CITY OF WEST COVINA

CITY COUNCIL/SUCCESSOR AGENCY

FEBRUARY 18, 2025, 7:00 PM
REGULAR MEETING

CITY HALL COUNCIL CHAMBERS
1444 W. GARVEY AVENUE SOUTH
WEST COVINA, CALIFORNIA 91790

Mayor Tony Wu
Mayor Pro Tem Letty Lopez-Viado
Councilman Ollie Cantos
Councilwoman Diaz
Councilmember Brian Gutierrez

Please turn off all cell phones and other electronic devices prior to entering the Council Chambers

AMERICANS WITH DISABILITIES ACT
The City complies with the Americans with Disabilities Act (ADA). If you will need special assistance at Council meetings, please call (626) 939-8433 (voice) or (626) 960-4422 (TTY) from 8 to 5 Monday through Thursday. Do call at least one day prior to the meeting date to inform us of your particular needs and to determine if accommodation is possible. For sign language interpreter services at Council meetings, please request no less than four working days prior to the meeting.

AGENDA MATERIAL
Agenda material is available for review at the City Clerk's Office, Room 317 in City Hall, 1444 W. Garvey Avenue South, West Covina and at www.westcovina.org. Any writings or documents regarding any item on this agenda, not exempt from public disclosure, provided to a majority of the City Council that is distributed less than 72 hours before the meeting, will be made available for public inspection in the City Clerk's Office, Room 317 of City Hall located at 1444 W. Garvey Avenue South, West Covina, during normal business hours.

NOTICE
The City Council will regularly convene on the first and third Tuesday of the month. The West Covina Community Development Commission, West Covina Public Financing Authority and the West Covina Community Services Foundation are agencies on which the City Council serves as members. Agendas may contain items for these boards, as necessary.

PUBLIC COMMENTS
ADDRESSING THE CITY COUNCIL
(Per WCMC 2-48, Ordinance No. 2150)

Any person wishing to address the City Council on any matter listed on the agenda or on any other matter within their jurisdiction should complete a speaker card that is provided at the entrance to the Council Chambers and submit the card to the City Clerk.

***Please identify on the speaker card whether you are speaking on an agenda item or non-agenda*. Requests to speak on agenda items will be heard prior to requests to speak on non-agenda items. All comments are limited to five (5) minutes per speaker.**

Oral Communications may be limited to thirty (30) minutes, unless speakers addressing agenda items have not concluded.

Any testimony or comments regarding a matter set for a Public Hearing will be heard during the hearing.

RULES OF DECORUM
Excerpts from the West Covina Municipal Code and Penal Code pertaining to the Rules of Decorum will be found at the end of agenda.

AGENDA

CITY OF WEST COVINA
CITY COUNCIL/SUCCESSOR AGENCY

TUESDAY FEBRUARY 18, 2025, 7:00 PM
REGULAR MEETING

INVOCATION
Led by Al Richardson from New Beginning Christian Fellowship West Covina

PLEDGE OF ALLEGIANCE
Led by Councilwoman Diaz

ROLL CALL

REPORTING OUT FROM CLOSED SESSION

PRESENTATIONS

- Certificates of Appreciation: Student Government Day
- Presentation by East San Gabriel Valley Japanese Community Center and Certificate of Appreciation recognizing Pearl Omiya
- Presentation by Dr. Basil on Current Health Issues

CITY MANAGER'S REPORT
City Manager's report on current City projects.

ORAL COMMUNICATIONS - Five (5) minutes per speaker
Please step forward to the podium and state your name and city of residence for the record when recognized by the Mayor.

CONSENT CALENDAR
All matters listed under CONSENT CALENDAR are considered to be routine and can be acted on by one roll call vote. There will be no separate discussion of these items unless members of the City Council/Community Development Commission request specific items to be removed from the Consent Calendar for separate discussion or action.

APPROVAL OF MEETING MINUTES

1) CONSIDERATION OF APPROVAL OF THE DECEMBER 17, 2024, CITY COUNCIL/SUCCESSOR AGENCY REGULAR SESSION MEETING MINUTES, THE FEBRUARY 4, 2025, CITY COUNCIL/SUCCESSOR AGENCY REGULAR SESSION MEETING MINUTES AND THE FEBRUARY 4, 2025, CITY COUNCIL/SUCCESSOR AGENCY CLOSED SESSION MEETING MINUTES.

That the Council approve the December 17, 2024, City Council/Successor Agency Regular Session Meeting Minutes, the February 4, 2025, City Council/Successor Agency Regular Session Meeting Minutes and the February 4, 2025, City Council/Successor Agency Closed Session Meeting Minutes.

CITY MANAGER'S OFFICE

2) CONSIDERATION OF ORDINANCE NO. 2528 AMENDING CHAPTER 2 OF THE WEST COVINA MUNICIPAL CODE RELATING TO PUBLIC PARTICIPATION AND DECORUM DURING CITY COUNCIL MEETINGS AND RESOLUTION NO. 2025-15 CHANGING THE ORDER OF BUSINESS FOR REGULAR CITY COUNCIL MEETINGS

It is recommended that the City Council:

1. Introduce the following ordinance:
ORDINANCE NO. 2528 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, AMENDING PROVISIONS OF DIVISION 2 (MEETINGS AND RULES OF PROCEDURE) OF ARTICLE II (CITY COUNCIL) OF CHAPTER 2 (ADMINISTRATION) OF THE WEST COVINA MUNICIPAL CODE RELATING TO PUBLIC PARTICIPATION AND DECORUM AT CITY COUNCIL MEETINGS

2. Adopt the following resolution:
RESOLUTION NO. 2025-15 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, CHANGING THE ORDER OF BUSINESS FOR REGULAR CITY COUNCIL MEETINGS

COMMUNITY DEVELOPMENT

3) CONSIDERATION OF APPROVAL OF TRAFFIC RECOMMENDATIONS FROM THE TRAFFIC COMMITTEE MEETINGS BETWEEN NOVEMBER 2024 THROUGH JANUARY 2025

It is recommended that the City Council approve the Traffic Committee recommendations detailed in the staff report for traffic engineering improvements Citywide from the meetings held between November 2024 through January 2025.

4) CONSIDERATION OF ACCEPTANCE OF WORK FOR SOUTHSIDE SEWER CIPP LINING IMPROVEMENTS PROJECT - PROJECT NO. 24004

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

1. Accept the work performed by Southwest Pipeline and Trenchless Corp. for the Southside Sewer CIPP Lining Improvements Project (Project No. 24004) with a final cost of $816,644.01;
2. Authorize the City Manager and Assistant City Clerk to execute the Notice of Completion and file the Notice of Completion with the County of Los Angeles Registrar-Recorder; and
3. Authorize the City Manager to release a retention once appropriate.

FINANCE DEPARTMENT

5) CONSIDERATION OF ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) AND OTHER RELATED REPORTS FOR THE YEAR ENDED JUNE 30, 2024

It is recommended that the City Council receive and file the following for the year ended June 30, 2024:

- Annual Comprehensive Financial Report (“ACFR”);
- Government Auditing Standards Letter;
- Audit Communication Letter; and
- Community Financial Report.

6) CONSIDERATION OF PURCHASING REPORT AND REJECTION OF UNAWARDED BIDS AND REQUESTS FOR PROPOSALS

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

1. Receive and file the listing of all contracts and purchase orders that have been awarded by the City Manager from April 1, 2024 to January 31, 2025.
2. Reject the unawarded bids and requests for proposals detailed within the staff report.

7) CONSIDERATION OF THE SECOND QUARTER FINANCIAL REPORT AND BUDGET AMENDMENT FOR FISCAL YEAR 2024-25

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

1. Receive and file the Second Quarter Financial Report for Fiscal Year 2024-25; and
2. Adopt the following resolution:

RESOLUTION NO. 2025-12- A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, ADOPTING A BUDGET AMENDMENT FOR THE FISCAL YEAR COMMENCING JULY 1, 2024 AND ENDING JUNE 30, 2025 (SECOND QUARTER FINANCIAL REPORT)

8) ANNUAL REVIEW OF FINANCIAL POLICIES

It is recommended that the City Council adopt the following resolutions:

RESOLUTION NO. 2025-13 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, APPROVING THE CITY OF WEST COVINA STATEMENT OF INVESTMENT POLICY

RESOLUTION NO. 2025-14 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, AMENDING THE FUND BALANCE POLICY

END OF CONSENT CALENDAR

HEARINGS

PUBLIC HEARINGS

9) CONSIDERATION OF ORDINANCE NO. 2525 (CODE AMENDMENT NO. 24-01) TO AMEND CHAPTER 26 OF THE WEST COVINA MUNICIPAL CODE TO MAKE CORRECTIONS AND INCORPORATE REQUIRED UPDATES TO COMPLY WITH STATE LAW, AND TO AMEND THE "COMMERCIAL" PORTION OF THE PLANNED COMMUNITY DEVELOPMENT NO. 1 (PCD-1) FOR THE WEST COVINA PORTION OF WOODSIDE VILLAGE TO MAKE DEVELOPMENT WITHIN THE PCD-1 ZONING CONSISTENT WITH THE CURRENT ZONING

It is recommended that the City Council:

1. Conduct the public hearing; and
2. Introduce the following Ordinance:

ORDINANCE NO. 2525 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, APPROVING CODE AMENDMENT NO. 24-01, THE DEVELOPMENT CODE UPDATE CLEAN UP, AMENDING CHAPTER 26 (ZONING) OF THE WEST COVINA MUNICIPAL CODE, AND AMENDING THE COMMERCIAL PORTION OF PLANNED COMMUNITY DEVELOPMENT NO. 1 (PCD-1) FOR THE WEST COVINA PORTION OF WOODSIDE VILLAGE

DEPARTMENTAL REGULAR MATTERS

CITY MANAGER'S OFFICE

10) Health Department Update

It is recommended that the City Council receive and file the report.

11) Presentation of the City of West Covina's current Emergency Operations Plan

It is recommended that the City Council receive and file the report.

