the City Council determine that this action does not constitute a project under the California Environmental Quality Act ("CEQA"); and direct staff to request the Board of Supervisors of the County of Los Angeles to consolidate a General Municipal Election to be held on Tuesday, November 3, 2026, with the Statewide General Election to be held on the same date pursuant to Section 10403 of the California Elections Code; and adopt the following Resolutions relating to the conduction of a General Municipal Election in City Council Electoral Districts 2, 3, and 5:

- a. Adopt Resolution No. 7686 calling for a General Municipal Election to be held on Tuesday, November 3, 2026, for the election of members of the City Council in Electoral Districts 2, 3, and 5, as required by the laws governing charter cities; and
- b. Adopt Resolution No. 7687 requesting the Board of Supervisors of the County of Los Angeles to consolidate a General Municipal Election to be held on Tuesday, November 3, 2026, with the Statewide General Election to be held on the same date pursuant to Section 10403 of the California Elections Code; and
- c. Adopt Resolution No. 7688 adopting regulations for candidates for elective office pertaining to candidate statements submitted to the voters at a General Municipal Election to be held on Tuesday, November 3, 2026.

Attachments: Resolution No. 7686
Resolution No. 7687
Resolution No. 7688

RESOLUTION NO. 7686

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, CALLING FOR A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 3, 2026, FOR THE ELECTION OF MEMBERS OF THE CITY COUNCIL IN ELECTORAL DISTRICTS 2, 3, AND 5 AS REQUIRED BY THE LAWS GOVERNING CHARTER CITIES

THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. Pursuant to Arcadia Municipal Code Section 1700, a General Municipal Election shall be held on Tuesday, November 3, 2026, for the election of three (3) Members of the City Council for a full term of four (4) years, in Districts 2, 3, and 5.

SECTION 2. The ballots to be used in this General Municipal Election shall be in form and content as required by law.

SECTION 3. The City Clerk is authorized, instructed, and directed to coordinate with the County of Los Angeles Registrar-Recorder/County Clerk to procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election.

SECTION 4. The precincts, ballot drop box locations and hours of operations, vote center locations and hours of operations, vote-by-mail procedures and timing,

and election officers, and all other persons and procedures for the General Municipal Election shall be the same as those utilized by the County of Los Angeles.

SECTION 5. In all particulars not recited in this Resolution, the election shall be held and conducted as provided by law for holding municipal elections.

SECTION 6. The notice of the time and place of holding the election is given and the Elections Official is authorized, instructed, and directed to give further or additional notice of the election, in time, form, and manner as required by law.

SECTION 7. In the event of a tie vote (if any two or more persons receive an equal and the highest number of votes for an office) as certified by the County of Los Angeles Elections Official, the City Council, in accordance with Elections Code Section 15651(a), shall set a date, time, and place and summon the candidates who have received the tie votes to appear and will determine the tie by lot.

SECTION 6. The City Council authorizes the Elections Official to administer said election, and all reasonable and actual election expenses shall be paid by the City upon presentation of properly submitted bills.

SECTION 7. The City Clerk shall certify to the adoption of this Resolution and shall cause notice of the election, the offices to be filled, and other matters relating to the election to be given as required by the Elections Code of the State of California.

SECTION 8. The City Clerk shall, not later than the 88th day prior to the General Municipal Election to be held on Tuesday, November 3, 2026, file with the Board of Supervisors and the County Clerk – Registrar of Voters of the County of Los Angeles, State of California, a certified copy of this Resolution.

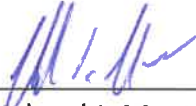
Passed, approved, and adopted this 2nd day of June, 2026.

Mayor of the City of Arcadia

ATTEST:

City Clerk

APPROVED AS TO FORM:



Michael J. Maurer
City Attorney

RESOLUTION NO. 7687

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO CONSOLIDATE A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 3, 2026, WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON THE SAME DATE PURSUANT TO SECTION 10403 OF THE CALIFORNIA ELECTIONS CODE

WHEREAS, by adoption of Resolution No. 7686 on June 2, 2026, the City Council has called and given notice of a General Municipal Election to be held on Tuesday, November 3 2026, in Electoral Districts 2, 3, and 5 of the City of Arcadia, County of Los Angeles, for the purpose of electing three (3) Members of the City Council for a full term of four (4) years to represent said Districts at said General Municipal Election; and

WHEREAS, it is desirable that the General Municipal Election be consolidated with the Statewide General Election to be held on the same date, and that within the City the precincts, polling places, voting centers and election officers of the two elections be the same, and that the Los Angeles County Registrar-Recorder/County Clerk canvass the returns of the General Municipal Election, and that the election be held in all respects as if there were only one election.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. That pursuant to the requirements of Section 10403 of the

California Elections Code, the Board of Supervisors of the County of Los Angeles is hereby requested to consent and agree to the consolidation of a General Municipal Election with the Statewide General Election on Tuesday, November 3, 2026, for the purpose of the election of three (3) Members of the City Council for a full term of four (4) years.

SECTION 2. That the Los Angeles County Registrar-Recorder/County Clerk is authorized to canvass the returns of the General Municipal Election for the City of Arcadia. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used. Pursuant to Elections Code Section 10418, the election will be held and conducted in accordance with the provisions of law regulating the Statewide General Election.

SECTION 3. That the Board of Supervisors of the County of Los Angeles is requested to issue instructions to the Los Angeles County Registrar-Recorder/County Clerk to take any and all steps necessary for the holding of the consolidated election.

SECTION 4. That the City of Arcadia recognizes that additional costs will be incurred by the County of Los Angeles by reason of this consolidation and agrees to reimburse the County of Los Angeles for any costs upon presentation of reasonably detailed invoices.

SECTION 5. That the City Clerk is hereby directed to forward without delay a certified copy of this resolution to both the Board of Supervisors of the County of Los

Angeles and the Los Angeles County Registrar-Recorder/County Clerk.

SECTION 6. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

Passed, approved, and adopted this 2nd day of June, 2026.

Mayor of the City of Arcadia

ATTEST:

City Clerk

APPROVED AS TO FORM:



Michael J. Maurer
City Attorney

RESOLUTION NO. 7688

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA ADOPTING REGULATIONS FOR CANDIDATES FOR ELECTIVE OFFICE PERTAINING TO CANDIDATE STATEMENTS SUBMITTED TO THE VOTERS AT A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 3, 2026

WHEREAS, Section 13307 of the Elections Code of the State of California provides that the governing body of any local agency shall adopt regulations pertaining to materials prepared by any candidate for a municipal election, including costs of the candidates' statements.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. GENERAL PROVISIONS. Pursuant to Sections 13307 and 13308 of the Elections Code of the State of California, each candidate for elective office to be voted for at the General Municipal Election to be held in the City of Arcadia on Tuesday, November 3, 2026, may prepare a candidate's statement on an appropriate form provided by the Elections Official for inclusion in the voter information. The statement may include the name, age, and occupation of the candidate and a brief description of no more than two hundred (200) words of the candidate's education and qualifications expressed by the candidate themselves. The statement shall not include party affiliation of the candidate, nor membership or activity in partisan political organizations. In addition, the statement shall be limited to a recitation of

the candidate's own personal background and qualifications and shall not in any way make reference to other candidates for that office or to another candidate's qualifications, character, or activities. The statement shall be filed in typewritten format in the office of the City Clerk at the time the candidate's nomination papers are filed. The statement may be withdrawn, but not changed, during the period for filing nomination papers and until 5:00 p.m. of the next working day after the close of the nomination period.

SECTION 2. FOREIGN LANGUAGE POLICY.

A. Pursuant to the Federal Voting Rights Act, all candidates' statements will be translated into all languages required by the County of Los Angeles. The County is required to translate candidates' statements into the following language: Spanish.

B. The County will mail separate voter information guides and candidates' statements in Armenian, Bengali, Burmese, Cambodian/Khmer, Chinese, Farsi, Gujarati, Hindi, Indonesian, Japanese, Korean, Mongolian, Russian, Spanish, Tagalog/Filipino, Telugu, Thai and Vietnamese to only those voters who are on the county voter file as having requested a voter information guide in a particular language. The County will make the voter information guides and candidate statements in the required languages available at all vote centers, on the County's website, and in the Election Official's office.

SECTION 3. PAYMENT.

A. Translations:

1. The candidate shall be required to pay for the cost of translating the candidates statement into any required foreign language as specified in subsections (A) and/or (B) of Section 2 above pursuant to Federal and/or State law.
2. The candidate shall be required to pay for the cost of translating the candidates statement into any foreign language that is not required as specified in subsections (A) and/or (B) of Section 2 above, pursuant to Federal and/or State law, but is requested as an option by the candidate.

B. Printing:

1. The candidate shall be required to pay for the cost of printing the candidates statement in English in the main voter information guide.
2. The candidate shall be required to pay for the cost of printing the candidate's statement in a foreign language required by subsection (A) of Section 2 above, in the main voter information guide.
3. The candidate shall be required to pay for the cost of printing the candidate's statement in a foreign language required in subsection (B) of Section 2 above, in the main voter information guide.

The Elections Official shall estimate the total cost of printing, handling,

translating, and mailing the candidate's statements filed pursuant to this section, including costs incurred as a result of complying with the Voting Rights Act of 1965 (as amended), and require each candidate filing a statement to pay in advance to the Elections Official their estimated pro rata share as a condition of having their statement included in the voter's pamphlet. The estimate of costs is just an approximation of the actual cost that varies from one election to another and the actual cost may ultimately be significantly more or less than the estimate, depending on the actual number of candidates filing statements. Each candidate shall be required to pay upon receipt of an invoice their prorated share of actual costs should those costs exceed the estimated amount deposited. In the event of overpayment, the Elections Official shall prorate the excess amount among the candidates and refund the excess amount paid within thirty (30) days of the election.

SECTION 4. ONLINE CANDIDATE STATEMENTS

Pursuant to Section 13307(c) of the California Elections Code, the governing body of the City of Arcadia authorizes the preparation of candidate statements for nonpartisan elective office for the purpose of electronic distribution. Candidates will prepare statements for electronic distribution pursuant to Section 13307(a) of the Elections Code. A statement prepared pursuant to this subdivision shall be posted on the internet website of the County Elections Official. Pursuant to Section 13307.7(a) of the Elections Code, candidates shall provide payment of the requisite

fee to cover the duties and procedures set forth in Sections 13307(b) and (d) of the Elections Code.

SECTION 5. MISCELLANEOUS

- A. That all translations shall be provided by professionally certified translators as set forth in Elections Code 13307(b).
- B. That candidates' statements shall comply with the formatting and submission guidelines provided by the City Clerk and the Los Angeles County Registrar-Recorder/County Clerk.
- C. That the City Clerk shall comply with all recommendations and standards set forth by the California Secretary of State regarding occupational designations and other matters relating to elections.

SECTION 6. ADDITIONAL MATERIALS. No candidate will be permitted to include additional materials in the sample ballot or voter information guide package.

SECTION 7. The Elections Official shall provide each candidate or the candidate's representative a copy of this Resolution at the time nominating petitions are issued.

SECTION 8. All previous resolutions establishing City Council policy on payment for candidates' statements to the extent they are inconsistent herewith are deemed to be of no further force or effect.

SECTION 9. This Resolution shall apply only to the election to be held on November 3, 2026, and shall thereafter be deemed to be of no further force or effect.

SECTION 10. The City Clerk shall certify to the adoption of this Resolution.

Passed, approved, and adopted this 2nd day of June, 2026.

Mayor of the City of Arcadia

ATTEST:

City Clerk

APPROVED AS TO FORM:



Michael J. Maurer
City Attorney



PUBLIC WORKS SERVICES DEPARTMENT

DATE: June 2, 2026

TO: Honorable Mayor and City Council

FROM: Paul Cranmer, Public Works Services Director
By: Tiffany Lee, Interim Principal Civil Engineer

SUBJECT: RESOLUTION NO. 7689 ADOPTING A LIST OF PROJECTS FOR FISCAL YEAR 2026-27 FUNDED BY SB 1: THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017

CEQA: Not a Project
Recommendation: Adopt

SUMMARY

On April 28, 2017, the Governor signed Senate Bill (“SB”) 1, which is known as the Road Repair and Accountability Act of 2017. SB 1 was enacted to address funding deficiencies for municipalities to perform routine maintenance and rehabilitation, and to address safety concerns on local streets and roads. In November 2017, the City started receiving Road Maintenance and Rehabilitation Account (“RMRA”) funding. For the City to continue to receive this funding, Arcadia must identify specific projects and show proof that the funds are budgeted in the City’s Fiscal Year 2026-27 Capital Improvement Program (“CIP”).

It is recommended that the City Council adopt Resolution No. 7689, adopting a list of projects for Fiscal Year 2026-27 funded by SB 1: The Road Repair and Accountability Act of 2017. The total budgeted amount of RMRA funding included in the Fiscal Year 2026-27 CIP for street and road repairs is \$1,500,000.

BACKGROUND

On April 28, 2017, then-Governor Jerry Brown signed SB 1 into law to address road maintenance, rehabilitation, and critical safety projects on local streets and roads. SB 1 is funded through an increase in gasoline fuel excise taxes, diesel fuel sales taxes,

and vehicle registration fees. A percentage of the new RMRA funding has been apportioned by formula to eligible cities and counties to enhance existing street Maintenance of Effort ("MOE") levels. The MOE for each City was established by the State Controller's Office and is based on the average amount of monies spent on local-street and road projects during Fiscal Years 2018-19, 2019-20, and 2020-21.

To receive RMRA funding, the City must continue to budget and spend that three-year average of discretionary funds on street improvement projects. The idea behind this approach is for cities to continue current funding levels to improve streets and roads, enhancing this effort with the additional RMRA funding.

The City of Arcadia's three-year average MOE is \$2,015,411. A total of \$2,799,105 in street related General Fund expenditures were recorded during the previous reporting period, exceeding the MOE average and making the City eligible to receive RMRA funding this year. It is estimated that the City of Arcadia will receive approximately \$1,595,885 in RMRA funding in Fiscal Year 2026-27. It is important to note that while other transportation funds, including Measure R, Measure M, and the Highway Users Tax Act ("HUTA"), may be used for street maintenance and rehabilitation, such funds may not be used to meet the MOE three-year average requirement.

RMRA funds can only be used for projects that include road maintenance and rehabilitation, road safety projects, railroad grade separations, traffic control devices, and complete street components, including active transportation purposes, pedestrian and bicycle safety projects, transit facilities, and drainage and storm water capture projects.

DISCUSSION

Prior to receiving an apportionment of RMRA funds, the City must annually submit a list of proposed projects that will utilize RMRA funds in the upcoming Fiscal Year to the California Transportation Commission ("CTC"). Subsequently, the proposed projects must be approved and adopted as part of the City's Operating or CIP budgets, or later amended into the budget. The following project is proposed for submission to the CTC to receive RMRA funding and is included in the City's Fiscal Year 2026-27 Capital Improvement Program:

Fiscal Year 2026-27 Pavement Rehabilitation Program – The project will resurface approximately 1.3 miles of City roadways with rubberized asphalt. Roadway segments include Altura Road (from Colorado Street to Monte Verde Drive), Birchcroft Street (from Palm Circle to end of cul-de-sac), Fairview Avenue (from Holly Avenue to Park Avenue), Lemon Avenue (from Santa Anita Avenue to El Monte Avenue), Oakwood Drive (from Orange Grove Avenue to Foothill Boulevard), and Palm Circle (from Palm Drive to north end of cul-de-sac). Other repair items to be included in the proposed project schedule are localized asphalt concrete dig-out repairs, and minor repairs to concrete curb and gutters, sidewalks, and cross gutters.

ENVIRONMENTAL ANALYSIS

This action of adopting a list of proposed funding allocations does not constitute a project under the California Environmental Quality Act (“CEQA”), and it can be seen with certainty that it will have no impact on the environment. CEQA will be reviewed, as appropriate, for each item listed in the proposed resolution when those plans are effectuated.

FISCAL IMPACT

The total amount of RMRA funding that will be included in the Fiscal Year 2026-27 Capital Improvement Program for street and road repairs is \$1,500,000. It has been estimated that the City of Arcadia will receive approximately \$1,595,885 in funds from RMRA. Any unused funds from the upcoming Fiscal Year can be carried over and used in the following years.

RECOMMENDATION

It is recommended that the City Council determine that this action does not constitute a project under the California Environmental Quality Act (“CEQA”); and adopt Resolution No. 7689 adopting a list of projects for Fiscal Year 2026-27 funded by SB 1: The Road Repair and Accountability Act of 2017.

Resolution No. 7689 Adopting a List of Projects

June 2, 2026

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Approved:



Dominic Lazzaretto
City Manager

Attachment: Resolution No. 7689

RESOLUTION NO. 7689

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, ADOPTING A LIST OF PROJECTS FOR FISCAL YEAR 2026-27 FUNDED BY SB 1: THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017

WHEREAS, Senate Bill 1 ("SB1"), the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017) was passed by the Legislature and signed into law by the Governor in April 2017 to address the significant multi-modal transportation funding shortfalls statewide; and

WHEREAS, SB 1 includes accountability and transparency provisions that will ensure the residents of the City of Arcadia are aware of the projects proposed for funding in our community and which projects have been completed each fiscal year; and

WHEREAS, the City of Arcadia must adopt by resolution a list of projects proposed to receive fiscal year funding from the Road Maintenance and Rehabilitation Account ("RMRA"), created by SB 1, which must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement; and

WHEREAS, the City of Arcadia, will receive an estimated \$1,595,885 in RMRA funding in Fiscal Year 2026-27 from SB 1; and

WHEREAS, this is the tenth year in which the City of Arcadia is receiving SB 1

funding and such funding will enable the City of Arcadia to continue essential road maintenance and rehabilitation projects, safety improvements, repairing and replacing aging bridges, and increasing access and mobility options for the traveling public that would not have otherwise been possible without SB 1; and

WHEREAS, the City of Arcadia has undergone a robust public process to ensure public input into our community's transportation priorities/the project list; and

WHEREAS, the City of Arcadia used a Pavement Management System to develop the SB 1 project list to ensure revenues are being used on most high-priority and cost-effective projects that also meet the community's priorities for transportation investment; and

WHEREAS, the funding from SB 1 will help the City of Arcadia maintain and rehabilitate streets/roads throughout the City of Arcadia this year and continue similar projects into the future; and

WHEREAS, the 2023 California Statewide Local Streets and Road Needs Assessment found that the City of Arcadia streets and roads are in a "Lower Risk" condition and this revenue will help us increase the overall quality of our road system, and over the next decade will bring our streets and roads into a "Good" condition; and

WHEREAS, the SB 1 project list and overall investment in our local streets and roads infrastructure with a focus on basic maintenance and safety, investing in

complete streets infrastructure, and using cutting-edge technology, materials and practices, will have significant positive co-benefits Statewide.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, DOES HEREBY FIND, DETERMINE, AND RESOLVE AS FOLLOWS:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. The following list of newly proposed projects will be funded in-part or solely with Fiscal Year 2026-27 Road Maintenance and Rehabilitation Account revenues:

1. **Fiscal Year 2026-27 Pavement Rehabilitation Program:** The project is to be adopted into the City's Fiscal Year 2026-27 Capital Improvement Program.
 - a. **Anticipated Funding Sources:** RMRA fund \$1,500,000
 - b. **Project Description:** This project will resurface approximately 1.3 miles of City roadways with rubberized asphalt. Work includes pavement rehabilitation/reconstruction to extend the roadway service life. Other repair items to be included in the scope of work are localized AC dig-out repairs and minor repairs to concrete curb and gutter, sidewalk, and cross gutters. All striping and pavement markers will be installed upon completion of the paving.

c. Project Location:

- Altura Road (from Colorado Street to Monte Verde Drive)
- Birchcroft Street (from Palm Circle to End of Cul De Sac)
- Fairview Avenue (from Holly Avenue to Park Avenue)
- Lemon Avenue (from Santa Anita Avenue to El Monte Avenue)
- Oakwood Drive (from Orange Grove Avenue to Foothill Boulevard)
- Palm Circle (from Palm Drive to north End of Cul De Sac)

d. Proposed Schedule:

- Start construction in Summer 2027
- Complete construction in the Winter 2027

e. Estimated Useful Life: 20 years.

SECTION 3. The adoption of this Resolution constitutes the approval of the foregoing projects to be submitted to the California Transportation Commission.

SECTION 4. The City Manager, or his designee, is hereby authorized to execute all documents necessary to implement and secure any and all funds that may become available to the City from RMRA.

SECTION 5. The City Clerk shall certify to the adoption of this Resolution.

[SIGNATURES ON THE NEXT PAGE]


Passed, approved, and adopted this 2nd day of June, 2026.

Mayor of the City of Arcadia

ATTEST:

City Clerk

APPROVED AS TO FORM:



Michael J. Maurer
City Attorney



PUBLIC WORKS SERVICES DEPARTMENT

DATE: June 2, 2026

TO: Honorable Mayor and City Council

FROM: Paul Cranmer, Public Works Services Director
By: Carmen Masud, Deputy Public Works Director

SUBJECT: RESOLUTIONS INITIATING PROCEEDINGS FOR THE ANNUAL LEVY AND COLLECTION OF ASSESSMENTS, APPROVING THE PRELIMINARY ENGINEER'S REPORT, DECLARING INTENTION TO LEVY AND COLLECT ASSESSMENTS FOR FISCAL YEAR 2026-27, AND APPOINTING A TIME AND PLACE FOR A PUBLIC HEARING FOR THE ARCADIA CITYWIDE LIGHTING DISTRICT NO. 1

RESOLUTION NO. 7690 INITIATING PROCEEDINGS FOR THE ANNUAL LEVY AND COLLECTION OF ASSESSMENTS FOR THE ARCADIA CITYWIDE LIGHTING DISTRICT NO. 1, PURSUANT TO THE PROVISIONS OF PART 2 OF DIVISION 15 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE AND ORDERING THE PREPARATION OF THE ENGINEER'S REPORT

CEQA: Not a Project

Recommendation: Adopt

RESOLUTION NO. 7691 APPROVING THE PRELIMINARY ENGINEER'S REPORT OF WILLDAN FINANCIAL SERVICES FOR THE ARCADIA CITYWIDE LIGHTING DISTRICT NO. 1

CEQA: Not a Project

Recommendation: Adopt

RESOLUTION NO. 7692 DECLARING ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS WITHIN THE ARCADIA CITYWIDE LIGHTING DISTRICT NO. 1 FOR FISCAL YEAR 2026-27 AND APPOINTING A TIME AND PLACE FOR A PUBLIC HEARING

CEQA: Not a Project

Recommendation: Adopt

SUMMARY

The Arcadia Citywide Lighting District No. 1 (“Citywide Lighting District” or “District”) was formed pursuant to state law for the purpose of partially funding the ongoing operation, maintenance, and servicing of the City’s street lighting system. As proposed, the District’s budget for Fiscal Year 2026-27 increased by 3.57%, or \$53,000. The increase is due to an increase in electricity costs, vehicle maintenance costs, salaries and wages, and City liability insurance costs. Although the budget slightly increased, there is no proposed assessment rate increase for Fiscal Year 2026-27. The annual assessment rate for a single-family property owner in Zone 1 will remain at \$23.69; and will remain at \$40.33 in Zone 2.

It is recommended that the City Council adopt the resolutions initiating proceedings for the annual levy and collection of assessments, approving the preliminary Engineer’s Report, declaring intention to levy and collect assessments for Fiscal Year 2026-27, and appointing a time and place for a public hearing for the Arcadia Citywide Lighting District No. 1.

BACKGROUND

Arcadia’s original Street Lighting District was established in the early 1950s through the Street Lighting Act of 1919 and was set to expire on June 30, 2010. Expiration of the District would have resulted in a loss of approximately \$420,000 in annual revenue to the City beginning in Fiscal Year 2010-11, and would have impeded the ability to properly maintain the City’s streetlights. Renewal of the Street Lighting District could no longer be done through the Street Lighting Act of 1919 because the assessments were based on the value of real property, which Proposition 13 prohibits. Additionally, not all properties within the City were included in the original assessment district, which resulted in an inequity of assessments.

To address this issue, in 2009, the City Council directed the formation of a Citywide Lighting District via the Landscaping and Lighting Act of 1972. Under this Act, assessments are based on the special benefit that street lighting provides to properties within the Citywide Lighting District area. Proposition 218 noticing and balloting requirements were met, and on August 3, 2010, the City Council adopted the Engineer’s Report for the formation of the Citywide Lighting District, approving the levy and collection of assessments beginning in Fiscal Year 2010-11.

Citywide Street Lighting Assessment District Resolutions

June 2, 2026

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To ensure appropriate allocation and annual levy of assessments based on proportional benefits, the Citywide Lighting District established two benefit zones to separate general benefit and special benefit.

- Zone 1 includes properties along major thoroughfares and parcels that receive the general benefit of street lighting along arterial streets.
- Zone 2 includes properties in residential neighborhoods that specifically benefit from maintenance of street lighting on local streets.

In addition to the use of zones, the assessment rate utilizes a weighted methodology of apportionment, referred to as an Equivalent Benefit Unit (“EBU”). The proportional special benefit calculation for each parcel is determined by land use, number of units, and acreage. Furthermore, a benefit multiplier is also employed to account for varying density levels of street lighting within the City, which ranges from a standard level of street lighting to no street lighting. Some areas in the City were developed with less lighting on their streets. These sparsely lit neighborhoods still receive special benefits from local lights, even though their overall lighting density is less than those streets with full lighting; these properties receive 20% of the standard lighting density and pay 20% of the annual assessment rate. Properties in areas of the City that do not have street lighting do not pay a street lighting assessment fee. This methodology has been in place since Fiscal Year 2010-11.

DISCUSSION

The City’s Fiscal Year 2026-27 proposed budget for the Lighting District is \$1,538,400, of which, \$1,295,351, has been determined to be of special benefit to properties within the Citywide Lighting District, based on the assessment methodology. However, the District was established to fund only a portion of this amount. As a result, the City will be contributing approximately 60%, or \$934,420, of the total street lighting budget, while the property owners (the “District”) will pay about 40%, or \$603,980, of street lighting costs. The Citywide Lighting District budget for Fiscal Year 2026-27, as proposed, increased by 3.57%, or \$53,000. The increase is due to an increase in electricity costs, vehicle maintenance costs, salaries and wages, and City liability insurance costs.

Citywide Street Lighting Assessment District Resolutions

June 2, 2026

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While increasing the rates is legally defensible to cover the increase in direct benefits to the property owners, the Citywide Lighting District Fund has a balance of \$310,900. This balance is sufficient to cover emergency street lighting repairs and the additional budgeted costs for the year. As such, it is recommended that there be no proposed assessment rate increase for Fiscal Year 2026-27. The annual assessment rate for a single-family property owner in Zone 1 would remain \$23.69, and \$40.33 in Zone 2.

As part of the District formation, an assessment range formula was developed to provide reasonable increases and inflationary adjustments that are associated with providing improvements for the Citywide Lighting District. The maximum rates for the Citywide Lighting District are annually adjusted by an amount not to exceed 3% each Fiscal Year. The adjusted Maximum Assessment Rate is calculated independently of the Citywide Lighting District's annual budget. Although the assessment range formula allows the City to increase the assessment rate to the allowable maximum, Arcadia has never raised assessment rates to that level. For instance, while the Maximum Assessment Rate formula would allow the rates for a single-family property owner to be raised to \$26.84 in Zone 1, and \$45.63 in Zone 2, the proposed property owners' assessment rates will not increase and will remain at \$23.69 in Zone 1; and \$40.33 in Zone 2. The applied assessment rates will continue to remain less than the maximum assessment rates that the City is allowed to use.

Using a single-family property as the baseline for the assessment, the table below shows the annual assessment rate levied in Fiscal Year 2025-26, and the proposed Fiscal Year 2026-27 annual assessment rates for Zones 1 and 2:

	FY 25-26 Assessment Rate	FY 26-27 Assessment Rate¹
<u>Lighting District Total Budget</u>	\$1,485,400	\$1,538,400
Zone 1 (Arterial Lights)	\$23.69	\$23.69
Sparse Lighting	<i>(\$4.74)</i>	<i>(\$4.74)</i>
Zone 2 (Local Lights)	\$40.33	\$40.33
Sparse Lighting	<i>(\$8.07)</i>	<i>(\$8.07)</i>

¹ FY 2026-27 Maximum Assessment Rate for Zone 1 is \$26.84; Zone 2 is \$ 45.63

At the June 16, 2026, City Council Meeting, a public hearing will be conducted to receive public comment regarding the levy and collection of assessments for the District. Fees can only be adopted after the conclusion of the public hearing.

ENVIRONMENTAL ANALYSIS

The proposed action does not constitute a project under the California Environmental Quality Act ("CEQA"), under Section 15061(b)(3) of the CEQA Guidelines, as it can be seen with certainty that it will have no impact on the environment.

FISCAL IMPACT

Fees collected under the Citywide Lighting District will help defray the total maintenance costs of lighting in the subject areas. Upon conclusion of the public hearing and adoption of the engineer's report, a total of \$603,980 will be levied and collected under the Citywide Lighting District, remitted as part of the annual property tax payments. The levy will not exceed the cost of providing the subject services to the areas, nor will the levy exceed the Maximum Assessment Rates allowed. The levy has been set to ensure that the cost to property owners does not exceed the special benefit to each property. Based on the recommended assessments, the City of Arcadia will contribute \$934,420 to the street lighting system in Fiscal Year 2026-27.

RECOMMENDATION

It is recommended that the City Council find that the following resolutions do not constitute a project under the California Environmental Quality Act ("CEQA"); and adopt:

- a. Resolution No. 7690 initiating proceedings for the annual levy and collection of assessments for the Arcadia Citywide Lighting District No. 1, pursuant to the provisions of Part 2 of Division 15 of the California Streets and Highways Code and ordering the preparation of the Engineer's Report.
- b. Resolution No. 7691 approving the preliminary Engineer's Report of Willdan Financial Services for the Arcadia Citywide Lighting District No. 1.

Citywide Street Lighting Assessment District Resolutions

June 2, 2026

Page 6 of 6

- c. Resolution No. 7692 declaring its intention to levy and collect assessments within the Arcadia Citywide Lighting District No. 1 for Fiscal Year 2026-27 and appointing a time and place for a public hearing.

Approved:



Dominic Lazzaretto
City Manager

Attachment No. 1: Resolution No. 7690

Attachment No. 2: Resolution No. 7691

Attachment No. 3: Resolution No. 7692

RESOLUTION NO. 7690

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, INITIATING PROCEEDINGS FOR THE ANNUAL LEVY AND COLLECTION OF ASSESSMENTS FOR THE ARCADIA CITYWIDE LIGHTING DISTRICT NO. 1, PURSUANT TO THE PROVISIONS OF PART 2 OF DIVISION 15 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE AND ORDERING THE PREPARATION OF THE ENGINEER'S REPORT

WHEREAS, the City Council of the City of Arcadia (the "City"), in Fiscal Year 2010-11, pursuant to the provisions of the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code of California, beginning with Section 22500 (hereafter referred to as the "1972 Act"), established and thereafter has levied annual assessments for the Arcadia Citywide Lighting District No. 1 (hereinafter referred to as the "District"); and

WHEREAS, the 1972 Act provides for the formation of an assessment district pursuant to Chapter 2 Article 1 of the 1972 Act, and the levy and collection of assessments by the County on behalf of the City pursuant to Chapter 4 Article 2 of the 1972 Act; and

WHEREAS, the City Council has determined that it is necessary and desirable to continue the current levels of maintenance and/or improvements of the District; and

WHEREAS, to maintain such levels, it is necessary to continue the collection of assessments as has occurred in the past fiscal year.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA,
DOES HEREBY FIND, DETERMINE, AND RESOLVE AS FOLLOWS:

SECTION 1. Pursuant to the provisions of the 1972 Act, the City Council desires to initiate proceedings for the levy and collection of assessments to pay for a portion of the costs for the operation, maintenance, and servicing of public street lighting improvements and appurtenant facilities related thereto during Fiscal Year 2026-27.

SECTION 2. The boundaries of the District are coterminous with the boundaries of the City of Arcadia.

SECTION 3. The City Council has retained Willdan Financial Services as the Engineer of Work (hereinafter referred to as the "Engineer") for the purpose of assisting with the annual levy of the District, including the preparation and filing of the Engineer's Report with the City Clerk in accordance with the 1972 Act.

SECTION 4. The City Council hereby orders Willdan Financial Services to prepare and file with the City Clerk an Engineer's Report establishing the Fiscal Year 2026-27 assessments for the District.

