COMMUNITY PROFILE

- **Date of Incorporation**: October 26, 1955
- **Total Land Area**: 1.8 square miles
- **Population**: 15,834
- **Median Household Income**: $83,760
- **Miles of Streets**: 31
- **Miles of Water Mains**: 38
- **Number of City Parks**: 3
- **Number of Sworn Police Officers**: 21
- **Number of City Parks**: 3
- **Population**: 15,834
- **Fire Hydrants**: 343
- **Streetlights**: 972

Front cover photo by: Kimberly Lynn Sickel
Taken at the corner of La Palma Avenue and Walker Street in La Palma, California

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The City Council consists of five members elected at-large who serve four-year staggered terms. Elections are held on the first Tuesday of November in even-numbered years. The next municipal election for consideration of three Council seats will be November 2020.

As a legislative body, the City Council is responsible for the enactment of local laws, adoption of the annual budget, policies, agreements, contracts, and other business items. The City Council appoints the City Manager and City Attorney as well as members of the various committees and ad hoc committees.

Annually, the City Council appoints a Mayor and Mayor Pro Tem from the Council to serve a one-year term. The Mayor is responsible for presiding over City Council meetings, representing the City at various business and ceremonial events, and signing all ordinances and resolutions. The Mayor Pro Tem performs these duties in the absence of the Mayor.

City Council meetings are held on the first and third Tuesday of each month at City Hall (7822 Walker Street) starting at 7:00pm. The public is encouraged to attend these meetings.

To contact the City Council email: citycouncil@cityoflapalma.org or call: (714) 690-3334.
It is an honor to serve the residents of La Palma by working alongside your City Council and leading a team of dedicated, talented employees to make La Palma a great and safe place to live. A lot has been accomplished this past fiscal year, which is why I am proud to share our 2019 Annual Report with you.

This report highlights the City’s accomplishments over the past 12 months and also provides a snapshot of the City’s goals for the current fiscal year, which started July 1, 2019. I hope this report demonstrates our ongoing commitment to an open and transparent government as we work hard to continue to earn and maintain your trust, respect, and confidence.

One of the City Council’s goals last year was to engage in proactive economic development. I am happy to report that in January of this year, the City Council entered into an Exclusive Negotiating Agreement with Eight 88 Hospitality, LLC to negotiate a Master Development Agreement (MDA) to develop property north of Orangenthal Avenue, south of Coyote Creek, east of Walker Street, and west of Valley View. The goal of the development is to energize the area, residents, and businesses while creating demand generators to generate tourism and visitors to the revitalized area. More information about this potential development will be released in the coming months so stay tuned.

We have also worked closely with 11 other North Orange County cities to build two navigation centers, one in Buena Park and another in Placentia, to help address our region’s growing homelessness crisis. These navigation centers will provide access to housing and various services to permanently transition individuals off the streets. By partnering with the other North Orange County cities to build the navigation centers, we will comply with all federal mandates, which in turn, will allow us to enforce our anti-camping ordinances, and keep our parks clean and free for use by our residents.

Another City Council goal was to invest in community improvements. This past year, staff worked with a consultant to develop a conceptual plan and finalize construction drawings for arterial street median improvements for La Palma Avenue, Walker Street, and Moody Street, which was approved by the City Council. Staff is expected to bid the construction project later this fall. Other community improvements include adding exercise equipment to Central Park and upgrading security in the Police Department lobby.

Additionally, staff worked to continue to improve communications with the public. A community survey was conducted this past winter, which found that nine out of 10 residents rated La Palma as a good or excellent place to raise a family, and nine out of 10 residents rated the overall quality of life in La Palma as good or excellent. More information about the community survey can be found on Page 10. The Police Department continued to partner with local businesses to host various community events, including Coffee with a Cop, and enhanced the role of the School Resource Officer by establishing a pilot student mentorship program between Walker Junior High School and John F. Kennedy High School.