POLICE DEPARTMENT

12) City Hall CCTV & Metal Detector Implementation

It is recommended that the City Council receive and file the report.

PUBLIC WORKS

13) PUBLIC WORKS OPERATIONS

It is recommended that the City Council receive and file the report.

14) MEDIAN BEAUTIFICATION

It is recommended that the City Council receive and file the report.

MAYOR/COUNCILMEMBERS REPORTS

AB 1234 Conference and Meeting Report (verbal, if any)

(In accordance with AB 1234, Councilmembers shall make a brief report or file a written report on any meeting/event/conference attended at City expense.)

CITY COUNCIL REQUESTS FOR REPORTS, STUDIES OR INVESTIGATION

(Per City of West Covina Standing Rules 4.f - Requests for reports, studies, or investigations that are not readily available must be placed on the City Council/Successor Agency agenda as items of business and must be approved by a majority of the City Council/Successor Agency Board.)

CITY COUNCIL COMMENTS

ADJOURNMENT

Next Tentative City Council Meeting

Regular Meeting	March 4, 2025	7:00 PM

RULES OF DECORUM

The following are excerpts from the West Covina Municipal Code:

Sec. 2-48. Manner of addressing council; time limit; persons addressing may be sworn.

a. Each person addressing the council shall step up to the rostrum, shall give his or her name and city of residence in an audible tone of voice for the record and unless further time is granted by the council, shall limit his or her address to five (5) minutes.
b. The city council may establish a limit on the duration of oral communications.
c. All remarks shall be addressed to the council as a body and not to any member thereof. No person, other than the council and the person having the floor, shall be permitted to enter into any discussion, either directly or through a member of the council, without the permission of the presiding officer. No question shall be asked of a councilmember except through the presiding officer.
d. The presiding officer may require any person to be sworn as a witness before addressing the council on any subject. Any such person who, having taken an oath that he or she will testify truthfully, willfully and contrary to such oath states as true any material matter

which he knows to be false may be held to answer criminally and subject to the penalty prescribed for perjury by the provisions of the Penal Code of the state.

Sec. 2-50. Decorum--Required.

a. While the council is in session, the members shall preserve order and decorum, and a member shall neither, by conversation or otherwise, delay or disrupt the proceedings or the peace of the council nor interrupt any member while speaking or refuse to obey the orders of the council or its presiding officer, except as otherwise herein provided.
b. Members of the public shall not willfully disrupt the meeting or act in a manner that actually impairs the orderly conduct of the meeting. For the purposes of this code, “willfully disrupt” includes, but is not limited to, continuing to do any of the following after being warned by the Mayor that continuing to do so will be a violation of the law:
    a. Addressing the Mayor and City Council without first being recognized.
    b. Persisting in addressing a subject or subjects, other than that before the Mayor and City Council.
    c. Repetitiously addressing the same subject.
    d. Failing to relinquish the podium when directed to do so.
    e. From the audience, interrupting or attempting to interrupt, a speaker, the Mayor, a council member, or a staff member or shouting or attempting to shout over a speaker, the Mayor, a council member or a staff member.
    f. As a speaker, interrupting or attempting to interrupt the Mayor, a council member, or a staff member, or shouting over or attempting to shout over the Mayor, a council member, or a staff member. Nothing in this section or any rules of the council shall be construed to prohibit public criticism of the policies, procedures, programs, or services of the City or of the acts or omissions of the City Council. It shall be unlawful to violate the provisions of this Section.

If any subsection, sentence, clause, or phrase or word of this Section 2-50 is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Section. The City Council hereby declares that it would have passed this section and each subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more subsections, sentences, clauses, phrases or words had been declared invalid or unconstitutional.

Sec. 2-52. Persons authorized to be within council area.
No person, except city officials, their representatives and members of the news media shall be permitted within the rail in front of the council chamber without the express consent of the council.

The following are excerpts from the Penal Code

148(a) (1) Every Person who willfully resists, delays, or obstructs any public officer, peace officer, or an emergency medical technician, as defined in Division 2.5 (commencing with Section 1797) of the Health and Safety code, in the discharge or attempt to discharge any duty of his or her office or employment, when no other punishment is prescribed, shall be punished by a fine not exceeding one thousand dollars ($1,000), or by imprisonment in a county jail not to exceed one year, or by both that fine and imprisonment.

403 Every person who, without authority of law, willfully disturbs or breaks up any assembly or meeting that is not unlawful in its character, other than an assembly or meeting referred to in Section 303 of the Penal Code or Section 18340 of the Elections Code, is guilty of a misdemeanor.

AGENDA ITEM NO. 1

AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: February 18, 2025

TO: Mayor and City Council

FROM: Paulina Morales, City Manager

SUBJECT: **CONSIDERATION OF APPROVAL OF THE DECEMBER 17, 2024, CITY COUNCIL/SUCCESSOR AGENCY REGULAR SESSION MEETING MINUTES, THE FEBRUARY 4, 2025, CITY COUNCIL/SUCCESSOR AGENCY REGULAR SESSION MEETING MINUTES AND THE FEBRUARY 4, 2025, CITY COUNCIL/SUCCESSOR AGENCY CLOSED SESSION MEETING MINUTES.**

RECOMMENDATION:

That the Council approve the December 17, 2024, City Council/Successor Agency Regular Session Meeting Minutes, the February 4, 2025, City Council/Successor Agency Regular Session Meeting Minutes and the February 4, 2025, City Council/Successor Agency Closed Session Meeting Minutes.

BACKGROUND:

That the City Council adopt the attached minutes.

Prepared by: Lisa Sherrick, Assistant City Clerk

Attachments

Attachment No. 1 - 12/17/2024 Regular Session Minutes Draft

Attachment No. 2 - 2/4/2025 Closed Session Minutes Draft

Attachment No. 2 - 2/4/2025 Regular Session Minutes Draft

CITY COUNCIL GOALS & OBJECTIVES: Enhance City Image and Effectiveness

CITY OF WEST COVINA

CITY COUNCIL/SUCCESSOR AGENCY

DECEMBER 17, 2024, 7:00 PM
REGULAR MEETING

CITY HALL COUNCIL CHAMBERS
1444 W. GARVEY AVENUE SOUTH
WEST COVINA, CALIFORNIA 91790

Mayor Tony Wu
Mayor Pro Tem Letty Lopez-Viado
Councilman Ollie Cantos
Councilwoman Rosario Diaz
Councilman Brian Gutierrez

MINUTES

DRAFT

INVOCATION
Led by Chaplain Kelly Dupee from West Covina Police Department

PLEDGE OF ALLEGIANCE
Led by Mayor Pro Tem Lopez-Viado

ROLL CALL
Council Members
Present: Council Members Rosario Diaz, Ollie Cantos, Brian Gutierrez, Mayor Pro Tem Letty Lopez Viado, Mayor Wu

Absent: None

REPORTING OUT FROM CLOSED SESSION
There was no Closed Session

PRESENTATIONS

- Grace Napolitano Final Legislative Update - Video
- Emma Ousterhout - Sports League Update
- Chinese American Association of West Covina - Presentation of Donations
  - Hollencrest Middle School
  - Ballet Folklorico
- Resolution of Commendation for Retired Fire Caption Todd Smith
- Resolution of Commendation for Police Chief Richard Bell

CITY MANAGER'S REPORT
City Manager's report on current City projects.

ORAL COMMUNICATIONS - Five (5) minutes per speaker
Albert Ochoa
Lola Finley
Glenn Kennedy
Mario Sobalvarro

CONSENT CALENDAR

ACTION: Motion by Councilmember Diaz and Second by Mayor Pro Tem Lopez-Viado, 5-0 to: *Approve Consent Calendar Items 2-4 (Councilmember Gutierrez abstained on item number 1)*

ACTION: Motion by Councilmember Diaz and Second by Mayor Pro Tem, 4-0-10 to: *Approve Consent Calendar Item 1 (Councilmember Gutierrez abstained on item number 1)*

APPROVAL OF MEETING MINUTES

1) **CONSIDERATION OF APPROVAL OF THE DECEMBER 3, 2024, CITY COUNCIL/SUCCESSOR AGENCY REGULAR SESSION MEETING MINUTES AND THE DECEMBER 3, 2024, CITY COUNCIL/SUCCESSOR AGENCY REGULAR CLOSED SESSION MEETING MINUTES.**

Carried 4-0-1 to (Abstain: Gutierrez): approve the December 3, 2024, City Council/Successor Agency Regular Session Meeting Minutes and the December 3, 2024, City Council/Successor Agency Regular Closed Session Meeting Minutes.