SECTION 5. The City Clerk shall certify to the adoption of this Resolution.

[SIGNATURE ON THE NEXT PAGE]

Passed, approved, and adopted this 2nd day of June, 2026.

Mayor of the City of Arcadia

ATTEST:

City Clerk

APPROVED AS TO FORM:



Michael J. Maurer
City Attorney

RESOLUTION NO. 7691

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, APPROVING THE PRELIMINARY ENGINEER'S REPORT OF WILLDAN FINANCIAL SERVICES FOR THE ARCADIA CITYWIDE LIGHTING DISTRICT NO. 1

WHEREAS, the City Council of the City of Arcadia (the "City"), in Fiscal Year 2010-11, pursuant to the provisions of the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code of California, beginning with Section 22500 (hereafter referred to as the "1972 Act"), established and thereafter has levied annual assessments for the Arcadia Citywide Lighting District No. 1 (hereinafter referred to as the "District"); and

WHEREAS, the 1972 Act provides for the formation of an assessment district pursuant to Chapter 2 Article 1 of the 1972 Act, and the levy and collection of assessments by the County on behalf of the City pursuant to Chapter 4 Article 2 of the 1972 Act; and

WHEREAS, the City Council, by previous resolution, has ordered Willdan Financial Services as the Engineer of Work (hereinafter referred to as the "Engineer"), in accordance with the 1972 Act, to prepare and file with the City Clerk an Engineer's Report ("Report") establishing Fiscal Year 2026-27 assessments for the District; and

WHEREAS, a Report has been prepared and filed with the City Clerk of the City of Arcadia in accordance with Article 4 of Chapter 1 (Sections 22565 through 22574)

of the 1972 Act, said Report being entitled “City of Arcadia, Arcadia Citywide Lighting District No. 1, Fiscal Year 2026-27 Engineer’s Report”; and

WHEREAS, the City Clerk has presented to the City Council said Report as prescribed by Chapter 2, Article 1, Section 22586 of said 1972 Act; and

WHEREAS, the City Council has examined and reviewed the Report as presented and is preliminarily satisfied with the Report, and with each and all of the budget items and documents therein, and that the proposed assessments have been spread in accordance with the special benefits received from the proposed improvements as set forth in said Report.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ARCADIA,
CALIFORNIA, DOES HEREBY FIND, DETERMINE, AND RESOLVE AS FOLLOWS:

SECTION 1. RECITALS. The preceding recitals are all true and correct.

SECTION 2. REPORT CONTENT. The Report as presented consists of the following:

2a) Plans and specifications that describe the District and Improvements.

2b) Method of Apportionment that outlines the special benefit conferred on properties within the District from the improvements; and the calculations used to establish each parcel’s proportional special benefit assessment for the fiscal year including the establishment of:

- i. Annual assessments for the ongoing maintenance, servicing, and operation of street lighting improvements that provide special benefits to the properties in the District; and
- ii. An Assessment Range Formula that provides for inflationary adjustments to the annual assessment for the ongoing maintenance, servicing, and operation of street lighting improvements, thereby establishing the maximum assessment rate authorized for the fiscal year.

2c) The Budget that outlines the estimated annual expenses to provide and maintain the improvements, including incidental expenses authorized by the 1972 Act.

2d) An Assessment Diagram that identifies the boundaries of the District, the designated zones of benefit, and the associated lots, parcels, and properties included therein.

2e) An Assessment Roll containing the Assessor Parcel Numbers that comprise the District and the proportional assessments for Fiscal Year 2026-27.

SECTION 3. REPORT APPROVAL. The Report, attached hereto as Exhibit "A", is hereby approved and ordered to be filed in the Office of the City Clerk as a permanent record and to remain open to public inspection.

SECTION 4. The City Clerk shall certify to the adoption of this Resolution.

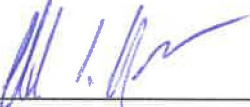
Passed, approved, and adopted this 2nd day of June, 2026.

Mayor of the City of Arcadia

ATTEST:

City Clerk

APPROVED AS TO FORM:



Michael J. Maurer
City Attorney



Exhibit "A"

City of Arcadia

ARCADIA CITYWIDE LIGHTING DISTRICT NO. 1 2026/2027 ENGINEER'S REPORT

Intent Meeting: June 2, 2026
Public Hearing: June 16, 2026

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ENGINEER'S REPORT AFFIDAVIT
Establishment of Annual Assessments for the:
Arcadia Citywide Lighting District No. 1

**City of Arcadia,
County of Los Angeles, State of California**

This Report describes the Arcadia Citywide Lighting District No. 1 including the improvements, budgets, parcels and assessments to be levied for Fiscal Year 2026/2027, as they existed at the time of the passage of the Resolution of Intention. Reference is hereby made to the Los Angeles County Assessor's maps for a detailed description of the lines and dimensions of parcels within the District. The undersigned respectfully submits the enclosed Report as directed by the City Council.

Dated this _____ day of _____, 2026.

Willdan Financial Services
Assessment Engineer
On Behalf of the City of Arcadia

By: _____

Chonney Gano
Project Manager

By: _____

Tyrone Peter
PE # C 81888

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I. INTRODUCTION

The Arcadia Citywide Lighting District No. 1 (hereafter referred to as the “District”) was formed in 2010 for the purpose of funding in part, the ongoing operation, maintenance and servicing of public lighting improvements within the City of Arcadia (hereafter referred to as the “City”) based on the proportional special benefits to properties within the City.

The District was formed to levy and collect annual assessments on the County tax rolls to fund such improvements and appurtenant facilities authorized pursuant to the *Landscape and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code commencing with §22500* (hereafter referred to as the “1972 Act”). In conjunction with the authority of the 1972 Act, the assessments are calculated in compliance with the substantive and procedural requirements of the *California State Constitution Article XIID* (hereafter referred to as the “California Constitution”).

As part of the District formation, the City conducted a property owner protest ballot proceeding for the new special benefit assessments in accordance with the provisions of Government Code, Section 53753, and the California Constitution. In conjunction with this ballot proceeding, the City Council conducted a public hearing on July 20, 2010 to consider public testimonies, comments and written protests regarding the formation of the District and levy of assessments. Upon conclusion of the July 20, 2010 public hearing, property owner protest ballots received were opened and tabulated. No majority protest existed.

On August 3, 2010, the City Council, by Resolution No. 6737, adopted the Engineer’s Report for the formation of the District, including the assessment diagram; ordered the formation of the District; approved the levy and collection of the assessments commencing in Fiscal Year 2010/2011, approved the assessment range formula as described in the formation Report; and ordered the improvements and services to be made.

This Engineer’s Report (hereafter referred to as “Report”) was prepared in connection with the establishment of the District and the levy and collection of annual special benefit assessments related thereto commencing in Fiscal Year 2010/2011, pursuant to Chapter 1, Article 4 beginning with §22565 of the 1972 Act and the provisions of the California Constitution. Said District shall include all lots and parcels of land within the City at the time this Report was prepared, the boundaries of which are coterminous with the City boundaries.

The word “parcel,” for the purposes of this Report, refers to an individual property assigned its own Assessor’s Parcel Number (APN) by the Los Angeles County Assessor’s Office. The Los Angeles County Auditor/Controller uses Assessor’s Parcel Numbers and specific Fund Numbers to identify properties to be assessed on the tax roll for the special benefit assessments.

II. PLANS AND SPECIFICATIONS

A. DESCRIPTION OF THE DISTRICT

The territory within the District consists of all lots, parcels of land and subdivisions within the City, the boundaries of which are coterminous with the City's boundaries and the metes and bounds that define the City boundaries are incorporated herein as the metes and bounds of this District. An Assessment Diagram incorporated herein under Part IV of this Report, outlines the boundaries of the District and the Zones therein. This diagram incorporates all lots, parcels and subdivisions of land within the District and Zones as they existed at the time this Report was prepared. The District generally includes all or a portion of the parcels identified on the following Los Angeles County Assessor's Parcel Map Books:

5378;5379;5382;5383;5385;5764;5765;5766;5769;5770;5771;
5772;5773;5775;5776;5777;5778;5779;5780;5781;5782;5783;
5784;5785;5787;5788;5789;5790;5791;8501;8503;8509;8510;
8511;8532;8538;8541;8545;8571;8572;8573;8586;8587

Within the boundaries of the District, two (2) Zones – Zone 01 and Zone 02 – have been established to identify parcels and areas within the District for reasons of separating general benefits from special benefits, and differentiating between special benefits and maintenance costs associated with street lighting along arterial streets versus non-arterial streets. It has been determined that the parcels within these Zones receive differing degrees of special benefits from the improvements and services to be provided by the District.

Zone 01 and Zone 02 were established to incorporate properties that receive direct and particular special benefits from streetlight improvements and services along arterial streets versus street lighting improvements and services that are along non-arterial streets. The two Zones within the District and the improvements and benefits associated with the properties therein are described in more detail in Part III (Method of Apportionment) of this Report.

B. DESCRIPTION OF IMPROVEMENT AND SERVICES

Improvements and Services Authorized by the 1972 Act

As generally defined by the 1972 Act and applicable to this District, the improvements and services and associated assessments may include but are not limited to some or all of the following:

The installation or construction of public lighting facilities;

The installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof, including, but not limited to, grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, paving, or electrical facilities;

The acquisition of any existing improvement otherwise authorized pursuant to the 1972 Act;

The maintenance or servicing, of any of the foregoing including the furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement including but not limited to:

Repair, removal, or replacement of all or any part of any improvements;

The cleaning, sandblasting, and painting of improvements to remove or cover graffiti;
 Electric current or other illuminating agent for any public lighting facilities;

The collection and accumulation of funds as reserves for the purpose of ensuing appropriate cash flow for operational activities and long-term maintenance expenses.

Incidental expenses associated with the improvements including, but not limited to:

- The cost of preparation of this report, including plans, specifications, estimates, diagram, and assessment;
- The costs of printing, advertising, and the publishing, posting and mailing of notices;
- Compensation payable to the County for collection of assessments;
- Compensation of any engineer or attorney employed to render services;
- Any expenses incidental to the issuance of bonds or notes;
- Costs associated with the proceedings held for the approval of a new or increased assessment.

Any other expenses are incidental to the construction, installation, or maintenance and servicing of the improvements.

District Facilities and Improvements

A detailed map and description of the locations and extent of the District’s existing street lighting improvements are on file in the Office of Public Works Services Department, and by reference these documents are made part of this Report. The following table provides a summary of the streetlight inventory within the City at the time this Report was prepared:

**Table 1
 City of Arcadia Streetlight Inventory**

Street Lighting	Edison-Owned Lights	City-Owned Lights	Total Lights
District-wide Streetlights (Arterial Streets)	915	547	1,462
District-wide Streetlights (Local Streets)	1,623	(1) 940	2,563
Total Streetlights	2,538	1,487	4,025

Approximately sixty-three percent (63%) of the streetlights within the District are owned and maintained by Southern California Edison Company. The remaining thirty-seven percent (37%) of the streetlight facilities are owned by the City and are maintained by the City.

The maintenance and servicing of the Southern California Edison Company-owned streetlights is furnished by the Southern California Edison Company or by its successors or assignees. The rates charged by Edison include an Electric Delivery rate which contains the cost of moving energy from the grid to one’s home or business and maintenance cost of the electric lines. SCE also charges Arcadia residents a CCA Cost Responsibility Surcharge which includes PCIA (the rate to recover costs of power purchased before residents joined Clean Power Alliance), a Department of Water Resources Bond Charge to cover the cost of buying power for customers during the energy crisis, and a Competition Transition Charge (non-by-passable charge applicable to all existing and future SCE Bundled Service Customers, all Direct Access Customers, and all Departing Load Customers for recovery of SCE’s transition costs).

The Energy for City-Owned streetlights is procured through the Clean Power Alliance and the rate charged to the City is not regulated and authorized by the CPUC. Clean Power rates are set by the Board of Directors.

While the annual cost of providing the Southern California Edison Company-owned streetlights versus the City-owned streetlights may vary slightly, the difference in annual cost per light is considered negligible and has no bearing on the benefits.

The maintenance, operation and servicing of the District lighting improvements generally includes the furnishing of labor, materials, equipment and electricity for the ordinary and usual maintenance, operation, and servicing of streetlights within the public right-of-ways and easements dedicated to the City. These activities include but are not limited to:

Regular maintenance and servicing the streetlight systems including, cleaning, sandblasting, repainting of poles and equipment to remove or cover graffiti and as needed prevent corrosion; repair or replacement of lighting standards, bulbs and fixtures; and furnishing of electric currents or other illuminating agents.

Periodic repair and rehabilitation of the street lighting system including replacement of old equipment with new or reconditioned equipment; and repair, removal or replacement of related equipment as required including but not limited to lighting fixtures, poles, meters, conduits, electrical cable and relocation of streetlight facilities as necessary including the purchase and installation of related equipment and facilities.

Specifically not included in the District budget and the proportional special benefit assessments is the installation and construction of new streetlights and/or conversion of existing streetlights to decorative streetlights. Such projects and expenditures would be considered Capital Improvement Projects that are beyond the purpose of the assessments for this District. If such projects are needed or desired, the cost of such would require funding from other sources including but not limited to an additional special assessment on the affected properties and/or funds contributed by the City.

III. METHOD OF APPORTIONMENT

Based on the provisions of the 1972 Act and the California Constitution, this section of the Report summarizes an analysis of the general and special benefits provided by the City's existing street lighting improvements and services to be provided by the District; the resulting District structure (zones of benefit); the formulas used to calculate each parcel's proportional special benefit and assessment obligation, including multiplier factor, based on the entirety of the cost of providing the improvements (method of assessment); and the establishment of an inflationary formula for such assessments to address anticipated cost increases due to inflation (assessment range formula).

A. BENEFIT ANALYSIS

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, which include but are not limited to the construction, maintenance, operation, and servicing of public street lighting improvements and appurtenant facilities.

The 1972 Act further requires that the cost of these improvements be levied according to benefit rather than assessed value:

"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements."

In conjunction with the provisions of the 1972 Act, the California Constitution Article XIID addresses several key criteria for the levy of assessments, notably:

Article XIID Section 2d defines District as:

"District means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service";

Article XIID Section 2i defines Special Benefit as:

"Special benefit" means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute "special benefit."

Article XIID Section 4a defines proportional special benefit assessments as:

"An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."

The method of apportionment (method of assessment) established herein is based on the premise that each assessed property receives special benefits from street lighting improvements and services that are funded by such assessments, and the assessment obligation for each parcel reflects that parcel's proportional special benefits as compared to other properties that receive special benefits as outlined in the preceding definitions established in the 1972 Act and the California Constitution.

To identify and determine the proportional special benefit to each parcel within the District, it is necessary to consider the entire scope of the improvements provided as well as the properties that benefit from those improvements. The District's improvements and the associated costs described in this Report, have been carefully reviewed and have been identified and allocated based on a benefit rationale and calculations that proportionally allocate the net cost of only those improvements determined to be of special benefit to properties within the District.

Zones of Benefit

In an effort to ensure an appropriate allocation of the estimated annual cost to provide the District improvements based on proportional special benefits, this District will be established with benefit zones ("Zones") as authorized pursuant to Chapter 1 Article 4, Section 22574 of the 1972 Act:

"The diagram and assessment may classify various areas within an assessment district into different zones where, by reason of variations in the nature, location, and extent of the improvements, the various areas will receive differing degrees of benefit from the improvements. A zone shall consist of all territory which will receive substantially the same degree of benefit from the improvements."

While the California Constitution requires that *"The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement or the maintenance and operation expenses of a public improvement..."*; it is reasonable to conclude that street lighting on arterial streets has been installed primarily for the purpose of nighttime traffic illumination and circulation, and will benefit both the community as a whole and the public at large. On the other-hand, local street lighting improvements are not required in all areas of the City, which is evident in the absence of street lighting within certain neighborhoods. Therefore, street lighting along non-arterial streets (local streetlights) provides special benefit to properties fronting these streets and was installed in connection with the development of such properties. However, these improvements are not mutually exclusive or typically isolated to a particular parcel but are rather shared and directly affect entire neighborhoods or groups of parcels. The location and extent of the specific local streetlight improvements in relationship to those neighborhoods or groups of parcels immediately adjacent or in close proximity to those improvements must be considered.

Therefore, as part of this analysis, the District includes two distinct Zones. Zone 1 includes all parcels that specially benefit from the maintenance of street lighting along arterial streets, and Zone 2 includes remaining parcels within the City that specially benefit from maintenance of street lighting along non-arterial streets (local streetlights). The creation of these two zones requires the apportionment of the total maintenance budget between these two zones, which necessitates the need to separately analyze each zone's maintenance costs to determine the portion of each zone's budget (identified in Part III) that is considered to be general benefit versus special benefit.

While the extent and location of local street lighting improvements in the City has typically resulted from property development or the specific needs of nearby properties, arterial streetlight improvements were installed first and foremost to improve the overall safety of the community and traffic circulation, and are more of an indirect result of property development. Therefore, a significant portion of the maintenance costs in Zone 1 is considered general benefit and will not be assessed against parcels within the District.

Based on a report completed by Meyer, Mohaddes Associates, in March 2006, regarding the City's Transportation Impact Fee Program, it is estimated that the number of vehicular trips generated by properties within the City account for approximately 57% of the total daily trips on the City's arterial streets, with 43% being pass-through trips from outside the City. Utilizing this information as part of the analysis for separating general benefits from special benefits, it is reasonable to conclude that 43% of the streetlight improvements and associated costs of the City's arterial streetlights can be identified as general benefit to the public at large. Likewise, it is reasonable to apply this same 43% trip rationale to the vehicular trips generated by properties within the City (57% of the total trips) to establish the general benefits associated with trips generated within the City that are conferred on real property located in the District ($43\% \times 57\% = 24.5\%$). Collectively this would suggest that approximately sixty-eight percent, 67.5% ($43\% + 24.5\% = 67.5\%$) of the maintenance costs in Zone 1 are for general traffic related improvements along the City's arterial streets, which together improve the overall safety of the community at-large, and the properties therein and; therefore, are considered to be a general benefit and will not be assessed.

In reviewing the location and extent of the City's street lighting improvements and the relationship these improvements have to properties within the District, it has been determined that local streetlights (streetlights that are not located on arterial streets) were installed in connection with the development of nearby properties. As such, these local lighting improvements have a direct and particular relationship to, and provide special benefit to, the properties located in close proximity to those street lighting improvements and on those streets. The special benefit affects these properties in a way that is particular and distinct from its effect on other parcels and that real property in general and the public at large do not share. Furthermore, certain areas of the City do not have local street lighting, which provides further confirmation that local street lighting specially benefits properties in close proximity to such local street lighting. Therefore, since certain areas of the City forgo the need of local street lighting, the maintenance costs associated with local street lighting is not considered to be a general benefit.

The District Budget, incorporated herein under Part III of this Report, provides a summary of the total estimated cost of providing the streetlight improvements and the allocation of those costs as general benefit versus special benefit for each Zone of the District. Details regarding the location and extent of the street lighting improvements within the District and the Zones therein are on file in the Office of Public Works Services Department and by reference these documents are made part of this Report. A diagram showing the exterior boundaries of the District and the two Zones therein is attached and incorporated herein under Part IV (District Diagram) of this Report.

B. ASSESSMENT METHODOLOGY

In order to calculate and identify the proportional special benefit received by each parcel and their proportionate share of the improvement costs it is necessary to consider not only the improvements and services to be provided, but the relationship each parcel has to those improvements as compared to other parcels in the District.

Article XIID Section 4a reads in part:

“...The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement or the maintenance and operation expenses of a public improvement or for the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”

Street lighting, like most public improvements, provides varying degrees of benefit (whether they be general or special) based largely on the extent of such improvements, the location of the improvements in relationship to the properties, the specific use and size of each property, and the reason or need for such improvements as it relates to individual properties. In this District these issues are each considered in determining the proportional special benefit to each parcel by the use of benefit zones, the separation of general benefit and special benefit, and County land use designations. The specific use and size of each property is accounted for to reflect each parcel's need for such improvements and its reasonable cost of the proportional special benefit as compared to other properties that benefit from those improvements. Therefore, an equivalent benefit unit methodology is utilized to assess properties accordingly.

Equivalent Benefit Units

In addition to the use of Zones, the method of apportionment established for this District to reflect the proportional special benefit of each parcel utilizes a weighted methodology of apportionment typically referred to as an Equivalent Benefit Unit (EBU) methodology. This method of apportionment establishes the typical detached single-family home site as the basic unit of assessment. A single-family residential unit is assigned one (1.0) Equivalent Benefit Unit (EBU) and other property types (land uses) are proportionately weighted (weighted EBU) based on a benefit formula that equates each property's specific characteristics and special benefits to that of the single-family residential unit. This proportional weighting may be based on several considerations that may include, but are not limited to: the type of development (land use), development-status (developed versus undeveloped), size of the property (acreage or units), vehicular trip generation, street frontage, densities or other property related factors including any development restrictions or limitations; as well as the density of lighting associated with each property (addressed through the application of a benefit multiplier factor which is discussed in the next section).

For the improvements and assessments outlined in this Report, it has been determined that the most appropriate proportional special benefit calculation for each parcel is reasonably determined by three basic property characteristics:

Land Use — Commercial/Industrial Use; Residential Use, Institutional Use, Vacant Land (Undeveloped Property), Public Property etc.;

Property Size — Acreage for non-residential properties; Units for residential properties. Property size (acreage or units) provides a definable and comparative representation of each parcel's proportional special benefit not only to similar types of properties but to other properties as well. The size of a property provides an appropriate and overall reflection of numerous considerations associated with each parcel's special benefits including vehicular trip generation, average street frontage and development densities.

Lighting Density — The amount of street lighting within the City is not uniform and varies from one area to the next, ranging from a standard level of street lighting to no street lighting in certain neighborhoods of the City. To account for this varying level of street lighting a benefit multiplier factor is applied, as discussed in the next section of this report entitled “**Benefit Multiplier Factor.**”

The following outlines the special benefits and equivalent benefit unit calculations to be applied to each of the various land use classifications identified for this District to establish each parcel's proportional special benefit compared to other parcels within each respective Zone of the District:

Single-Family Residential Property — This land use is defined as a fully subdivided residential home site with a single residential unit developed on the property. The special benefits that local street lighting provides to such properties include, but are not limited to:

Direct and/or ambient lighting of the property and the immediate area (street and sidewalk) providing improved nighttime visibility and safety;

Reduction in property-related crimes (especially vandalism) commonly associated with poorly lighted areas; and

Improved nighttime ingress and egress to the property.

For purposes of establishing the proportional special benefits and equivalent benefit units for other land uses in this District, the single-family residential land use is designated as the basic unit of assessment and shall be assigned 1.000 EBU per parcel (unit).

Multi-Family Residential & Mixed Use Property — This land use is defined as a fully subdivided residential parcel that has more than one residential unit developed on the parcel. (This land use includes apartments, duplexes, triplexes, etc., but does not generally include condominiums, town-homes). This land use designation also includes properties identified by the County Assessor's Office as mixed use property for which there is more than one residential unit (known number of residential units) associated with the property and for which the parcel's primary use is residential, but may also include a commercial component or unit associated with that property. The special benefits that local street lighting provides to such properties include, but are not limited to:

Direct and/or ambient lighting of the property and the immediate area (street and sidewalk) providing improved nighttime visibility and safety;

Reduction in property-related crimes (especially vandalism) commonly associated with poorly lighted areas; and

Improved nighttime ingress and egress to the property.

Although multi-family residential properties receive similar special benefits to that of single-family residential property and an appropriate and comparative calculation of proportional special benefits is reasonably reflected by the parcel's total number of residential units, it would not be reasonable to conclude that on a per unit basis, the benefits are equal. Studies have consistently shown that multi-family units impact public infrastructure at reduced levels compared to a single-family residence, which is reflective of their reduced structure size, trip generation and need for various public improvements. Furthermore, as the density (number of units per parcel) increase, the average distance from the streetlight improvements tends to increase and the number of vehicular trips generated tends to decline because the population density per unit tends to decrease (largely because of reduced unit sizes). Based on these considerations, it is reasonable to conclude that the actual number of streetlights per unit is less than that of a single-family residential property and appropriate weighting of the proportional special benefit per unit for multi-family residential properties as compared to a single-family residential is best represented by the following sliding scale: 0.750 EBU per unit for the first 5 units; plus 0.625 EBU per unit for units 6 through 25; plus 0.500 EBU per unit for units 26 through 50; plus 0.375 EBU per unit for units 51 through 100; plus 0.250 EBU per unit for units 101 or above.

Condominium/Town-home Property — This land use is defined as a fully subdivided residential condominium or town-home parcel that typically has one residential unit associated with each Assessor's Parcel Number but is part of a multi-unit development for which each condominium or town-home parcel shares or has common interest (common area) with the other residential parcels in that development. The special benefits that local street lighting provides to such properties include, but are not limited to:

Direct and/or ambient lighting of the property and the immediate area (street and sidewalk) providing improved nighttime visibility and safety;

Reduction in property-related crimes (especially vandalism) commonly associated with poorly lighted areas; and

Improved nighttime ingress and egress to the property.

The development attributes of condominiums and town-homes tend to be a blend of the single-family residential and multi-family residential properties. Like multi-family residential properties, individual condominium and town-home units (individual parcels) within such developments may not have actual street frontage where the local streetlight improvements are located, but rather the common area lot which they share has street frontage. (In most cases, each residential unit fronts a private road or driveway that directly accesses the street where the local streetlight improvements are located). Because condominium and town-home properties represent individual residential units that are privately owned, like single-family residential properties these properties tend to be owner occupied with relatively fewer vacancies per unit than multi-family residential properties, which in turn represents greater average trip generation per unit than multi-family residential properties. However, because this property type usually has a much higher development density (greater number of units per acre) than single-family residential properties the actual number of streetlights per unit is clearly less than that of a single-family residential property.

In consideration of the special benefits associated with these properties and the development characteristics discussed above, it has been determined that an appropriate allocation of special benefit for condominiums, town-homes and similar residential properties is best represented by an assignment of 0.750 EBU per unit. (Because these parcels typically represent a single residential unit or small group of units that are each privately owned, no

adjustment for multiple units is applied to this land use as it is for multi-family residential properties).

Developed Commercial/Industrial Property — This land use is defined as a developed property with structures (buildings) that is used or may be used for commercial purposes, whether the structures are occupied or not. This land use does not include parcels for which the primary use of the property is considered residential or Hotels and Motels (transient residential). This land use classification includes most types of commercial enterprises including but not limited to commercial retail; food services; banks; shopping centers; recreational facilities; office buildings and professional buildings, as well as industrial properties including service centers; warehousing and manufacturing. This land use classification also includes any parcel that may incorporate a single residential unit, but is also used in whole or in part for commercial purposes. The special benefits that local street lighting provides to such properties include:

Direct and/or ambient lighting of the property and the immediate area (street and sidewalk) providing improved nighttime visibility and safety;

Reduction in property-related crimes (especially vandalism) commonly associated with poorly lighted areas;

Improved nighttime ingress and egress to the property;

Increased accessibility and/or hours of operation that result from adequate nighttime lighting on the streets near or adjacent to the property; and

Greater nighttime visibility of the property and associated business with the property.

The presence of local street lighting or the lack thereof has a direct and distinct impact on commercial/industrial properties and the businesses associated with those properties. Utilizing trip generation data outlined by the Institute of Transportation Engineers Informational Report, Seventh Edition; commercial/industrial properties generate on average approximately four (4) times the daily vehicular trips per acre generated by a typical single-family residential property (9.57 trips per single-family residential unit compared to 42.32 trips per acre for commercial properties). While the actual daily trips generated by a particular commercial/industrial property may be greater or less than this average, it does provide a reasonable indicator of the proportionality of the special benefits associated with local street lighting for such properties. In support of this finding, an analysis of development densities in the City indicates that on average, single-family and condominium developments yield approximately 4.06 residential units per acre.

Although the preceding evaluations suggest that the direct proportional special benefits to commercial/industrial properties are reasonably reflected by an apportionment of 4.000 EBU per acre, because most commercial/industrial parcels represent a separate and independent commercial enterprise or business with immediate proximity to local street lighting, it has been determined that the proportional special benefit for any individual commercial or industrial parcel is at least equal to that of a single-family residential property. Therefore, a commercial/industrial parcel that is less than one-quarter of an acre in size shall be assigned 1.000 EBU (minimum EBU). Likewise, it is reasonable to conclude that there is a limit to the proportional special benefit that any single parcel receives from local streetlights (maximum EBU). In an analysis of the average street frontage and number of lights per acre for various land use classifications, it has been determined that commercial/industrial parcels shall not be assessed for any acreage greater than ten (10.00) acres, which sets the maximum EBU at 40.000 EBU for this land use classification.

Developed Hotel/Motel Property — Although Hotel/Motel Properties are certainly viewed as commercial enterprises, these properties have more significant nighttime use and traffic generation than other commercial/industrial properties that results from their transient residential activities. The special benefits that local street lighting provides to such properties include:

Direct and/or ambient lighting of the property and the immediate area (street and sidewalk) providing improved nighttime visibility and safety;

Reduction in property-related crimes (especially vandalism) commonly associated with poorly lighted areas;

Improved nighttime ingress and egress to the property;

Increased use of the property that result from adequate nighttime lighting immediately adjacent to or near the property which is essential to the extended nighttime operation associated with these properties; and

Greater nighttime visibility of the property that improves potential customer attraction thereby increasing business activity and use of the property.

The presence of local street lighting or the lack thereof can have a direct and significant impact on hotel and motel properties because of their heightened nighttime use of the property. To reflect this increased proportional special benefit resulting from higher nighttime use and need for local street lighting as compared to other commercial/ industrial properties, the proportional special benefits and assessments for this land use classification shall be based on 6.000 EBU per acre. As with commercial/industrial properties, minimum and maximum acreage limits shall be applied in calculating each parcel's individual assessment. These acreage limits result in a minimum Equivalent Benefit Unit of 1.500 EBU for parcels less than one-quarter of an acre and a maximum Equivalent Benefit Unit of 60.000 EBU for parcels greater than ten acres.

Developed Institutional Property — This land use is defined as developed private properties used for the purposes of public related services or activities, including but not limited to Colleges, Private Schools, Places of Worship, Day Care Centers, Fraternal Organizations, Hospitals, Convalescent or Retirement Homes, or other similar public service or assembly type properties. The special benefits that local street lighting provides to such properties include:

Direct and/or ambient lighting of the property and the immediate area (street and sidewalk) providing improved nighttime visibility and safety;

Reduction in property-related crimes (especially vandalism) commonly associated with poorly lighted areas; and

Improved nighttime ingress and egress to the property.

While properties in this land use classification are generally considered non-residential properties, it has been determined that this land use classification clearly receives less special benefit from local street lighting than commercial/industrial properties based on several considerations: they represent businesses/operations that provide public related or community services (educational, medical care, religious etc.); they are generally non-profit organizations; and they have significantly less nighttime use and associated trip generation. Based on the special benefits that local street lighting provides to such properties and in consideration of their limited nighttime use, the Equivalent Benefit Units applied to these

properties shall be based on 2.000 EBU per acre with the same minimum and maximum acreage limits that are applied to other acreage-based properties. These limits result in a minimum Equivalent Benefit Unit of 0.500 EBU for parcels less than one-quarter of an acre and a maximum Equivalent Benefit Unit of 20.000 EBU for parcels greater than ten acres.

Developed Public Property — This land use is defined as developed public or government-owned property used for public related services or activities, including but not limited to city facilities including parks, community centers, fire and police stations, and city offices; county or state offices and facilities; federal, state or county court facilities; US postal service facilities; public schools; public utility facilities or offices; or other similar developed public properties. The special benefits that local street lighting provides to such properties include:

Direct and/or ambient lighting of the property and the immediate area (street and sidewalk) providing improved nighttime visibility and safety;

Reduction in property-related crimes (especially vandalism) commonly associated with poorly lighted areas; and

Improved nighttime ingress and egress to the property.

While many of these properties have the potential to be converted or utilized as commercial or other non-residential enterprises, their purpose and function is specifically for public related services and activities and they generally have no or limited nighttime use and trip generation, which is similar to Institutional properties. Based on the special benefits that local street lighting provides to such properties and in consideration of their limited nighttime use, the Equivalent Benefit Units applied to these properties shall be based on 2.000 EBU per acre with the same minimum and maximum acreage limits that are applied to other acreage-based properties. These limits result in a minimum Equivalent Benefit Unit of 0.500 EBU for parcels less than one-quarter of an acre and a maximum Equivalent Benefit Unit of 20.000 EBU for parcels greater than ten acres.