While we are proud of the work that has been accomplished, we still have more to do. Some of the citywide goals for the current fiscal year include: 1) Negotiate a Master Development Agreement with Eight88 Hospitality, LLC; 2) Investigate new Redevelopment rules and develop a comprehensive plan to improve neighborhood shopping areas; 3) Bid and construct the above-mentioned median project; and 4) Develop a City International Day signature event for April 2020 that includes a small local parade component.

Exciting things are on the horizon that we can all look forward to with renewed optimism.

Respectfully,

Laurie A. Murray
The General Government Department is made up of the City Council, City Manager, Legal Services, and City Clerk. The City Council is the legislative, policy-making body elected by residents who hires the City Manager to carry out their policies. Additionally, the City Manager is responsible for day-to-day city operations, including police, budget, and personnel management with an emphasis on effective, efficient, and equitable service delivery as well as long-term planning. The City contracts with a law firm to provide city attorney legal services to the City Council and City Manager. Lastly, the City Clerk is a key public point of contact for residents, working to ensure transparency and access to local government.

In FY 2018-19, the City Council entered into an Exclusive Negotiating Agreement with Eight88 Hospitality, LLC to negotiate a Master Development Agreement (MDA) to develop property within the City. The goal of the MDA is to energize the area, residents, and businesses, while creating demand generators to generate tourism and visitors to the revitalized area.

The City Manager’s Office conducted a citywide community survey to measure overall satisfaction with City-provided services and to gather opinions on various topics such as customer service, economic development, funding priorities, and policies in FY 2018-19. The results of the community survey can be found on Page 10. Additionally, the City Manager’s Office continued to improve public communications by developing a weekly e-newsletter as well as increasing its social media presence by interacting with residents more than 700 times through Facebook, Twitter, and Instagram.

Among other things, the City Clerk’s Office provided agenda management support for 22 City Council meetings, fulfilled 189 public records requests, and coordinated with the County of Orange to conduct municipal elections in FY 2018-19.
The Administrative Services Department oversees the business functions of the City, including Fiscal Services, Human Resources, Risk Management, and Information Technology.

The Fiscal Services division maintains the financial integrity of the City, and initiates the financial transactions necessary for the City to do business, manage its investments, and pay its employees. In FY 2018-19, the division issued 3,572 payments to vendors as well as 198 purchase orders. The division also developed a balanced FY 2019-20 budget while maintaining an Emergency Reserve Fund with a minimum balance of 50% of General Fund expenditures totaling $5,447,500.

The Human Resources division, which includes Risk Management, is responsible for employee relations, such as benefits administration and management of workers’ compensation, as well as citywide organizational training and performance management. In FY 2018-19, the Human Resources division reviewed and processed 940 job applications for 10 job openings. Additionally, the division offered nearly 20 hours of on-site staff training, including CPR/First Aid, Cybersecurity, and Communications Skills.

The Information Technology (IT) division focuses on efficient and effective citywide technological solutions, including operating and maintaining the City’s internal computer network, phone system, and website. In FY 2018-19, the Information Technology division replaced 19 computers, including 10 mobile data computers (MDCs) for the Police Department, as well as supported more than 100 desktop computers, servers, network switches, firewalls, and routers. The division also completed a citywide phone system upgrade and issued a Request for Proposals for IT services resulting in a new IT services vendor that maintained current service levels at a reduced cost. Lastly, the City’s website logged more than 68,000 visitors with 251,000 page views, of which 41% were accessed by mobile devices in FY 2018-19.
The Police Department is a full-service department organized under two major divisions: Operations and Support Services. The Operations division is generally the first uniformed point of contact for anyone seeking police services, including patrol operations and reserve officers, SWAT team, and traffic enforcement. The Support Services division provides a variety of mission critical functions, such as Dispatch, Records, Community Education & Emergency Preparedness, Volunteer programs, and other functions like information technology and budgeting. The Department’s principal is “Mission First, People Always”.