CITY MANAGER'S OFFICE

DRAFT

2) **CONSIDERATION OF MAYORAL APPOINTMENT OF CITY COUNCIL MEMBER REPRESENTATIVES TO VARIOUS ADVISORY BOARDS AND COMMITTEES**

Carried 5-0 to: adopt the following resolution:

> **RESOLUTION NO. 2024-10 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, CONFIRMING APPOINTMENTS OF COUNCIL MEMBERS TO SERVE ON VARIOUS ADVISORY BOARDS AND COMMITTEES**

FINANCE DEPARTMENT

3) **CONSIDERATION OF APPROVAL AND TRANSMITTAL OF AN ADMINISTRATIVE BUDGET AND A RECOGNIZED OBLIGATION PAYMENT SCHEDULE ("ROPS") FOR THE PERIOD OF JULY 1, 2025 THROUGH JUNE 30, 2026 FOR THE SUCCESSOR AGENCY TO THE FORMER WEST COVINA REDEVELOPMENT AGENCY**

Carried 5-0 to: the City Council, acting as the Successor Agency to the former West Covina Redevelopment Agency, adopt the following resolution:

RESOLUTION NO. 2024-71 – A RESOLUTION OF THE SUCCESSOR AGENCY TO THE FORMER WEST COVINA REDEVELOPMENT AGENCY APPROVING AND AUTHORIZING THE TRANSMITTAL OF AN ADMINISTRATIVE BUDGET AND A RECOGNIZED OBLIGATION PAYMENT SCHEDULE ("ROPS") FOR THE PERIOD OF JULY 1, 2025 THROUGH JUNE 30, 2026

4) **CONSIDERATION OF INCREASE IN HOURLY RATES FOR LIMITED SERVICE COMPENSATION SCHEDULE TO REFLECT INCREASE IN STATE HOURLY MINIMUM WAGE EFFECTIVE JANUARY 1, 2025**

Carried 5-0 to:

1. Approve wage adjustments to limited services positions to bring them into compliance with the State's minimum wage requirement effective January 1, 2025; and
2. Adopt the following Resolution:

RESOLUTION NO. 2024-69 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, AMENDING THE LIMITED SERVICE COMPENSATION SCHEDULE FOR CONSISTENCY WITH STATE LAW

END OF CONSENT CALENDAR

MAYOR/COUNCILMEMBERS REPORTS
None

DRAFT

CITY COUNCIL REQUESTS FOR REPORTS, STUDIES OR INVESTIGATION

- Lopez-Viado: Requested to have the largest Christmas Tree that staff can get. – No Objection
- Cantos: Latest substantive update on Amar and Westport by 1st Meeting in February (left turn dedicated light). – No objection
- Lopez-Viado: Resolution regarding the increase to insurance premiums at the next meeting. – No Objection.
- Gutierrez: Direct staff regarding CIP Project C24001Del Norte Park to issue a RFP with a focus on a dog park and restroom renovations no later than early February and bring back an selection of contact by April the 15th Council Meeting. – No objection.
- Gutierrez: Presentation by Public Works detailing their duties, what defines a full-service maintenance department what they're capable of doing in house verses vs contracting. – No objection
- Gutierrez: Expand the scope of services on the Engineering Services RFP/staff report to provide services for in-house engineering demonstrating the pros and cons of cost savings. - No objection
- Gutierrez: Repaint turn lane and crosswalk markings on Vicent and Puente Ave on an interim basis, until the contractor can complete the ongoing work. – No objection
- Gutierrez: Public Works to conduct beautification on the middle islands along Sunset and Vincent, noting if there is cost savings to have it done in-house vs contractor. – No objection
- Gutierrez: To review the PMP and see what streets in District 1 are in dire need of repair when they can be repaired. – No objection
- Gutierrez: Find ways to run council meeting more efficiently – ASAP. – No objection
- Gutierrez: Include in the Parks Plan to develop a plan for Orangewood Park to include reimaging the park as Orangewood Sports Center integrating the hockey rink to the public, youth programs, and an accessible pathway to the whole park, including renovations to the soccer complex, skate park, hockey rink. This will be titled the Orangewood Sports Center Community Dream Project and including inclusivity make it fully accessible. – No objection.
- Gutierrez: Review the Traffic Committee rules and bylaws and return with recommendations, (Change the time of the meeting and reform who the voting members are) – No objections
- Gutierrez: Bring back at the January 21st Council Meeting a current list of Form 700 Form filers including contractors, staff, and officials – No objection
- Gutierrez: Have the Police Department establishing more ccv cameras and metal detectors in chambers and around city hall by the 2nd meeting in February with potential funding sources. – No objection

DRAFT

- Cantos/Lopez-Viado/Diaz: Looking into establishing a budget to install cameras and lights in the 16 parks or park parking lot
- Gutierrez: Update on the status of the HOPE Team and ways to get additional resources to expand the Team and the new provisions of Measure A money (Cantos). Return no later than the 2nd meeting in April. – No objection
- Gutierrez: Police Department to establish additional resources for the Neighborhood Watch Program and report by the 2nd meeting in March (What resources we are providing and what else is needed). – No objection
- Gutierrez: Instruct the Traffic Engineering division to find solutions to reduce speed on Workman and Orange Ave. – No objection.
- Gutierrez: Staff to research look into rubber stripping on streets in place of speedbumps, return by the 2nd meeting in March. – No Objection
- Cantos – Request that the Police Department reinvigorate the Seniors Helping Our Police Program (possibly adjusting the age to allow for additional volunteers), and the Citizens Academy. - No objection

CITY COUNCIL COMMENTS

- Gutierrez – Thanked City Manager for working with Public Works Maintenance staff for trimming the trees at Orangewood Park, and there has been a donation of 176 led light fixtures for our parks and wish all residents a Merry Christmas and a Happy New Year.
- Cantos – Thanked residents for everyone's engagement and the opportunity to be responsive. Cantos wished everyone the happiest Holiday Season.
- Lopez-Viado – thanked all staff for all their hard work, the events are exceptional. The residents are very happy and appreciative. Lopez-Viado wished everyone a Happy Holiday.
- Diaz – Stated that she is excited that so many streets have been repaved and how beautiful park Cameran had become with the installation of the sod. Diaz wished everyone a Merry Christmas and a Happy New Year.
- Wu – Stated that it's an honor to be Mayor again and to help each other. Finish the projects that we start (finish up lighting project). Wu wished everyone a Merry Christmas thanked staff and colleges, and a Happy New Year.

ADJOURNMENT

A motion to adjourn the Regular Meeting was made at 10:02 PM The next regularly scheduled Regular City Council Meeting will be held on Tuesday, January 7, 2025, at 7:00 p.m. in the Council Chambers, 1444 West Garvey Avenue South, West Covina, California.

_____

Lisa Sherrick
Assistant City Clerk

DRAFT

_____
Tony Wu
Mayor

DRAFT

CITY OF WEST COVINA

CITY COUNCIL/SUCCESSOR AGENCY

FEBRUARY 4, 2025, 6:00 PM
REGULAR MEETING - CLOSED SESSION

MANAGEMENT RESOURCE CENTER 3RD FLOOR
1444 W. GARVEY AVENUE SOUTH
WEST COVINA, CALIFORNIA 91790

Mayor Tony Wu
Mayor Pro Tem Letty Lopez Viado
Councilman Ollie Cantos
Councilwoman Rosario Diaz
Councilmember Brian Gutierrez

MINUTES

CALL TO ORDER
A Regular Session Meeting was called to order by Mayor Tony Wu on Tuesday, February 4, 2025, at 6:00 p.m., in the Management Resource Center, 1444 West Garvey Avenue South, West Covina, California.

ROLL CALL
Council Members
Present: Council Members Rosario Diaz, Ollie Cantos (Arrived at 6:15 PM), Brian Gutierrez, Mayor Pro Tem Letty Lopez-Viado, Mayor Tony Wu

Absent:

City Staff: Paulina Morales, City Manager(Arrived at 6:10), Roxanne Lerma, Assistant City Manager, Thomas Duarte, City Attorney, Stephanie Sikkema, Finance Director, Derek Straatsma, Goldman Magdalin Straatsma

DRAFT

PUBLIC COMMENTS ON ITEMS ON THE AGENDA
Armondo Herman
Male Person (Refused to state a name)

CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION - Initiation of litigation pursuant to Government Code § 54956.9(d)(4)
Number of Cases: One (1)

2. CONFERENCE WITH LABOR NEGOTIATORS - Pursuant to Government Code § 54957.6

City Negotiators: Morales, Duarte
Employee Organizations

- Confidential Employees
- Maintenance & Crafts Employees
- Non-Sworn
- W.C. Police Officers' Association
- W.C. Firefighters' Management Assoc.
- W.C. Firefighters' Association, I.A.F.F., Local 3226
- General Employees
- Mid-Management Employees
- W.C. Police Management Association

Unrepresented Employee Group
- Department Heads

REPORTING OUT
City Attorney Thomas Duarte reported that no action was taken during the Closed Session Meeting.

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DRAFT

ADJOURNMENT
A motion to adjourn the Regular Closed Meeting was made by Mayor Tony Wu, and the meeting was adjourned at 6:453p.m. The next regularly scheduled Regular Closed City Council Meeting will be held on Tuesday, February 18, 2025, at 6:00 p.m. in the Management Resource Center 3rd Floor, 1444 West Garvey Avenue South, West Covina, California.

Submitted By:

_____
Lisa Sherrick
Assistant City Clerk

_____
Tony Wu
Mayor

DRAFT

CITY OF WEST COVINA

CITY COUNCIL/SUCCESSOR AGENCY

FEBRUARY 4, 2025, 7:00 PM
REGULAR MEETING

CITY HALL COUNCIL CHAMBERS
1444 W. GARVEY AVENUE SOUTH
WEST COVINA, CALIFORNIA 91790

Mayor Tony Wu
Mayor Pro Tem Letty Lopez-Viado
Councilman Ollie Cantos
Councilwoman Rosario Diaz
Councilmember Brian Gutierrez

MINUTES

INVOCATION
Led by Pastor Samuel Martinez from Amazing Love Ministries

PLEDGE OF ALLEGIANCE
Led by Mayor Pro Tem Lopez-Viado

ROLL CALL
Council Members
Present: Council Members Rosario Diaz, Ollie Cantos, Brian Gutierrez, Mayor Pro Tem Letty Lopez Viado, Mayor Wu

Absent: None

DRAFT

REPORTING OUT FROM CLOSED SESSION
City Attorney Thomas Durate reported that no action was taken during the Closed Session Meeting.

PRESENTATIONS

- Resolution of Commendation and Key to the City Presented to Congresswoman Grace Napolitano
- Proclamation Proclaiming February as Black History Month
- Presentation: Financial Overview of West Covina Sportsplex

CITY MANAGER'S REPORT
City Manager's report on current City projects.

ORAL COMMUNICATIONS - Three (3) minutes per speaker.