The County Tax Collector's Office typically identifies these properties as "Non-Taxable" and does not generate tax bills for these properties and as a matter of practical application, the calculated special benefit and proposed assessment obligation for such properties cannot be collected through the secured tax roll in the same manner as other District assessments. Therefore, the only other alternative to the City is the option to direct bill these properties; otherwise, the total assessment amount applied to these properties would not be recovered and would be lost revenue. In any case, the total amount of maintenance cost allocated to these properties is directly related to special benefit received by these properties and may not be reapportioned to any other parcel(s) within the District.

Parking Lot/Limited Use Property — This land use classification is applied to developed privately-owned properties that the City considers not to be fully developed commercial/industrial, institutional or residential properties. This land use classification is typically applied to parcels that are identified as parking lots with limited or no buildings; but may also identify parcels that have limited or restricted non-residential use where the typical commercial/industrial or institutional classification is not applicable or appropriate. The special benefits that local street lighting provides to such properties include:

Direct and/or ambient lighting of the property and the immediate area (street and sidewalk) providing improved nighttime visibility and safety

Reduction in property-related crimes (dumping, graffiti, vandalism and loitering) commonly associated with poorly lighted areas;

Improved nighttime ingress and egress to the property; and

Potential increased use and trip generation that result from adequate nighttime lighting which promotes extended hours of operation.

Based on these special benefits and in consideration of use and need for local street lighting, the Equivalent Benefit Units applied to these properties shall be based on 1.000 EBU per acre with the same minimum and maximum acreage limits that are applied to other acreage-based properties. These limits result in a minimum Equivalent Benefit Unit of 0.250 EBU for parcels less than one-quarter of an acre and a maximum Equivalent Benefit Unit of 10.000 EBU for parcels greater than ten acres.

Vacant Property — This land use is defined as property that has been identified as undeveloped, but has reasonable development potential (Few or no development restrictions). The special benefits that local street lighting provides to such properties include:

Direct and/or ambient lighting of the property and the immediate area (street and sidewalk) providing improved nighttime visibility and safety; and

Reduction in property-related crimes (dumping, graffiti, vandalism and loitering) commonly associated with poorly lighted areas.

In an evaluation of the special benefits associated this land use as compared to that of developed properties it becomes evident that the proportional special benefits associated with vacant property are clearly less than those associated with developed properties. Although vacant properties derive special benefits from local street lighting, these special benefits are limited to the land (lot) itself. Conversely, approximately half of the direct and immediate special benefits for developed properties are related to the daily use or potential use of that property (specifically nighttime use). Based on these special benefit considerations and the direct advantages of local street lighting, the Equivalent Benefit Units applied to these properties shall be based on 0.500 EBU per acre with the same minimum and maximum acreage limits that are applied to other acreage-based properties. These limits result in a minimum Equivalent Benefit Unit of 0.125 EBU for parcels less than one-quarter of an acre and a maximum Equivalent Benefit Unit of 5.000 EBU for parcels greater than ten acres.

Exempt Property (Parcel) — This land use identifies parcels where, for various reasons, it has been determined that the parcel does not and will not receive special benefits from street lighting improvements. This land use classification may include but is not limited to:

Lots or parcels identified as public streets and other roadways;

Dedicated public easements including open space areas, utility rights-of-way, greenbelts, parkways, or other publicly-owned or utility-owned land that serves the community or general public and are not considered or classified as developed public properties; and

Parcels of land that are privately owned, but cannot be developed independently from an adjacent property or is part of a shared interest with other properties, such as common areas, sliver parcels, bifurcated lots or properties with very restrictive potential or use.

Because these properties either provide a public service that is comparable to street lighting or they are dependent on another property or development, these types of parcels have no direct need for street lighting and are considered to receive no special benefits Therefore these parcel shall be exempt from assessment and are assigned 0.0000 EBU. However, these properties shall be reviewed annually by the assessment engineer to confirm the parcel's use.

Special Case Property — In many districts where multiple land use classifications are involved, there may be one or more properties where the standard land use classifications do not accurately identify the use and special benefits received from the improvements, or there may be factors related to that particular parcel that should be noted for review in subsequent fiscal years. The following are some examples of properties that may be classified as Special Case properties:

- Example 1: A parcel may be identified as a Vacant Property, however only a small percentage of the parcel's total acreage can actually be developed. In this case, an appropriate calculation would be based on the net acreage that can be utilized rather than the gross acreage of the parcel. Therefore the parcel is identified as a Special Case so that each year the parcel's proportional special benefit and assessment is accurately addressed utilizing the property's net acreage rather than gross acreage.
- Example 2: The use of a particular property and its proportional special benefit is not in question, but there is some characteristic or issue regarding the property that should be noted or reviewed in future years.
- Example 3: The most common reason for identifying a parcel as a Special Case is usually related to development. A property may be identified by the County as Vacant land, but the property is either being developed or has already been developed. Another example would be a property that would normally be identified as Vacant Land, but is being treated as Exempt Property because due to current and temporary development restrictions that will likely change in the future. In this case, this designation serves as a prompt to review the status of that property each year, and if and when the status of that property changes, the land use designation can be appropriately changed.

Therefore, the Equivalent Benefit Units assigned to Special Case Properties will vary depending on the circumstances and reasons for treating each particular property as a Special Case. The Equivalent Benefit Unit(s) assigned to each such parcel may be based on adjusted acreage, units or a combination of those factors. The City and/or the assessment engineer tasked with the administration of the District shall annually review each parcel designated as a Special Case Property and based on that review shall make appropriate adjustments to that property's land use and Equivalent Benefit Unit assignment as warranted.

The following is a summary of property types and the Equivalent Benefit Unit assignments described in the preceding discussion of Equivalent Benefit Units.

**Table 2:
Equivalent Benefit Unit Assignments**

Land Use	Benefit Unit Calculations		
Single Family Residential Property	1.000	per unit	
Multi-Family Residential & Mixed Use Property	0.750	per unit	(units 1-5)
	0.625	per unit	(units 6-25)
	0.500	per unit	(units 26-50)
	0.375	per unit	(units 51-100)
	0.250	per unit	(units greater than 100)
Condominium/Town-home Property	0.750	per unit	
Developed Commercial/Industrial Property	4.000	per acre	(minimum 1.000 EBU; maximum 40.000 EBU)
Developed Hotel/Motel Property	6.000	per acre	(minimum 1.500 EBU; maximum 60.000 EBU)
Developed Institutional Property	2.000	per acre	(minimum 0.500 EBU; maximum 20.000 EBU)
Developed Public Property	2.000	per acre	(minimum 0.500 EBU; maximum 20.000 EBU)
Parking Lot/Limited Use Property	1.000	per acre	(minimum 0.250 EBU; maximum 10.000 EBU)
Vacant Property	0.500	per acre	(minimum 0.125 EBU; maximum 5.000 EBU)
Exempt Property	0.000	per parcel	
Special Case Property	varied based on circumstances associated with each parcel		

Benefit Multiplier Factor

In addition to the initial assignment of EBUs based on a parcel’s land use, number of units, and acreage, a Benefit Multiplier Factor is also employed to account for the varying density levels of street lighting within the City, which ranges from a standard level of street lighting to no street lighting in certain neighborhoods of the City. In addition, the use of a Benefit Multiplier Factor ensures that the differentiation in lighting density is captured as part of the special benefit findings for each parcel. A Benefit Multiplier Factor shall be applied to each parcel’s EBU assignment to calculate the final net number of EBUs that will be used to determine the Maximum Assessment Rate per Zone, and each parcel’s unique assessment. The following provides a description of the three different Benefit Multiplier Factors of 1.0, 0.20, and 0.00:

Benefit Multiplier Factor = 1.0

Parcels within the District that receive direct special benefits from local streetlight improvements that were installed in connection with the development of the parcel or would otherwise have been required or necessary for the development or future development of such property to its full and best use; and the overall proximity and spacing of local street lighting in the area is consistent with the City’s typical density and spacing standards. Parcels with a Benefit Multiplier Factor equal to 1.0 may include, but is not limited to:

Parcels that are within 200 feet of a streetlight.

Parcels that are part of a single-family residential subdivision (tract) in which the average distances from a streetlight is less than 200 feet;

Parcels that are part of a residential subdivision other than a single-family residential subdivision (i.e., condominium projects, apartments or other residential properties) in which the street frontage for the development (common area lot or actual parcel) is within 200 feet of a streetlight.

Non-residential properties (parcels or overall developments) that are within 200 feet of a streetlight on a street that is adjacent to, used, or could be used to access the property. These properties include both developed and undeveloped properties.

Benefit Multiplier Factor = 0.20

Parcels within the District that receive direct special benefits from local streetlight improvements that were installed in connection with the development of the parcel or were installed specifically for the properties in that area, but the overall density of street lighting is approximately 20% of the standard lighting density, when compared to the lighting density of parcels with a benefit multiplier factor equal to 1.0. Therefore, the Benefit Multiplier Factor for these parcels equals 0.20. Parcels with a Benefit Multiplier Factor equal to 0.20 may include, but is not limited to:

Parcels that are part of a single-family residential subdivision (tract) in which the average distances from a streetlight is greater than 200 feet, but there are streetlights located along the street that the parcel fronts or along adjacent streets within the development (possibly lights on the perimeter of the development). (Note: parcels that are within such subdivisions that may be directly adjacent to or in closer proximity to a specific streetlight shall be assessed the same as other parcels in that subdivision);

Parcels that are part of a residential development other than a single-family residential subdivision (i.e., condominium projects, apartments or similar residential properties) in which the street frontage for the development (common area lot or actual parcel) is within 400 feet of a streetlight, but more than the 200 feet established for Zone 01.

Non-residential properties (parcels or overall developments) that are within 400 feet of a streetlight on a street that is adjacent to, used, or could be used to access the property. These properties include both developed and undeveloped properties.

Benefit Multiplier Factor = 0.00

Parcels within the District that have limited or no local streetlight improvements within their immediate proximity shall have a Benefit Multiplier Factor equal to 0.00 applied to their EBU assignment. Therefore, these properties shall not be assessed and, as part of the notice and ballot proceedings being conducted in connection with the formation of the District, the ballots for these properties shall reflect a zero (\$0.00) assessment amount.

C. ASSESSMENT RANGE FORMULA

Pursuant to the California Constitution Article XIID, the imposition of any new or increased assessment requires certain noticing and meeting requirements. However, Proposition 218 Omnibus Implementation Act states that an assessment is not considered an increased assessment if the assessment does not exceed an assessment formula adopted by the City in accordance with Article XIID of the California Constitution.

As part of the District formation and establishment of annual assessments to fund the ongoing operation, maintenance and servicing of those improvements within the District, an

Assessment Range Formula was developed. The purpose of establishing an Assessment Range Formula is to provide for reasonable increases and inflationary adjustment that are inevitably associated with providing such improvements and activities. The Assessment Range Formula is defined by the following:

The “Maximum Rates” for this District shall be annually adjusted by an amount not to exceed three percent (3%) to establish the new Maximum Assessment Rates authorized for the District each fiscal year. (These new rates may be referred to as Adjusted Maximum Assessment Rates).

Beginning in the District’s second fiscal year (Fiscal Year 2011/2012) and each fiscal year thereafter, the Maximum Assessment Rates will be recalculated and new Adjusted Maximum Assessment Rates will be established for the fiscal year utilizing the Assessment Range Formula described above. The Adjusted Maximum Assessment Rates shall be calculated independently of the District’s annual budget and proposed assessments. Any proposed annual assessment (Rate per EBU) less than or equal to the Adjusted Maximum Assessment Rate for each respective Zone shall not be considered an increased assessment.

To impose a new or increased assessment other than the annual inflationary adjustment provided by the preceding Assessment Range Formula, the City must comply with the provisions of the California Constitution Article XIID Section 4c, that requires a public hearing and certain protest procedures including mailed notice of the public hearing and property owner protest balloting. Property owners, through the balloting process, must approve such a new or increased assessment before that new or increased assessment may be imposed.

IV. DISTRICT BUDGET

A. BUDGET

The City’s streetlight maintenance budget identifies an estimate of anticipated annual expenses associated with the ongoing operation, maintenance and servicing of streetlight improvements that includes, but is not limited to maintenance of streetlights and related facilities, energy costs and incidental expenses. The City provided the estimated total annual cost of streetlight maintenance for Fiscal Year 2026/2027, an inventory of arterial streetlights, and the maintenance costs attributable to arterial streetlights. Table 3 provides the City’s streetlight maintenance budget for Fiscal Year 2026/2027 and Table 4 provide a detailed inventory of the arterial streetlights within the City of Arcadia as well as the maintenance cost associated with these arterial streetlights.

**Table 3
City of Arcadia Streetlight Maintenance Budget**

Description	FY 2026/2027
Salaries & Wages	\$336,100
Supplies	21,700
Contract Services	100,000
Electric	859,000
Vehicle Maintenance	34,100
City Liability Insurance	36,700
City Administration Services	128,000
POB Contribution	22,800
Total	\$1,538,400

**Table 4
City of Arcadia Arterial Streetlight Maintenance Budget**

Arterial Street	Number of Edison Lights	Number of City Lights	FY 2026/2027
Baldwin	177	107	\$70,435
Colorado	20	6	3,950
Duarte	122	1	658
Foothill	76	17	11,191
Huntington	52	237	156,009
Las Tunas	46	62	40,813
Live Oak	10	37	24,356
Lower Azusa Rd	12	0	0
Michillinda	51	16	10,532
Peck	14	0	0
Santa Anita	271	15	9,874
Second	19	1	658
Sunset	40	16	10,532
Campus	5	32	21,065
Total ⁽¹⁾	915	547	\$360,072

⁽¹⁾Total may not foot due to rounding.

The budget for the District outlines the overall estimated annual cost to provide the District improvements per Zone, that portion of the costs that are considered to be general benefit and special benefit for each Zone, and the additional funding support from the City to establish the proposed initial maximum assessment rates to be applied to the various parcels within each Zone.

The District partially funds the operation, maintenance and servicing of lighting improvements throughout the City that provide special benefits to properties within the City. The Fiscal Year 2026/2027 District budget is \$1,538,400, of which \$1,295,351 has been determined to be of special benefit to properties within the District based on the assessment methodology. However, the District is being established to fund only a portion of this amount equal to \$603,980. As a matter of policy, the City will contribute the remaining \$691,371 from the general fund and other revenue sources. Therefore, the City's contribution will not only reduce the assessments against the District's affected parcels, but it will further ensure that property owners are not assessed for more than their proportional special benefit.

**Table 5
City of Arcadia Citywide Lighting District No. 1
Fiscal Year 2026/2027 Budget**

	Total Budget	Zone 1 Arterial Lights	Zone 2 Local Lights
Arterial Lights	\$360,072	\$360,072	\$0
Local Streetlight Improvements	1,027,528	0	1,027,528
Annual Maintenance Budget	\$1,387,600	\$360,072	\$1,027,528
Administration ⁽¹⁾	\$150,800	\$39,132	\$111,668
Total Expense (see table above for breakdown)	\$1,538,400	\$399,204	\$1,139,196
City Contribution for General Benefit (67.5% of Primary) ⁽²⁾	(\$243,049)	(\$243,049)	\$0
Annual Maintenance Budget Less General Benefit ⁽³⁾	\$1,295,351	\$156,155	\$1,139,196
City Contribution for Special Benefit Reduction ⁽³⁾	(\$691,371)	(\$53,053)	(\$638,318)
BALANCE TO LEVY ⁽³⁾	\$603,980	\$103,102	\$500,879
Total Parcels	17,152	2,718	14,434
Parcels Levied	15,213	2,661	12,552
Total EBU Levied	16,771.62	4,352.11	12,419.50
Maximum Rates ⁽⁴⁾		\$26.84	\$45.63
Applied Rates ⁽⁴⁾		\$23.69	\$40.33

⁽¹⁾ Administration includes City Administration Services and POB Contribution.

⁽²⁾ The General Benefit contribution applies to Arterial Streetlights only.

⁽³⁾ Totals may not foot due to rounding.

⁽⁴⁾ The District's Maximum Rates have an annual adjustment not to exceed three percent (3%). Maximum Rates were increased by 3% from the prior fiscal year. The Applied Rates are less than the Maximum Rates. Reference Section III C: Assessment Range Formula.

B. PARCEL ASSESSMENT CALCULATION

Pursuant to the provisions of the California Constitution, the proportionate special benefit derived by each parcel within the District and its corresponding assessment obligation shall be determined in relationship to the entirety of the capital cost of a public improvement or the maintenance and operation expenses of a public improvement.

The following formulas are used to calculate each parcel's Levy Amount (proportional assessment obligation):

Step 1: Based collectively on the preceding discussion and findings, the estimated annual cost to provide the various District improvements have been allocated to each Zone and separated between general benefit and special benefit. Those improvement costs determined to be of general benefit shall not be assessed to properties within each Zone of the District and these costs are deducted from the total budget to establish the improvement costs determined to be of special benefit.

Total Zone Budget – General Benefit Costs = Total Zone Special Benefit Costs

Step 2: The Total Zone Budget minus any additional contributions from the City or other revenue sources establishes the “Balance to Levy” for that Zone. This Balance to Levy amount is the proportionately allocated to each parcel within the Zone based on their calculated EBU.

Total Zone Budget – Additional City Contribution = Balance to Levy (Zone)

Step 3: Each parcel's proportional special benefit is calculated based on the Equivalent Benefit Unit rationale previously discussed:

Parcel's Land Use Benefit x (Acreage or Units) x Benefit Multiplier Factor = Parcel's EBU

Step 4: The total number of Equivalent Benefit Units for the District and each Zone therein is determined by the sum of all individual EBU(s) applied to parcels that receive a special benefit from the improvements. An assessment amount per EBU (Assessment Rate) for each Zone is established by taking the Balance to Levy in that Zone, and dividing that amount by the total number of EBU(s) for that Zone.

Balance to Levy/ Total EBU = Maximum Assessment Rate per EBU (per Zone)

Step 5: This Assessment Rate is then applied back to each parcel's individual EBU to determine the parcel's proportionate benefit and assessment obligation.

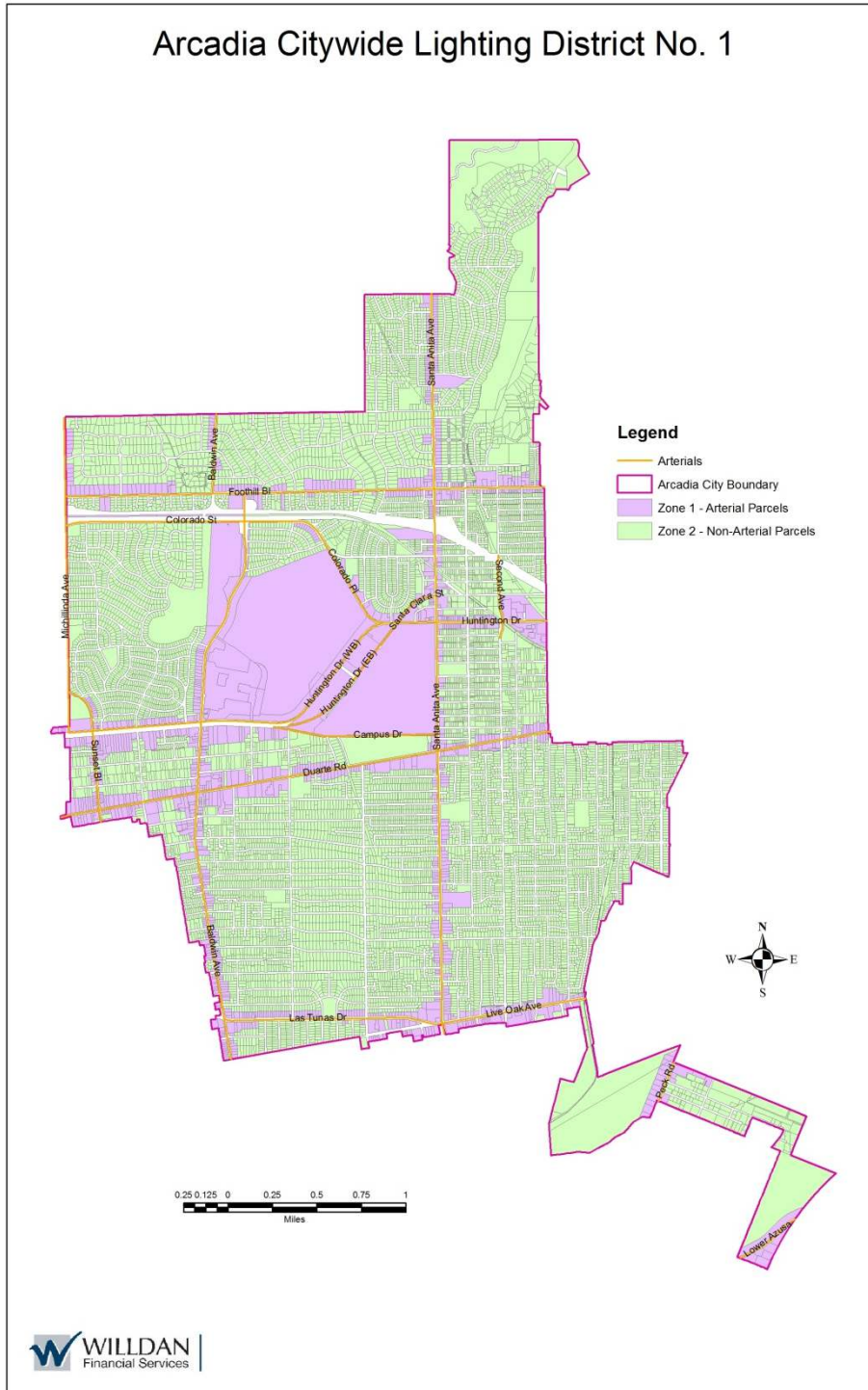
Maximum Assessment Rate per EBU x Parcel's EBU = Parcel's Assessment

V. DISTRICT DIAGRAM

The parcels within the District consist of the lots, parcels and subdivisions of land within the City. The District Diagram identifies the boundaries of the District and the Zones therein, and is based on the Los Angeles County Assessor's Maps, the Los Angeles County Assessor's secured roll information and the street lighting improvements that existed at the time this Report was prepared. The combination of this Diagram and the Assessment Roll outlined in Part IV of this Report; collectively constitute the District's Assessment Diagram.

A copy of the District Diagram is provided on the following page. A full-size copy of this diagram is on file in the Office of Public Works Services Department, and by reference this diagram is made part of this Report.

ASSESSMENT DIAGRAM
CITY OF ARCADIA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA



VI. ASSESSMENT ROLL

Parcel identification for each lot or parcel within the District is based on the District Diagram presented herein and available parcel maps and property data from the Los Angeles County Assessor’s Office at the time this Report was prepared. A summary of the parcels to be assessed within this District along with the associated assessment amounts are provided herein. The actual assessment roll listing each of the parcels to be assessed within this District along with their respective assessment amounts have been provided to the City Clerk under a separate cover due to the voluminous number of properties to be assessed.

If any parcel submitted for collection is identified by the County Auditor/Controller to be an invalid parcel number for the fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment and assessment rates described in this Report as approved by the City Council rather than a proportionate share of the original assessment.

The following is a summary of the land use classifications (parcels) and assessment amounts for the District and each Zone within the District as established by the assessment rates and method of apportionment previously described.

District-wide

LAND USE	PARCELS LEVIED	FY 2026/2027 EBUs	FY 2026/2027 ASSESSMENT
COM	720	1,735.44	\$49,705
CONDO	4,139	3,085.05	106,746
HOT	11	92.16	2,729
INS	55	129.73	3,903
MFR	860	3,555.50	120,873
MIX	9	18.38	460
PKG	116	58.67	1,730
PUB ⁽¹⁾	3	3.70	133
SFR	9,247	8,064.20	316,702
SPC	4	3.46	84
VAC	47	17.08	598
SBE	2	8.26	333
GRAND TOTAL ⁽¹⁾	15,213	16,771.62	\$603,999

⁽¹⁾ Totals may not foot due to rounding.

Note: Variance in FY 2026/2027 Assessment amount due to rounding to nearest penny.

Zone 1

LAND USE	PARCELS LEVIED	FY 2026/2027 EBU's	FY 2026/2027 ASSESSMENT
COM	405	1,219.07	\$28,880
CONDO	1,417	1,062.75	25,180
HOT	6	59.38	1,407
INS	31	79.88	1,892
MFR	187	1,353.48	32,064
MIX	8	16.88	400
PARKING	59	38.20	905
PUB	1	0.94	22
SFR	518	512.80	12,148
SPC	3	3.31	78
VAC	26	5.43	129
GRAND TOTAL ⁽¹⁾	2,661	4,352.11	\$103,105

⁽¹⁾ Totals may not foot due to rounding.

Note: Variance in FY 2026/2027 Assessment amount due to rounding to nearest penny.

Zone 2

LAND USE	PARCELS LEVIED	FY 2026/2027 EBU's	FY 2026/2027 ASSESSMENT
COM	315	516.37	\$20,825
CONDO	2,722	2,022.30	81,566
HOT	5	32.78	1,322
INS	24	49.85	2,011
MFR	673	2,202.03	88,809
MIX	1	1.50	61
PARKING	57	20.47	826
PUB ⁽¹⁾	2	2.75	111
SFR	8,729	7,551.40	304,554
SPC	1	0.15	6
VAC	21	11.65	470
SBE	2	8.26	333
GRAND TOTAL ⁽¹⁾	12,552	12,419.51	\$500,894

⁽¹⁾ Totals may not foot due to rounding.

Note: Variance in FY 2026/2027 Assessment amount due to rounding to nearest penny.

RESOLUTION NO. 7692

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, DECLARING ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS WITHIN THE ARCADIA CITYWIDE LIGHTING DISTRICT NO. 1 FOR FISCAL YEAR 2026-27 AND APPOINTING A TIME AND PLACE FOR A PUBLIC HEARING

WHEREAS, the City Council of the City of Arcadia (the "City") pursuant to the provisions of the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code of California, beginning with Section 22500 (hereafter referred to as the "1972 Act") did by previous Resolution, initiate proceedings for the levy and collection of assessments within the Arcadia Citywide Lighting District No. 1 (hereafter referred to as "District") to fund the on-going maintenance, operation, and servicing of public street lighting improvements and appurtenant facilities related thereto; and

WHEREAS, the City Council has ordered an Engineer's Report (the "Report") for the District for Fiscal Year 2026-27, and said Report has been examined and preliminarily approved by City Council.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, DOES HEREBY FIND, DETERMINE, AND RESOLVE AS FOLLOWS:

SECTION 1. INTENTION. The City Council hereby declares its intention to levy and collect annual special benefit assessments against parcels of land within the District pursuant to the 1972 Act for Fiscal Year 2026-27.

SECTION 2. TERRITORY. The boundaries of the District are coterminous with the boundaries of the City of Arcadia, within the County of Los Angeles, State of California and include all parcels within said boundaries. Reference is hereby made to the Los Angeles County Assessor's maps for a detailed description of the lines and dimensions of the parcels therein. The District includes two (2) zones of benefit where, by reason of variations in the nature, location, and extent of the improvements, the various areas will receive differing degrees of benefit from the improvements.

SECTION 3. IMPROVEMENTS. The proposed improvements include the operation, maintenance, and servicing of public street lighting improvements and appurtenant facilities in the City of Arcadia that have been determined to be of special benefit to properties within the District. These improvements may include, but are not limited to the materials, equipment, utilities, labor, contract services, and incidental expenses necessary for the ongoing maintenance, operation, and servicing of such improvements and appurtenant facilities. Maps detailing the location and extent of the proposed improvements to be serviced and maintained by the District are on file in the Office of Public Works Services Department of the City of Arcadia and by reference these maps and specifications are made part of this Resolution. Those improvements determined to be of general benefit shall not be assessed against properties in the District.

SECTION 4. ASSESSMENTS. The proposed assessments for the District will provide a funding source to partially support the ongoing annual expenses to maintain service and operate public street lighting improvements that provide special benefits to properties in the District. These proposed assessments are outlined in the Engineer's Report on file at the office of the City Clerk.

SECTION 5. PUBLIC HEARING. The City Council hereby declares its intention to conduct a public hearing concerning the levy and collection of assessments within the District for Fiscal Year 2026-27 in accordance with the 1972 Act and California Constitution, Article XIID, Section 4.

Notice is hereby given that a public hearing on these matters will be held by the City Council on Tuesday, June 16, 2026, at 7:00 p.m., or as soon thereafter as feasible in the City Council Chambers, Arcadia City Hall, located at 240 West Huntington Drive, Arcadia, California.

At the public hearing, all interested persons shall be afforded the opportunity to hear and be heard. Any interested person may also file a written protest with the City Clerk prior to the conclusion of the hearing, or having previously filed such written protest, may file a written withdrawal of that protest. A written protest shall state all grounds of objection and such protest by a property owner within the District shall contain a description sufficient to identify the property owned by such property owner.

Following the public hearing the City Council shall consider and may take actions regarding the assessments for Fiscal Year 2026-27.

SECTION 6. The City Clerk is hereby authorized and directed to give notice of such public hearing as provided by law.

SECTION 7. The City Clerk shall certify to the adoption of this Resolution.

Passed, approved, and adopted this 2nd day of June, 2026.

Mayor of the City of Arcadia

ATTEST:

City Clerk

APPROVED AS TO FORM:



Michael J. Maurer
City Attorney



ADMINISTRATIVE SERVICES DEPARTMENT

DATE: June 2, 2026

TO: Honorable Mayor and City Council

FROM: Henry Chen, Administrative Services Director

SUBJECT: RESOLUTION NO. 7695 ESTABLISHING AN APPROPRIATION LIMIT FOR FISCAL YEAR 2026-27 PURSUANT TO ARTICLE XIII-B OF THE CALIFORNIA CONSTITUTION
CEQA: Not a Project
Recommendation: Adopt

SUMMARY

Article XIII-B of the State Constitution imposes a limit (known as “the GANN Limit”) on tax proceeds that can be appropriated for expenditures in any given fiscal year. Section 7910 requires the City of Arcadia to establish the GANN Limit by resolution. As calculated, the City’s expenditures subject to the GANN Limit are \$75,892,700 versus a calculated GANN Limit of \$131,848,699, meaning that the City is under the GANN Limit by \$55,955,999. It is recommended that the City Council adopt Resolution No. 7695 establishing the annual adjustment factors and the resultant GANN Limit for the Fiscal Year 2026-27.

DISCUSSION

In November 1979, the voters of the State of California approved Proposition 4, commonly known as the GANN Initiative. This proposition created Article XIII-B of the State Constitution, placing limits on the amount of revenue that can be spent by any city government. Each government was allocated a base year GANN Limit, which is adjusted annually for inflation and population growth. The law also requires an annual review of the GANN Limit calculation.

Certain revenues do not count towards the annual GANN Limit. For instance, the expenditure of tax proceeds on voter-approved debt, and the costs of complying with

Court orders and Federal mandates are not counted as they are restricted for certain purposes. Similarly, if the State specifies that funds transmitted to cities are restricted in their use (e.g., State Gas Tax), they are excluded in the calculation of the City's GANN Limit.

To measure inflation, each City may choose the greater of: (1) the growth in the California Per Capita Income, or (2) the growth in the non-residential assessed valuation due to new construction within the City. Currently, the data necessary to calculate the increase in the non-residential assessed valuation is not available from the Los Angeles County Assessor. Thus, the change of California Per Capita Income at 4.95% has been used as the inflationary adjustment factor in the calculation of the Appropriation Limit.

The second factor for calculating the GANN Limit is the change in population. Cities may use whichever is greater: the population growth of Los Angeles County or that of the City. In 2026, the population growth rate was -0.64% in the LA County, while the City's population growth rate was 1.36%. As a result, the City's growth factor will be used for the FY 2026-27 GANN Limit calculation.

Exhibit "B" provides a summary demonstration of the City's compliance with Article XIII-B of the California State Constitution for the fiscal year ending June 30, 2027. Starting with the figures in Exhibit "C", the City's Proceeds of Taxes total \$76,508,700. This amount is reduced by the Medicare exclusion of \$616,000, identified in Exhibit "D," resulting in appropriations subject to the limit of \$75,892,700. The City's FY 2026-27 Appropriations Limit, calculated in Exhibit "A," is \$131,848,699. Accordingly, Exhibit "B" shows that the City of Arcadia is under its Appropriations Limit by \$55,955,999.