In FY 2018-19, the Operations division actively participated in the North Orange County Public Safety Task Force to address homelessness issues at the regional level. In collaboration with a non-profit organization, officers helped 17 homeless individuals exit the streets and into some type of housing. Additionally, the Operations division enhanced the role of the School Resource Officer and established a pilot student mentorship program between Walker Junior High School and John F. Kennedy High School. The division also increased patrols and visibility in residential areas, resulting in a significant reduction of home burglaries (46% decrease from 2017). Additionally, the division partnered with local businesses and hosted several community engagement events, secured federal grant funding for a Local Hazard Mitigation Plan, and maintained an average patrol response time of three minutes for Priority 1 calls for service, such as emergencies and crimes in progress.

In FY 2018-19, the Support Services division updated the City’s Emergency Operations Plan and conducted a number of emergency preparedness drills and exercises. The division also implemented the Text-to-911 system, providing the public with an alternate method of communicating with a 911 operator when calling is not feasible. Lastly, the division completed security upgrades to the Police Department Lobby, updated Dispatch furniture, and replaced aging Mobile Data Computers and Mobile Video System in police vehicles.

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The Community Services Department/Recreation is responsible for fostering human development, well-being, healthy lifestyles, development of safe and resilient youth through a wide selection of programs and activities, and special interest classes for all ages; hosting special events that strengthen community image and sense of place; and providing multi-generational civic gathering places that offer active, passive, organized, drop-in activities, and events that benefit the community.

In FY 2018-19, the Department's Health and Wellness division provided 1,171 classes to more than 4,200 individuals ranging from ballet and aquatics to educational programs and the arts. The division also provided over 2,100 meals to homebound residents with the help of volunteers. Lastly, the division installed exercise equipment at Central Park and renovated the Central Park softball/soccer field.

In FY 2018-19, the Department's Recreation Facility Operations division issued 448 indoor and outdoor facility permits for use of various rooms in the Community Center, the Central Park Pavilion & Bicentennial Gazebo, tennis & basketball courts, and softball/soccer field totaling 2,260 outdoor facility rental hours.

The Department's Special Events division hosted 12 special events in FY 2018-19, including the July 4th Fitness Run for Fun, Concerts in the Park, Halloween Carnival, Arbor Day, Memorial Day Ceremony, and the new Hometown Heroes Concert, which accounted for over 10,000 people having a place to gather and connect with members of their community. Additionally, the division offered safe teen events once per month, such as teen dances, March Madness basketball tournament, and skate night. Lastly, the division conducted the grant-funded Inspoteen program three days per week at Walker Junior High School and John F. Kennedy High School to provide a safe, after-school location for teens to spend time.

FY 2018-19

Community Services/Recreation Budget:
$1,137,200

FY 2019-20 Goals

- Plan and implement a new International Day event in April 2020
- Install new Electronic Message Board in Central Park
- Replace El Rancho Verde Park playground equipment
- Continue teen mentoring through Inspoteen program

Accomplishments

- Provided 1,171 classes for more than 4,200 youth, teens, and adults
- Installed exercise equipment and conducted renovations to softball field in Central Park
- Issued 448 indoor and outdoor recreation facility use permits
- Hosted 12 special events totaling more than 10,000 attendees
The Community Services Department/Public Works is organized under two divisions: Maintenance and Utilities. The Maintenance division is responsible for supporting and enhancing residents' quality of life by: maintaining and improving the City's infrastructure, such as streets, buildings, parks, trees, and traffic signals; managing Capital Improvement Projects, including arterial and residential street rehabilitation; and maintaining and repairing the City's sewer system. The Utilities division is responsible for providing high-quality water by maintaining, repairing, monitoring, and operating the City's water transmission system, which carries water throughout the water service area and produces an average of 2.2 million gallons of water each day. Additionally, the division is responsible for bi-monthly water billing and customer service as well as water conservation education and enforcement.

In FY 2018-19, the Maintenance division installed 47 Americans with Disabilities Act (ADA) accessible pedestrian ramps. Additionally, the division developed a conceptual plan and finalized construction drawings for arterial street median improvements for La Palma Avenue, Walker Street, and Moody Street. Next steps are finalizing construction plans with bidding expected in fall of 2019. In Central Park, the division repaired and replaced the primary sidewalk and performed turf maintenance with drought tolerant grass seed. Lastly, the division installed security upgrades in the Police Department lobby, pruned 510 trees, swept 62 miles of street per week, maintained 21 traffic signals, and removed 150 square feet of graffiti.