CONSENT CALENDAR
ACTION: Motion by Mayor Pro Tem Lopez-Viado and Second by Councilwoman Diaz, 5-0 to: *Approve Consent Calendar Item 1,2,and 4 (Item number 3 was pulled by Councilmember Gutierrez)*

Motion by Councilwoman Diaz and Second by Councilman Cantos, 4-0-1 (Abstain by Councilmember Gutierrez) to: *Approve Consent Calendar Item 3 (Item number 3 was pulled by Councilmember Gutierrez)*

APPROVAL OF MEETING MINUTES

1) **CONSIDERATION OF APPROVAL OF THE JANUARY 7, 2025, CITY COUNCIL/SUCCESSOR AGENCY REGULAR SESSION MEETING MINUTES, THE JANUARY 21, 2025, CITY COUNCIL/SUCCESSOR AGENCY REGULAR SESSION MEETING MINUTES AND THE JANUARY 21, 2025, CITY COUNCIL/SUCCESSOR AGENCY CLOSED SESSION MEETING MINUTES.**

Carried 5-0 to: approve January 7, 2025, City Council/Successor Agency Regular Session Meeting Minutes, the January 21, 2025, City Council/Successor Agency Regular Session Meeting Minutes and the January 21, 2025, City Council/Successor Agency Closed Session Meeting Minutes.

ORDINANCES FOR ADOPTION - Procedural Waiver.

2) **CONSIDERATION OF ADOPTION OF ORDINANCE NO. 2526 AMENDING CHAPTER 22 OF THE WEST COVINA MUNICIPAL CODE RELATING TO STREET SWEEPING REGULATIONS AND ENFORCEMENT AND RESOLUTION DESIGNATING DAYS AND HOURS AND STREETS WHERE PARKING PROHIBITION APPLIES**

DRAFT

Carried 5-0 to:

1. Adopt the following ordinance:
ORDINANCE NO. 2526 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, AMENDING CHAPTER 22 (TRAFFIC REGULATIONS) OF THE WEST COVINA MUNICIPAL CODE RELATING TO STREET SWEEPING REGULATIONS AND ENFORCEMENT AND MAKING A DETERMINATION THAT THE ORDINANCE IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO CEQA GUIDELINES SECTION 15061(B)(3) (COMMON SENSE EXEMPTION)

2. Adopt the following resolution:
RESOLUTION NO. 2025-10 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, DESIGNATING THE DAYS AND HOURS PARKING IS PROHIBITED ON SPECIFIED STREETS AND ALLEYS OR PORTIONS THEREOF TO FACILITATE STREET SWEEPING

CITY MANAGER'S OFFICE

3) **CONSIDERATION OF RESOLUTION TERMINATING THE LOCAL EMERGENCY RELATING TO THE SEVERE WINDSTORM**

Carried 4-0-1 (Abstain: Gutierrez) to: adopt the following resolution:

RESOLUTION NO. 2025-9 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, PROCLAIMING THE TERMINATION OF THE LOCAL EMERGENCY PROCLAIMED ON JANUARY 9, 2025 RELATING TO THE SEVER WINDSTORM

PUBLIC WORKS

4) **CONSIDERATION OF FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT WITH SOUTH COAST, LLC DBA SOUTH COAST EMERGENCY VEHICLE SERVICE**

Carried 5-0 to: authorize the City Manager to execute the First Amendment to the Professional Services Agreement with South Coast LLC, dba South Coast Emergency Vehicle Service providing for a month-to-month extension of the agreement.

END OF CONSENT CALENDAR

HEARINGS

DRAFT

PUBLIC HEARINGS

5) **CONSIDERATION OF PRECISE PLAN NO. 24-01, ZONE CHANGE NO. 24-01 (ORDINANCE NO. 2527) AND MITIGATED NEGATIVE DECLARATION TO ALLOW THE CONSTRUCTION OF A NEW TWO-STORY 85,390 SQUARE FOOT DEALERSHIP BUILDING AND CHANGE THE ZONING FOR A PORTION OF THE PROJECT SITE CURRENTLY ZONED NEIGHBORHOOD COMMERCIAL MIXED USE (NMU) TO SERVICE COMMERCIAL MIXED USE (SMU) WITHIN THE AUTO PLAZA OVERLAY ZONE AT 1800 E. GARVEY AVENUE AND 200 S. AZUSA AVENUE**

Public Comments in Favor
Linda Francis

Public Comments Neither in Favor nor Opposed
None

Public Comments in Opposition
None

---End of Public Comment---

ACTION: Motion by Councilman Cantos and Second by Councilwoman Diaz, 4-0-1 (Abstain: Gutierrez) to: Adopt the following resolution to adopt the Mitigated Negative Declaration:

RESOLUTION NO. 2025-7 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, ADOPTING A MITIGATED NEGATIVE DECLARATION AND APPROVING AND ADOPTING A MITIGATION MONITORING AND REPORTING PROGRAM FOR ZONE CHANGE NO. 24-01 AND PRECISE PLAN NO. 24-01 AT 1800 EAST GARVEY AVENUE SOUTH AND 200 SOUTH AZUSA AVENUE PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

ACTION: Motion by Mayor Pro Tem Lopez-Viado and Second by Councilwoman Diaz, 4-0-1 (Abstain: Gutierrez) to: Introduce the following ordinance to adopt Zone Change No. 24-01:

ORDINANCE NO. 2527 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA ADOPTING ZONE CHANGE NO. 24-01, REZONING A PROPERTY (200 SOUTH AZUSA AVENUE) IN THE NEIGHBORHOOD COMMERICAL MIXED-USE ZONE (NMU) TO SERVICE COMMERCIAL MIXED USE (SMU) WITHIN THE AUTO PLAZA OVERLAY

DRAFT

ACTION: Motion by Councilwoman Diaz and Second by Councilman Cantos, 4-0-1 (Abstain: Gutierrez) to: Adopt the following resolution:

RESOLUTION NO. 2025-8 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, APPROVING PRECISE PLAN NO. 24-01 FOR THE PROPERTY LOCATED AT 1800 EAST GARVEY AVENUE SOUTH AND 200 SOUTH AZUSA AVENUE

DEPARTMENTAL REGULAR MATTERS

FINANCE DEPARTMENT

6) **CONSIDERATION OF A CORRECTIVE ACTION PLAN IN RESPONSE TO STATE AUDITOR REPORT 2024-801**

Motion by Mayor Pro Tem Lopez-Viado and Second by Councilman Gutierrez, 5-0 to: approve the following:

1. Proposed Corrective Action Plan in response to the Local High Risk Program Report 2024-801 issued by the State Auditor;
2. Authorize staff to transfer $1,787,000 from the Other Post-Employment Benefit (OPEB) Internal Service Fund back to the General Fund; and
3. Authorize staff to issue a Request for Proposals for investment management and advisory services to evaluate the City's full portfolio and recommend changes to maximize the return of assets.

MAYOR/COUNCILMEMBERS REPORTS

- None

CITY COUNCIL REQUESTS FOR REPORTS, STUDIES OR INVESTIGATION

- Cantos: Instruct the Fire Chief to inspect every single fire hydrant to make sure they are in working order and to check the water pressure. Have the City Manager to get back to the Council withing a time frame. – No objection. Provide update on the number of hydrants and who is responsible for maintaining them.
- Cantos: Invite Athens to present on Earth Day the importance of recycling, highlighting how residents can better improve the environment. – No objection.
- Gutierrez: By the March 4th Council Meeting a resolution amending the purchasing threshold for the City Manager to $50,000. – No objection
- Gutierrez: By the March 4th Council Meeting reform the Traffic Committee bylaws. – No objection
- Gutierrez: Reject bids and reissue RFP for the restaurant at the Sportsplex by the March 4th Council Meeting and provide an update to Council. – No objection

CITY COUNCIL COMMENTS

DRAFT

- Councilman Cantos mentioned that he is able to dedicate additional time to City activities because he has been placed on Administrative Leave at his current job.
- Mayor Pro Tem Lopez-Viado asked for Council to be brought up to speed on any impacts the new Executive Orders might have on West Covina.
- Councilwoman Diaz would like to make sure West Covina Police Officers are prepared to handle any riots or protestors.
- Council mentioned they would like various upgrades to the Council Chambers such as new chairs, new monitor/projector or larger font on the screen and camera resolution.

ADJOURNMENT

A motion to adjourn the Regular Meeting was made at 9:53 PM The next regularly scheduled Regular City Council Meeting will be held on Tuesday, February 18, 2025, at 7:00 p.m. in the Council Chambers, 1444 West Garvey Avenue South, West Covina, California.

_____
Lisa Sherrick
Assistant City Clerk

_____
Tony Wu
Mayor

DRAFT

AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: February 18, 2025

TO: Mayor and City Council

FROM: Paulina Morales, City Manager

SUBJECT: **CONSIDERATION OF ORDINANCE NO. 2528 AMENDING CHAPTER 2 OF THE WEST COVINA MUNICIPAL CODE RELATING TO PUBLIC PARTICIPATION AND DECORUM DURING CITY COUNCIL MEETINGS AND RESOLUTION NO. 2025-15 CHANGING THE ORDER OF BUSINESS FOR REGULAR CITY COUNCIL MEETINGS**

RECOMMENDATION:

It is recommended that the City Council:

1. Introduce the following ordinance:
   ORDINANCE NO. 2528 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, AMENDING PROVISIONS OF DIVISION 2 (MEETINGS AND RULES OF PROCEDURE) OF ARTICLE II (CITY COUNCIL) OF CHAPTER 2 (ADMINISTRATION) OF THE WEST COVINA MUNICIPAL CODE RELATING TO PUBLIC PARTICIPATION AND DECORUM AT CITY COUNCIL MEETINGS

2. Adopt the following resolution:
   RESOLUTION NO. 2025-15 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, CHANGING THE ORDER OF BUSINESS FOR REGULAR CITY COUNCIL MEETINGS

BACKGROUND:

West Covina holds its City Council meetings on the 1st and 3rd Tuesday of the month and the current order of business is the following:

(a) Call to Order
(b) Invocation
(c) Pledge of Allegiance
(d) Roll Call
(e) Reporting Out from Closed Session
(f) Presentations
(g) City Manager's Report
(h) Oral Communications
(i) Consent Calendar
(j) Departmental Regular Matters
(k) Mayor/Council Reports
(l) City Council Requests for Reports, Studies or Investigation
(m) City Council Comments
(n) Adjournment.