ENVIRONMENTAL ANALYSIS

The proposed action does not constitute a project under the California Environmental Quality Act ("CEQA"), and it can be seen with certainty that it will have no impact on the environment.


FISCAL IMPACT

The GANN Limit for the City of Arcadia in FY 2026-27 is established at \$131,848,699. The appropriations subjected to the GANN Limit in the Annual Budget are \$75,892,700, which are well within the GANN Limit. Therefore, the City may fully expend all funds appropriated in the FY 2026-27 Budget and has capacity for additional appropriations during the year as necessary.

RECOMMENDATION

It is recommended that the City Council determine that this action is not a project under the California Environmental Quality Act ("CEQA"); and adopt Resolution No. 7695 establishing an appropriation limit for Fiscal Year 2026-27 pursuant to Article XIII-B of the California Constitution.

Approved:



Dominic Lazzaretto
City Manager

Attachments: Exhibit "A" - Appropriation Limit for Fiscal Year 2026-27
Exhibit "A-1" - Population/Inflationary Adjustment
Exhibit "B" - Appropriations Subject to Limitation
Exhibit "C" - Calculation of Proceeds
Exhibit "C-1" - Interest Earnings produced by Taxes
Exhibit "D" - Exclusions
Resolution No. 7695

EXHIBIT "A"

CITY OF ARCADIA
APPROPRIATIONS LIMIT
FISCAL YEAR 2026-2027

		<u>AMOUNT</u>
A. LAST YEAR'S LIMIT (2025-2026)		\$ 123,941,248
B. ADJUSTMENT FACTORS:		
CITY OF ARCADIA POPULATION GROWTH	1.0136	
PER CAPITA COST OF LIVING CHANGE AS A RATIO	<u>1.0495</u>	
TOTAL ADJUSTMENT	<u>1.0638</u>	
C. ANNUAL ADJUSTMENT		<u>7,907,452</u>
D. FISCAL 2026-2027 LIMIT		<u><u>\$ 131,848,699</u></u>

EXHIBIT "A-1"

**CITY OF ARCADIA
POPULATION/COST OF LIVING ADJUSTMENT
FISCAL YEAR 2026-2027**

	<u>AMOUNT</u>
PERCENTAGE CHANGE IN PER CAPITA PERSONAL INCOME	4.95%
POPULATION GROWTH - LOS ANGELES COUNTY	-0.64%
POPULATION GROWTH - CITY OF ARCADIA	1.36%

SOURCE: DEPARTMENT OF FINANCE, STATE OF CALIFORNIA

EXHIBIT "B"

**CITY OF ARCADIA
APPROPRIATIONS SUBJECT TO LIMITATION
FISCAL YEAR 2026-2027**

	<u>AMOUNT</u>	<u>SOURCE</u>
A. PROCEEDS OF TAXES GRAND TOTAL	\$ 76,508,700	EXHIBIT C
B. EXCLUSIONS (MEDICARE TAX)	<u>(616,000)</u>	EXHIBIT D
C. APPROPRIATIONS SUBJECT TO LIMITATION	\$ 75,892,700	
D. FISCAL 2026-2027 LIMIT	<u>131,848,699</u>	EXHIBIT A
E. OVER/(UNDER) LIMIT	<u><u>\$(55,955,999)</u></u>	

EXHIBIT "C"

**CITY OF ARCADIA
CALCULATIONS OF PROCEEDS
FISCAL YEAR 2026-2027**

REVENUE	PROCEEDS OF TAXES	NON PROCEEDS OF TAXES	TOTAL
Property Tax	\$ 22,023,900	\$ -	\$ 22,023,900
Public Safety Augmentation	670,600	-	670,600
Sales & Use Tax	25,305,100	-	25,305,100
Transient Occupancy Tax	5,126,600	-	5,126,600
Property Transfer Tax	597,500	-	597,500
Utility Users Tax	9,999,400	-	9,999,400
Business License Tax	1,257,300	50,000	1,307,300
TOTAL TAXES	\$ 64,980,400	\$ 50,000	\$ 65,030,400
 FROM STATE			
Motor Vehicle In Lieu	\$ 10,029,100	\$ -	\$ 10,029,100
Gasoline Tax	-	1,646,300	1,646,300
Road Maint./Rehabilitation (SB1)	-	1,595,900	1,595,900
Homeowner's Exemption	70,000	-	70,000
POST	-	2,000	2,000
SB 90 Reimbursements	-	10,000	10,000
TOTAL FROM STATE	\$ 10,099,100	\$ 3,254,200	\$ 13,353,300
 OTHER GOVERNMENTS			
Community Development (CDBG)	\$ -	\$ -	\$ -
Citizens Options for Public Safety	-	200,000	200,000
Homeland Security	-	-	-
OTS Grant	-	110,000	110,000
Other (PROP A&C) Taxes	-	2,639,900	2,639,900
Prop A Park Maint. & Services	-	-	-
Measure R	-	897,700	897,700
Measure M	-	1,017,400	1,017,400
Used Oil Grant	-	8,000	8,000
Beverage Container Recycling Grant	-	14,200	14,200
AQMD (AB2766)	-	74,000	74,000
TOTAL OTHER GOVERNMENTS	\$ -	\$ 4,961,200	\$ 4,961,200

EXHIBIT "C"

**CITY OF ARCADIA
CALCULATIONS OF PROCEEDS
FISCAL YEAR 2026-2027**

REVENUE	PROCEEDS OF TAXES	NON PROCEEDS OF TAXES	TOTAL
LOCALLY RAISED			
LICENSES AND PERMITS			
Franchise Fee	\$ -	\$ 1,069,800	\$ 1,069,800
Parking Permits	-	610,000	610,000
Plan Check Fees	-	1,850,000	1,850,000
Building Permits	-	2,200,000	2,200,000
Mechanical, Electrical & Plumbing Permits	-	500,000	500,000
Home Occupation Permits	-	12,100	12,100
Miscellaneous Permits	-	10,500	10,500
Planning Applications	-	350,000	350,000
Fire Plan Check	-	300,000	300,000
Engineering Permit Fees	-	160,000	160,000
Fire Code Permit Fees	-	180,000	180,000
Fire Code Inspections	-	90,000	90,000
Off-site Improvement	-	-	-
Water Landscape Review	-	101,500	101,500
Technology Fee	-	275,000	275,000
Unoccupied Residences	-	1,700	1,700
Storm Water Plan Check Fees	-	-	-
SB1473 building Permit	-	1,000	1,000
PEG	-	65,000	65,000
Charges for Current Service	-	5,512,000	5,512,000
Recreation Activities	-	1,642,000	1,642,000
Library Charges	-	102,000	102,000
Rent & Royalty	-	1,534,000	1,534,000
Transportation Impact fees	-	400,000	400,000
Fire Impact fees	-	125,000	125,000
Solid Waste Assessments	-	700,000	700,000
Park/Dwelling Unit Fees	-	1,500,000	1,500,000
TOTAL LICENSES & PERMITS	\$ -	\$ 19,291,600	\$ 19,291,600

EXHIBIT "C"

**CITY OF ARCADIA
CALCULATIONS OF PROCEEDS
FISCAL YEAR 2026-2027**

REVENUE	PROCEEDS OF TAXES	NON PROCEEDS OF TAXES	TOTAL
FINES & PENALTIES			
Miscellaneous Fines	\$ -	\$ 10,000	\$ 10,000
Parking Citations	-	500,000	500,000
Code Violations	-	40,000	40,000
Fire Citations	-	500	500
Planning Fines	-	1,000	1,000
TOTAL FINES & PENALTIES	\$ -	\$ 551,500	\$ 551,500
OTHER REVENUE			
Parimutual Receipts	\$ 290,000	\$ -	\$ 290,000
Admin. O/H Transit	-	147,100	147,100
Admin. O/H Water	-	1,587,100	1,587,100
Admin. O/H Sewer	-	300,000	300,000
Admin. O/H Lighting District	-	128,000	128,000
Admin. O/H Redevelopment	-	4,400	4,400
Court Appearances	-	5,000	5,000
Waste Management Admin. Fees	-	150,000	150,000
TOTAL OTHER REVENUE	\$ 290,000	\$ 2,321,600	\$ 2,611,600
Total Estimated Revenues			
Before Revenue from Use of Money	\$ 75,369,500	\$ 30,430,100	\$ 105,799,600
Revenue Earned from Use of Money			
Earned on Non-Proceeds of Taxes: Funds 104, 107, 112, 114, 118 142, 151, 153, 155, 156, 157, 161, 165	\$ -	\$ 727,200	\$ 727,200
Proceeds of Taxes: Fund 302 General Fund	-	408,800	-
	1,139,200	460,800	1,600,000
TOTAL REVENUE EARNED FROM USE OF MONEY	\$ 1,139,200	\$ 1,596,800	\$ 2,327,200
GRAND TOTAL	\$ 76,508,700	\$ 32,026,900	\$ 108,126,800

EXHIBIT "C-1"

**CITY OF ARCADIA
INTEREST EARNINGS PRODUCED BY TAXES
FISCAL YEAR 2026-2027**

		<u>AMOUNT</u>
PROCEEDS OF TAXES (EXCLUDING INTEREST)		\$ 75,369,500
TOTAL REVENUE (EXCLUDING INTEREST)		\$ 105,799,600
PERCENT APPLICABLE TO PROCEEDS OF TAXES		71.20%
TOTAL INTEREST BUDGETED FOR GENERAL FUND		\$ 1,600,000
INTEREST APPLICABLE TO PROCEEDS OF TAXES	71.20%	\$ 1,139,200
INTEREST APPLICABLE TO NON-PROCEEDS OF TAXES	28.80%	\$ 460,800
INTEREST DIRECTLY IDENTIFIED TO THE FUNDS WHICH REVENUES ARE IDENTIFIED AS NON PROCEEDS OF TAXES - FUND 104, 107, 108, 112, 114, 118, 142, 151, 153, 155, 156, 157, 161, 165		\$ 727,200
INTEREST DIRECTLY IDENTIFIED TO FUNDS WHICH REVENUES ARE IDENTIFIED AS PROCEEDS OF TAXES - FUND 302		\$ -

EXHIBIT "D"

**CITY OF ARCADIA
EXCLUSIONS
FISCAL YEAR 2026-2027**

FEDERAL MANDATED COSTS:

MEDICARE TAX	\$ 616,000
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RESOLUTION NO. 7695

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, ESTABLISHING AN APPROPRIATION LIMIT FOR FISCAL YEAR 2026-27 PURSUANT TO ARTICLE XIII-B OF THE CALIFORNIA CONSTITUTION

WHEREAS, Article XIII-B of the Constitution of the State of California imposes restriction upon California governmental agencies to limit their annual appropriations to the appropriations in fiscal year 1978-79, adjusted for the subsequent inflation and population changes; and

WHEREAS, effective for years beginning on or after July 1, 1990, under Section 1.5 of Article XIII-B, the annual calculation of the appropriations limit is subject to a limited review in connection with the annual audit; and

WHEREAS, the City of Arcadia may use as its inflation factor either the annual percentage change in California per capital personal income or the percentage change in its local assessment roll from the preceding year due to the change of local nonresidential construction. The City of Arcadia has opted to use, as the inflation adjustment factor, the percentage change in California per capita personal income in lieu of the growth in the non-residential assessed valuation; and

WHEREAS, the City of Arcadia may use as its population factor either the annual percentage change of the City's own population or the annual percentage change in population of the Los Angeles County. The City of Arcadia has opted to

use, as the population adjustment factor, the change in the population of the City;
and

WHEREAS, pursuant to Article XIII-B of the California Constitution, the City is required to set its appropriation limit for each fiscal year and has made available to the public the documentation used in the determination of said appropriation limit.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. The appropriation limit for Fiscal Year 2026-27 for the City of Arcadia shall be and is hereby set in the amount of \$131,848,699.

SECTION 2. The City Clerk shall certify the adoption of this Resolution.

[SIGNATURES ON THE NEXT PAGE]

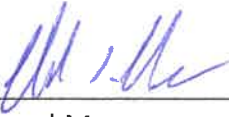
Passed, approved and adopted this 2nd day of June 2026.

Mayor of the City of Arcadia

ATTEST:

City Clerk

APPROVED AS TO FORM:



Michael Maurer
City Attorney



CITY OF ARCADIA

STAFF REPORT

OFFICE OF THE CITY CLERK

DATE: June 2, 2026

TO: Honorable Mayor and City Council

FROM: Dominic Lazzaretto, City Manager
By: Linda Rodriguez, City Clerk

SUBJECT: MAYOR'S APPOINTMENTS OF CITY COUNCIL MEMBERS TO CITY BOARDS AND COMMISSIONS, AND OUTSIDE AGENCIES
CEQA: Not a Project
Recommendation: Receive and File

SUMMARY

The City Council reorganized at the May 19, 2026, City Council Meeting, following the resignation of former Mayor Eileen Wang on May 11, 2026. Council Member Paul P. Cheng was appointed as Mayor. Upon rotation of the City Council, the Mayor makes appointments to various City Boards and Commissions as well as outside agencies.

Mayor Cheng has updated the Council Member Liaison List, assigning Council Members as Delegates or Alternates to eight City Boards and Commissions and 11 outside governmental agencies. It is recommended that the City Council receive and file the Mayor's appointments of City Council Members to City boards, commissions, and outside agencies, effective June 3, 2026.

DISCUSSION

On May 11, 2026, Eileen Wang resigned from the City Council, creating a vacancy in the Mayoral position. Consistent with the established mayoral rotation for Council Members, and to fill the vacancy created, at its May 19, 2026, meeting, the City Council appointed Paul P. Cheng as Mayor and David Fu as Mayor Pro Tem. Following the City Council reorganization, the Mayor has the option to make new appointments to City Boards and Commissions, and to outside agencies.

The attached Council Member Liaison List reflects the various Arcadia Boards and Commissions and outside agencies that City Council Members serve on, along with an updated list of appointments to each position. Mayor Cheng has appointed each City Council Member to serve as either the Delegate or Alternate (when applicable) for eight City Boards and Commissions and 11 outside governmental agencies, beginning on June 3, 2026.

The appointments will continue until superseded, which may occur after the appointment process to fill the District 3 vacancy concludes, or after the next City Council reorganization occurs, expected in December 2026 when the next election will be certified. It is recommended that the City Council receive and file the Mayor's appointments of City Council Members to City Boards and Commissions as well as to outside agencies, beginning June 3, 2026.

ENVIRONMENTAL ANALYSIS

The proposed action does not constitute a project under the California Environmental Quality Act ("CEQA"), as it can be seen with certainty that it will have no impact on the environment.

FISCAL IMPACT

Any costs to attend outside governmental agency meetings have been accounted for in the City Council's annual budget. There is no fiscal impact to the City's budget as a result of the proposed appointments.

RECOMMENDATION

It is recommended that the City Council determine that this action does not constitute a project under the California Environmental Quality Act ("CEQA"); and receive and file the Mayor's appointments of City Council Members to City Boards and Commissions, and to outside agencies, beginning June 3, 2026.

Attachment: Council Member Liaison List 2026

**CITY OF ARCADIA
COUNCIL MEMBER LIAISON LIST
June 2, 2026**

	Meeting Date/Time	Delegate	Alternate
Arcadia Beautiful Commission	Meetings called as needed	Sharon Kwan	n/a
Arcadia Museum Commission	1 st Wednesday of every other month at 5:00 pm	Sharon Kwan	n/a
Arcadia Health Commission	1 st Wednesday (Quarterly) at 5:00 pm <i>(July, October, January & April)</i>	Michael Cao	n/a
Human Resources Commission	2 nd Thursday at 5:30 pm	Michael Cao	n/a
Library Board of Trustees	3 rd Thursday at 4:30 pm	David Fu	n/a
Planning Commission	2 nd and 4 th Tuesday at 7:00 pm	David Fu	n/a
Recreation Commission	2 nd Wednesday at 6:00 pm	Sharon Kwan	n/a
Senior Citizens Commission	1 st Thursday at 4:00 pm	Sharon Kwan	n/a
City Council Sub-Committee: LA28	Meetings called as needed	Michael Cao <i>(delegate)</i>	David Fu <i>(delegate)</i>
Arcadia Council PTA	Meetings called as needed	David Fu	Sharon Kwan
Chamber of Commerce	2 nd Tuesday at 8:00 am	David Fu	Paul Cheng
Clean Power Alliance	1st Thursday of each month at 1:00 pm (Dark in January)	David Fu	Dominic Lazzaretto
Foothill Workforce Development Board	Meetings called as needed	Sharon Kwan	n/a
Foothill Transit Authority	Last Friday at 8:00 am (January, March, May, August, & October)	David Fu	Sharon Kwan
L.A. County Division of the League	1 st Thursday at 7:00 pm <i>(January, March, June, August & December)</i>	Paul Cheng	Michael Cao
L.A. County Sanitation District ** (Districts 15 and 22)	4th Wednesday at 1:30 pm	Paul Cheng	David Fu
L.A. County City Selection Committee *	On Call	Paul Cheng	Michael Cao
Metro Gold Line Phase II JPA/Foothill Gold Line	2nd Thursday at 12:30 pm (Dark in August)	David Fu	Sharon Kwan
San Gabriel Valley Council of Governments	3rd Thursday at 4:00 pm	Paul Cheng	Michael Cao
San Gabriel Valley Council of Governments' 2028 Games Ad Hoc Committee	Meetings called as needed	Paul Cheng	n/a
San Gabriel Valley Mosquito and Vector Control District ***	2nd Friday at 7:00 am	Sho Tay (exp 12/31/29)	n/a
Southern California Association of Governments	1st Thursday in May	Paul Cheng	Michael Cao

*The Mayor and Mayor Pro Tem have traditionally been named the Delegate and Alternate for the L.A. County City Selection but not required.

**The Delegate to the Sanitation District must be the Mayor, but either the Delegate or Alternate may attend the meetings.

***In December 2025, the City Council appointed Council Member Tay to a 4-year term – term ends December 2029.

Agencies **highlighted** require Annual Form 700 filings and AB 1234 Training Certificates



ADMINISTRATIVE SERVICES DEPARTMENT

DATE: June 2, 2026

TO: Honorable Mayor and City Council

FROM: Henry Chen, Administrative Services Director

SUBJECT: STATEMENT OF INVESTMENT POLICY FOR FISCAL YEAR 2026-27
CEQA: Not a Project
Recommendation: Approve

SUMMARY

In compliance with the California Government Code Section 53646(a)(2) and the City's Statement of Investment Policy, investment responsibility must be delegated and the policy adopted annually. It is recommended that the City Council approve the updated Investment Policy for Fiscal Year 2026-27.

DISCUSSION

The Statement of Investment Policy provides guidelines for the prudent investment of City funds and to outline procedures for maximizing the efficiency of the City's cash management system. In addition to being in compliance with all applicable City resolutions, California statutes, and Federal regulations, the ultimate goal of the Statement of Investment Policy is to enhance the economic status of the City while protecting its invested funds.

The City's Statement of Investment Policy includes the following sections, and a copy of the policy is enclosed:

- Scope
- Objectives
- Delegation of Authority
- Prudence
- Ethics and Conflicts of Interest

Statement of Investment Policy for Fiscal Year 2026-27

June 2, 2026

Page 2 of 3

- Authorized Securities and Transactions
- Selection of Broker/Dealer
- Portfolio Maturities and Liquidity
- Competitive Transactions
- Safekeeping and Custody
- Portfolio Performance
- Reporting
- Policy Review

The City's Statement of Investment Policy has been carefully reviewed and the proposed changes for the Fiscal Year 2026-27 policy include:

- Adding language to specify that the final maturity of Federal Instruments should not exceed 5 years from the date of trade settlement.
- Senate Bill ("SB") 858 and 595 revised California Government Code Section 53601 to extend the maximum maturity for Commercial Paper, from 270 days to 397 days, effective January 1, 2026.

The changes are intended to comply with adopted laws as well as to conform with municipal best practices and recommendations from the City's investment advisors.

ENVIRONMENTAL ANALYSIS

The proposed action does not constitute a project under the California Environmental Quality Act ("CEQA"), and it can be seen with certainty that it will have no impact on the environment.

FISCAL IMPACT

There is no direct fiscal impact from adopting this Statement of Investment Policy; however, the document is intended to improve the overall fiscal health of the organization by prioritizing, in order, safety, liquidity, and yield when investing City funds.

RECOMMENDATION

It is recommended that the City Council find this action is not a project under the California Environmental Quality Act ("CEQA"); and approve the Statement of Investment Policy for Fiscal Year 2026-27.

Approved:



Dominic Lazzaretto
City Manager

Attachment: Proposed Statement of Investment Policy for Fiscal Year 2026-27

**City of Arcadia
Statement of Investment Policy
Fiscal Year 2026-27**

The City of Arcadia (the “City”), incorporated in 1903 is located approximately 20 miles northeast of downtown Los Angeles in the San Gabriel Valley, at the base of the San Gabriel Mountains. It is the site of the Santa Anita Park racetrack and home to the Los Angeles County Arboretum and Botanic Garden. The City is a charter city and operates under a council/manager form of government (Charter Section 300). The City is governed by a city council (the “Council”) of five members elected at-large (Charter Section 400), whom selects the City Manager (Charter Section 600). The Arcadia Redevelopment Agency is a component unit of the City, which was established in 1968 and governed by the same Council and City Manager. The Redevelopment Agency was ceased in 2013 due to a change in state law; however, the City remains the custodian of funds and serves as the Successor Agency to the Arcadia Redevelopment Agency. Hereinafter the City and Successor Agency are collectively referenced as the “the City”.

The Council has adopted this Investment Policy to establish the investment scope, objectives, delegation of authority, standards of prudence, reporting requirements, internal controls, eligible investments and transactions, diversification requirements, risk tolerance, and safekeeping and custodial procedures for the investment of the funds of the City. All City funds will be invested in accordance with this Investment Policy and with applicable sections of the California Government Code.

This Investment Policy was endorsed and adopted by the City Council of the City of Arcadia on June 4, 2024. It replaces any previous investment policy or investment procedures of the City, unless otherwise directed by the City Council.

SCOPE

The provisions of this Investment Policy shall apply to all financial assets of the City as accounted for in the City’s Annual Comprehensive Financial Report, except for retirement funds held in trusts. Deposits with banks under the provision California Government Code’s “Deposit of Funds” provisions are excluded from this Policy’s requirements.

All cash shall be pooled for investment purposes. The investment income derived from the pooled investment account shall be allocated to the contributing funds based upon the proportion of the respective balances relative to the total pooled balance in the investment portfolio. Investment income shall be distributed to the individual funds monthly.

OBJECTIVES

The City’s funds shall be invested in accordance with the City Municipal Code, all applicable City resolutions, California statutes, and Federal regulations, and in a manner designed to accomplish the following objectives, which are listed in priority order:

1. Preservation of capital and protection of investment principal.
2. Maintenance of sufficient liquidity to meet anticipated cash flows.

3. Attainment of a market rate of return.
4. Diversification to avoid incurring unreasonable market risks.

DELEGATION OF AUTHORITY

The management responsibility for the City's investment program is delegated annually by the City Council to the City Treasurer pursuant to California Government Code Section 53607. The City's Administrative Services Director also serves as the City Treasurer. The Administrative Services Director has been delegated by the City Manager to oversee the City's investment and finance operation and has ultimate responsibility of the investment operation. The Administrative Services Director may delegate the authority to conduct investment transactions and to manage the operation of the investment portfolio to the Accounting Supervisor. No person may engage in an investment transaction except as expressly provided under the terms of this Investment Policy.

The City Treasurer shall maintain a system of internal controls, consistent with this Investment Policy, for the operation of the City's investment program. Such a system shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of the City.

The City may engage the support services of outside investment advisors in regard to its investment program, so long as it can be clearly demonstrated that these services produce a net financial advantage or necessary financial protection of the City's financial resources.

PRUDENCE

The standard of prudence to be used for managing the City's investments shall be California Government Code Section 53600.3, the prudent investor standard, which states,

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 a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

The City's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The City recognizes that no investment is totally without risk and that the investment activities of the City are a matter of public record. Accordingly, the City recognizes that occasional measured losses may be desirable in a diversified portfolio and shall be considered within the context of the overall portfolio's return, provided that adequate diversification has been implemented and that the sale of a security is in the best long-term interest of the City.

The City Treasurer and authorized investment personnel acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes.

ETHICS AND CONFLICTS OF INTEREST

Elected officials and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the City's investment program or could impair or create the appearance of an impairment of their ability to make impartial investment decisions. Also, elected officials and employees involved in the investment process shall not participate in any decision on behalf of the City in which they have a financial interest as set forth in the Political Reform Act of the State of California and related regulations. The City Manager, the Administrative Services Director, City Treasurer, and any other staff authorized to engage in investment operation shall file a Statement of Economic Interests each year pursuant to California Government Code Section 87203 and regulations of the Fair Political Practices Commission.

AUTHORIZED SECURITIES AND TRANSACTIONS

All investments and deposits of the City shall be made in accordance with California Government Code Sections 16429.1, 53600-53609 and 53630-53686, except that, pursuant to California Government Code Section 5903(e), proceeds of bonds and any moneys set aside or pledged to secure payment of the bonds may be invested in securities or obligations described in the ordinance, resolution, indenture, agreement, or other instrument providing for the issuance of the bonds. Any revisions or extensions of these code sections will be assumed to be part of this Investment Policy immediately upon being enacted.

The City has further restricted the eligible types of securities and transactions as follows. Percentage holding limits listed in this Policy apply at the time the security is purchased. To promote diversification, no more than 5% of the portfolio may be invested in the securities of any one issuer, regardless of security type; excluding U.S. Treasuries, federal agencies, supnationals, and pooled investments such as LAIF, money market funds, or local government investment pools. Credit ratings, where shown, specify the minimum credit rating category required at purchase. Securities that have been downgraded after purchase to a level that is below the minimum ratings described herein may be sold or held at the City's discretion. The portfolio will be brought back into compliance with Investment Policy guidelines as soon as is practical.

1. United States Treasury bills, notes or bonds with a final maturity not exceeding five years from the date of trade settlement. There is no limitation as to the percentage of the City's portfolio that may be invested in this category.
2. Federal Instrumentality Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises with a final maturity not exceeding five years from the date of trade settlement. There is no limitation as to the percentage of the City's portfolio that may be invested in this category.
3. Repurchase Agreements with a final termination date not exceeding 30 days collateralized by U.S. Treasury obligations or Federal Instrumentality securities listed in items 1 and 2 above with the maturity of the collateral not exceeding five years. For the purpose of this section, the term collateral shall mean purchased securities under

the terms of the City's approved Master Repurchase Agreement. The purchased securities shall have a minimum market value including accrued interest of 102% of the dollar value of the funds borrowed. Collateral shall be held in the City's custodian bank, as safekeeping agent, and the market value of the collateral securities shall be marked-to-the-market daily.

Repurchase Agreements shall be entered into only with broker/dealers who are recognized as Primary Dealers with the Federal Reserve Bank of New York, or with firms that have a Primary Dealer within their holding company structure. Repurchase agreement counterparties shall execute a City approved Master Repurchase Agreement with the City. The City Treasurer shall maintain a copy of the City's approved Master Repurchase Agreement and a list of the broker/dealers who have executed same.

4. Supranational Obligations United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less from the date of trade settlement, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by one Nationally Recognized Statistical Rating Organizations ("NRSRO"). A maximum of 30% the City's portfolio may be invested in this category.
5. Prime Commercial Paper with a maturity not exceeding 397 days from the date of trade settlement with the highest ranking or of the highest letter and number rating as provided for by one NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either Subparagraph A or B below:
 - A. The entity shall (1) be organized and operating in the United States as a general corporation, (2) have total assets in excess of five hundred million dollars (\$500,000,000) and (3) have debt other than commercial paper, if any, that is rated in a rating category of "A" or the equivalent or higher by one NRSRO.
 - B. The entity shall (1) be organized within the United States as a special purpose corporation, trust, or limited liability company, (2) have program wide credit enhancements, including, but not limited to, over collateralization, letters of credit or surety bond, and (3) have commercial paper that is rated at least "A-1" or the equivalent by one NRSRO.

The aggregate investment in commercial paper shall not exceed 25% of the City's total portfolio. If the City's assets under management exceed \$100 million, then the aggregate investment in commercial paper shall not exceed 40% of the City's total portfolio.

6. Eligible Bankers Acceptances with a maturity not exceeding 180 days from the date of trade settlement, issued by a national bank with combined capital and surplus of at least \$250 million, whose deposits are insured by the FDIC, and whose senior long-term debt is rated in a rating category of "A" or the equivalent or higher by one NRSRO

at the time of purchase. The aggregate investment in banker's acceptances shall not exceed 15% of the City's total portfolio.

7. Medium Term Notes 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. Medium Term Notes must be rated in a rating category of "A" or higher by one NRSRO at the time of purchase with a final maturity not exceeding five years from the date of trade settlement. A maximum of 30% of the City's portfolio may be invested in this category.
8. Asset-Backed Securities A mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond For securities eligible for investment under this subdivision not issued or guaranteed by an agency or issuer identified in subdivisions (1) or (2) above, the following limitations apply:
 - A. The security shall be rated in a rating category of "AA" or its equivalent or better by one NRSRO and have a maximum remaining maturity of five years or less from the date of trade settlement.
 - B. A maximum of 20% of the City's portfolio may be invested in this category.
9. Negotiable Certificates of Deposit issued by a nationally or state-chartered bank, a savings association, or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposits are subject to the limitations of Section 53601(i), which limits the amount that may be invested in this category to 30% of the City's portfolio.
10. Non-Negotiable Certificates of Deposit issued by a nationally or state-chartered bank, a savings association, or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of non-negotiable certificates of deposits are subject to the requirements of Sections 53601(n) and 53638 and shall be fully insured by the FDIC or NCUA with a corresponding certification number. A maximum of 20% the City's portfolio may be invested in this category.
11. Placement Service Deposits Private sector entities may be used to place bank deposits subject to the limitations of Sections 53601.8. All deposits shall be fully insured by the FDIC. A maximum of 20% the City's portfolio may be invested in this category.
12. State of California's Local Agency Investment Fund (LAIF), pursuant to California Government Code Section 16429.1. The maximum amount of the City's portfolio that may be invested in this category is subject to LAIF's limit for general accounts.
13. Money Market Funds registered under the Investment Company Act of 1940 that (1) are "no-load" (meaning no commission or fee shall be charged on purchases or sales of shares); (2) are Government Money Market Funds; and (3) have a rating of at least

AAA or the equivalent by one NRSRO. The aggregate investment in money market funds shall not exceed 20% of the City's total portfolio.

14. Local Government Investment Pools 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 Government Code. The City will limit investments to LGIPs that have a rating of AAA or the equivalent by one NRSRO.

15. Municipal & State Obligations:

- A. Municipal bonds including registered notes or bonds of any of the 50 states, 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 50 states.
- B. In addition, bonds, notes, warrants, or other evidence of indebtedness of any local agency in 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.

Municipal bonds must be rated in a rating category of "A" or the equivalent or higher by one NRSRO with maturities not exceeding five years from the date of trade settlement. The aggregate investment in municipal bonds may not exceed 20% of the portfolio.

PROHIBITED INVESTMENTS

The City shall not invest in any investment authorized by the Government Code but not explicitly listed in this Policy without the prior approval of the City Council. Furthermore, the City will not invest in inverse floaters, range notes, mortgage-derived, interest-only strips, or any security that could result in zero interest accrual if held to maturity, except as allowed by Government Code Section 53601.6. The City may hold any previously permitted but currently prohibited investments until their maturity dates.

SELECTION OF BROKER/DEALERS

The City Treasurer, after review and approval by the Administrative Services Director and City Manager, shall maintain a list of broker/dealers approved for investment purposes, and it shall be the policy of the City to purchase securities only from those authorized firms. To be eligible, a firm must be licensed by the State of California as a broker/dealer as defined in Section 25004 of the California Corporations Code. Broker/dealers will be selected on the basis of their expertise in public cash management and their ability to provide service to the City's account.

The City may engage the services of investment advisory firms to assist in the management of the portfolio and investment advisors may utilize their own list of approved Broker/Dealers. Such Broker/Dealers will be licensed by the State of California as a broker/dealer as defined in Section 25004 of the California Corporations Code and the list of approved firms shall be provided to the City on an annual basis or upon request. The

investment advisory firms shall perform due diligence reviews on all the brokers included on their list, and ensure all purchases are allowable by this investment policy.

In the event that an external investment advisor is not used in the process of recommending a particular transaction in the City's portfolio, authorized broker/dealers shall attest in writing that they have received and reviewed a copy of this Policy.