In FY 2018-19, the Utilities division cleaned 207 storm drain catch basins (twice per year). Additionally, the division maintained and cleaned 28.3 miles of the City's sewer collection system, which includes 672 manholes. Twenty-four line segments within the system that are identified as needing enhanced maintenance are cleaned quarterly. Lastly, the division provided 24 hour emergency sewer spill response to protect the City’s storm water structures.

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The Community Development Department's mission is to ensure that La Palma remains a livable, competitive, and sustainable community through effective land use planning, supportive construction management, proactive code enforcement, and innovative economic development activities.

The Department carries out the Building and Safety functions, such as plan check, permitting, and inspection for sound construction and public safety. Additionally, the Department focuses on code enforcement efforts to ensure stable, well-maintained properties as well as assists with long-range planning and zoning services.

In FY 2018-19, the Department issued 489 building permits with an estimated valuation of $6,545,830. Additionally, the Department completed 92 plan checks and 30 planning entitlements for both residential and commercial properties. Twelve Conditional Use Permits were issued to businesses, 12 Precise Plans were approved, and four variances were granted. Lastly, code enforcement staff opened 424 cases ensuring residents and businesses complied with building, land use, and property maintenance requirements.

The Department is also responsible for the City's Economic Development activities, such as overseeing business retention and attraction activities, including being the City's "point of contact" for business and investment interests, developers, and commercial property owners. In FY 2018-19, the Department hosted 11 free workshops for small business owners in partnership with the Small Business Administration. Additionally, the Department started offering ribbon cutting events to newly opened or newly renovated businesses as well as working to develop a Business Engagement Plan with the City Council Business Engagement Ad Hoc Committee.

**FY 2018-19**
Community Development Budget: $468,000

<table>
<thead>
<tr>
<th>Accomplishments</th>
</tr>
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<tbody>
<tr>
<td>489 building permits issued; estimated valuation $6.5 million</td>
</tr>
<tr>
<td>12 Conditional Use Permits issued</td>
</tr>
<tr>
<td>12 Precise Plans approved</td>
</tr>
<tr>
<td>4 Variances granted</td>
</tr>
<tr>
<td>424 Code Enforcement cases opened</td>
</tr>
<tr>
<td>11 free workshops for small business owners</td>
</tr>
</tbody>
</table>

**FY 2019-20 Goals**
- Develop a Concept Plan for the Brookside Apartment complex
- Encourage and/or facilitate enhanced architecture design and/or niche shopping areas within current strip mall locations
- Investigate new Redevelopment rules and develop a plan to improve neighborhood shopping areas

**FY 2018-19**
Budget: $11.2 million

2 full-time equivalent employees

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In fall of 2018, the City Council conducted a statistically valid community survey to understand residents' needs and priorities, measure how the City is performing in meet those needs through existing services, and gather data on a variety of quality of life issues, public engagement, and policy-related matters. Below are just some of the survey's results. To see the full results of the Community Survey, visit our website at: www.cityoflapalma.org/survey

- **95%**
  Rated La Palma as an "Excellent" or "Good" place to raise a family

- **91%**
  Rated the overall quality of life in La Palma as "Excellent" or "Good"

- **87%**
  Rated overall satisfaction with City's public communication efforts as "Very satisfied" or "Somewhat satisfied"

- **86%**
  Rated overall satisfaction of City services (e.g. water, public safety, and parks/recreation) as "Very satisfied" or "Somewhat satisfied"
FINANCIAL DATA & INFORMATION

FY 2018-19 Total Budgeted Expenditures by Fund

- General Fund: $11,418,330
- Special Revenue: $1,997,900
- Capital Projects: $6,452,500
- Enterprise: $3,352,300
- Internal Service: $1,465,400
- Total: $24,686,430

Source: FY 18-19 Budget

FY 2018-19 Total Budgeted Expenditures by Object

- Personnel: $8,365,800
- Maintenance & Operations: $9,273,530
- Capital Outlay & Improvements: $7,047,100
- Total: $26,686,430