DISCUSSION:

At the December 17, 2024 City Council meeting, Councilmember Gutierrez requested that the City Council consider looking at ways to make City Council meetings more efficient. City staff did a survey of agendas for sixteen local cities and agencies. The survey focused on the City Council meeting agenda (not closed session). The following is a summary of some of the findings:

Oral Communication

- Oral communication varies from 1 minute to 5 minutes, with the majority surveyed at 3 minutes.
- Most cities can change the allocated speaker time, either based on Mayor/Council discretion, or the number of speakers.
- Some cities require public comment cards to be submitted by a specified timeframe (to finalize the number of public speakers).
- Some cities do not allow additional public comment cards to be submitted once the public comment period begins.
- To ensure the business of the City is completed, most cities include language in the agenda that limits public comments at the beginning of the meeting, allowing public comments at the end of the meeting.
- Regarding Public Hearing public comment, most cities keep the public speaker time consistent with the oral communication portion of the meeting; few allow longer speaker time for Public Hearings

Participation

- The majority of the cities accept written participation with a deadline to be included in the record of public meetings.
- There are other changes that could facilitate City Council meeting efficiency, including but not limited to the order of the agenda and number of presentations.

At the City Council meeting on January 21, 2025, the Council directed staff to implement the following changes to enhance the efficiency and decorum of meetings:

- Adjust Oral Communications Time Limit: Limit individual oral communications to three (3) minutes. At the discretion of the Mayor, this time may be modified as needed.
- Require Advance Submission of Speaker Cards: Speaker cards must be submitted before the start of oral communications. This allows the Assistant City Clerk to finalize the number of speakers, ensuring a more organized and efficient process.
- Enhance Rules of Decorum: Strengthen the language in the Rules of Decorum to minimize disruptions and promote civility among all attendees, including revising the language on the agenda regarding addressing the City Council.
- Reorder the City Manager's Report: Move the City Manager's Report to follow oral communications to improve meeting flow.

To implement these changes, the City Council must adopt a resolution to modify the Order of Business to move the City Manager's Report to after Oral Communications. Additionally, an ordinance is required to amend the provisions of Division 2 (Meetings and Rules of Procedure) of Article II (City Council) of Chapter 2 (Administration) of the West Covina Municipal Code to:

- Require the advance submission of speaker cards.
- Adjust oral communications to a three-minute limit, unless modified by the Presiding Officer or the City Council.
- Strengthen the language governing the Rules of Decorum.

Finally, staff intends to revise the language on the agenda regarding addressing the City Council in accordance with the direction provided by the City Council during the January 21, 2025 meeting.

The changes to the Municipal Code and the agenda are shown in redline format in Attachment No. 2.

Pursuant to the City Council's direction, these updates aim to foster a more structured, respectful, and effective public meeting environment.

LEGAL REVIEW:

The City Attorney's Office has reviewed the ordinance and resolution and approved them as to form.

Prepared by: Paulina Morals, City Manager

Fiscal Impact

FISCAL IMPACT:

This is strictly an administrative item, therefore; there is no fiscal impact associated with this action.

Attachments

Attachment No. 1 - Ordinance No. 2528

Attachment No. 2 - Redline of Changes

Attachment No. 3 - Resolution No. 2025-15

ATTACHMENT NO. 1

ORDINANCE NO. 2528

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, AMENDING PROVISIONS OF DIVISION 2 (MEETINGS AND RULES OF PROCEDURE) OF ARTICLE II (CITY COUNCIL) OF CHAPTER 2 (ADMINISTRATION) OF THE WEST COVINA MUNICIPAL CODE RELATING TO PUBLIC PARTICIPATION AND DECORUM AT CITY COUNCIL MEETINGS

The City Council of the City of West Covina hereby finds and declares as follows:

WHEREAS, California Government Code section 36813 authorizes the City Council to establish rules for the conduct of its proceedings, and to punish a member or other person for disorderly behavior at a meeting; and

WHEREAS, California Government Code section 54954.3(b) authorizes the City Council to adopt reasonable regulations regarding public participation at meetings, including, but not limited to, regulations limiting the total amount of time allocated for public testimony on particular issues and for each individual speaker; and

WHEREAS, California Government Code section 54957.95 authorizes the presiding officer of a meeting or their designee to remove, or cause the removal of, an individual for disrupting the meeting; and

WHEREAS, the provisions of Division 2 (Meetings and Rules of Procedure) of Article II (City Council) of Chapter 2 (Administration) of the West Covina Municipal Code set forth regulations relating to public participation and decorum at City Council meetings; and

WHEREAS, it is the desire and duty of the City Council to ensure its business is conducted in an orderly, efficient, and fair manner and to ensure that the public has a full opportunity to be heard on all matters of interest to the community; and

WHEREAS, disruptive conduct at meetings prevents the City Council from accomplishing its business in an orderly, efficient, and fair manner, and may interfere with the right of other individuals to be heard; and

WHEREAS, the City Council respects an individual speaker's right to disagree and express his or her own opinions and beliefs; and

WHEREAS, the City Council desires to encourage more members of the public to attend and participate in City Council meetings by improving the efficiency of its meetings and strengthening its rules of decorum; and

WHEREAS, the City Council desires to amend provisions of Division 2 (Meetings and Rules of Procedure) of Article II (City Council) of Chapter 2 (Administration) of the West Covina Municipal Code relating to public participation and decorum at City Council meetings; and

WHEREAS, all legal requirements prior to the adoption of this Ordinance have occurred.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

SECTION 1. Recitals. The City Council finds that all of the facts and findings set forth in the recitals to this Ordinance are true and correct.

SECTION 2. Amendment to Section 2-47. Section 2-47 of Division 2 of Article II of Chapter 2 of the West Covina Municipal Code shall be amended to read as follows:

Sec. 2-47. - Addressing the council.

Pursuant to the California Government Code, any person wishing to address the city council on any matter on the agenda or on any other matter within their jurisdiction, excluding any matter set for a public hearing, may do so upon first securing the recognition of the presiding officer during the time designated for oral communications. The city council may not act on any item unless it is listed on the agenda.

SECTION 3. Amendment to Section 2-48. Section 2-48 of Division 2 of Article II of Chapter 2 of the West Covina Municipal Code shall be amended to read as follows:

Sec. 2-48. - Manner of addressing city council; time limit; persons addressing may be sworn.

(a) Each person wishing to address the city council shall submit a speaker card to the city clerk prior to the commencement of the time designated for oral communications. No speaker cards will be accepted after the commencement of oral communications, except at the discretion of the presiding officer.

(b) When called forward by the presiding officer or the city clerk, each person addressing the city council shall step up to the podium and give his or her name and city of residence in an audible tone of voice for the record.

(c) Each person addressing the city council during oral communications shall limit his or her comments to three (3) minutes, unless the time limit is modified by the presiding officer or the city council. In order to provide all speakers the opportunity to participate in oral communications, the presiding officer or the city council may reduce the time limit to allow reasonable time for all speakers to address the city council.

(d) All remarks shall be addressed to the city council as a body and not to any member thereof. No person, other than the city council and the person having the floor, shall be permitted to enter into any discussion, either directly or through a member of the city council, without the permission of the presiding officer. No question shall be asked of a council member except through the presiding officer.

(e) The presiding officer may require any person to be sworn as a witness before addressing the city council on any subject. Any such person who, having taken an oath that he or she will testify truthfully, willfully and contrary to such oath states as true any material matter which he knows to be false may be held to answer criminally and subject to the penalty prescribed for perjury by the provisions of the California Penal Code.

SECTION 4. Amendment to Section 2-50. Section 2-50 of Division 2 of Article II of Chapter 2 of the West Covina Municipal Code shall be amended to read as follows:

Sec. 2-50. - Decorum—Required.

(a) While the city council is in session, council members shall preserve order and decorum, and a council member shall neither, by conversation or otherwise, delay or disrupt the proceedings or the peace of the council nor interrupt any council member while speaking or refuse to obey the orders of the council or its presiding officer, except as otherwise herein provided.

(b) Members of the public shall not willfully disrupt the meeting or act in a manner that actually disrupts, disturbs, impedes, impairs, or renders infeasible the orderly conduct of the meeting. For the purposes of this Code, “willfully disrupt” includes, but is not limited to, continuing to do any of the following after being warned by the presiding officer that the behavior is disrupting the meeting and failure to cease the behavior may result in removal from the meeting:

(1) Addressing the mayor or city council without first being recognized.

(2) Persisting in addressing a subject or subjects, other than that before the mayor and city council.

(3) Repetitiously addressing the same subject.

(4) Failing to relinquish the podium when directed to do so.

(5) From the audience, interrupting or attempting to interrupt, a speaker, the presiding officer, a council member, or a staff member, or shouting or attempting to shout over a speaker, the presiding officer, a council member or a staff member.

(6) From the audience, engaging in disorderly, disruptive, or boisterous conduct, including, but not limited to, handclapping, stomping of feet, whistling, making noise, use of abusive, threatening or profane language or obscene gestures, yelling, obstructing the view of other audience members, or similar conduct which disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting.

(7) As a speaker, making slanderous or profane remarks or using loud, threatening, or abusive language which disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting; interrupting or attempting to interrupt the presiding officer, a council member, or a staff member; shouting over or attempting to shout over the presiding officer, a council member, or a staff member; or engaging in any other disorderly conduct which disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting. Nothing in this section or any rules of the city council shall be construed to prohibit public criticism of the policies, procedures, programs, or services of the city or of the acts or omissions of the city council.

(8) Engaging in behavior that constitutes use of force or a true threat of force.

(c) It shall be unlawful to violate the provisions of this section. A person violating this section may be removed and barred from further participation at the meeting at which the violation occurs.

(d) If any subsection, sentence, clause, or phrase or word of this section 2-50 is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this section. The city council hereby declares that it would have passed this section and each subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more subsections, sentences, clauses, phrases or words had been declared invalid or unconstitutional.