The City may purchase commercial paper from direct issuers even though they are not on the approved broker/dealer list as long as they meet the criteria outlined in Item 4 of the Authorized Securities and Transactions section of this Investment Policy.

PORTFOLIO MATURITIES AND LIQUIDITY

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. The City will not invest in securities maturing more than five years from the date of trade settlement.

COMPETITIVE TRANSACTIONS

All investment transactions shall be conducted competitively with authorized broker/dealers. At least three broker/dealers shall be contacted for each transaction and their bid or offering prices shall be recorded.

If the City is offered security for which there is no other readily available competitive offering, then City Treasurer will document quotations for comparable or alternative securities.

SAFEKEEPING AND CUSTODY

The City Treasurer, after review and approval by the Administrative Services Director and City Manager, shall select one or more banks to provide safekeeping and custodial services for the City, in accordance with the provisions of Section 53608 of the California Government Code. A Safekeeping Agreement approved by the City shall be executed with each custodian bank prior to utilizing that bank's safekeeping services.

Custodian banks will be selected based on their ability to provide services for the City's account and the competitive pricing of their safekeeping-related services.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. All securities shall be perfected in the name of the City. Sufficient evidence to title shall be consistent with modern investment, banking and commercial practices.

All investment securities purchased by the City will be delivered by book entry and will be held in third-party safekeeping by a City approved custodian bank or its Depository Trust Company ("DTC") participant account.

All Fed wireable book entry securities owned by the City shall be held in the Federal Reserve System in a customer account for the custodian bank which will name the City as "customer."

All DTC eligible securities shall be held in the custodian bank's DTC participant account and the custodian bank shall provide evidence that the securities are held for the City as "customer."

PORTFOLIO PERFORMANCE

The investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements. The performance of the City's investments shall be compared to the average yield on the U.S. Treasury security that most closely corresponds to the portfolio's weighted average effective maturity.

REPORTING

Monthly, the City Treasurer shall submit to the Administrative Services Director, the City Manager, and the City Council a report of the investment earnings including weighted average rate of return and performance results of the City's investment portfolio. The report shall include the following information:

1. Investment type, issuer, date of maturity, par value, and dollar amount invested in all securities, investments, and monies held by the City;
2. A description of the funds, investments, and programs;
3. A monthly report of investment transactions;
4. A market value as of the date of the report (or the most recent valuation as to assets not valued monthly) and the source of the valuation;
5. A statement of compliance with the investment policy or an explanation for non-compliance; and
6. A statement of the ability to meet expenditure requirements for six months, and an explanation of why money will not be available if that is the case.

POLICY REVIEW

This Investment Policy shall be adopted annually by the City Council. It shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity, yield, and diversification and its relevance to current law and economic trends. Amendments to this Investment Policy shall be approved by the Council.



HUMAN RESOURCES DEPARTMENT

DATE: June 2, 2026

TO: Honorable Mayor and City Council

FROM: Anely Williams, Human Resources Director
By: Sairy Stepanian, Human Resources Manager

SUBJECT: PROFESSIONAL SERVICES AGREEMENT WITH LIEBERT CASSIDY WHITMORE IN AN AMOUNT NOT TO EXCEED \$75,000 IN FISCAL YEAR 2026-27 TO FINALIZE CURRENTLY IN-PROCESS LEGAL SERVICES; AND PROFESSIONAL SERVICES AGREEMENT WITH ATKINSON, ANDELSON, LOYA, RUUD & ROMO FOR PROFESSIONAL LEGAL SERVICES IN THE FULL SCOPE OF SPECIALIZED LABOR AND EMPLOYMENT MATTERS, IN AN AMOUNT NOT TO EXCEED \$285,000, OVER A TWO-YEAR PERIOD
CEQA: Not a Project
Recommendation: Approve

SUMMARY

The City of Arcadia utilizes specialized legal services to support operations, including labor relations, employment matters, personnel administration, and compliance with various federal and state employment laws applicable to California public agencies. To ensure the City continues to receive responsive, high-quality, and cost-effective legal representation and advisory services, the City initiated a Request for Proposals (“RFP”) from qualified firms specializing in public sector labor and employment law in the State of California.

It is recommended that the City Council approve, authorize, and direct the City Manager to execute a Professional Services Agreement with Atkinson, Andelson, Loya, Ruud & Romo (“AALRR”) in an amount not to exceed \$285,000 for the duration of the two-year term. Specifically, it is expected that the total cost for services will not exceed \$140,000 in Fiscal Year 2026-27, and \$145,000 in Fiscal Year 2027-28. The amount for Fiscal Year 2026-27 has already been included in the operating budget, and future contract years will be adequately funded through the annual budget

process. A copy of the proposed Professional Services Agreement is included as Attachment No. 1.

Additionally, it is recommended that the City Council approve, authorize, and direct the City Manager to execute a Professional Services Agreement with Liberty Cassidy Whitmore ("LCW"), in an amount not to exceed \$75,000 during Fiscal Year 2026-27, to finalize all pending matters during the transition period. This amount has already been included in the Human Resources Department's operating budget.

BACKGROUND

California public agencies operate within a highly regulated environment that requires ongoing legal guidance and representation related to labor relations, employment practices, personnel administration, and compliance with complex federal and state laws. The City routinely encounters matters requiring specialized labor and employment legal expertise, including disciplines, grievance procedures, labor negotiations, workplace investigations, disability accommodation matters, litigation defense, leave management, and compliance with statutory employment obligations.

For many years, the City has had an agreement for such legal services with Liebert Cassidy Whitmore ("LCW"). The City's existing labor and employment legal services agreement with LCW will conclude on June 30, 2026. To ensure the City continues to receive comprehensive and effective legal support, the City issued an RFP for professional legal services for labor and employment matters.

The purpose of the RFP was to identify one or more qualified law firm(s) with extensive public sector experience. A firm that is capable of providing strategic legal guidance, responsive client service, practical risk management solutions, and cost-effective representation across a broad spectrum of labor and employment matters.

DISCUSSION

Services in relation to labor and employment legal counsel are essential to support the City's operational needs, minimize liability exposure, maintain lawful employment practices, and provide effective representation in personnel-related matters.

Professional Services Agreements for Professional Legal Services

June 2, 2026

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The RFP sought legal firms with demonstrated expertise in representing California public agencies in a wide range of areas, including, but not limited to, employment law compliance and advisory services, benefits and retirement, labor relations and collective bargaining, litigation and administrative proceedings, constitutional and civil rights issues, and general legal counsel support.

A total of eleven (11) qualified proposals were received, with the complete list of proposers shown below:

Professional Law Firm	Maximum Cost Per Hour
Jones Mayer Law	\$300
Law Offices of Angel Ho	\$350
Aleshire & Wynder	\$395
Richards, Watson & Gershon ("RWG")	\$419
Colantuono, Highsmith & Whatley	\$425
Lewis Brisbois	\$450
Liebert Cassidy Whitmore ("LCW")	\$500
Atkinson, Andelson, Loya, Ruud & Romo ("AALRR")	\$550
Renne Public Law Group	\$575
Kronick Moskowitz Tiedemann & Girard	\$600
Alvarez-Glasman & Colvin	Retainer of \$25,500 per month

All proposals were evaluated based on criteria established in the RFP by the review committee. Following a comprehensive review process of the submitted proposals, five (5) proposals were selected to move forward to the interview process: Aleshire & Wynder; Atkinson, Andelson, Loya, Ruud & Romo; Colantuono, Highsmith & Whatley; Liebert Cassidy Whitmore; and Richards, Watson & Gershon.

The rates shown in the table above are based on maximum hourly billing rates for attorneys at the partner level. However, four of the five proposals that were selected to move forward presented a compensation structure that is based on hourly billing rates, ranging from paralegals to associates to partners, as shown below. Accordingly, actual costs incurred by the City will vary depending on the scope, complexity, and duration of services requested.

Professional Services Agreements for Professional Legal Services

June 2, 2026

Page 4 of 6

Professional Law Firm	Paralegals	Associates	Partners
Aleshire & Wynder	\$200	\$315	\$395
Colantuono, Highsmith & Whatley	N/A	\$395 - \$415	\$425
Liebert Cassidy Whitmore	\$190	\$390	\$500
Atkinson, Andelson, Loya, Ruud & Romo	\$205	\$325	\$550
Richards, Watson & Gershon	\$419 (Attorney Rate)		

Following interviews with these firms, Atkinson, Andelson, Loya, Ruud & Romo (“AALRR”), were identified as the most qualified firm based on the strength and completeness of its proposal, breadth of legal services, demonstrated public sector experience, qualifications of assigned attorneys, references, approach and ability to provide practical legal advice, responsiveness, and overall pricing structure. A full-service law firm founded in 1979, AALRR and its team of 300 attorneys have extensive experience providing legal services and strategic advice to public sector clients throughout California. AALRR has indicated that they exercise cost-conscious billing practices by assigning matters to personnel whose level of experience and expertise is appropriate for the nature of the work being performed. Routine or administrative matters are generally delegated to paralegals or associates with lower billing rates, ranging from \$205 - \$325 per hour, while more complex legal matters requiring specialized expertise are handled by attorneys at the partner level, ranging from \$385 - \$550 per hour.

AALRR has also stated that, to promote efficiency in both time and cost, they communicate expected billing parameters to associates to ensure assignments are completed without unnecessary expenditure of time. Further, AALRR does not delegate assignments to associates if it is more cost effective and efficient for a partner to provide a response quickly, rather than an associate taking time to research the inquiry. This staffing approach is intended to promote efficiency, maintain high-quality legal services, and ensure the prudent use of public funds. Although AALRR’s partner-level rate can reach a maximum of \$550 per hour, actual billing will not be based on this rate alone and will be carefully monitored to ensure highest quality of work produced while maintaining fiscal responsibility.

As a result of this comprehensive RFP review process, AALRR will become the City’s new law firm for labor and employment matters, effective July 1, 2026. However, a

limited one-year extension of the City's existing Professional Services Agreement with LCW is necessary through June 30, 2027, to allow for the completion and transition of ongoing matters initiated under the existing LCW agreement. While the City is entering into a new Professional Services Agreement with AALRR for legal, labor, and employment services, several active projects and assignments remain pending with LCW. Extending the existing agreement with LCW for a defined transitional period will ensure continuity of services to facilitate the completion of outstanding items. There will be no new legal matters assigned to LCW if it is expected that such matters will extend beyond June 30, 2026. Instead, such legal matters and services will transition to AALRR pursuant to the proposed agreement, effective July 1, 2026.

The proposed Professional Services Agreement ("PSA") with AALRR would establish an initial two-year term, with compensation in an amount not to exceed \$285,000, with the option to extend the agreement for an additional one-year term upon mutual written agreement of the parties. Additionally, the proposed PSA with LCW extends the existing term for one additional year, with compensation not to exceed \$75,000 for Fiscal Year 2026-27.

ENVIRONMENTAL ANALYSIS

The proposed action does not constitute a project under the California Environmental Quality Act ("CEQA"), based on Section 15061(b)(3) of the CEQA Guidelines, as it can be seen with certainty that it will have no impact on the environment.

FISCAL IMPACT

The Professional Services Agreement between AALRR and the City is based on a two-year term in an amount not to exceed \$285,000, from July 1, 2026, through June 30, 2028, as shown below.

- Fiscal Year 2026-27: \$140,000
- Fiscal Year 2027-28: \$145,000

Additionally, the extension of the existing contract with LCW is based on a one-year term, in an amount not to exceed \$75,000 from July 1, 2026, through June 30, 2027.

Sufficient funds have been allocated in the Human Resources Department's FY 2026-27 Operating Budget for a total anticipated cost of \$245,000. Future contract year(s) will be accounted for through the annual budget process.

RECOMMENDATION

It is recommended that the City Council determine that these actions do not constitute a project under the California Environmental Quality Act ("CEQA"); and approve, authorize, and direct the City Manager to execute a Professional Services Agreement with Atkinson, Andelson, Loya, Ruud & Romo for labor and employment legal services, in an amount not to exceed \$285,000, over a two-year period; and approve, authorize, and direct the City Manager to execute a one-year extension to the Professional Services Agreement with Liebert Cassidy Whitmore ("LCW"), in an amount not to exceed \$75,000 during Fiscal Year 2026-27.

Approved:



Dominic Lazzaretto
City Manager

Attachment No. 1: Proposed Professional Services Agreement with Atkinson, Andelson, Loya, Ruud & Romo ("AALRR")

Attachment No. 2: Proposed Professional Services Agreement with Liebert Cassidy Whitmore ("LCW")

**CITY OF ARCADIA
PROFESSIONAL SERVICES AGREEMENT REGARDING
PROFESSIONAL LEGAL SERVICES**

This Agreement is made and entered into as of 20by and between the City of Arcadia, a municipal corporation organized and operating under the laws of the State of California with its principal place of business at 240 West Huntington Drive, Arcadia, California 91066 ("City"), and , a with its principal place of business at (hereinafter referred to as "Consultant"). City and Consultant are sometimes individually referred to as "Party" and collectively as "Parties" in this Agreement.

RECITALS

A. City is a public agency of the State of California and is in need of professional services for the following project:

Professional Legal Services Program (hereinafter referred to as "the Project").

B. Consultant is duly licensed and has the necessary qualifications to provide such services.

C. The Parties desire by this Agreement to establish the terms for City to retain Consultant to provide the services described herein.

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

Consultant shall provide the City with the services described in the Scope of Services attached hereto as Exhibit "A."

2. Compensation.

a. Subject to paragraph 2(b) below, the City shall pay for such services in accordance with the Schedule of Charges set forth in Exhibit "B."

b. In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of \$_____. Periodic payments shall be made within 30 days of receipt of an invoice which includes a detailed description of the work performed. Payments to Consultant for work performed will be made on a monthly billing basis.

3. Additional Work.

If changes in the work seem merited by Consultant or the City, and informal consultations with the other party indicate that a change is warranted, it shall be processed in the following manner: a letter outlining the changes shall be forwarded to the City by Consultant with a statement of estimated changes in fee or time schedule. An amendment to this Agreement shall be prepared by the City and executed by both Parties before performance of such services, or the City will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the contract period and for four (4) years from the date of final payment under the contract for inspection by City.

5. Term

The term of this Agreement shall be from **July 1, 2026** to **June 30, 2028** and may be extended for one (1) additional year upon mutual written agreement of the Parties, unless otherwise terminated as specified herein. The City maintains the right to terminate this Agreement at any time during the life of the Agreement upon sixty (60) days written notice. The Parties may, by mutual, written consent, extend the term of this Agreement further, if necessary, to complete the Project. Consultant shall perform its services in a prompt and timely manner within the term of this Agreement and shall commence performance upon receipt of written notice from the City to proceed ("Notice to Proceed"). The Notice to Proceed shall set forth the date of commencement of work.

6. Delays in Performance.

a. Neither City nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint.

b. Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

7. Compliance with Law.

a. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government, including Cal/OSHA requirements.

b. If required, Consultant shall assist the City, as requested, in obtaining and maintaining all permits required of Consultant by federal, state and local regulatory agencies.

c. If applicable, Consultant is responsible for all costs of clean up and/ or removal of hazardous and toxic substances spilled as a result of his or her services or operations performed under this Agreement.

8. Standard of Care

Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

9. Assignment and Subconsultant

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the City, which may be withheld for any reason. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement. Nothing contained herein shall prevent Consultant from employing independent associates, and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

10. Independent Contractor

Consultant is retained as an independent contractor and is not an employee of City. No employee or agent of Consultant shall become an employee of City. The work to be performed shall be in accordance with the work described in this Agreement, subject to such directions and amendments from City as herein provided.

11. Insurance. Consultant shall not commence work for the City until it has provided evidence satisfactory to the City it has secured all insurance required under this section. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

a. Commercial General Liability

(i) The Consultant shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to the City.

(ii) Coverage for Commercial General Liability insurance shall be at least as broad as the following:

(1) Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 00 01) or exact equivalent.

(iii) Commercial General Liability Insurance must include coverage for the following:

- (1) Bodily Injury and Property Damage
- (2) Personal Injury/Advertising Injury
- (3) Premises/Operations Liability
- (4) Products/Completed Operations Liability
- (5) Aggregate Limits that Apply per Project
- (6) Explosion, Collapse and Underground (UCX) exclusion deleted
- (7) Contractual Liability with respect to this Agreement
- (8) Property Damage
- (9) Independent Consultants Coverage

(iv) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; (3) products/completed operations liability; or (4) contain any other exclusion contrary to the Agreement.

(v) The policy shall give City, its officials, officers, employees, agents and City designated volunteers additional insured status using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage. Consultant may provide blanket endorsements to meet the Additional Insured requirement in this written contract. However, all subcontractors' endorsements shall specifically name the City, its elected officials, officers, employees, volunteers, boards, agents, and representatives as additional insureds and blanket endorsements are not acceptable.

(vi) The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the City, and provided that such deductibles shall not apply to the City as an additional insured.

b. Automobile Liability

(i) At all times during the performance of the work under this Agreement, the Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the City.

(ii) Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 00 01 covering automobile liability (Coverage Symbol 1, any auto).

(iii) The policy shall give City, its officials, officers, employees, agents and City designated volunteers additional insured status. Consultant may provide blanket endorsements to meet the Additional Insured requirement in this written contract. However, all subcontractors' endorsements shall specifically name the City, its elected officials, officers, employees, volunteers, boards, agents, and representatives as additional insureds and blanket endorsements are not acceptable.

(iv) Subject to written approval by the City, the automobile liability program may utilize deductibles, provided that such deductibles shall not apply to the City as an additional insured, but not a self-insured retention.

c. Workers' Compensation/Employer's Liability

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) To the extent Consultant has employees at any time during the term of this Agreement, at all times during the performance of the work under this Agreement, the Consultant shall maintain full compensation insurance for all persons employed directly by him/her to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof, and Employer's Liability Coverage in amounts indicated herein. Consultant shall require all subconsultants to obtain and maintain, for the period required by this Agreement, workers' compensation coverage of the same type and limits as specified in this section.

d. Professional Liability (Errors and Omissions)

At all times during the performance of the work under this Agreement the Consultant shall maintain professional liability or Errors and Omissions insurance appropriate to its profession, in a form and with insurance companies acceptable to the City and in an amount indicated herein. This insurance shall be endorsed to include contractual liability applicable

to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

e. Minimum Policy Limits Required

(i) The following insurance limits are required for the Agreement:

	<u>Combined Single Limit</u>
Commercial General Liability	\$1,000,000 per occurrence/\$2,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	\$1,000,000 per occurrence for bodily injury and property damage
Employer's Liability	\$1,000,000 per occurrence
Professional Liability	\$1,000,000 per claim and aggregate (errors and omissions)

(ii) Defense costs shall be payable in addition to the limits.

(iii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. Any available coverage shall be provided to the parties required to be named as Additional Insured pursuant to this Agreement.

f. Evidence Required

Prior to execution of the Agreement, the Consultant shall file with the City evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 00 01 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with required endorsements. All evidence of insurance shall be signed by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

g. Policy Provisions Required

(i) Consultant shall provide the City at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to the City at least ten (10) days prior to the effective date of cancellation or expiration. Consultant may provide blanket endorsements to meet the Additional Insured requirement in this written contract. However, all subcontractors' endorsements shall specifically name the City, its elected officials, officers, employees, volunteers, boards, agents, and representatives as additional insureds and blanket endorsements are not acceptable.

(ii) The Commercial General Liability Policy and Automobile Policy shall each contain a provision stating that Consultant's policy is primary insurance and that any insurance, self-insurance or other coverage maintained by the City or any named insureds shall not be called upon to contribute to any loss.

(iii) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(iv) All required insurance coverages, except for the professional liability coverage, shall contain or be endorsed to waiver of subrogation in favor of the City, its officials, officers, employees, agents, and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

(v) The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve the Consultant from liability in excess of such coverage, nor shall it limit the Consultant's indemnification obligations to the City and shall not preclude the City from taking such other actions available to the City under other provisions of the Agreement or law.

h. Qualifying Insurers

(i) All policies required shall be issued by acceptable insurance companies, as determined by the City, which satisfy the following minimum requirements:

(1) Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and admitted to transact in the business of insurance in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

i. Additional Insurance Provisions

(i) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the City, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(ii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Consultant or City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, City may cancel this Agreement.

(iii) The City may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(iv) Neither the City nor any of its officials, officers, employees, agents or volunteers shall be personally responsible for any liability arising under or by virtue of this Agreement.

j. Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to the City that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name the City as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. All subcontractors' endorsements shall specifically name the City, its elected officials, officers, employees, volunteers, boards, agents, and representatives as additional insureds and blanket endorsements are not acceptable. If requested by Consultant, City may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

12. Indemnification.

a. To the fullest extent permitted by law, Consultant shall defend (with counsel of City's choosing), indemnify and hold the City, its officials, officers, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action,

costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project or this Agreement, including without limitation the payment of all damages, expert witness fees and attorney's fees and other related costs and expenses. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant, the City, its officials, officers, employees, agents, or volunteers.

b. To the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's obligations under the above indemnity shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, but shall not otherwise be reduced. If Consultant's obligations to defend, indemnify, and/or hold harmless arise out of Consultant's performance of "design professional services" (as that term is defined under Civil Code section 2782.8), then upon Consultant obtaining a final adjudication that liability under a claim is caused by the comparative active negligence or willful misconduct of the City, Consultant's obligations shall be reduced in proportion to the established comparative liability of the City and shall not exceed the Consultant's proportionate percentage of fault.

13. California Labor Code Requirements.

a. Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects ("Prevailing Wage Laws"). If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$15,000 or more for maintenance or \$25,000 or more for construction, alteration, demolition, installation, or repair, Consultant agrees to fully comply with such Prevailing Wage Laws. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Section 1777.1).

b. If the services are being performed as part of an applicable "public works" or "maintenance" project and if the total compensation is \$15,000 or more for maintenance or \$25,000 or more for construction, alteration, demolition, installation, or repair, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all

subconsultants performing such services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants, as applicable. This Project may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements.

c. This Agreement may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements. Any stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor that affect Consultant's performance of services, including any delay, shall be Consultant's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Consultant caused delay and shall not be compensable by the City. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor.

14. Verification of Employment Eligibility.

By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subconsultants and sub-subconsultants to comply with the same.

15. Laws and Venue.

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of Los Angeles, State of California.

16. Termination or Abandonment

a. City has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days written notice to Consultant. In such event, City shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. City shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually

agreed to by City and Consultant of the portion of such task completed but not paid prior to said termination. City shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to City only in the event of substantial failure by City to perform in accordance with the terms of this Agreement through no fault of Consultant.

17. Documents. Except as otherwise provided in "Termination or Abandonment," above, all original field notes, written reports, Drawings and Specifications and other documents, produced or developed for the Project shall, upon payment in full for the services described in this Agreement, be furnished to and become the property of the City.

18. Organization

Consultant shall assign as Project Manager. The Project Manager shall not be removed from the Project or reassigned without the prior written consent of the City.

19. Limitation of Agreement.

This Agreement is limited to and includes only the work included in the Project described above.

20. Notice

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

CITY:

City of Arcadia

240 West Huntington Drive

Arcadia, CA 91066

Attn: Anely Williams, Human Resources

CONSULTANT:

and shall be effective upon receipt thereof.

21. Third Party Rights

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the City and the Consultant.

22. Equal Opportunity Employment.

Consultant represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

23. Entire Agreement

This Agreement, with its exhibits, represents the entire understanding of City and Consultant as to those matters contained herein, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement.

24. Severability

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the provisions unenforceable, invalid or illegal.

25. Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of each party to this Agreement. However, Consultant shall not assign or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations without the prior written consent of City. Any attempted assignment without such consent shall be invalid and void.

26. Non-Waiver

None of the provisions of this Agreement shall be considered waived by either party, unless such waiver is specifically specified in writing.

27. Time of Essence

Time is of the essence for each and every provision of this Agreement.

28. City's Right to Employ Other Consultants

City reserves its right to employ other consultants, including engineers, in connection with this Project or other projects.

29. Prohibited Interests

Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no director, official, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

[SIGNATURES ON FOLLOWING PAGE]

DRAFT

**SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF ARCADIA
AND**

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

CITY OF ARCADIA

By: _____
Dominic Lazzaretto
City Manager

Date: _____

By: _____
Signature

Its: _____

ATTEST:

By: _____
City Clerk

Printed Name

Date: _____

APPROVED AS TO FORM

By: _____
Michael J. Maurer
City Attorney

By: _____
Signature

Its: _____

Printed Name

EXHIBIT A
Scope of Services

DRAFT

EXHIBIT B

Schedule of Charges/Payments

Consultant will invoice City on a monthly cycle. Consultant will include with each invoice a detailed progress report that indicates the amount of budget spent on each task. Consultant will inform City regarding any out-of-scope work being performed by Consultant. This is a time-and-materials contract.

DRAFT

Proposal to Provide
Professional Legal Services

Submitted to:
City of Arcadia
Arcadia, California



CITY OF
ARCADIA

March 16, 2026

Your challenges are unique. Our *solutions* are too.

169

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

CERRITOS
(562) 653-3200

FRESNO
(559) 225-6700

IRVINE
(949) 453-4260

MARIN
(628) 234-6200

PASADENA
(628) 583-8600

A PROFESSIONAL LAW CORPORATION

ATTORNEYS AT LAW

3880 LEMON STREET, SUITE 350
RIVERSIDE, CALIFORNIA 92501-3667
(951) 683-1122

FAX (951) 683-1144
WWW.AALRR.COM

PLEASANTON
(925) 227-9200

SACRAMENTO
(916) 923-1200

SAN DIEGO
(858) 485-9526

WESTLAKE VILLAGE
(805) 446-4141

EXECUTIVE SUMMARY

March 16, 2026

City of Arcadia
Attn: City Clerk
240 West Huntington Drive
Arcadia, CA 91007

Submitted via FedEx

Re: Executive Summary – Request for Proposal (RFP) for Professional Legal Services

AALRR is a full-service law firm with more than 300 attorneys based in ten offices throughout California. The Firm has had the distinct and long-standing privilege of providing quality legal services and strategic advice to our public sector clients. We have over 45 years of experience handling labor and employment matters including but not limited to advice and counsel, discrimination, harassment, and retaliation claims, leaves of absence, investigations, disciplinary actions, grievances, labor relations and collective bargaining, unfair labor practice defense, benefits and retirement, litigation, civil rights, wage and hour, training, and other advice and counsel matters. Additional qualifications include the following:

Proven track record – AALRR has been providing quality legal services and strategic advice to hundreds of cities, counties, and special districts throughout California for more than four decades. We understand your business and your challenges, and our experienced attorneys deliver prompt, practical advice to meet those challenges.

Specialization – Our attorneys specialize in various areas of the law, and we design our teams specifically to bring the required expertise to any matter, including labor and employment, collective bargaining, investigations, discipline, and compliance.

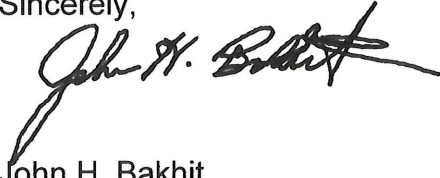
Preventive and budget-minded approach – We stay ahead of problems by anticipating them and work to resolve issues as quickly as possible, which helps keep legal costs down. We are very mindful of the budgetary constraints on public agencies, and we deliver outstanding service in the most cost-effective way possible.

Responsiveness – Our clients consistently attest to our responsiveness to their inquiries. Our priority is to ensure that we are always accessible to you in order to provide timely and effective counsel. We have a firm-wide policy that all inquiries (i.e., phone, email, etc.) must be addressed within 24 hours.

I, John Bakhit, will serve as the City's primary contact. I am authorized to contractually bind the organization and to negotiate a contract on behalf of the Firm. I can be reached at (951) 990-2877 or john.bakhit@aalrr.com. Please do not hesitate to contact me should you have any questions or need clarification regarding our proposal or the Firm's qualifications.

On behalf of our proposed team of attorneys and everyone at AALRR, we look forward to the opportunity to provide exceptional professional legal services for the City of Arcadia.

Sincerely,



John H. Bakhit
Partner
Atkinson, Andelson, Loya, Ruud & Romo

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ATKINSON, ANDELSON, LOYA, RUUD & ROMO

CERRITOS
(562) 653-3200

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(925) 227-9200

SACRAMENTO
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SAN DIEGO
(858) 485-9526

WESTLAKE VILLAGE
(805) 446-4141

STATEMENT OF UNDERSTANDING

March 16, 2026

City of Arcadia
Attn: City Clerk
240 West Huntington Drive
Arcadia, CA 91007

Submitted via FedEx

Re: Statement of Understanding – Request for Proposal (RFP) for Professional Legal Services

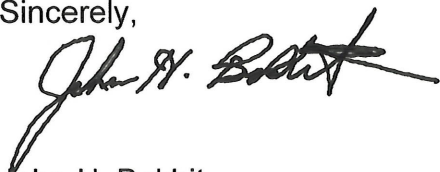
Atkinson, Andelson, Loya, Ruud & Romo (“AALRR” or “the Firm”) is pleased to respond to the Request for Proposal (“RFP”) for Professional Legal Services for the City of Arcadia (“City”). We are confident that the Firm has the necessary experience and resources to provide the services as requested by the City as we have over 45 years of experience handling labor and employment matters for our clients.

AALRR understands that the City seeks a law firm, or multiple law firms, to support them in the handling of labor and employment matters including but not limited to advice and counsel, discrimination, harassment, and retaliation claims, leaves of absence, investigations, disciplinary actions, grievances, labor relations and collective bargaining, unfair labor practice defense, benefits and retirement, litigation, civil rights, wage and hour, training, and other advice and counsel matters pertinent for the City.

I, John Bakhit, will serve as the City’s primary contact. I am authorized to contractually bind the organization and to negotiate a contract on behalf of the Firm. Our proposal is a firm and irrevocable offer. I can be reached at (951) 990-2877 or john.bakhit@aalrr.com. Please do not hesitate to contact me should you have any questions or need clarification regarding our proposal or the Firm’s qualifications.

On behalf of our proposed team of attorneys and everyone at AALRR, we look forward to the opportunity to provide exceptional professional legal services for the City of Arcadia.

Sincerely,

A handwritten signature in black ink, appearing to read "John H. Bakhit". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

John H. Bakhit
Partner
Atkinson, Andelson, Loya, Ruud & Romo

FIRM PROFILE AND KEY PERSONNEL

Background of the Firm

Founded in 1979, AALRR is a California corporation and full-service law firm that has grown steadily over the years in response to client demand. AALRR has both the experience and resources to successfully serve the City in all capacities identified in their RFP. The Firm employs more than 300 attorneys across ten offices and seven practice groups that specialize in specific areas of law, including Public Entity Labor and Employment. Our employment attorneys are unrivaled, and we are experts in the field with our clients benefiting from the depth and breadth of our experience.

The Firm has more than 45 years of experience representing public entity clients in all aspects of labor and employment matters. We represent cities, counties, housing authorities, transit agencies, California administrative agencies, law enforcement and fire agencies, and special districts. We serve as trusted advisors to our clients who seek our expertise for their toughest cases, requesting advice on novel and gray-area legal issues; asking us to negotiate labor contracts where the parties have strained relationships; engaging us for complex investigations; and retaining us to defend their interests in employment litigation. We have developed long-term relationships with clients due to our understanding of the issues faced by public entities and focus on achieving effective results. Our attorneys have been recognized throughout the State as being the top within their fields of practice.

At AALRR, we put the client's needs first. We understand the budgetary constraints faced by public agencies and, accordingly, we work to ensure that our client's resources are utilized in the most effective manner possible. We take pride in our demonstrated commitment to respond quickly to client inquiries and thus have a firm-wide policy that all communications received from our clients must be responded to within 24 hours. Our attorneys are available at any time to field questions from clients whenever the need arises, including the evenings and on weekends. Our priority is to ensure that we are always accessible to you in order to provide timely and effective services as needed.

Primary Contact

Partner John Bakhit will continue to serve as the City's primary contact. Mr. Bakhit is authorized to contractually bind the organization and to negotiate a contract on behalf of the Firm. He is based out of our Riverside office (3880 Lemon Street, Suite 350, Riverside, CA 92501), which will also be the primary office from which services are provided. Mr. Bakhit can be reached at 951-990-2877 or john.bakhit@aalrr.com.

Key Personnel

Please see below for brief overviews of the attorneys proposed for the City. For more information regarding these personnel (i.e., resumes), please see Appendix 1: Attorney Biographies.