Source: FY 18-19 Budget
FY 2018-19 General Fund Budgeted

Revenues

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<tr>
<th>Source</th>
<th>Amount</th>
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<tr>
<td>Property Tax</td>
<td>$3,816,100</td>
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<tr>
<td>Sales Tax</td>
<td>$2,100,000</td>
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<tr>
<td>Transaction &amp; Use Tax</td>
<td>$1,450,000</td>
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<tr>
<td>Utility Users Tax</td>
<td>$995,000</td>
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<tr>
<td>Charges for Service</td>
<td>$485,500</td>
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<tr>
<td>Hotel Tax</td>
<td>$385,000</td>
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<tr>
<td>Other*</td>
<td>$2,405,300</td>
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</tbody>
</table>

**Total** $11,636,900

*Other revenues include: Interfund Transfers, Franchise Fees, Use of Money & Property, Licenses & Permits, Fines & Forfeitures, and Residual Property Tax.

**Property Taxes**

For every $1 that a property owner pays in property tax, the City of La Palma receives 12 cents

- Schools: 66%
- Special Districts: 14%
- City of La Palma: 12%
- County of Orange: 8%

**Total:** 100%

Source: HdL Companies

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FINANCIAL DATA & INFORMATION

FY 2018-19 General Fund Budgeted Expenditures

<table>
<thead>
<tr>
<th>Department</th>
<th>Budgeted Expenditures</th>
</tr>
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<tbody>
<tr>
<td>General Government</td>
<td>$676,630</td>
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<tr>
<td>Administrative Services</td>
<td>$2,604,100</td>
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<tr>
<td>Police Department</td>
<td>$4,768,200</td>
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<tr>
<td>Community Services</td>
<td>$2,133,900</td>
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<tr>
<td>Community Development</td>
<td>$468,000</td>
</tr>
<tr>
<td>Transfer Out*</td>
<td>$767,500</td>
</tr>
<tr>
<td>Total</td>
<td>$11,418,330</td>
</tr>
</tbody>
</table>

*Funds from General Fund are transferred to other funds, such as the Capital Outlay Reserve Fund.

Source: FY 18-19 Budget

FY 2018-19 Staffing by Department

<table>
<thead>
<tr>
<th>Department</th>
<th>Full-time Positions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police Department</td>
<td>29</td>
</tr>
<tr>
<td>Community Services</td>
<td>14</td>
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<tr>
<td>Administrative Services</td>
<td>5</td>
</tr>
<tr>
<td>General Government</td>
<td>3</td>
</tr>
<tr>
<td>Community Development</td>
<td>2</td>
</tr>
</tbody>
</table>

53 full-time positions

Source: FY 18-19 Budget

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**Fund Balance Reserve**

The City of La Palma has a conservative Fund Balance Reserve policy that requires minimum fund balance levels to ensure economic stability. The Emergency Reserve Fund policy establishes a commitment for an Emergency Reserve Fund with a minimum fund balance of 50% of General Fund expenditures at the beginning of each fiscal year while neighboring cities average 25%. At the end of each fiscal year when audited General Fund revenues exceed expenditures, a minimum of 25% of any operating surplus is allocated to the Emergency Reserve Fund. The FY 2018-19 Emergency Reserve Fund balance is $5,447,500.

**Pension Information**

This graph represents steps the City Council has taken since 2015 to address its unfunded pension liability. The City has been proactive in addressing its pension obligations even prior to the date shown on this graph.

**FY 2015-16**
Unfunded pension liability totaled $20.1 million

**FY 2016-17**
City reduced pension liability costs with a second $2.5 million payment

**Present**

FYM 2016-17*
City reduced pension liability costs with a $2.5 million payment. As of June 30, 2017, the total unfunded pension liability valuation was $17.7 million (which includes the first $2.5 million payment.* )

**Future**
Because the City reduced its pension liability by $5 million, the City saves $3.4 million in interest over a 17-year period

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*New CalPERS actuarial valuation reports will be released in the fall of 2019.