SECTION 5. Amendment to Section 2-51. Section 2-51 of Division 2 of Article II of Chapter 2 of the West Covina Municipal Code shall be amended to read as follows:

Sec. 2-51. - Enforcement of decorum.

The chief of police or any member or members of the police department or other members of the city staff may be designated by the council to be sergeant-at-arms when, in the opinion of the presiding officer, the services of a sergeant-at-arms is necessary, and the sergeant-at-arms shall carry out all orders and instructions given by the presiding officer for the purpose of maintaining order and decorum in accordance with section 2-50 at the council meeting, including, but not limited to, removing and barring from further participation at the meeting any person who is willfully disrupting the orderly conduct of the meeting.

SECTION 6. Amendment to References to Government Code. All references in Division 2 of Article II of Chapter 2 of the West Covina Municipal Code to "Government Code" shall be amended to read "California Government Code."

SECTION 7. Environmental Compliance. The City Council hereby finds that it can be seen with certainty that there is no possibility the adoption and implementation of this Ordinance will have a significant effect on the environment. The Ordinance is therefore exempt from the environmental review requirements of the California Environmental Quality Act pursuant to Section 15061(b)(3) (General Rule) of Title 14 of the California Code of Regulations.

SECTION 8. Inconsistencies. Any provision of the West Covina Municipal Code or appendices thereto inconsistent with the provisions of this Ordinance, to the extent of such inconsistencies and no further, is hereby repealed or modified to that extent necessary to affect the provisions of this Ordinance.

SECTION 9. Severability. If any section, subsection, clause or phrase or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of all other provisions of this Ordinance. The City Council of West Covina hereby declares that it would have passed this Ordinance, and each section, subsection, sentence, clause and phrase or portion thereof, irrespective of the fact that any one or more of the sections, subsections, sentences, clauses, or phrases or portions thereof be declared invalid or unconstitutional.

SECTION 10. Effective Date. This Ordinance shall take effect thirty (30) days after its final passage.

SECTION 11. Certification; Publication. The City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same to be published or posted as required by law.

PASSED, APPROVED AND ADOPTED this _____ day of _____, 2025.

_____
Tony Wu
Mayor

APPROVED AS TO FORM **ATTEST**

_____ _____
Thomas P. Duarte Lisa Sherrick
City Attorney Assistant City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)
CITY OF WEST COVINA)

I, LISA SHERRICK, ASSISTANT CITY CLERK of the City of West Covina, California, do hereby certify that the foregoing Ordinance No. 2528 was introduced at a regular meeting of the City Council held on the 18th day of February, 2025, and adopted at a regular meeting of the City Council held on the _____ day of _____, 2025, by the following vote of the City Council:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Lisa Sherrick
Assistant City Clerk

ATTACHMENT NO. 2

A. REDLINE OF REVISIONS TO DIVISION 2 OF ARTICLE II OF CHAPTER 2

Sec. 2-47. - Addressing the council.

Pursuant to the California Government Code, any person wishing to address the city council on any matter on the agenda or on any other matter within their jurisdiction, excluding any matter set for a public hearing, may do so upon first securing the recognition of the presiding officer during the time designated ~~as~~ for o~~"O~~ral c~~C~~ommunications~~" on the agenda~~. The city council may not act on any item unless it is listed on the agenda.

Sec. 2-48. - Manner of addressing city council; time limit; persons addressing may be sworn.

(a) Each person wishing to address the city council shall submit a speaker card to the city clerk prior to the commencement of the time designated for oral communications. No speaker cards will be accepted after the commencement of oral communications, except at the discretion of the presiding officer.

(b) When called forward by the presiding officer or the city clerk, e~~E~~ach person addressing the city council shall step up to the podium~~rostrum, shall~~ and give his or her name and city of residence in an audible tone of voice for the record.
~~and unless further time is granted by the council, shall limit his or her address to five (5) minutes.~~

(c) Each person addressing the city council during oral communications shall limit his or her comments to three (3) minutes, unless the time limit is modified by the presiding officer or the city council. In order to provide all speakers the opportunity to participate in oral communications, the presiding officer or the city council may reduce the time limit allow reasonable time for all speakers to address the city council.

~~(a)~~

~~(b) The city council may establish a limit on the duration of oral communications.~~

~~(c)~~(d) All remarks shall be addressed to the city council as a body and not to any member thereof. No person, other than the city council and the person having the floor, shall be permitted to enter into any discussion, either directly or through a member of the city council, without the permission of the presiding officer. No question shall be asked of a council member except through the presiding officer.

~~(d)~~(e) The presiding officer may require any person to be sworn as a witness before addressing the city council on any subject. Any such person who, having taken an oath that he or she will testify truthfully, willfully and contrary to such oath states as true any material matter which he knows to be false may be held to answer criminally and subject to the penalty prescribed for perjury by the provisions of the California Penal Code.

Sec. 2-50. - Decorum—Required.

(a) While the city council is in session, councilthe members shall preserve order and decorum, and a council member shall neither, by conversation or otherwise, delay or disrupt the proceedings or the peace of the council nor interrupt any council member while speaking or refuse to obey the orders of the council or its presiding officer, except as otherwise herein provided.

(b) Members of the public shall not willfully disrupt the meeting or act in a manner that actually disrupts, disturbs, impedes, impairs, or renders infeasible the orderly conduct of the meeting. For the purposes of this Code, "willfully disrupt" includes, but is not limited to, continuing to do any of the following after being warned by the mayor presiding officer that the behavior is disrupting the meeting and failure to cease the behavior may result in removalcontinuing to do so will be a violation of law from the meeting:

(1) Addressing the mayor or and city council without first being recognized.

(2) Persisting in addressing a subject or subjects, other than that before the mayor and city council.

(3) Repetitiously addressing the same subject.

(4) Failing to relinquish the podium when directed to do so.

(5) From the audience, interrupting or attempting to interrupt, a speaker, the presiding officermayor, a council member, or a staff member, or shouting or attempting to shout over a speaker, the presiding officer mayor, a council member or a staff member.

(6) From the audience, engaging in disorderly, disruptive, or boisterous conduct, including, but not limited to, handclapping, stomping of feet, whistling, making noise, use of abusive, threatening or profane language or obscene gestures, yelling, obstructing the view of other audience members, or similar conduct which disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting.

(7) As a speaker, making slanderous or profane remarks or using loud, threatening, or abusive language which disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting; interrupting or attempting to interrupt the presiding officer, a council member, or a staff member;, or shouting over or attempting to shout over the presiding officer mayor, a council member, or a staff member; or engaging in any other disorderly conduct which disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting. Nothing in this section or any rules of the city council shall be construed to

prohibit public criticism of the policies, procedures, programs, or services of the city or of the acts or omissions of the city council. ~~It shall be unlawful to violate the provisions of this section.~~

~~(6)~~(8) Engaging in behavior that constitutes use of force or a true threat of force.

(c) It shall be unlawful to violate the provisions of this section. A person violating this section may be removed and barred from further participation at the meeting at which the violation occurs.

~~(c)~~(d) If any subsection, sentence, clause, or phrase or word of this section 2-50 is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this section. The city council hereby declares that it would have passed this section and each subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more subsections, sentences, clauses, phrases or words had been declared invalid or unconstitutional.

Sec. 2-51. - ~~Same—~~Enforcement of decorum.

The chief of police or any member or members of the police department or other members of the city staff may be designated by the council to be sergeant-at-arms when, in the opinion of the presiding officer, the services of a sergeant-at-arms is necessary, and the sergeant-at-arms shall carry out all orders and instructions given by the presiding officer for the purpose of maintaining order and decorum in accordance with section 2-50 at the council meeting, including, but not limited to, removing and barring from further participation at the meeting any person who is willfully disrupting the orderly conduct of the meeting. ~~.~~

B. REDLINE OF LANGUAGE ON AGENDA REGARDING ADDRESSING THE CITY COUNCIL

PUBLIC COMMENTS
ADDRESSING THE CITY COUNCIL
~~(Per WCMC 2-48, Ordinance No. 2150)~~

Any person wishing to address the City Council on any matter listed on the agenda, excluding any matter set for a public hearing, or on any other matter within their jurisdiction must~~should~~ complete a speaker card that is provided at the entrance to the Council Chambers and submit the card to the City Clerk prior to the commencement of Oral Communications. No speaker cards will be accepted after the commencement of Oral Communications, except at the discretion of the Presiding Officer.

Please identify on the speaker card whether you are speaking on an agenda item or non-agenda. Requests to speak on agenda items will be heard prior to requests to speak on

non-agenda items. C~~All c~~omments are limited to three~~five~~ (3~~5~~) minutes per speaker, unless modified by the Presiding Officer or the City Council.~~.~~

~~Oral Communications may be limited to thirty (30) minutes, unless speakers addressing agenda items have not concluded.~~

Any testimony or comments regarding a matter set for a p~~P~~ublic h~~H~~earing will be heard during the hearing.

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 meeting, including, but not limited to, speaking off topic, speaking beyond the speaker's allotted time limit, making slanderous or profane remarks or using loud, threatening, or abusive language which disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting. 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. The City of West Covina will not tolerate harassment based upon a person's race, religious creed, color, national origin, ancestry, disability, medical condition, marital status, gender, sexual orientation, or age.

ATTACHMENT NO. 3

RESOLUTION NO. 2025-15

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, CHANGING THE ORDER OF BUSINESS FOR REGULAR CITY COUNCIL MEETINGS

The City Council of the City of West Covina hereby finds and declares as follows:

WHEREAS, Section 2-37 of the West Covina Municipal Code provides in relevant part that at regular City Council meetings, the business of the Council shall be taken up for consideration and disposition in the order established by the Council; and

WHEREAS, the current order of business is as follows:

(a) Call to Order
(b) Invocation
(c) Pledge of Allegiance
(d) Roll Call
(e) Reporting Out from Closed Sessin
(f) Presentations
(g) City Manager's Report
(h) Oral Communications
(i) Consent Calendar
(j) Departmental Regular Matters
(k) Mayor/Council Reports
(l) City Council Requests for Reports, Studies or Investigation
(m) City Council Comments
(n) Adjournment; and

WHEREAS, the City Council desires to improve the meeting process by adjusting the order of business.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The order of business for regular City Council meeting agendas shall be as follows:

(a) Call to Order
(b) Invocation
(c) Pledge of Allegiance
(d) Roll Call
(e) Reporting Out from Closed Sessin
(f) Presentations
(g) Oral Communications

(h) City Manager's Report
(i) Consent Calendar
(j) Departmental Regular Matters
(k) Mayor/Council Reports
(l) City Council Requests for Reports, Studies or Investigation
(m) City Council Comments
(n) Adjournment.