Partner and Proposed Lead John Bakhit

John H. Bakhit provides advice and counsel to public entities and represents them in collective bargaining, disciplinary matters, auditing/updating policies and procedures, conducting internal investigations, training, and other labor and employment matters. Mr. Bakhit has devoted his legal career to labor and employment law where he has represented public sector bargaining units and their members in matters arising out of the Public Safety Officers Procedural Bill of Rights (“POBR”), the Firefighters Procedural Bill of Rights (“FBOR”), the California Labor Code, the Meyers-Milias-Brown Act (“MMBA”), and the Higher Education Employer/Employee Relations Act (“HEERA”). Mr. Bakhit also served as general counsel and chief negotiator for public sector bargaining units, where he regularly represented clients in contract negotiations with city, county, and state entities, meet & confers, and unfair labor practice charges in front of the Public Employment Relations Board (“PERB”).

Years Admitted to the California State Bar: 20 years

Partner Kevin Dale

Kevin Dale represents cities, counties, housing authorities, water agencies, and other types of special districts. He has successfully defended employers in a variety of matters including discrimination/harassment claims, grievances, wage and hour disputes, and unfair labor practices. Mr. Dale also assists employers in complying with due process procedures related to employee discipline and dismissal matters. As an experienced labor negotiator, Mr. Dale represents employers at the bargaining table and has prepared numerous agreements with various types of bargaining units. He serves as a chief labor negotiator for several employers, and also serves in a supporting role to employer bargaining teams.

Years Admitted to the California State Bar: 25 years

Partner Sarah Martoccia

Sarah Martoccia has over two decades of experience working in public employment law. She has worked on matters involving the Fair Labor Standards Act (“FLSA”), the Family Medical Leave Act (“FMLA”), and other employment law issues. She has researched and drafted Petitions for Writs of Mandate and Appellate Briefs and argued motions before the Superior Court and the California Court of Appeal. Ms. Martoccia began her legal

career representing law enforcement unions and their employees. In that capacity, she represented hundreds of peace officers during the internal affairs investigation process. She has significant experience with the POBR and has successfully argued violations of the Act both before hearing bodies and in court. Ms. Martoccia has represented officers during the Skelly process and at post-disciplinary appeal hearings.

Having spent several years on the other side of the investigatory process, Ms. Martoccia now brings her unique experience to the management side. She is able to identify potential arguments that may be made by a public safety employee, as well as guide the agency through the entire disciplinary process while avoiding POBR violations and other legal pitfalls.

Years Admitted to the California State Bar: 29 years

Partner Irma Rodriguez Moisa

Irma Rodriguez Moisa brings over 30 years of experience to her work as a labor negotiator and trial attorney. She is recognized as one of the top Labor and Employment lawyers in the state for her outstanding results for her clients handling their most complex and sensitive matters. Ms. Rodriguez Moisa works with public and private employers in the areas of labor negotiations, labor disputes, unfair practice charges, employee leaves, employee discipline, and all facets of equal employment opportunity law. Ms. Rodriguez Moisa is known for her pragmatic approach to challenging legal issues and for her direct communication style.

Years Admitted to the California State Bar: 34 years

Of Counsel Susan Jerich

Susan Jerich has over 30 years of experience in the legal profession. Ms. Jerich handles a variety of subject matters in her labor and employment practice including harassment, retaliation, and wrongful termination. Prior to joining AALRR, Ms. Jerich worked as a local and federal prosecutor in the San Francisco Bay Area where she served five years in the San Francisco District Attorney's office, and seven years as an Assistant U.S. Attorney. When Ms. Jerich relocated to Southern California, she worked for twelve years for the largest employee-side law firm that primarily represents public safety unions and their employees. In this role, Ms. Jerich advised public sector clients including, for example, police officers, sheriff's deputies, probation officers, and firefighters. In this capacity, Ms. Jerich represented employees in disciplinary investigations through the disciplinary appeal process.

Years Admitted to the California State Bar: 29 years

Associate Brittany de la Torre

Brittaney de la Torre provides advice and counsel for employers with respect to labor and employment law. Ms. de la Torre handles matters involving employment policies and procedures, litigation, investigations, leaves of absence, discrimination, harassment, employee discipline, wrongful termination, retaliation, Private Attorneys General Act (“PAGA”), compliance with state and federal labor laws, and wage and hour.

Years Admitted to the California State Bar: 9 years

EXPERIENCE

Public Sector Experience

AALRR has more than 45 years of experience representing public entity clients in all aspects of labor and employment matters. We represent cities, counties, housing authorities, transit agencies, California administrative agencies, water districts, law enforcement and fire agencies, and special districts. AALRR provides broad governance representation. We render advice and consultation on notice and agenda requirements; regular, special, and emergency meeting legal requirements; assistance in preparation for board and committee meetings; and address issues that arise during meetings including questions regarding rules of Parliamentary Procedure, conflicts of interest, closed sessions, quorum and voting requirements, and other related meeting matters.

As noted above, we assist in identifying and resolving potential conflicts of interest for board members and staff under state laws such as the Brown Act, California Political Reform Act, California Government Code Section 1090 *et seq.*, common law conflict and bias issues, gift, travel, and loan restrictions for board members and staff, incompatible offices and activities proscriptions, and ethics training for board members and staff. When needed, we represent our clients in litigating complex provisions of the California Fair Political Practices Act and similar state regulations.

The Firm also provides on-going assistance in complying with public records requirements, including the California Public Records Act and similar laws in other states, and the federal Freedom of Information Act (“FOIA”). Our services include advice regarding responses to requests made pursuant to such statutes, providing tutorials on complying with laws regarding maintenance of electronic records and documents, and advising our clients with respect to preparing and maintaining records retention policies consistent with FOIA and good public agency practice. We also assist with code enforcement matters, including compliance with administrative procedures and the filing of actions to carry out administrative rules and regulations.

Labor and Employment

Our legal services include the full range of management-side labor and employment legal services including personnel administration; disciplinary and grievance hearings; PERS audits; disability, retirement, health, and welfare benefits; EEO issues, including discrimination, harassment, and whistleblower claims; wage and hour, including FLSA collective actions; investigations, litigation, training; reasonable accommodation; and employee leaves.

The Firm has drafted and reviewed employment contracts and application forms for all categories of public employees. We provide a broad range of services related to employee health and welfare benefits, including reviewing agreements for insurance and other services, as well as advising agencies regarding appropriate implementation of those agreements.

Our experience before administrative agencies related to labor and employment relations includes PERB, the California Fair Employment and Housing Commission, United States Equal Employment Opportunity Commission, the United States Department of Education, Office for Civil Rights, the California Department of Labor Standards Enforcement, the Unemployment Compensation Board, and the Occupational Safety and Health Administration.

Labor Relations and Collective Bargaining

AALRR represents public agencies throughout California in collective bargaining negotiations, labor relations, meet and confer issues, and in grievance arbitrations. Our attorneys have provided a broad range of services in the labor negotiations arena from serving as chief labor negotiator, “behind the scenes” advice and counsel to the bargaining team and reviewing Memoranda of Understanding (“MOU”) language after a deal has been reached. Our attorneys have bargained dozens of MOU’s and side agreements with various bargaining units, including: ATU, SEIU, AFSCME, Teamsters, IBEW, CEA, POA’s, FFA’s, management, and Engineers and Architects.

Our labor relations practice covers all aspects of the relationship between employers, employees, and labor unions throughout California and across the country. We work with employers who have collective bargaining relationships on issues including negotiations, conduct fact-finding when necessary, grievance handling, arbitrations, strikes, and other issues in a unionized workplace. We also work with employers who have no union relationship on issues of lawfully remaining union-free. Several of our attorneys formerly practiced at the National Labor Relations Board (“NLRB”), providing us with the advantage of an insider’s perspective on the law.

Grievance, Mediation, Arbitration

In addition to assisting employers in collective bargaining negotiations, the Firm represents them in collective bargaining disputes, including grievance proceedings involving arbitration, as well as defense of unfair labor practice complaints and related procedures with PERB. This representation extends from the initial filing of a charge through the formal PERB hearing and the appeal process.

Litigation

Our public agency clients often become involved in administrative proceedings and civil litigation disputes. This litigation encompasses the full range of public law issues, including compliance with the Brown Act, Public Records Act, conflict of interest laws, tort litigation, land use disputes, ordinance enforcement, construction contract disputes, allocation of water resources, eminent domain and inverse condemnation, fees and charges under Articles XIII C and D of the California Constitution (Propositions 218 & 26), and validation of bond issuances. It also includes disputes over water rights and water supply.

Ralph M. Brown Act and the Public Records Act

AALRR attorneys are well versed in all aspects of the Ralph M. Brown Act, the Public Records Act, conflict of interest provisions, and other laws pertaining to board governance. We provide legal interpretations, advice, and training to boards, administrators, and board staff, working proactively to reduce exposure to challenges under these laws.

Disciplinary Actions

Many of our attorneys specialize in employee discipline and dismissal and we have successfully assisted numerous clients in handling hundreds of cases. We draft letters of reprimand, notices of unprofessional or unsatisfactory service, and suspension and dismissal charges. The Firm has extensive experience representing public agencies in contested evidentiary hearings and, when necessary, subsequent appeal proceedings in state court. Our thorough preparation for disciplinary hearings frequently leads an employee to resign pursuant to a settlement agreement prior to the hearing. We also represent public agencies with respect to the retention and release of administrators and are recognized as state-wide experts in employee layoffs and reductions in force.

Our attorneys have decades of experience handling all aspects of employee discipline, including drafting *Skelly* notices, and preparing for and presenting the client's case in dismissal and other disciplinary hearings. We also represent clients through further legal

proceedings on disciplinary matters, including writs of mandate and appeals of disciplinary decisions, and litigation related to allegations of discrimination in employment. We represent a number of clients that operate with a personnel commission.

Investigations

Investigating internal employee complaints often involves complex personnel and legal issues. The quality of an investigation becomes the deciding factor in resolving an internal complaint or key evidence if the matter goes to court. AALRR attorney investigators have the knowledge and experience needed to conduct appropriate, fact-based investigations. Our attorneys perform insightful witness interviews, thorough and impartial evaluations of evidence, and careful credibility analyses. The breadth of our experience and clientele allows us to provide clients with insight and knowledge of best practices and industry standards.

AALRR attorney investigators provide impartial, thorough, efficient, cost-effective, and prompt investigations. We are further adept at handling high-level, critical investigations that require sensitivity, diplomacy, and focus. An improperly conducted investigation can cause significant problems, including loss of employee morale, destruction of confidentiality, unwanted media attention, and potential litigation.

Human Resources Plans and Policies

AALRR attorneys assist employers in drafting comprehensive policies and procedures, employee handbooks and manuals, and employment agreements that ensure compliance with California's comprehensive employment laws and are structured in a clear and concise manner for ease of implementation. Our attorneys also conduct comprehensive Human Resources and wage and hour compliance audits to help clients reduce liability and streamline processes.

Discrimination and Harassment

Preventing unlawful discrimination and harassment begins with sound policies that are properly communicated and implemented. Our attorneys draft, update, and assist with implementation of effective policies against discrimination and harassment on the basis of sex, race, religion, disability, and other protected classifications. We conduct management and supervisory training to prevent unlawful harassment and guide employers through independent workplace investigations. We advise employers on avoiding claims of discrimination or minimizing liability for these claims. Our attorneys have decades of experience representing management in federal and state court and in administrative charges before the Equal Employment Opportunity Commission and Department of Fair Employment and Housing.

Privacy Issues

Our attorneys routinely counsel employers with respect to employee privacy matters. We assist employers in developing or evaluating personnel policies dealing with privacy issues, including employee drug testing procedures, monitoring employees' telephone, e-mail, and Internet use, electronic surveillance countermeasures and computer examinations, and employer use of consumer, credit, motor vehicle, and criminal background investigations and reports during the hiring or promotion process.

Occupational Health and Safety Laws

We counsel clients in prevention of workplace health and safety issues with an eye toward achieving practical compliance with applicable federal and state requirements. We also represent employers during safety and health inspections by federal OSHA and state occupational safety agencies. We handle litigation before courts and government agencies relating to workplace health and safety issues.

Leaves of Absence

The laws governing leaves of absence top the list of most confounding laws for employers large and small. AALRR attorneys routinely navigate employers through the maze of leave laws and the interplay between the FMLA, California Family Rights Act ("CFRA"), Americans with Disabilities Act ("ADA"), Fair Employment and Housing Act ("FEHA"), Pregnancy Disability Leave, and Workers' Compensation. Explaining the law, formulating practical and creative compliance strategies, and remaining sensitive to an employers' need to continue operating their businesses is at the forefront of the advice and counsel provided by our attorneys on these matters. We also assist with implementing preventative policies concerning leaves.

State Disability/Unemployment Insurance Laws

There are a growing number of appeals of decisions by the Employment Development Department ("EDD") granting or denying unemployment compensation benefits. AALRR attorneys are available to advise or represent clients in these administrative proceedings.

Compensation and Benefits

We prepare and review compensation and benefits packages that are equitable to both the employee and the organization. We regularly assist clients with developing and adopting employment agreements and compensation arrangements. We also review and advise clients on various employee benefit plans including Section 125 cafeteria plans and health and welfare benefit plans. AALRR represents public sector clients regarding

their 403(b), 457, and other qualified plans, including drafting plan amendments, interpreting plan provisions and preparing submissions to the IRS voluntary compliance program. Firm attorneys also have experience assisting clients through PERS audits, including preemptively performing audits to determine if a client is in compliance, allowing them to correct errors before CalPERS becomes aware of them.

Workers' Compensation

AALRR defends all aspects of Workers' Compensation claims including §132(a) discrimination claims, claims for serious and willful misconduct, and subrogation claims. We also coordinate defenses pertaining to FEHA and the ADA. Our attorneys regularly make appearances at all Workers' Compensation Appeals Boards throughout California.

Whistleblower/Retaliation

AALRR has handled many cases involving "whistleblower" complaints brought pursuant to provisions of the Government, and Labor Codes. These claims require particularized handling due to the different burden of proof standards. We also regularly advise and represent our clients in dealing with claims of retaliation brought by employees.

FLSA/Wage and Hour

We are frequently requested to provide advice on a wide range of issues relating to the FLSA and California's Wage Orders and to represent our clients in state and federal litigation involving these issues. We also conduct preventative audits of employers' compliance with these laws as well as represent employers in investigations conducted by the United States Department of Labor's Wage and Hour Division and California's Division of Labor Standards Enforcement.

Business License

Please see attached as part of Appendix 2: Business License.

REFERENCES

Name of Agency	City of Redlands
Contact Name/Title	Yvette Abich Garcia, Esq., City Attorney
Business Address	300 E. State Street, Suite 690, Redlands, CA 92373
Phone Number	(909) 798-7510
Email Address	ygarcia@cityofredlands.com

Area of Services Provided	Collective Bargaining, Investigations, Training, Advice and Counsel Regarding Labor/Employment and Intellectual Property matters.
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Name of Agency	City of Fontana
Contact Name/Title	Rakesha Voss, Director of Human Resources and Risk Management
Business Address	17001 Upland Avenue, Fontana, CA 92335
Phone Number	(909) 350-7648
Email Address	rvoss@fontanaca.gov
Area of Services Provided	Collective Bargaining, Investigations, Training, Advice and Counsel Regarding Labor/Employment matters, Civil Litigation Defense, Grievances, Meet and Confers, and Auditing/Updating Policies, Procedures, and Personnel Rules.

Name of Agency	Chino Valley Fire District
Contact Name/Title	Anthony Arroyo, Human Resources Director
Business Address	14011 City Center Drive, Chino Hills, CA 91709
Phone Number	(909) 315-8804
Email Address	aarroyo@chofire.org
Area of Services Provided	Collective Bargaining, Investigations, Training, Advice and Counsel Regarding Labor/Employment matters.

APPROACH AND WORK PLAN

AALRR's approach for the City will be built upon three core principles: proactive compliance, strategic risk mitigation, and collaborative problem-solving. We understand that they are committed to maintaining a legally sound, equitable, and efficient workplace environment, and we are prepared to continue serving as trusted advisors in navigating the increasingly complex landscape of public sector labor and employment law. With decades of combined experience advising municipalities, AALRR provides timely and tailored guidance that will continue to support the City's goals, including their operational continuity, legal compliance, effective labor relations, and more.

We emphasize legal accuracy, responsiveness, and strategic alignment with the City's goals. The Firm will be sure to review any recent challenges from the City, and we will tailor our services to the City's unique labor dynamics and compliance priorities. Our services will involve all areas of the City's Scope, including but not limited to advice and counsel on labor and employment matters, collective bargaining and labor relations, disciplinary actions, investigations, public employee retirement systems, claims and

grievances, mediations and arbitrations, compensation, conflict of interest management, workplace training, litigation support, civil rights issues, and more. As the City is aware, AALRR attorneys do not simply advise on what is legally permissible; rather, Firm attorneys will collaborate with City leadership to identify practical, forward-thinking solutions that balance legal risk, operational needs, and public accountability.


AALRR stays current with legal developments and changes to laws via continuing education, conference attendance, regular review of case law, and relevant journals and treatises. We have substantial expertise in all aspects of labor and employment, and the attorneys we propose to serve the City have decades of experience serving public entity clients in that capacity. The methods through which we can keep the City informed as to the status of legal matters are heavily dependent upon the wishes and preferences of the City. While the actual methods would be tailored to conform to the City's requests, communications would generally come in two primary forms: 1) regular and routine communications to keep the City informed as to active matters and coordinate relative to any information needed, and 2) scheduled information updates on an as-needed basis.

The City can expect to receive as much time and attention as business needs dictate and as they desire. AALRR has a broad and deep bench of attorneys who can make themselves available to field questions from clients whenever a need arises, including after hours and on weekends. The Firm's policy is to respond to all client inquiries within twenty-four hours, but response times are usually much sooner. Our priority is to ensure prompt accessibility in responding to client issues.

Partner John Bakhit will act as the principal attorney responsible for the City, and he will act as their primary point of contact. Mr. Bakhit will promptly assess requests for legal support from the City and propose appropriate staffing as needed based on an individual attorney's background and experience. Our attorneys will work alongside City staff to ensure that our guidance is implementable and understood. We will also provide behind-the-scenes support for City stakeholders as needed.

SCOPE OF WORK

AALRR understands from the City's Scope of Work that they seek a law firm that can provide comprehensive labor and employment services tailored to their unique operational, regulatory, and governance realities. As the Firm partners proactively with our clients' executive leadership, human resources professionals, risk managers, and governing boards, we ensure that all employment counsel provided by us will be legally sound, strategically aligned, and defensible.



With respect to wage and hour compliance, our attorneys deliver detailed analysis and practical guidance under FLSA and other California wage and hour laws. This includes employee classification determinations (exempt and non-exempt), overtime and regular rate analysis, compensation audits, and focused reviews of job descriptions and actual duties to mitigate misclassification risk. Our approach combines technical statutory compliance with pragmatic operational insight, ensuring compensation structures and timekeeping practices that withstand scrutiny while remaining administrative.

We advise on compliance with FEHA and the ADA, guiding clients through the interactive process, reasonable accommodation determinations, and disability-related inquiries. Firm attorneys provide strategic counsel on leaves of absence, including the FMLA, CFRA, Pregnancy Disability Leave, and related statutory and regulatory frameworks. Our guidance is designed to harmonize overlapping leave laws, minimize disruption to operations, and reduce exposure to interference, discrimination, or retaliation claims.

In addition, we assist in the development, revision, and implementation of personnel policies, civil service rules, and employee handbooks to ensure internal governance documents reflect current law and best practices. We provide real-time advice regarding discipline, investigations, adverse actions, and due process requirements, including Skelly procedures and evidentiary standards. From initial complaint intake through final employment action, we ensure that investigative findings and disciplinary decisions are well-documented, procedurally sound, and defensible.

The Firm supports its clients in navigating the complex regulatory environment governing employee benefits. We regularly advise public agencies regarding CalPERS matters, including contract interpretation, amendments, audit responses, and retirement eligibility determinations. Our attorneys are experienced in advising on Industrial Disability Retirement and service retirement issues, and we represent clients in CalPERS administrative proceedings and appeals, safeguarding agency interests while ensuring adherence to statutory and regulatory mandates.

Regarding labor relations, Firm attorneys serve as strategic partners in collective bargaining and workforce management. We advise on labor relations strategy and meet-and-confer obligations under the Meyers-Milius-Brown Act, including the negotiation of MOUs, side letters, and ground rules agreements. Our representation extends through impasse procedures, mediation, fact-finding, and interest arbitration. We also represent clients before PERB and other administrative bodies, advocating effectively in unfair practice charges, representation matters, and related proceedings.

When disputes arise, Firm attorneys provide vigorous and strategic litigation defense of employment-related claims, administrative charges, and civil lawsuits in state and federal courts. We represent clients before administrative agencies, including the Equal Employment Opportunity Commission, and the Department of Labor. Our philosophy

emphasizes early case assessment and pre-litigation counseling to mitigate risk, control costs, and position matters for efficient resolution, whether through negotiated settlement, dispositive motion practice, or trial.

We also counsel clients on complex constitutional and civil rights issues that increasingly interfere with public employment. This includes guidance on First Amendment matters involving employee speech and political activity, due process and equal protection claims, and allegations of discrimination, harassment, or retaliation. We advise on religious accommodation and free exercise concerns, balancing employee rights with operational and safety considerations to ensure compliance with evolving legal standards.

Beyond that, our attorneys also provide ongoing legal counsel support, offering timely advice and review of correspondence, contracts, agreements, and other employment-related documents. Firm attorneys are accessible, responsive, and attuned to the practical realities of public service. By combining technical excellence with strategic foresight, we help our clients maintain compliant workplaces, foster positive labor relations, and confidently navigate California's complex employment law landscape.

CONTRACT PERFORMANCE, LITIGATION, AND CONFLICT DISCOURSE

Indicate if at any time during the past five years, proposer has had a contract terminated for convenience, non-performance, or any other reason, or has entered into legal action with a client. Describe the situation(s) including name and address of contracting party and circumstances.

The Firm does not disclose information pertaining to contract terminations, even those that may be considered public record, to uphold confidentiality and maintain professional discretion. Notwithstanding the foregoing, claims against the Firm are extremely rare. The Firm aggressively defends itself in such instances and all closed matters have been confidentially resolved in favor of the Firm.

Additionally, disclose any existing or reasonably foreseeable conflict of interest.

The Firm conducted an internal conflict check prior to submitting its response to this RFP and is currently unaware of any actual conflicts of interest with the City.

SCHEDULE OF CHARGES/COSTS

Hourly Rates

AALRR is always mindful of the larger budgetary reality facing the public sector. Our bench strength enables us to draw upon a broad spectrum of resources to efficiently and fully respond to our clients' needs, and our dedication to keeping clients up-to-date on our efforts and expenditures, which will avoid billing surprises for the City.

Among our public sector clients, AALRR is known for our competitive rates, fair billing practices, and the value received for the cost of legal services provided. Our clients receive exceptional value for the cost of legal services provided. The Firm bills in one-tenth of an hour (6-minute) increments. Actual rates billed depend upon years of experience and areas of expertise.

Resource	Hourly Rates
Partners, Of Counsel	\$385 – \$550
Associates	\$275 – \$325
Paralegals	\$205

Other Expenses

An administrative fee may be applied to each bill in lieu of charging for telephone costs, incoming and outgoing faxes, photocopies, postage, automobile mileage, parking, document preparation/word processing, and computer-based research (e.g., Westlaw). The Firm bills actual cost for messenger/courier fees, witness/court/jury fees and bonds, deposition and court reporter/transcript fees, and any other external consultant fees. We also bill for travel time and expenses. We do not anticipate significant travel costs for the City.

Sample Invoice

Please see attached behind this page for a sample AALRR invoice.

ATKINSON, ANDELSON, LOYA, RUUD & ROMO
PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
12800 CENTER COURT DRIVE, SUITE 300
CERRITOS, CALIFORNIA 90703
(562) 653-3200

Billing questions: invoices@aaltr.com

CLIENT'S NAME
ATTN:
ADDRESS

FEBRUARY 28, 2026
INVOICE NO. 12345
CLIENT NO. 00000
ATK
PAGE: 1

This Statement is payable in full upon presentation. Amounts remaining unpaid after 30 days shall be subjected to service charge of 1.0% per month. Annual rate of 12%

ATTORNEY-CLIENT PRIVILEGE

PLEASE INCLUDE INVOICE NUMBER ON REMITTANCE

ENCLOSED PLEASE FIND STATEMENT DATED FEBRUARY 28, 2026 ITEMIZING CURRENT PROFESSIONAL SERVICES AND DISBURSEMENTS.

MATTER/DESCRIPTION	FEES	DISB	TOTAL
MATTER NAME - 00001	0.00	0.00	0.00
TOTAL FEBRUARY BILLING			0.00

ATKINSON, ANDELSON, LOYA, RUUD & ROMO
 PROFESSIONAL CORPORATION
 ATTORNEYS AT LAW
 12800 CENTER COURT DRIVE, SUITE 300
 CERRITOS, CALIFORNIA 90703
 (562) 653-3200

Billing questions: invoices@aalrr.com

CLIENT'S NAME
 ATTN:
 ADDRESS

FEBRUARY 28, 2026
 INVOICE NO. 12345
 CLIENT NO. 00000
 ATK
 PAGE: 2

This Statement is payable in full upon presentation. Amounts remaining unpaid after 30 days shall be subjected to service charge of 1.0% per month. Annual rate of 12%

ATTORNEY-CLIENT PRIVILEGE
 PLEASE INCLUDE INVOICE NUMBER ON REMITTANCE

MATTER NAME - 00001

Date	DESCRIPTION OF TASK	Atty.	Hrs.	Amt.
02/24/26		ATK	0.00	0.00
CURRENT FEES:				\$ 0.00

FEE SUMMARY

NAME	RANK	INT	RATE	HOURS	AMOUNT
TIMEKEEPER		ATK	0.00/hr.	0.00	0.00
FEE SUMMARY TOTAL					0.00
TOTAL MATTER BILLING					0.00
TOTAL CURRENT FEES					0.00
TOTAL CURRENT DISBURSEMENTS					0.00

ACCOUNT STATUS THROUGH THIS STATEMENT

CURRENT	1 MONTH	2 MONTHS	3 MONTHS	4 & OVER	TOTAL DUE
0.00	0.00	0.00	0.00	0.00	0.00

APPENDIX 1: ATTORNEY BIOGRAPHIES



aa/rr Atkinson, Andelson
Loya, Ruud & Romo
A Professional Law Corporation

John H. Bakhit
Partner
951-990-2877
John.Bakhit@aalrr.com

John H. Bakhit is a Partner in our Riverside and Cerritos offices where he provides advice and counsel to public entities and represents them in collective bargaining, disciplinary matters, auditing/updating policies and procedures, conducting internal investigations, training, and other labor and employment matters.

Prior to entering law school, Mr. Bakhit served as an Oakland Police Officer working in Patrol and the Crime Prevention Unit where he investigated crimes and regularly wrote and served search warrants, worked undercover, and testified as an expert witness in court.

Mr. Bakhit has devoted his legal career to labor and employment law where he has represented public sector bargaining units and their members in matters arising out of the Public Safety Officers Procedural Bill of Rights (POBR), the Firefighters Procedural Bill of Rights (FBOR), the California Labor Code, the Meyers-Milias-Brown Act (MMBA), and the Higher Education Employer/Employee Relations Act (HEERA). Prior to representing public entities, Mr. Bakhit represented hundreds of individual peace officers, firefighters, and attorneys in administrative cases, critical incidents, and criminal cases. Mr. Bakhit also served as general counsel and chief negotiator for public sector bargaining units, where he regularly represented clients in contract negotiations with city, county, and state entities, meet & confers, and unfair labor practice charges in front of the Public Employment Relations Board (PERB).

Mr. Bakhit's more than 15 years of experience from the labor side is a unique asset that allows him to effectively and efficiently deal with issues at the earliest stages, as he is able to anticipate and address the various concerns and angles that will likely be brought up by employee

OFFICES

12800 Center Court Drive
Suite 300
Cerritos, CA 90703

3880 Lemon Street
Suite 350
Riverside, CA 92501

INDUSTRIES

Public Educational Agencies &
Institutions
Public Entities

EDUCATION

J.D., Santa Clara University School
of Law
B.A., Columbia College, *magna
cum laude*

ADMISSIONS

2006, California

PRACTICE AREAS

Advice & Counsel
Collective Bargaining
COVID-19
Disciplinary Matters
Labor & Employment Law
Public Safety

www.aalrr.com

John H. Bakhit

organizations.

Mr. Bakhit is also a POST-Certified instructor who is often called upon by organizations to give lectures and provide training on POBR, FBOR, disciplinary investigations, critical incident investigations, labor relations, unfair labor practices, and other labor and employment related matters.

During law school, Mr. Bakhit was awarded the Law Faculty Scholarship and the Certificate for Excellence in Oral Advocacy. He also completed an internship with the Santa Clara County District Attorney's Office where he was assigned to the Gang Unit.

Honors & Recognitions

Mr. Bakhit was recognized by Martindale Hubbell® with the highest Peer Review Rating of "AV Preeminent."

Mr. Bakhit was also recognized by Martindale Hubbell® with the highest client review rating of "Platinum Client Champion."

Firm News

AALRR Announces 2024 Equity and Non-Equity Partners
01.23.2024

Atkinson, Andelson, Loya, Ruud & Romo Welcomes John Bakhit as Of Counsel
02.24.2022

Alerts & Articles

California Supreme Court Strikes Down Penal Code §148.6(a)(2) as Unconstitutional
11.13.2025

Ramp Up of Employers-Focused Immigration Crackdowns Underway—What Employers Can Do to Prepare
06.20.2025

BWC Footage and CPRA Update (Third Circuit Court of Appeal Decision)
06.12.2025

Public Safety Officers Procedural
Bill of Rights Act

Workplace Training

LANGUAGES

Arabic, Spanish

John H. Bakhit

Schneider Case Regarding Brady Requirements vs. Pitchess
06.12.2025

Ninth Circuit Upholds Jury Verdict Regarding Negligence in Police Restraint Death Case Even When No Excessive Force Was Used
05.02.2025

California Appellate Court Rules that County was Required to Meet and Confer with Recognized Bargaining Unit Over the Implementation of New Legislative Changes Under Limited Circumstances
11.27.2024

PERB Provides Clarity on Risk for Repeated Labor Violations in Context of Interest Arbitration Bargaining Dispute
05.05.2023

Title 5 Amendments for Campus Climate and Public Safety Requirements – Is Your Campus Ready?
10.12.2022

PERB Reinforces Deferral to Arbitration Doctrine in Context of Retaliation Unfair Practice Claims Brought Under MMBA
10.10.2022

California Appellate Court Rules That School District Entitled to Retain Unused Hardship Funding Provided by the State of California
05.27.2022

California Appellate Court Rules that State Labor Law Preempts a Voter-Approved Measure Setting City Firefighter Salaries
03.30.2022

A California Appellate Court Rules that Digital In-Car Video System Recording Was Properly Allowed as Evidence at Police Officers' Termination Hearings
01.12.2022

Blog Posts

California Court of Appeal Clarifies Law Enforcement Agency Liability for Safeguarding Peace Officer Personnel Information (AKA "Pitchess") and Duties to Investigate Citizen Complaints
Public Safety Law Blog, 05.02.2025

Public Employment Relations Board Finds Pitchess Process Applies to Information Request for Peace Officer Personnel Records Arising Outside Labor or Arbitration Dispute
Public Safety Law Blog, 02.05.2025

John H. Bakhit

AALRR Attorney Presenting 2-day POST-Certified OIS Investigations Course at La Mesa PD
Public Safety Law Blog, 10.10.2024

AALRR Attorney Presenting 2-day POST-Certified OIS Investigations Course at Long Beach PD
Public Safety Law Blog, 06.05.2024

AALRR Attorney Presenting 2-day POST-Certified OIS Investigations Course at Davis PD
Public Safety Law Blog, 03.15.2024

Legal Update Impacting Confidentiality of Peace Officers' Personnel Files – Senate Bill 400
Public Safety Law Blog, 03.15.2024

Cannabis Use – California's Commission on Peace Officer Standards and Training ("POST") Issues Bulletin on Legislative Changes Affecting Selection Standards
Public Safety Law Blog, 12.18.2023

AALRR Attorney Presenting 2-day POST-Certified OIS Investigations Course at Rialto PD
Public Safety Law Blog, 10.18.2023

AALRR Attorney Presenting 2-day POST-Certified OIS Investigations Course at Riverside PD
Public Safety Law Blog, 08.09.2023

Court of Appeal Further Clarifies POBR 1-Year Statute of Limitations
Public Safety Law Blog, 03.30.2023

California Court of Appeal Rules on Statute of Limitations Under POBRA
Public Safety Law Blog, 02.10.2023

AALRR Attorney Presenting Two-Day POST-Certified OIS Investigations Course
Public Safety Law Blog, 02.06.2023

Community & Professional

Mr. Bakhit sits on boards of numerous non-profit organizations and foundations and is currently involved with the following organizations:

Sophia's Mission (www.sophiajmission.org), Board of Directors

Cops Direct (www.copsdirect.org), Board of Directors

IMVR (website coming soon), Board of Directors

Kevin R. Dale

Partner
949-453-4260
kdale@aalrr.com



Kevin Dale is the Chair of the Public Entity Labor and Employment Practice Group, and his clients include cities, counties, housing authorities, water agencies, and other types of special districts. He has earned a reputation of serving as a trusted legal advisor and providing practical advice aimed at resolving employment issues at the lowest level possible. He has successfully defended employers in a variety of matters including discrimination/harassment claims, grievances, wage and hour disputes, and unfair labor practices. Mr. Dale also assists employers in complying with due process procedures related to employee discipline and dismissal matters.

Mr. Dale's clients include police departments and fire departments, and he is experienced in administering both the Public Safety Officer and Firefighter Procedural Bill of Rights Acts.

As an experienced labor negotiator, Mr. Dale represents employers at the bargaining table and has prepared numerous agreements with various types of bargaining units. Mr. Dale serves as a chief labor negotiator for several employers, and also serves in a supporting role to employer bargaining teams.

Firm News

AALRR Announces New Equity and Non-Equity Partners
01.09.2018

OFFICE

20 Pacifica
Suite 1100
Irvine, CA 92618

EDUCATION

J.D., Loyola Law School
B.S., California State University,
Fresno

ADMISSIONS

2001, California
U.S. District Courts, Central and
Eastern Districts of California

PRACTICE AREAS

Collective Bargaining & Labor
Relations
Education
Investigations
Labor & Employment Law
Litigation
Public Safety
Water Law
Workplace Training

Kevin R. Dale

AALRR Attorneys to Present at Major Conferences and Workshops This Summer
07.06.2017

AALRR Names New Partners
01.18.2013

Events & Speaking Engagements

Elevate Your Employment Law Game – AALRR's 26th Annual Employment Law Conference
Cerritos Center for the Performing Arts, 03.19.2026

Alerts & Articles

Ninth Circuit Upholds Jury Verdict Regarding Negligence in Police Restraint Death Case Even When No
Excessive Force Was Used
05.02.2025

California Supreme Court Recognizes Expansive Wage and Hour Exemptions for Public Entities from PAGA
Penalties and Certain Labor Code Provisions
08.30.2024

Public Employment Relations Board Provides Rare Overview of the Qualified Right to Strike in Context of Pre-
Impasse "Protest" Strike
08.05.2024

PERB Provides Guidance on Bargaining Obligations Post-Accretion
01.12.2024

Blog Posts

California Court of Appeal Clarifies Law Enforcement Agency Liability for Safeguarding Peace Officer
Personnel Information (AKA "Pitchess") and Duties to Investigate Citizen Complaints
Public Safety Law Blog, 05.02.2025

California Supreme Court Upholds Implemented Furloughs of State Employees
Labor & Employment Law Blog, 10.08.2010

Community & Professional

Mr. Dale's community involvement includes service as a Personnel Commissioner for the City of Clovis, and as a Legislative Director of the Human Resource Association of Central California. He is a veteran and served six years of active duty in the U.S. Marine Corps and attained the rank of sergeant. Following his military service, Mr. Dale became a reserve deputy sheriff with the Fresno County Sheriff's Department and worked

Kevin R. Dale

uniformed patrol.

Sarah J. Martoccia

Partner
562-653-3200
Sarah.Martoccia@aalrr.com



My goal is to make each client feel as if they are my most important client.

Sarah Martoccia has over two decades of experience working in public employment law. Her role at AALRR as Public Safety Group Leader was due in part to her range of expertise which includes negotiating and drafting Memoranda of Understandings for unions; preparing and trying disciplinary appeal hearings before various administrative bodies, including Civil Service Commissions, Personnel Boards, and arbitrators; and drafting, filing, and trying employment grievances on numerous issues before City Managers, City Councils, and other hearing officers. She has worked on matters involving the Fair Labor Standards Act, the Family Medical Leave Act, Public Safety Officers Procedural Bill of Rights Act (POBR) and the Firefighters Procedural Bill of Rights Act (FBOR) and other employment law issues. She has researched and drafted Petitions for Writs of Mandate and Appellate Briefs and argued motions before the Superior Court and the California Court of Appeal.

Ms. Martoccia began her legal career representing law enforcement unions and their employees. In that capacity, she represented hundreds of peace officers during the internal affairs investigation process. She has significant experience with the Public Safety Officers Procedural Bill of Rights Act (POBR), and has successfully argued violations of the Act both before hearing bodies and in court. Ms. Martoccia has represented officers during the Skelly process and at post-disciplinary appeal hearings. Having spent several years on the other side of the investigatory process, Ms. Martoccia now brings her unique experience to the management side. She is able to identify potential arguments that may be made by a public safety employee,

OFFICE

12800 Center Court Drive
Suite 300
Cerritos, CA 90703

INDUSTRIES

Public Entities

EDUCATION

J.D., Southwestern University
School of Law
B.A., California State University,
Long Beach

CLERKSHIPS

Los Angeles District Attorney's
Office, Eastlake Juvenile District

ADMISSIONS

1997, California
U.S. District Court, Central District
of California

PRACTICE AREAS

Advice & Counsel
Collective Bargaining
Disciplinary Matters
Investigations
Litigation
Public Safety

Sarah J. Martoccia

as well as guide the agency through the entire disciplinary process while avoiding POBR violations and other legal pitfalls.

Before joining AALRR, Ms. Martoccia owned and managed a private law firm, where she assisted clients in day-to-day operations with an emphasis on employment and labor law issues, unemployment cases, civil litigation collection cases and personal injury cases. She is familiar with all aspects of business litigation and disputes, as well as advising companies on employment practices, including but not limited to hiring and firing decisions, wage and hour issues, and investigation of employee complaints.

While in law school, Ms. Martoccia served as the Note and Comment Editor on the Southwestern Law Journal and as an advocate on the Interscholastic Trial Advocacy Program. During her last year, she was permitted by the California State Bar to make court appearances while still in school as a Certified Law Clerk for the Los Angeles District Attorney's Office, Eastlake Juvenile District.

Honors & Recognitions

Ms. Martoccia was named a "Rising Star" by Southern California Super Lawyers in 2005, 2006, and 2010.

Firm News

AALRR Announces 2026 Equity and Non-Equity Partners
01.13.2026

Events & Speaking Engagements

Ms. Martoccia is a frequent speaker at AALRR events, as well as for outside organizations related to her practice.

Recent speaking engagements include:

- Presenter: "Looking For Harmony In Labor Relations" - CALPELRA Annual Training Conference, (November 2022)
- Presenter: "Not All Blue: Current Public Safety Topics," CALPELRA Annual Training Conference, (November 2021)
- Presenter, "Red Fish, Blue Fish: Effective Investigations Under POBRA / FOBR," CALPELRA Annual Training Conference, (November 2021)

Public Safety Officers Procedural
Bill of Rights Act

Sarah J. Martoccia

- Presenter, "Law Enforcement Update," CALPELRA Annual Training Conference, virtual (November 2020)"
- Presenter, New Legislation Targets Law Enforcement: Senate Bill 1421 and Assembly Bill 748 Completely Reshape the Law Regarding Disclosure of Peace Officers' Personnel Files, November 13, 2018 – Ontario Doubletree; November 14, 2018 – AALRR Cerritos office; November 15, 2018, Costa Mesa Center Club.
- Trainer, Conducting Effective IA Investigations: A View from All Angles, March 15, 2018 – Tri County Fair Grounds | Bishop; April 12, 2018 – Cerritos Sheraton | Cerritos; May 2, 2018 – The Pacific Palms Resort | City of Industry; June 22, 2018 – Oakland Marriott; October 3, 2018 – Imperial County
- Presenter, FRISK Training, Inyo County, March 15, 2018
- Presenter, "Investigating Workplace Misconduct: He Said/She Said/They Said—But Who to Believe?" Professionals In Human Resources Association (PIHRA) North Orange County, February 15, 2018

Alerts & Articles

California Supreme Court Strikes Down Penal Code §148.6(a)(2) as Unconstitutional
11.13.2025

BWC Footage and CPRA Update (Third Circuit Court of Appeal Decision)
06.12.2025

Schneider Case Regarding Brady Requirements vs. Pitchess
06.12.2025

A California Appellate Court Rules that Digital In-Car Video System Recording Was Properly Allowed as Evidence at Police Officers' Termination Hearings
01.12.2022

California Legislature Passes Senate Bill 16; Expanding Peace Officer Records Accessible to the Public
09.23.2021

California Legislature Passes Senate Bill 2; Increasing Peace Officer and Public Entity Civil Liability & Creating a Decertification Process
09.23.2021

California Appellate Court Rules that Certain Records Involving Peace Officer Misconduct Will Remain Public Regardless of When the Peace Officer Misconduct Occurred
03.05.2021

Sarah J. Martoccia

Blog Posts

California Court of Appeal Clarifies Law Enforcement Agency Liability for Safeguarding Peace Officer Personnel Information (AKA "Pitchess") and Duties to Investigate Citizen Complaints
Public Safety Law Blog, 05.02.2025

Court of Appeal Further Clarifies POBR 1-Year Statute of Limitations
Public Safety Law Blog, 03.30.2023

California Court of Appeal Rules on Statute of Limitations Under POBRA
Public Safety Law Blog, 02.10.2023

Community & Professional

- Los Angeles County Bar Association, Member

Irma Rodríguez Moisa

Partner
562-653-3200
imoisa@aalrr.com



Irma Rodríguez Moisa brings over 30 years of experience to her work as a labor negotiator and trial attorney. She is recognized as one of the top Labor and Employment lawyers in the state for her outstanding results for her clients handling their most complex and sensitive matters. Ms. Rodríguez Moisa works with public and private employers in the areas of labor negotiations, labor disputes, unfair practice charges, employee leaves, employee discipline, and all facets of equal employment opportunity law. Ms. Rodríguez Moisa is known for her pragmatic approach to challenging legal issues and for her direct communication style.

Effective in 2026, Ms. Rodríguez Moisa serves as the Firm's Chief Marketing Officer. She previously served as the Practice Group Leader for the Public Entity Labor and Employment Practice Group and on the Firm's Executive Committee.

Honors & Recognitions

Ms. Rodríguez Moisa was named to the Daily Journal's Top Women Lawyers list in 2015 and its Top Labor & Employment Attorney list in 2015 and 2017. In 2011, Ms. Rodríguez Moisa was named to the Daily Journal's top municipal lawyers in California. In 2009, Ms. Rodríguez Moisa was named to the Daily Journal's annual list of the "Top Women Litigators" in California. Every year since 2004, she has been recognized as a Super Lawyer by Southern California Super Lawyers magazine. Ms. Rodríguez Moisa has also been recognized for her service to human resources professionals with the Blakely Award of Excellence from CalPELRA.

OFFICE

12800 Center Court Drive
Suite 300
Cerritos, CA 90703

INDUSTRIES

Private Colleges and Universities
Private Schools

EDUCATION

J.D., University of California,
Berkeley School of Law
M.P.P., Harvard University
B.S., University of California,
Berkeley

ADMISSIONS

1992, California
U.S. Court of Appeals, Fifth Circuit
U.S. Court of Appeals, Ninth Circuit
U.S. District Courts, Central,
Eastern, and Northern Districts of
California

PRACTICE AREAS

Advice & Counsel
Collective Bargaining & Labor
Relations
First Amendment in Higher
Education
Investigations

Irma Rodríguez Moisa

Upon graduating from law school Ms. Rodríguez Moisa earned a Skadden Arps Public Interest Law Fellowship, awarded to only twenty-five law students from around the country. The Fellowship allowed Ms. Rodríguez Moisa to spend the first four years of her career at the Mexican American Legal Defense and Educational Fund (MALDEF), working on issues related to language-based discrimination and voting rights.

Representative Matters

Labor Relations

Irma Rodríguez Moisa began negotiating on behalf of public agencies in 1999. She was drawn into this field by clients who admired her advocacy style in litigation and because of her public policy background. Since that time, Ms. Rodríguez Moisa has served as lead negotiator on hundreds of contracts with a broad diversity of clients, such as cities, transit agencies, water districts, law enforcement agencies, and public utilities. As chief negotiator, Ms. Rodríguez Moisa has provided strategic labor advice to client, allowing them to reach their short- and long-term organizational and financial goals. Ms. Rodríguez Moisa works diligently to foster positive relations with all labor partners, and her approach is to be respectful and collaborative and to communicate in a manner that is reflective of her own and her clients' values.

Some of Ms. Rodríguez Moisa's clients in the last few years include the following:

- City of Long Beach
- Metrolink
- City of Culver City
- City of Santa Paula
- City of Garden Grove
- City of Anaheim
- Long Beach Transit
- SunLine Transit Agency
- City of Commerce

Labor & Employment Litigation
Litigation
Nonprofit Organizations
Public Safety
Trials
Workplace Training

Irma Rodríguez Moisa

- City of Colton
- City of Downey
- City of Montebello
- City of Pasadena
- City of Paramount
- City of South Pasadena
- Northern Inyo Healthcare District
- Ventura County
- San Bernardino County Housing Authority
- Orange County Transportation Authority

Litigation

Ms. Rodríguez Moisa has represented clients in hundreds of lawsuits in both state and federal court. Ms. Rodríguez Moisa has taken dozens of cases to trial and arbitration, with a remarkable success record. These matters range from sexual harassment and discrimination claims to First Amendment and whistleblower claims. Some representative trials include:

- *Complete Defense Verdict*: After the plaintiff was discharged from his job, he filed a civil action against a major California water district. He alleged religious discrimination and retaliation and sought economic damages in excess of \$1.6 million, plus emotional distress damages. The plaintiff claimed that his supervisor was biased against him due to his religious beliefs and that the defendant retaliated against him after he filed an internal complaint for religious discrimination. During a three-week trial, Ms. Rodríguez Moisa provided evidence of the defendant's culture of religious tolerance, the plaintiff's insubordination and misrepresentations, and the defendant's attempts to counsel, train, and otherwise help the plaintiff. Witnesses included the defendant's supervisors, employee relations personnel, and coworkers as well as a psychiatrist and an economist. On June 1, 2016, the jury returned a 12-0 verdict in favor of the defendant on the religious discrimination claim and an 11-1 verdict for the defendant on the retaliation claim.
- *Greatly Reduced Damages*: The plaintiff, the only African-American firefighter employed by Ms. Rodríguez Moisa's client, a city in California, alleged he was subjected to a hostile work environment and discrimination due to his race and to retaliation for complaining of discrimination and harassment. The plaintiff contended that his supervisor and colleagues referred to him as a "n" and made other racially demeaning comments. The plaintiff also contended that he was denied promotional opportunities. He demanded \$4.5 million in damages from the City. The City admitted that the supervisor used the "n" word on three occasions and explained that the supervisor was terminated after the plaintiff complained. The City also denied that the plaintiff was refused a promotion and instead noted that he remained on the eligibility list for a promotion. After an eleven-day trial, the jury awarded Plaintiff \$915,000 in damages.

Irma Rodríguez Moisa

- *Highly Favorable Settlement:* The plaintiff filed suit against Ms. Rodríguez Moisa's client, a large grocery chain, alleging that he had been subjected to disability discrimination and retaliation, and that the defendant failed to engage in the interactive process and failed to accommodate him in violation of the Fair Employment and Housing Act. The plaintiff alleged that he was terminated because his store manager harbored animus towards him after he suffered a workplace injury. He claimed that the store manager targeted him for termination after he purportedly ate one grape while on the produce department floor. The defendant contended that the plaintiff was terminated for violating its company policy prohibiting employees from consuming or taking company product without paying for it. After seven days of trial and Ms. Rodríguez Moisa's cross-examination of the plaintiff, the case settled for \$5,000.
- *Summary Judgment:* The plaintiff, a faculty member and surgeon at a highly prestigious medical school and hospital, filed suit alleging discrimination based on his association with an African-American colleague and retaliation in violation of the California Fair Employment and Housing Act. The plaintiff alleged that he was subjected to numerous adverse employment actions because of his support of his colleague's lawsuit against the defendants. The plaintiff claimed that he was the only person who corroborated the showing of an inappropriate and racist slideshow depicting his colleague as a gorilla. The plaintiff claimed that his supervisors and hospital administrators sought to discredit him and decrease his practice by wrongfully reporting him in a malpractice action, reducing the number of patient referrals, and having to endure his colleagues' ostracism. Specifically, the plaintiff claimed that one of his colleagues prepared a slide show depicting his gravestone and stating that he should "RIP." After aggressive litigation, the defendant filed a motion for summary judgment, which was granted.
- *Complete Defense Verdict:* The plaintiff was laid off from his job at a large public institution of higher education in 2010 after a reorganization of his unit resulted in his position being eliminated. He filed suit, alleging several causes of actions against Ms. Rodríguez Moisa's client, including: religious creed discrimination in violation of the Fair Employment and Housing Act (FEHA); whistleblower retaliation; and wrongful termination in violation of public policy. During the course of litigation, multiple claims were dismissed. Consequently, the only claims presented to the jury at trial were the claims for age discrimination, retaliation under the FEHA, and failure to prevent discrimination and retaliation, with alleged economic damages of about \$750,000 and non-economic damages of two to three times that amount. After three weeks of trial, the jury rendered a defense verdict in less than 45 minutes of deliberation.
- *Complete Defense Verdict:* The plaintiff alleged that she was subjected to sexual harassment by a co-worker and that her supervisor ignored her complaints. Ms. Rodríguez Moisa's client, a large grocery chain, contended it took appropriate corrective action after the plaintiff complained. A defense verdict was rendered after less than two hours of deliberations.
- *Appellate Victory:* The plaintiff filed suit against a large California city represented by Ms. Rodríguez Moisa and five individual defendants, alleging eight separate causes of action. After a two-month jury trial, the jury found in favor of the City in six of the eight causes of action. On appeal, the Court of Appeal reversed the jury's verdict on the other two causes of action and rendered judgment in favor of the City.

Irma Rodríguez Moisa

Representative Clients

Ralphs Grocery Company; Home Depot; CalAmp Wireless Networks, Inc.; PIH Health; The Regents of the University of California; Metropolitan Water District; California cities include: Los Angeles, Downey, Long Beach, Camarillo, Montebello, Anaheim, Santa Ana, Huntington Beach, Vernon, and Commerce; California counties include: Imperial, San Bernardino, and Inyo.

Firm News

AALRR Congratulates Its Twenty-One Attorneys Recognized in the 2026 Edition of The Best Lawyers in America® and Best Lawyers: Ones to Watch in America®
08.28.2025

AALRR Congratulates Its Eighteen Attorneys Recognized in the 2025 Edition of *The Best Lawyers in America*® and *Best Lawyers: Ones to Watch in America*®
08.26.2024

Nineteen AALRR Attorneys Recognized in *The Best Lawyers in America*®
08.18.2023

Four AALRR Attorneys Named 2023 Southern California Super Lawyers
01.10.2023

Eighteen AALRR Attorneys Recognized in *The Best Lawyers in America*®
08.18.2022

Four AALRR Attorneys Named 2022 Southern California Super Lawyers
01.20.2022

Irma Rodríguez Moisa Honored at CALPELRA 2021
11.19.2021

Twelve Atkinson, Andelson, Loya, Ruud & Romo Attorneys Recognized in *The Best Lawyers in America*® 2022
08.19.2021

Five AALRR Attorneys Named 2021 Southern California Super Lawyers
02.02.2021

Ten Atkinson, Andelson, Loya, Ruud & Romo Attorneys Recognized in *The Best Lawyers in America*® 2021
09.09.2020

Six AALRR Attorneys Named 2019 Super Lawyers
02.01.2019

Irma Rodríguez Moisa

AALRR Hosts First Annual Leadership Forum for Women in Education
10.26.2017

AALRR Receives California Minority Counsel Program's Diversity Award
10.19.2017

Two AALRR Attorneys Recognized by Daily Journal as Top Labor & Employment Lawyers in the State
07.21.2017

Nate Kowalski and Irma Rodríguez Moisa Win Distinguished Writing Award
05.30.2017

Top AALRR Trial Lawyers and Three Judges Train Associates During Intensive Trial Academy
08.23.2016

Atkinson, Andelson, Loya, Ruud and Romo Wins Total Defense Victory After Three-Week Trial
06.08.2016

Attorney Irma Rodríguez Moisa Selected For Inclusion In the Daily Journal's Top Labor & Employment.
06.09.2015

Cerritos Partner Receives Daily Journal Top Women Lawyers in California Designation
05.13.2015

AALRR Announces Settlement in Food 4 Less Disability Discrimination Case
04.21.2015

Kowalski Again Named to List of Top Municipal Lawyers in California
The Daily Journal, 12.11.2013

Five Cerritos Attorneys Listed Among Top Women Attorneys in Southern California
05.29.2013

Two Partners Named to List of Top 25 Municipal Attorneys in California
Daily Journal, 12.16.2011

Judge Upholds Public Agency Decision to Discharge Employee in Internet Abuse Case
08.25.2011

AALRR Attains Four Victories in Employment Cases for Ralphs Grocery and Kroger
03.09.2009

Irma Rodríguez Moisa

Events & Speaking Engagements

Ms. Rodríguez Moisa is a sought-after presenter and instructor. She has provided training to various entities and professional associations on topics such as: preventing discrimination, retaliation, and harassment; conducting disciplinary investigations; responding to EEOC and DFEH complaints; understanding employee privacy rights; properly maintaining personnel files; managing employee leaves; and imposing employee discipline.

Ms. Rodríguez Moisa has spoken before numerous organizations, including the National Employment Law Institute, the California Association of District Attorneys, PIHRA, ACHRO, CALPELRA, the Kansas Judicial Council, the California League of Cities, the City Attorneys Association of Los Angeles County, the Orange County City Attorneys Association, SCPMA, and SCPLRC.

Some of Ms. Rodríguez Moisa's recent presentations include:

- "Paid Sick Leave in the Public Sector: Impact of SB 616 on PSL Exemptions" CALPELRA Annual Conference – (November 2025)
- "The Essential Dos and Don'ts of Collective Bargaining" CALPELRA Annual Conference – (November 2025)
- "The Band is Back Together! Over 100 Years Experience: More Reflections on Successful Bargaining from the Female Negotiator Perspective" – CALPELRA Annual Conference – (November 2025)
- "Legal Strategies" – CALPELRA Annual Conference – General Session (November 2025)
- "The Diverse World of Labor Negotiations: A Roadmap To Success" – CALPELRA Annual Conference – (November 2022)
- "Legal Strategies" – CALPELRA Annual Conference – General Session (November 2022)
- "Free Speech and HR's Role in the Public Sector" – SCPLC Annual Conference (February 2022)
- "Legal Strategies" – CALPELRA Annual Conference – General Session (November 2021)
- "Tints, Tones & Shades-Getting 2 Yes: Successful Bargaining Techniques" – CALPELRA Annual Conference (November 2021)
- "10 Habits of the Successful Negotiator," CALPELRA Annual Training Conference, virtual (November 2020)
- "Who Are Our Leaders Of Tomorrow? Informal Leaders And The Effects Of Transformational Leadership In The Workplace" CALPELRA Annual Training Conference, virtual (November 2020)
- "Sanctuary State Laws And How They May Affect Your Agency" – CALPELRA Conference (December 2018)
- "Vested Rights And Public Pensions In The 21st Century" – CALPELRA Conference (December 2018)
- "Making The #MeToo Movement Count: Better Ways To Stop Sexual Harassment" – CALPELRA Conference (December 2018)
- "Unfunded Liability Continues To Haunt Agencies: Where Are We Now And Where Are We Going?" – CALPELRA Conference (December 2018)

Irma Rodríguez Moisa

- "Investigate like a Star: The Anatomy of an Effective Internal Investigation" – AALRR Employment Law Conference (March 2017)

Ms. Rodríguez Moisa also serves as a trainer at the California Public Employer Labor Relations Association Labor Academies ("CALPELRALearn") and has taught at the National Employment Law Institute. Her training subjects include:

- "Discipline in the 21st Century" – CALPELRALearn (March 2012)
- "The Affordable Care Act" – CALPELRALearn (March 2011)
- "Conducting Disciplinary Investigations?" – CUIC (February 2010)

Alerts & Articles

New Notice Requirements for Contracting Out Services under the MMBA
10.29.2025

Emergency Federal Regulation Imposes Strict Citizenship and Lawful Permanent Resident Requirements for Commercial Drivers' Licenses with Stark Impacts to Public Transit Agencies
10.17.2025

Brown v. City of Inglewood, California Supreme Court, S280773, July 7, 2025
07.16.2025

California Appellate Court Rules that County was Required to Meet and Confer with Recognized Bargaining Unit Over the Implementation of New Legislative Changes Under Limited Circumstances
11.27.2024

California Supreme Court Recognizes Expansive Wage and Hour Exemptions for Public Entities from PAGA Penalties and Certain Labor Code Provisions
08.30.2024

PERB Provides Guidance on Bargaining Obligations Post-Accretion
01.12.2024

PERB Provides Clarity on Risk for Repeated Labor Violations in Context of Interest Arbitration Bargaining Dispute
05.05.2023

Changes to the Political Reform Act
12.28.2022

PERB Reaffirms its View on Test for Whether Managerial Decision Is Subject to Bargaining
12.05.2022

Irma Rodríguez Moisa

PERB Reinforces Deferral to Arbitration Doctrine in Context of Retaliation Unfair Practice Claims Brought Under MMBA
10.10.2022

Third Circuit Court Highlights Free Speech Protections for Public Employees in Context of Discipline for Violation of COVID-19 Face Covering Policy
07.11.2022

Appellate Court Reaffirms Importance of Three-Prong Test for Whether Managerial Decision Is Subject to Bargaining
06.29.2022

California Appellate Court Rules that State Labor Law Preempts a Voter-Approved Measure Setting City Firefighter Salaries
03.30.2022

California Supreme Court Confirms Worker Friendly Evidentiary Standard for Whistleblower Retaliation Claims
01.28.2022

California Public Employers May Face a State Vaccination Mandate Should OSHA Issue Regulations Based on President Biden's Vaccine Initiative
09.23.2021

California Enacts Law Providing New Bank of Supplemental Paid Sick Leave
03.23.2021

PERB Decision Interprets Statute Which Prohibits Public Employers From Deterring or Discouraging Union Membership
03.09.2021

Cal/OSHA Updates "FAQ" Guidance Regarding Emergency COVID-19 Regulations
01.15.2021

Community & Professional

Ms. Rodríguez Moisa has sat on boards of numerous organizations and foundations. She previously served on the Los Angeles County Bar Association Labor and Employment Section Executive Committee and the Rio Hondo College Foundation and Latina Lawyers Bar Association. Ms. Rodríguez Moisa is also involved in the following organizations:

- Campaign for College Opportunity, Board Member
- MALDEF, Board of Directors

Irma Rodríguez Moisa

- Berkeley Law Alumni Association, Board Member
- Southwest Voter Registration Project, Board of Directors

Ms. Rodríguez Moisa also serves as an elected Trustee (Area 5) on the Whittier Union High School District Board of Trustees.

Susan R. Jerich

Of Counsel
562-653-3200
susan.jerich@aalrr.com



Susan Jerich has over thirty years of experience in the legal profession. Ms. Jerich handles a variety of subject matters in her labor and employment practice including harassment, retaliation, and wrongful termination. Prior to joining AALRR, Ms. Jerich worked as a local and federal prosecutor in the San Francisco Bay Area where she served five years in the San Francisco District Attorney's office, and seven years as an Assistant U.S. Attorney. When Ms. Jerich relocated to Southern California, she worked for twelve years for the largest employee-side law firm that primarily represents public safety unions and their employees. In this role, Ms. Jerich advised public sector clients including, for example, police officers, sheriff's deputies, probation officers, and firefighters. In this capacity, Ms. Jerich represented employees in disciplinary investigations up through the disciplinary appeal process.

Ms. Jerich has also worked for the Riverside County District Attorney's Office where she handled all aspects of felony trial matters from pre-trial litigation through jury trial, negotiated case dispositions, litigated pre-trial motions, and presented trainings to various law enforcement agencies in the Coachella Valley. Ms. Jerich left Riverside County to join the San Bernadino County Counsel's office where she was embedded with the Sheriff's Department and provided advice pertaining to labor and employment matters representing the Sheriff in such matters. Her role included overseeing internal affairs investigations, attending disciplinary proceedings, advising the executive staff on disciplinary issues and litigating, when required, disciplinary appeal hearings on behalf of the County. Today, her practice includes this type of work on behalf of the deep bench of AALRR's public sector clients.

OFFICE

12800 Center Court Drive
Suite 300
Cerritos, CA 90703

INDUSTRIES

Public Entities

EDUCATION

J.D., University of San Francisco
School of Law
B.A., Carleton College

ADMISSIONS

1997, California
U.S. District Court, Central District
of California
U.S. District Court, Northern District
of California
U.S. District Court, Southern
District of California
U.S. Court of Appeals, Ninth Circuit

PRACTICE AREAS

Discrimination & Harassment
Investigations
Labor & Employment Law

LANGUAGES

Japanese
Spanish

Susan R. Jerich

Alerts & Articles

California Supreme Court Strikes Down Penal Code §148.6(a)(2) as Unconstitutional
11.13.2025

Brittaney D. de la Torre

Associate
562-653-3200
brittaney.delatorre@aalrr.com



Brittaney de la Torre provides advice and counsel for employers with respect to labor and employment law. Ms. de la Torre handles matters involving employment policies and procedures, litigation, investigations, leaves of absence, discrimination, harassment, employee discipline, wrongful termination, retaliation, Private Attorneys General Act (PAGA), compliance with state and federal labor laws, and wage and hour.

Prior to joining AALRR, Ms. de la Torre represented corporate entities in single-plaintiff litigation involving FEHA and Labor Code claims and conducted workplace investigations involving executive employees. She has also represented employees in single-plaintiff lawsuits alleging harassment, discrimination, retaliation, and wage and hour violations. At the start of her career, Ms. de la Torre served as an Employment Law Division Fellow at the Office of the Los Angeles City Attorney.

Honors & Recognitions

- National Employment Law Council (NELC), Academy Fellow, 2022
- University of California College of the Law, San Francisco, Pro Bono Society, 2016

Community & Professional

- National Employment Law Council, Member
- Mexican American Bar Association, Member

OFFICE

12800 Center Court Drive
Suite 300
Cerritos, CA 90703

INDUSTRIES

Public Entities

EDUCATION

J.D., University of California
College of the Law, San Francisco
B.A., University of California,
Berkeley

ADMISSIONS

2017, California

PRACTICE AREAS


Discrimination & Harassment
Investigations
Labor & Employment Law
Labor & Employment Litigation
Leaves of Absence
Wage & Hour


LANGUAGES

Spanish

APPENDIX 2: BUSINESS LICENSE

TO BE POSTED IN A CONSPICUOUS PLACE
THIS LICENSE IS NOT TRANSFERABLE


CITY OF CERRITOS
BUSINESS LICENSE




BUSINESS LICENSE NO. 14185	EFF. DATE 03/10/2025	EXP. DATE 03/10/2026
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BUSINESS NAME: ATKINSON, ANDELSON, LOYA, RUUD
DBA/FICTITIOUS NAME:
DESCRIPTION: ATTORNEY

OWNER/OFFICER NAME(S): STEVEN ANDELSON, OWNER
JAMES ROMO, MANAGER-PARTNER

BUSINESS ADDRESS: 12800 CENTER COURT
SUITE 200, 300 & 400

The person/firm/corporation named above is hereby granted license to engage in, carry on, or conduct, in the City of Cerritos, California, the business/profession/occupation/trade/exhibition/calling described above, for the period indicated. THIS LICENSE IS PERMISSION ONLY, NOT AN ENDORSEMENT. Approval of this Business License shall also constitute approval of a Commercial/Industrial Tenant Occupancy Permit in accordance with Chapter 23.15 of the Cerritos Municipal Code, and shall be subject to all conditions of approval listed on subsequent page(s) of this Business License.