SECTION 2. All prior resolutions or policies which adopted the order of business for regular City Council meetings are hereby repealed.

SECTION 3. The City Clerk shall certify to the adoption of this resolution and shall enter the same in the book of original resolutions and it shall become effective immediately.

APPROVED AND ADOPTED this 18th day of February, 2025.

Tony Wu
Mayor

APPROVED AS TO FORM

Thomas P. Duarte
City Attorney

ATTEST

Lisa Sherrick
Assistant City Clerk

I, LISA SHERRICK, ASSISTANT CITY CLERK of the City of West Covina, California, do hereby certify that the foregoing Resolution No. 2025-15 was duly adopted by the City Council of the City of West Covina, California, at a regular meeting thereof held on the 18th day of February, 2025, by the following vote of the City Council:

AYES:
NOES:
ABSENT:
ABSTAIN:

Lisa Sherrick
Assistant City Clerk

AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: February 18, 2025

TO: Mayor and City Council

FROM: Paulina Morales, City Manager

SUBJECT: **CONSIDERATION OF APPROVAL OF TRAFFIC RECOMMENDATIONS FROM THE TRAFFIC COMMITTEE MEETINGS BETWEEN NOVEMBER 2024 THROUGH JANUARY 2025**

RECOMMENDATION:

It is recommended that the City Council approve the Traffic Committee recommendations detailed in the staff report for traffic engineering improvements Citywide from the meetings held between November 2024 through January 2025.

BACKGROUND:

The West Covina Traffic Committee regularly meets and holds public meetings on the 2nd Tuesday of each month. The Traffic Committee consists of the Capital Improvements Program Manager, the Deputy Community Development Director, the City Traffic Engineer representative, a representative of the Police Traffic Division, and the City Engineer. The Traffic Committee reviews resident, community, and City requests pertaining to any traffic-related items. These items are presented with recommendations to the Traffic Committee for discussion and approval, and then are later presented to City Council for final approval.

DISCUSSION:

All the recommended items were presented and discussed at publicly held West Covina Traffic Committee meetings. The items presented were unanimously approved by the Traffic Committee (TC) for City Council consideration and approval. All recommendations meet standard engineering practice and guidelines as found in the California Manual on Uniform Traffic Control Devices (CAMUTCD) and California Vehicle Code (CVC), with engineering judgment. Each item presented was submitted by either a resident, business, community member, or the City to review.

The following recommendations were unanimously approved for installation by the Traffic Committee and are brought before City Council for final approval and consideration:

November 2024 Traffic Committee Meeting

- **Traffic Review of West Merced Avenue between Orange Avenue and Sunset Avenue:**

  Request: Request is for a traffic review of the existing mid-block crosswalk located along West Merced Avenue, between South Sunset Avenue and South Trojan Way. The requestor explained that vehicles do not yield to pedestrians when they cross the street.

Approved TC Recommendation:

1. Install Pedestrian Crossing Ahead Warning Sign (SW24 – 3 (CA)) for north-westbound traffic along Merced Avenue. Install a sign on the north side of Merced Avenue, approximately 150-ft east of Trojan Way.
2. Remove and replace the faded Pedestrian Crossing Ahead Warning Sign (SW24 – 3 (CA)) for south-eastbound traffic, which is located along the south side of Merced Avenue, approximately 300-ft west of Orange Avenue.
3. Remove and replace damaged “Yield to Pedestrian Within Crosswalk” Signs (R1 – 6) that are located at the mid-block crosswalk on Merced Avenue. Replace signs for south-eastbound and north-westbound traffic along Merced Avenue.
4. Remove and replace faded “25” MPH in School Zone Signs (SR4 – 1(CA)) located at the following locations:
    - Replace sign located on the north side of Merced Avenue, at the intersection with Trojan Way, for north-westbound traffic.
    - Replace sign located on the south side of Merced Avenue, approximately 100-ft west Orange Avenue, for south-eastbound traffic.

- **Traffic Review of Service Avenue between Lark Ellen Avenue and Valinda Avenue:**

Request: Request is for speeding and installation of traffic-calming measures along the segment of Service Avenue between Lark Ellen Avenue and Valinda Avenue.
Approved TC Recommendation:

1. Install “25” pavement legend adjacent to the existing speed limit sign, located on the south side of Service Avenue approximately 190-feet east of Valinda Avenue, for eastbound traffic.
2. Install “25” pavement legend adjacent to the existing speed limit sign, located on the north side of Service Avenue approximately 150-feet west of Lark Ellen Avenue, for westbound traffic.
3. Install 10-ft side stripes along the north and south sides of Service Avenue, from Valinda Avenue to Lark Ellen Avenue.

December 2024 Traffic Committee Meeting

- **Traffic Review of Walnut Creek Parkway from Azusa Avenue to Citrus Street:**

Request: Request is for speeding and installation of traffic-calming measures along the segment of Walnut Creek Parkway from Azusa Avenue to Citrus Street.
Approved TC Recommendation:

1. Install "25" Pavement Legend Adjacent to the existing 25 MPH Speed Limit signs along Walnut Creek Parkway for eastbound and westbound traffic along the segment of Walnut Creek Parkway from Hollenbeck Avenue to Azusa Avenue.
2. Install Solar Powered Radar Speed Feedback Signage with Speed Limit sign (R2 – 1) mid-block of the segment along Walnut Creek Parkway between Hollenbeck Avenue and Azusa Avenue for eastbound traveling vehicles.
3. Restripe existing dashed yellow centerline to a new double yellow centerline, along Walnut Creek Parkway between Azusa Avenue and Hollenbeck Avenue.
4. Restripe existing dashed yellow centerline to a new double yellow centerline, along Walnut Creek Parkway between Citrus Street and Hollenbeck Avenue.
5. Install "25" Pavement Legend Adjacent to the existing 25 MPH Speed Limit signs along Walnut Creek Parkway, on the eastbound and westbound traffic along the segment of Walnut Creek Parkway from Hollenbeck Avenue to Citrus Street.
6. Install Solar Powered Radar Speed Feedback Signage with Speed Limit sign (R2 – 1) mid-block of the segment along Walnut Creek Parkway between Hollenbeck Avenue and Azusa Avenue for westbound traveling vehicles.
7. Refresh/repaint the existing red curb at the southwest corner of Walnut Creek Parkway and Citrus Street, along Walnut Creek Parkway.

- **Truck Signage Review of E Garvey Avenue between Lark Ellen Avenue and S Azusa Avenue:**

  Request: The request is to review the traffic conditions along East Garvey Avenue South, between Lark Ellen Avenue and Azusa Avenue. The requestor explained that large trucks constantly travel along this segment of East Garvey Avenue South despite the truck restrictions on this street. It was reported that truck drivers ignore the “No Truck Route” signs that are posted on Lark Ellen Avenue and Azusa Avenue and continue onto Garvey Avenue. Additionally, the City had previously installed channelizers along the curve located at East Garvey Avenue South and South Cherrywood Street as a traffic-calming measure to keep vehicles from leaving the travel way and becoming aware of vehicles' speeds. However, due to the narrow geometry of the curve, trucks turning onto South Cherrywood Street tend to encroach onto the opposite lane and drive over existing channelizers. This practice has resulted in damage to existing road conditions. The request is also to replace damaged channelizers at a different location and install additional signage to prevent truck drivers from entering this segment of East Garvey Avenue South.
  Approved TC Recommendation:

1. Remove channelizers 1 – 6, 7, 21, and 22 that are located along E Garvey Avenue South and along South Cherrywood Street.
2. Remove and replace channelizer post 10, 12-16, 24 and 25, that were damaged by large trucks along the curve on E Garvey Avenue South and along South Cherrywood Street. Replace for new channelizer post.
3. Install new “TRUCK ROUTE (LEFT)” sign (R14 – 1 (variation)) on the north-east corner of the intersection of Lakes Drive and Glendora Avenue, for northbound traffic. Install signs on the existing signal post.
4. Install new “NO TRUCKS OVER 3 TONS (AHEAD)” sign (R5 – 2 (variation)) on the north-east corner of the intersection of Lakes Drive and Glendora Avenue, for northbound traffic. Install signs on existing signal post, underneath proposed (R14 – 1) sign.
5. Install new “TRUCK ROUTE (RIGHT)” sign (R14 – 1 (variation)) on the north-east corner of the intersection of Lakes Drive and Glendora Avenue, for eastbound traffic. Install signs on existing signal post.
6. Remove and replace “NO TRUCKS OVER 3 TONS” sign (R5 – 2 (variation)) on the south-east corner of the intersection of East Garvey Avenue South and South Lark Ellen Avenue, for eastbound traffic. Install signs on existing signal post.
7. Install new “NO TRUCKS OVER 3 TONS (AHEAD)” sign (R5 – 2 (variation)) on the north-west corner of the intersection of East Garvey Avenue South and South Lark Ellen Avenue, for westbound traffic. Install signs on existing signal post.
8. Install new “THRU TRUCK ROUTE” sign (R14 – 1 (variation)) on the north-east corner of the intersection of East Garvey Avenue South and South Azusa Avenue, for northbound traffic. Install signs on the existing signal post.
9. Install new “NO TRUCKS OVER 3 TONS (LEFT)” sign (R5 – 2 (variation)) on the median located on the south leg of the intersection of East Garvey Avenue South and South Azusa Avenue, for northbound traffic. Install sign on new signpost.
10. Install new “NO TRUCKS OVER 3 TONS (RIGHT)” sign (R5 – 2 (variation)) on the west side of Azusa Avenue, approximately 90-ft north of East Garvey Avenue South, for southbound traffic. Install signs on the existing light post.
11. Install new “THRU TRUCK ROUTE” sign (R14 – 1 (variation)) on the south-west corner of the intersection of East Garvey Avenue South and South Azusa Avenue, for southbound traffic. Install signs on existing signal post.
12. Remove existing “NO TRUCKS OVER 3 TONS” sign (R5 – 2 (variation)) that is located on the north side of East Garvey Avenue South, approximately 150-ft west of Azusa Avenue, for westbound traffic.
13. Install new “NO TRUCKS OVER 3 TONS” sign (R5 – 2 (variation)) on the north-west corner of the intersection of East Garvey Avenue South and Azusa Avenue, for westbound traffic. Install signs on existing signal post.
14. Remove existing “COMMERCIAL TRUCKS OVER 3 TONS PROHIBITED” sign (R5 – 2 (variation)) on the south-east corner of the intersection of East Garvey Avenue South and Azusa Avenue, for

westbound traffic.