APPROVED BY: 
KRISTIN AGUILA
Director of Community Development,
City of Cerritos



CITY OF CERRITOS

BUSINESS NAME:
N, ANDELSON, LOYA, RUUD & ROMO

BUSINESS LICENSE NO. 14185 EFF. DATE 03/10/2025 EXP. DATE 03/10/2026

OPERATIONAL CONDITIONS OF APPROVAL

This Business License is granted to the business ("Business") named above. By continuing to operate a business in the City of Cerritos, the Business agrees to abide by the following operational conditions of approval:

1. Business operations shall be conducted in accordance with the approved application, supplemental documentation submitted by the applicant, and other Conditions of Approval required by the City.
2. The Business License and all related Conditions of Approval shall be subject to review and amendment on an annual basis upon request for renewal by the Business.
3. No changes to the Business operations, including the expansion of leased area, shall be conducted without prior written approval of the City of Cerritos.
4. No alterations or improvements shall be made to the subject property, including signs, exterior painting, interior partitions and fixtures, storage racks, landscape, outdoor furniture, or other improvements, without prior Planning approval and/or building permit(s) issued by the City of Cerritos.
5. The property shall be maintained at all times in compliance with Property Maintenance requirements of Cerritos Municipal Code (CMC) Chapter 6.22 and with the Zoning/Development requirements of CMC Title 22 applicable to the zone in which the subject property is located.
6. Any change in federal, state, or local laws governing the use, occupancy, or operation of the Business shall be cause for review of the Business License and possible amendment to the terms and conditions under which the Business License is approved.
7. The Business agrees to indemnify, defend, and hold harmless the City of Cerritos and its officials, officers, employees, and agents, from any claim, action, or proceeding to challenge, set aside, void, or annul the approval of this license or operations of the Business pursuant thereto.
8. With respect to the foregoing Condition of Approval, the City will have sole discretion to approve any defense counsel. The City will notify the Business promptly of any such claim, action, or proceeding, and will cooperate with the Business in any defense required by said Condition of Approval.

Failure to comply with the requirements above and/or any applicable provisions of the Cerritos Municipal Code shall be grounds for revocation of the Business License and Commercial/Industrial Tenant Occupancy Permit by the City, pursuant to Chapters 5.04 and 23.15 of the Cerritos Municipal Code.

APPENDIX 3: SAMPLE AGREEMENT REVISIONS

Please see below for the Firm's suggested revisions to the City's sample agreement.

(i) At all times during the performance of the work under this Agreement, the Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for ~~owned~~, non-owned and hired vehicles, in a form and with insurance companies acceptable to the City.

(iv) All required insurance coverages, except for the professional liability coverage **and employer's liability**, shall contain or be endorsed to waiver of subrogation in favor of the City, its officials, officers, employees, agents, and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

a. To the fullest extent permitted by law, Consultant shall ~~defend (with counsel of City's choosing)~~, indemnify and hold **harmless** the City, its officials, officers, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any **negligent** acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project or this Agreement, including without limitation the payment of all damages, expert witness fees and attorney's fees and other related costs and expenses. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant, the City, its officials, officers, employees, agents, or volunteers.

b. To the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's obligations under the above indemnity shall be limited to claims **to the extent proximately caused by that arise out of, pertain to, or relate to** the negligence, recklessness, or willful misconduct of the Consultant **in the performance of professional services, and shall exclude any claims arising out of or attributable to the negligence, gross negligence, or willful misconduct of the City or any other indemnified party but shall not otherwise be reduced.** Consultant's indemnity obligations shall be subject to principles of comparative fault and shall be limited to Consultant's proportionate share of fault, as **determined by a court of competent jurisdiction.** If Consultant's obligations to defend, indemnify, and/or hold harmless arise out of Consultant's performance of "design professional services" (as that term is defined under Civil Code section 2782.8), then **only upon a final adjudication on the merits upon Consultant obtaining a final adjudication** that liability under a claim is caused by the comparative active negligence or willful misconduct

of the City, Consultant's obligations shall be equitably reduced in proportion to the established comparative liability of the City and in no event shall exceed Consultant's proportionate percentage of fault shall not exceed the Consultant's proportionate percentage of fault.

15. Laws and Venue.

This Agreement shall be interpreted in accordance with the laws of the State of California. ~~If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of Los Angeles, State of California.~~ If any dispute arises out of, or related to, a claimed breach of this agreement, the professional services rendered by Consultant, or any other disagreement of any nature, type, or description, regardless of the facts or the legal theories which may be involved, including attorney malpractice, breach of fiduciary duty, misrepresentation, or conflict of interest, such dispute shall be resolved by confidential and binding arbitration in Los Angeles County, California, upon the written request of one party after service of that request on the other party. There are significant advantages and disadvantages of binding arbitration. The parties shall agree on an arbitrator with special skills and experience to hear and determine the dispute unlike in a court proceeding where a judge is assigned. If the parties cannot agree, then the Superior Court of Los Angeles County shall choose an impartial arbitrator whose decision shall be final and conclusive on all matters. The parties shall each have the right of discovery in accordance with Code of Civil Procedure Section 1283. Arbitrations conducted pursuant to this agreement permit the same discovery rights as in a court proceeding. Each party shall bear their own costs and attorney fees, including payments to the arbitrator which can be significantly more costly than the filing fee in Court proceedings where costs may be awarded to the prevailing party. Each party to this agreement waives and therefore gives up important constitutional rights in arbitration as the arbitrator's decision is final. There is no right to appeal to challenge any errors made in the arbitration proceeding. Unlike court proceedings, arbitration proceedings are conducted privately, and the outcome will remain confidential. There is no right to a trial by a judge or jury of one's peers. There is no limitation on the type of monetary damage that can be awarded by the arbitrator. The parties are advised that they have the right to have an independent lawyer of their choice review this arbitration provision.

AGREEMENT FOR SPECIAL SERVICES

This Agreement is entered into between the law firm of LIEBERT CASSIDY WHITMORE, A Professional Corporation (“Attorney”), and the CITY OF ARCADIA, A Municipal Corporation (“City”).

1. Conditions

This Agreement will not take effect, and Attorney will have no obligation to provide services, until City returns a properly signed and executed copy of this Agreement.

2. Attorney’s Services

Attorney agrees to provide City with consulting, representational and legal services pertaining to employment relations matters, including representation in negotiations and in administrative and court proceedings, as requested by City or otherwise required by law.

3. Fees, Costs, Expenses

City agrees to pay Attorney the sums billed monthly for time spent by Attorney in providing the services, including reasonable travel time.

The current range of hourly rates for Attorney time is from Three Hundred Ten to Five Hundred Ten Dollars (\$310.00 - \$510.00). See Schedule I for a full Fee Schedule. Attorney reviews its hourly rates on an annual basis and, if appropriate, adjusts them effective July 1. Attorney will provide the City with written notification of any adjustment in the range of rates. Attorney bills its time in minimum units of one-tenth of an hour.

For Litigation Matters

See Schedule II attached for a description of Attorney's Litigation and E-Discovery Management.

Other Expenses

City agrees to reimburse Attorney for necessary costs and expenses incurred by Attorney on behalf of City. Attorney bills photocopying charges at Fifteen Cents (\$0.15) per page. See Schedule I attached.

Payment by City against monthly billings is due upon receipt of statements, and is considered delinquent if payment is not received within thirty (30) days of the date of the invoice.

4. Artificial Intelligence

LCW permits attorneys to utilize generative artificial intelligence ("AI") tools in the performance of their work within the standards and guidance established by the State Bar of California. Attorneys may use AI as a tool and do not use AI work product without applying their own independent legal judgment. Attorneys do not disclose confidential information to unsecure AI tools.

5. Professional Liability Insurance

The California Business & Professions Code requires us to inform you whether we maintain errors and omissions insurance coverage applicable to the services to be rendered to you. We hereby confirm that the firm does maintain such insurance coverage.

6. Arbitration of Professional Liability or Other Claims

Disputes. If a dispute between City and Attorney arises over fees charged for services, the controversy will be submitted to binding arbitration in accordance with the rules of the California State Bar Fee Arbitration Program, set forth in California Business and Professions Code, sections 6200 through 6206. The arbitrator or arbitration panel shall have the authority to award to the prevailing party attorneys' fees, costs and interest incurred. Any arbitration award may be served by mail upon either side and personal service shall not be required.

If a dispute arises between City and Attorney over any other aspect of the attorney-client relationship, including, without limitation, a claim for breach of professional duty, that dispute will also be resolved by arbitration. It is understood that any dispute as to any alleged breach of professional duty (that is, as to whether any legal services rendered under this agreement were allegedly unnecessary, unauthorized, omitted entirely, or were improperly, negligently or incompetently rendered) will be determined by submission to arbitration as provided by California law, and not by a lawsuit or resort to court process except as California law provides for judicial review of arbitration proceedings. **Both parties to this agreement, by entering into it, are giving up their constitutional right to have any such dispute decided in a court of law before a jury, and instead are accepting the use of arbitration.** Each party is to bear its own attorney's fees and costs.

7. File Retention

After our services conclude, Attorney will, upon City's request, deliver the file for the matter to City, along with any funds or property of City's in our possession. If City

requests the file for the matter, Attorney will retain a copy of the file at the City's expense. If City does not request the file for this matter, we will retain it for a period of seven (7) years after this matter is closed. If City does not request delivery of the file for this matter before the end of the seven (7) year period, we will have no further obligation to retain the file and may, at our discretion, destroy it without further notice to City. At any point during the seven (7) year period, City may request delivery of the file.

8. Assignment

This Agreement is not assignable without the written consent of City.

9. Independent Contractor

It is understood and agreed that Attorney, while engaged in performing the terms of this Agreement, is an independent contractor and not an employee of City.

10. Authority

The signators to this Agreement represent that they hold the positions set forth below their signatures, and that they are authorized to execute this Agreement on behalf of their respective parties and to bind their respective parties hereto.

11. Term

This Agreement is effective July 1, 2026 through June 30, 2027, and may be modified by mutual agreement of the parties. This agreement shall be terminable by either party upon thirty (30) days written notice.

LIEBERT CASSIDY WHITMORE,
A Professional Corporation

CITY OF ARCADIA
A Municipal Corporation

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

DRAFT

SCHEDULE I – FEES & COSTS

1. Hourly Rates (As of Agreement Effective Date)

Partners	\$510.00
Senior Counsel	\$425.00 - \$475.00
Associates	\$310.00 - \$410.00
Labor Relations/HR Consultant	\$340.00
Classification & Compensation Consultant	\$250.00
Paralegals	\$185.00
E- Discovery Specialists	\$200.00
Law Clerks	\$200.00 - \$220.00

2. COSTS

1. Photocopies	\$0.15 per copy
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SCHEDULE II

LCW LITIGATION and E-DISCOVERY MANAGEMENT

LCW is committed to using state-of-the-art technology to efficiently manage and harness electronically-stored information (“ESI”) in compliance with Federal and State law requirements. LCW partners with an outside managed services provider to provide Relativity, the industry leading e-discovery software, for this purpose. The cost for each matter will depend on the volume and format of the data. For non-complex data up to 50 gigabytes, LCW charges a monthly fee of \$450 on all active litigation matters for data management, including data validation and security, ingestion, de-duplication, culling and streamlining, and creation of Relativity fields for expedited review. For data of 50 gigabytes and over and for complex data requiring specialized services (e.g., payroll data, spreadsheets with underlying formulas, video, advanced searches, etc.), additional charges are incurred and are passed through to the client. For such charges, we will provide an itemized bill from our managed services provider and obtain client approval prior to incurring the charges.

Litigation Case Staffing

LCW has organized its litigation practice to meet the challenges of today’s complex litigation cases. We employ a dedicated Litigation Manager – a non-billing attorney litigator – whose responsibility is to monitor all litigation cases to ensure quality, efficiency, and adherence to client and firm litigation guidelines. Each litigation case is staffed with a Partner, an Associate (or Associates, as required and as approved by the Client), a Paralegal and an E-Discovery Specialist. Our E-Discovery Specialists have extensive experience in the efficient management of electronic data through every stage of the e-discovery life cycle, and they strategize with attorneys and clients on effective ESI protocols. This makes the document review process more efficient and enables our attorneys to target the most relevant data to meet litigation objectives. Working with our e-discovery managed services provider, we are able to provide state-of-the-art data processing and hosting services at below-market rates.



CITY OF ARCADIA

STAFF REPORT

FIRE DEPARTMENT

DATE: June 2, 2026

TO: Honorable Mayor and City Council

FROM: Chen Suen, Fire Chief
By: Tom Devlin, Battalion Chief

SUBJECT: CHANGE ORDER TO INCREASE THE PURCHASE ORDER WITH PERFORMANCE TRUCK REPAIR INC. FOR FIRE APPARATUS SERVICE AND REPAIRS IN THE AMOUNT OF \$50,000

CEQA: Not a Project

Recommendation: Approve

SUMMARY

On August 17, 2021, the City Council approved a three-year Purchase Order with Performance Truck Repair Inc., with the option to renew for two (2) additional, one-year extensions for fire apparatus service and repairs. The current Fiscal Year 2025-26 Purchase Order with Performance Truck Repair Inc. is for \$155,000.

During this Fiscal Year, the Fire Department incurred additional unforeseen expenditures for fire apparatus service repairs. These additional costs are primarily due to unusual mechanical failures within the Fire Department's fleet, and an increased volume of repairs beyond the current capacity of the Public Works Fleet Division. These repairs are necessary to keep fire apparatus in service and available for emergency response. The unanticipated costs associated with this work will require a Change Order with Performance Truck Repair Inc. by increasing its current Purchase Order amount by 32%, or an additional \$50,000, resulting in a total Purchase Order amount of \$205,000. No supplemental appropriation is required, as there are sufficient savings elsewhere in the Fire Department's FY 2025-26 Budget to accommodate the increase in this area.

Change Order to Performance Truck Repair Inc.

June 2, 2026

Page 2 of 3

It is recommended that the City Council approve a Change Order to increase the Purchase Order with Performance Truck Repair Inc. for fire apparatus service and repairs in the amount of \$50,000.

DISCUSSION

The Fire Department is responsible for the service and repair of its fire apparatus and vehicles that are outside the expertise and resources of the Public Works Services, Fleet Division. This work has been accomplished by outsourcing through a third-party vendor, Performance Truck Repair Inc. For Fiscal Year 2025-26, Performance Truck Repair Inc. has a Purchase Order in the amount of \$155,000.

During this Fiscal Year, Performance Truck Repair Inc. has been utilized more than usual for the unplanned service and repair of fire suppression vehicles. Over the years, Fire vehicles have been operating at an increased demand due to the City's ongoing increase in call volume. In addition, it is currently taking over three years for new vehicles to be built and delivered; therefore, the City is maintaining older vehicles that require more repairs, while awaiting the arrival of the new equipment. To sufficiently cover additional and unanticipated expenses for these services, it is necessary to increase Performance Truck Repair Inc.'s current Purchase Order by \$50,000 (or 32%), for a total Purchase Order amount of \$205,000.

ENVIRONMENTAL ANALYSIS

The proposed action does not constitute a project under the California Environmental Quality Act ("CEQA"), and it can be seen with certainty that it will have no impact on the environment.

FISCAL IMPACT

The current Purchase Order amount for Performance Truck Repair Inc. is \$155,000 and needs to be increased by \$50,000 for the remainder of the current FY 2025-26 resulting in the total Purchase Order amount of \$205,000. This increase will help cover unforeseen maintenance, service, and repairs that require outsourcing to Performance Truck Repair, Inc. The additional repair and service cost will be absorbed through savings realized within the Fire Department's overall Operating

Change Order to Performance Truck Repair Inc.

June 2, 2026

Page 3 of 3

Budget during this Fiscal Year; therefore, no additional appropriations are required at this time.

RECOMMENDATION

It is recommended that the City Council find that the proposed action does not constitute a project under the California Environmental Quality Act ("CEQA"); and approve a Change Order to increase the Purchase Order with Performance Truck Repair Inc. for fire apparatus service and repairs in the amount of \$50,000.

Approved:



Dominic Lazzaretto
City Manager



PUBLIC WORKS SERVICES DEPARTMENT

DATE: June 2, 2026

TO: Honorable Mayor and City Council

FROM: Paul Cranmer, Public Works Services Director
By: Leonel Martin, Public Works Project Manager

SUBJECT: ACCEPT ALL WORK PERFORMED BY HORIZONS CONSTRUCTION CO. INT'L INC. FOR THE DEBRIS BASINS DEBRIS REMOVAL PROJECT AS COMPLETE
CEQA: Exempt
Recommendation: Approve

SUMMARY

On November 18, 2025, the City Council approved a contract with Horizons Construction Co. Int'l Inc. in the amount of \$302,828.63 for the Debris Basins Debris Removal Project. The terms and conditions of this project have been complied with, and the work has been performed to the satisfaction of the Project Manager for a total project cost of \$302,828.63.

It is recommended that the City Council accept all work performed by Horizons Construction Co. Int'l Inc. for the Debris Basins Debris Removal Project as complete and authorize the final payment to be made in accordance with the contract documents, subject to the retention of \$15,141.43.

BACKGROUND

As a result of the January 2025 Windstorm Event and subsequent Eaton Fire, the northern hillsides above the City experienced significant wildfire damage. The wildfire scarred and destabilized slopes, which led to the uncontrolled movement of mud, burned vegetation, and other debris that overflowed into two debris basins located at 2273 Highland Vista Drive and 2225 Canyon Road. The debris basins, which are engineered to trap and control debris-laden runoff, were at capacity due to mud,

burned vegetation, and other materials carried to the sites by the rains that followed the Eaton Fire. As a result, the debris basins could no longer contain additional flows, increasing the risk of overflow and downstream damage during future mudflow events. Clearing the basins was necessary to restore their capacity and structural integrity, ensuring they continue to function as intended and protect the surrounding areas.

DISCUSSION

On November 18, 2025, the City Council approved a contract with Horizons Construction Co. Int'l Inc. for the Debris Basins Debris Removal Project. The project included the excavation and sorting of approximately 2,530 cubic yards of soil at the debris basin located at 2225 Canyon Road, and approximately 250 cubic yards of soil at the debris basin located at 2273 Highland Vista Drive. The contractor hauled and transported the sorted soil to an approved clean dirt facility and discarded the remaining debris at a disposal facility, to ensure compliance with environmental regulations. In addition, after the debris removal was completed, the contractor conducted rough grading at both sites to ensure proper drainage and stability at the debris basins. The debris basins can now effectively capture and manage runoff and debris, protecting downstream properties during future storm events.

All terms and conditions of the contract have been complied with, and the work has been performed to the satisfaction of the Project Manager. Horizons Construction Co. Int'l Inc. completed the work as defined in the project plans and specifications in an efficient and timely manner. The project required no change orders or adjustments.

ENVIRONMENTAL ANALYSIS

The Project is considered a Class 1 Exemption as defined in Section 15301(a) "Existing Facilities" projects of the California Environmental Quality Act ("CEQA"), which exempts projects consisting of the minor alteration of existing public structures.

FISCAL IMPACT

The Debris Basins Debris Removal Project was not anticipated, and therefore, was not included in the Fiscal Year 2025-26 Capital Improvement Program Budget. As

Accept Debris Basins Debris Removal Project

June 2, 2026

Page 3 of 3

such, a budget appropriation from the Capital Outlay Fund in the amount of \$302,828.63, was requested on November 18, 2025, for this project. The total cost of the Debris Basins Debris Removal Project is \$302,828.63.

The Public Works Services Department collaborated with the Federal Emergency Management Agency ("FEMA") and submitted a Public Assistance request for reimbursement of the project costs. The project remains under FEMA's review to determine reimbursement eligibility. Reimbursement is uncertain; however, if approved, FEMA will reimburse the City 75% of the total cost for this project.

RECOMMENDATION

It is recommended that the City Council determine that this project is exempt under the California Environmental Quality Act ("CEQA"); and accept all work performed by Horizons Construction Co. Int'l Inc. for the Debris Basins Debris Removal Project as complete and authorize the final payment to be made in accordance with the contract documents, subject to the retention of \$15,141.43.

Approved:



Dominic Lazzaretto
City Manager



CITY OF ARCADIA

STAFF REPORT

OFFICE OF THE CITY MANAGER

DATE: June 2, 2026

TO: Honorable Mayor and City Council

FROM: Dominic Lazzaretto, City Manager
By: Justine Bruno, Deputy City Manager

SUBJECT: RESOLUTION NO. 7694 ADOPTING THE TELEPHONIC AND INTERNET SERVICE DISRUPTION POLICY FOR CITY COUNCIL MEETINGS
CEQA: Not a Project
Recommendation: Adopt

SUMMARY

Enacted in October 2025, Senate Bill (“SB”) 707 amended the Ralph M. Brown Act as it relates to transparency, public participation, and access by non-English speaking populations. A key provision under SB 707 is the requirement for eligible legislative bodies to provide two-way remote public access to their meetings. Currently, members of the Arcadia City Council may participate in meetings remotely under a series of enabling provisions. Now, under SB 707, remote meeting access must include two-way telephonic or internet access for members of the public.

By July 1, 2026, the City Council must adopt a policy on how it will respond to disruptions in telephonic or internet service that would prevent members of the public from participating in the meeting remotely. It is recommended that the City Council adopt Resolution No. 7694 to enact a Telephonic and Internet Service Disruption Policy for its meetings, effective July 1, 2026.

BACKGROUND

Senate Bill (“SB”) 707 was signed by Governor Newsom on October 3, 2025, and established significant updates and modernizations to the Ralph M. Brown Act (“Brown Act”). Most of the updates under SB 707 impact “eligible legislative bodies”, which includes the Arcadia City Council. New requirements for eligible legislative

bodies include increased noticing for upcoming meetings, more options for public participation, and greater access for non-English speaking populations.

Under SB 707, the City Council is now required to provide two-way telephonic or two-audiovisual access to its meetings. In accordance with this new requirement, and if the instance should arise, the City Council must also adopt a policy that addresses how disruptions to the technology that facilitates telephonic or audiovisual access will be handled.

Two-way remote public participation will be provided in a similar manner to how it was offered during the COVID-19 pandemic, where public comment was taken from participants remotely. In alignment with the City Council's Rules of Procedure and Decorum, the allocated time for public comment will be inclusive of members participating both remotely and in-person.

The Telephonic and Internet Disruption Policy is attached as Exhibit "A" to Resolution No. 7694.

DISCUSSION

The proposed Telephonic and Internet Service Disruption Policy will meet the requirements under Government Code Section 54953.4 and provides for the continuation of meetings during technical disruptions. The proposed policy defines a disruption in two ways: (1) a failure of the telephonic or internet service used for the meeting, or (2) conduct by meeting participants that impedes or renders the meeting infeasible.

If a service disruption of telephonic or internet service occurs, the Presiding Officer (e.g., Mayor) shall immediately announce the disruption and call for a recess of the open session for at least one hour, or until the service is restored, whichever is earlier. If telephonic or internet service is not restored within one hour, an update on the efforts to restore service should be provided during the meeting, after which, the City Council may choose how to proceed. If a service disruption cannot be resolved after one hour, the City Council may choose to:

- Extend the recess to continue attempts to restore access;

- Continue the open session through a roll call vote and by making the finding that the interest in continuing the meeting outweighs the interest in remote public access; or
- Adjourn the meeting.

As defined in the policy, disruptions also include actions by remote attendees that disturb or impede the orderly conduct of the meeting. These disruptions may constitute a use of force, true threat of force, or prevent other members of the public from attending or observing the meeting remotely or in person. If these disruptions occur, a warning will be issued to the remote participant causing disruption, and, if the disruption does not cease, the remote participant will be muted and/or removed from the meeting.

Also under SB 707, certain meetings of the City Council do not require remote two-way public access, and preclude meetings where the City Council is:

- Part of a judicial or administrative proceeding;
- Inspecting real or personal property;
- Meeting with U.S. or California officials to discuss legislative or regulatory issues affecting Arcadia;
- Solely discussing a facility owned by the City and meeting within said facility;
- or
- Meeting under an emergency pursuant to Government Code Section 54956.5.

It is recommended that the City Council adopt Resolution No. 7694 to adopt the Telephonic and Internet Service Disruption Policy for City Council Meetings.

ENVIRONMENTAL ANALYSIS

Adopting the proposed policy does not constitute a project under the CEQA, as it can be seen with certainty that it will have no impact on the environment.

FISCAL IMPACT

Additional expenses resulting from SB 707 compliance include upgrading the remote meeting platform, purchasing mobile equipment to facilitate City Council meetings held outside of the Chambers, and adding hardware to publicize translated meeting

agendas. Final invoices have not yet been received, but complying with SB 707 is expected to result in \$3,000 - \$5,000 in added costs. These expenses will be absorbed within existing budgets and generally paid for out of public access programming funds.

RECOMMENDATION

It is recommended that the City Council determine that this action is not a project under the California Environmental Quality Act ("CEQA"); and adopt Resolution No. 7694 adopting the Telephonic and Internet Service Disruption Policy for City Council Meetings.

Attachment: Resolution No. 7694

RESOLUTION NO. 7694

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARCADIA,
CALIFORNIA, ADOPTING THE TELEPHONIC AND INTERNET SERVICE
DISRUPTION POLICY FOR CITY COUNCIL MEETINGS

WHEREAS, the Ralph M. Brown Act requires that meetings of local legislative bodies be open and accessible to the public; and

WHEREAS, Senate Bill 707 (2025) amended the Ralph M. Brown Act to require eligible legislative bodies to provide two-way remote public access to their meetings through telephonic or audiovisual means; and

WHEREAS, in providing for remote public access, legislative bodies must also adopt, on or before July 1, 2026, a policy addressing how interruptions in telephonic or internet service will be addressed; and

WHEREAS, service disruptions include failures of telephonic or internet service that prevent members of the public from participating remotely, as well as remote participation that disrupts or impedes the orderly conduct of the meeting; and

WHEREAS, the City Council desires to ensure transparency, public participation, and continuity of operations during disruptions affecting remote public access to meetings; and

WHEREAS, the City Council finds that adoption of the attached policy meets the new requirements for remote public access under Government Code section 54953.4.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA DOES
HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. The City Council adopts the Telephonic or Internet Service
Disruption Policy attached hereto as Exhibit "A" and incorporated herein by this
reference.

SECTION 2. The City Manager, City Clerk, and all appropriate City staff are
authorized and directed to implement the provisions of the Policy and take all actions
necessary to carry out its purpose.

SECTION 3. The Resolution shall be in effect for all meetings of the Arcadia City
Council, except for the specified exclusions in Exhibit "A", beginning July 1, 2026.

SECTION 4. The City Clerk shall certify to the adoption of this Resolution.

[SIGNATURES ON THE NEXT PAGE]

Passed, approved and adopted this 2nd day of June, 2026

Mayor of the City of Arcadia

ATTEST:

City Clerk

APPROVED AS TO FORM:



Michael J. Maurer
City Attorney

Exhibit "A"

City Council Telephonic or Internet Service Disruption Policy



ARCADIA CITY COUNCIL

Policies and Procedures

Policy: Telephonic or Internet Service Disruptions for City Council Meetings

1. Background

Senate Bill 707 (2025) amended the Brown Act to require eligible legislative bodies to adopt, on or before July 1, 2026, a policy addressing how the agency will respond to disruptions in telephonic or internet service that prevent members of the public from participating remotely.

2. Purpose

This policy establishes procedures for responding to a disruption in the telephonic or internet services that provide two-way remote public access to meetings of the City Council of the City of Arcadia, as required by the Brown Act (Government Code Section 54953.4). The policy ensures transparency, public participation, and the continuation of meetings during technological disruptions.

3. Definitions

“Disrupting” means engaging in behavior during a meeting of the City Council that actually disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting and includes, but is not limited to one of the following:

- a. A failure to comply with reasonable and lawful regulations adopted by the City Council of the City of Arcadia.
- b. Engaging in behavior that constitutes use of force or a true threat of force.

“Presiding Officer” means the Mayor or person who has been designated as responsible for overseeing the order, conduct, and meeting proceedings.

“Remote access services” means the two-way telephonic service and/or two-way audiovisual platform used to provide real-time remote public attendance and observation of meetings.

“Service Disruption” means any failure, outage, or other interruption to the agency’s remote access services that prevents members of the public from participating in a City Council meeting remotely.

“True threat of force” means a threat that has sufficient intent and seriousness, that a reasonable observer would perceive it to be an actual threat to use force by the person making the threat.

“Two-way audiovisual platform” means an online platform that provides participants with the ability to participate in a meeting via both an interactive video conference and a two-way telephonic service.

“Two-way telephonic service” means a telephone service that does not require internet access and allows participants to dial a telephone number to listen and verbally participate.

4. Applicability

This policy applies to all open and public meetings of the City Council at which remote public participation is required under the Ralph M. Brown Act. Consistent with the Brown Act, this policy shall not apply to the following meetings:

- a. Meetings held to attend a judicial or administrative proceeding to which the City of Arcadia is a party.
- b. Meetings held to inspect real or personal property provided that the topic of the meeting is limited to items directly related to the real or personal property.
- c. Meetings held to meet with elected or appointed officials of the United States or the State of California, solely to discuss a legislative or regulatory issue affecting the City of Arcadia, and over which the federal or state officials have jurisdiction.
- d. Meetings held to meet in or nearby a facility owned by the City of Arcadia, provided that the topic of the meeting is limited to items directly related to the facility.

- e. Meetings held in an emergency situation pursuant to Government Code Section 54956.5.

5. Remote Public Access Generally

When remote public access is required under the Brown Act, the City Council shall provide members of the public with an opportunity to attend and participate in the meeting using a two-way audiovisual platform or a two-way telephonic service, provided that adequate telephonic or internet service is operational at the meeting location.

If adequate telephonic or internet service is not operational at the meeting location, the City Council shall not be required to provide remote access. If adequate telephonic or internet service is operational for only a portion of the meeting, the City Council shall provide remote access during that portion of the meeting.

If a two-way audiovisual platform is used, the City Council shall:

- a. Publicly post and provide a call-in option as well; and
- b. Activate any automatic captioning function that is available in the audiovisual platform.

If a two-way audiovisual platform is not provided, the City Council shall provide a two-way telephonic service.

Members of the public participating remotely shall be provided the same opportunity to provide public comment as members of the public attending in person, including the same time allotment.

6. Response to Service Disruption

If the Presiding Officer becomes aware of a service disruption:

- a. The Presiding Officer shall immediately announce the service disruption to the public.
- b. The Presiding Officer shall call for a recess of the open session and may convene the legislative body in an authorized closed session, consistent with the Brown Act. The recess shall last for one hour or until service is restored, whichever is earlier.

- c. During the recess, City of Arcadia staff shall make a good faith effort to diagnose and restore the disrupted service.

7. Reconvening the Open Session

After the expiration of the hour, if service has not been restored, the Presiding Officer shall report on the status of staff's efforts to restore remote access services, and the City Council may reconvene to:

- a. Adjourn the meeting;
- b. Extend the recess to allow staff more time to make a good faith effort to restore remote access services; or
- c. Continue the open session portion of the meeting by adopting, by roll call vote, the following or a substantially similar finding:

"The City of Arcadia has made good faith efforts to restore telephonic or internet service in accordance with its adopted policy, and the public interest in continuing the meeting outweighs the public interest in remote public access."

Upon adoption of the finding, the City Council may continue the open session portion of the meeting despite the fact that remote access services have not been restored.

8. Recordkeeping

The City Clerk shall enter a brief statement into the meeting minutes, including:

- The nature and time of the service disruption;
- The time the meeting was reconvened (if applicable);
- Any finding adopted pursuant to Section 7.

9. Response to Members of the Public Disrupting a Meeting

If the Presiding Officer becomes aware of a member of the public who is attending the meeting through remote access services and is disrupting the meeting or otherwise preventing other members of the public from attending or observing the meeting remotely or in-person:

- a. The Presiding Officer shall warn the person who is participating through remote access services that they are disrupting the meeting and their failure to cease that behavior may result in their removal.
- b. If the person to whom the Presiding Officer gave the above warning persists in disrupting the meeting, the Presiding Officer shall order staff to:
 - i. mute or otherwise limit the individual's ability to disrupt the meeting, while allowing the individual to continue to observe and attend the meeting; or
 - ii. remove the individual from the meeting if paragraph (a) does not address the disrupting behavior or is not available using the remote access service.

10. Review and Updates

This policy may be amended by the Arcadia City Council at a noticed public meeting in open session and may not be placed on the Consent Calendar.