15. Install new “No Trucks Over 3 Tons” sign (R36 (ca)) on the south-east corner of the intersection of East Garvey Avenue South and Azusa Avenue, for eastbound traffic. Install signs on existing signal post.

January 2025 Traffic Committee Meeting

- **Traffic Review of Nelson Street between Azusa Avenue and Fairgrove Avenue:**

  Request: Request is the installation of traffic-calming measures along the segment of Nelson Street between Azusa Avenue and Fairgrove Avenue.
  Approved TC Recommendation:

1. Install “25” mph sign (R2 – 1) along Nelson Street, for southbound traffic. Install sign on the west side of Nelson Street, approximately 230-ft east of Fairgrove Avenue.
2. Install “25” mph sign (R2 – 1) along Nelson Street, for northbound traffic. Install sign on the east side of Nelson Street, approximately 230-ft west of Fairgrove Avenue.
3. Remove and replace damaged stop sign (R1 – 1) that is located on the south-east corner of the intersection of Nelson Street and Azusa Avenue.
4. Remove and replace faded “keep right” (R4-7) symbol sign that is located on the raised median at the intersection of Nelson Street and Azusa Avenue, for eastbound traffic.

LEGAL REVIEW:

The City Attorney's Office has reviewed the staff report.

ENVIRONMENTAL REVIEW:

Staff has reviewed the proposed project and has determined that it is categorically exempt from CEQA pursuant to CEQA Guidelines Section(s) 15302: Replacement or reconstruction; (c) Replacement or reconstruction of existing utility and/or facilities involving negligible or no expansion of capacity.

Prepared by: Jo-Anne Burns, Deputy Community Development Director

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Fiscal Impact

FISCAL IMPACT:

The proposed improvements will be included either as part of an existing project, or under the Annual Citywide Traffic Signage, Stripping, Pavement Markers Program (Project No. C23016). This program allocates $100,000 annually to enhance vehicle mobility and safety. Minor improvements and/or signage replacement may be done in-house by maintenance staff.

CITY COUNCIL GOALS & OBJECTIVES: A Well-Planned Community
Enhance City Image and Effectiveness

AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: February 18, 2025

TO: Mayor and City Council

FROM: Paulina Morales, City Manager

SUBJECT: **CONSIDERATION OF ACCEPTANCE OF WORK FOR SOUTHSIDE SEWER CIPP LINING IMPROVEMENTS PROJECT - PROJECT NO. 24004**

RECOMMENDATION:

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

1. Accept the work performed by Southwest Pipeline and Trenchless Corp. for the Southside Sewer CIPP Lining Improvements Project (Project No. 24004) with a final cost of $816,644.01;
2. Authorize the City Manager and Assistant City Clerk to execute the Notice of Completion and file the Notice of Completion with the County of Los Angeles Registrar-Recorder; and
3. Authorize the City Manager to release a retention once appropriate.

BACKGROUND:

On July 18, 2023, the City Council awarded a Construction Services Agreement in the amount of $822,817.00 to Southwest Pipeline and Trenchless Corp., for the Southside Sewer CIPP Lining Improvements Project (Project No. 24004). The project construction budget also included a contingency budget of $123,422.55 (15% of awarded amount) for any unforeseen conditions as necessary. The total established construction budget was $946,239.55.

The project included the rehabilitation of approximately 14,850 linear feet of sanitary sewer gravity piping (pipes in 8 inches) along twenty-seven (27) sewer line segments by cured-in-place pipe (CIPP) methods. The proposed work also included sewer bypassing as necessary to perform rehabilitation work.

DISCUSSION:

All required improvements were constructed in conformance with the approved plans and specifications. The work was performed within the contractually specified duration and to the City Engineer’s satisfaction. Construction costs totaled $816,644.01, which was within the approved construction budget.

The City retains five percent (5%) of each payment to the contractor as retention to ensure payment to subcontractors and material suppliers before final payment to the contractor. The City Council’s acceptance of the project and the City's recordation of the Notice of Completion trigger timeframes within which subcontractors or material suppliers must file claims for payment if they have not been paid by the contractor. If no claims are filed within 35 days of the filing of the Notice of Completion, the City will release retention and any remaining amount due to the contractor.

LEGAL REVIEW:

The City Attorney's Office has reviewed the staff report.

Prepared by: Robert Ortega, CIP Project Manager

Fiscal Impact

FISCAL IMPACT:

This contract was funded under Project No. C24004, Southside Sewer CIPP Lining (Fund 189, Sewer). The contract was completed within the approved construction estimate.

Construction Contract	$822,817.00
15% Contingency	$123,422.55
Total Construction Budget	**$946,239.55**
Actual Expenditures	$816,644.01
(Over)/Under Budget	**$(129,595.54)**

Attachments

Attachment No. 1 - Notice of Completion

CITY COUNCIL GOALS & OBJECTIVES: Protect Public Safety
A Well-Planned Community
Enhance City Image and Effectiveness

ATTACHMENT NO. 1

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO: City Clerk City of West Covina 1444 W. Garvey Ave. S. West Covina, CA 91790 EXEMPT FROM RECORDING FEES – GOVERNMENT CODE §§ 6103, 27383	

SPACE ABOVE LINE FOR RECORDER'S USE ONLY

NOTICE OF COMPLETION
(California Civil Code § 9204)

NOTICE IS HEREBY GIVEN THAT:

1. Name and Address of Owner. The City of West Covina ("City"), a municipal corporation, whose address is 1444 W. Garvey Ave. S., West Covina, CA 91790, is the fee owner of the public work of improvement described herein and of the property containing said public work of improvement.

2. Description of Public Work of Improvement. The public work of improvement is the project known as: Southside Sewer CIPP Lining Improvements Project (Project No. 24004).

3. Location of Public Work of Improvement. The public work of improvement is generally located south of Shadow Oak Drive between Shakespeare Drive and West City Limit.

4. Award of Contract; Contractor. On July 18, 2023, the City awarded a contract to construct the public work of improvement to Southwest Pipeline and Trenchless Corp., 22118 Vermont Avenue, Torrance, CA 90502.

5. Date of Completion. The public work of improvement was completed to the satisfaction of the City Engineer on: January 14, 2025.

6. Date of Acceptance. The City Council accepted the public work of improvement on February 18, 2025.

_____
Paulina Morales, City Manager Date
City of West Covina

VERIFICATION

I, the undersigned, say: I am the Assistant City Clerk of the City of West Covina, the declarant of the foregoing Notice of Completion; I have read said Notice of Completion and know the contents thereof; the same is true of my own knowledge. I declare under penalty of perjury that the foregoing is true and correct.

Executed on _____, at West Covina, California.

_____
Lisa Sherrick
Assistant City Clerk

AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: February 18, 2025

TO: Mayor and City Council

FROM: Paulina Morales, City Manager

SUBJECT: **CONSIDERATION OF ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) AND OTHER RELATED REPORTS FOR THE YEAR ENDED JUNE 30, 2024**

RECOMMENDATION:

It is recommended that the City Council receive and file the following for the year ended June 30, 2024:

- Annual Comprehensive Financial Report ("ACFR");
- Government Auditing Standards Letter;
- Audit Communication Letter; and
- Community Financial Report.

BACKGROUND:

Annually, the Finance Department prepares and publishes the City's ACFR following the completion of an independent and certified audit (Attachment No. 1). This document is an extensive report summarizing the financial activities that occurred from July 1, 2023 through June 30, 2024.

The ACFR is prepared in compliance with the Governmental Accounting Standards Board ("GASB") standards. Pursuant to GASB guidelines, the ACFR is divided into three sections: Introductory, Financial, and Statistical. The Introductory section contains a Letter of Transmittal. This letter includes a brief overview of the City, the economic outlook, operational controls and major initiatives.

The Financial section contains the independent auditors' opinion letter, Management's Discussion and Analysis (MD&A), and the Basic Financial Statements. The audit firm of Van Lant & Fankhanel LLP has issued an unmodified ("clean") opinion on the financial statements for the year ended June 30, 2024. This means that their examination, testing and audit procedures allowed them to conclude that the financial statements present fairly the financial position of the City. This is the best opinion the City can receive from its auditors.

The MD&A provides a narrative of how the financial report is presented and key highlights of some of the changes in financial position. The MD&A provides tables showing comparative information from the current and prior year.

The final section of the ACFR is the Statistical section. This section presents data useful in analyzing the City's financial and operational history for comparative purposes. Some of the statistics tracked include financial trends, revenue capacity, and debt capacity which are useful for evaluating the City's financial stability. Additional statistics include operating indicators.

DISCUSSION:

Annual Comprehensive Financial Report
The ACFR represents the City of West Covina's financial position at June 30, 2024 and includes financial statements for all of its component units.

Government Auditing Standards Letter
The Government Auditing Standards Letter (Attachment No. 2) notes any identified deficiencies or weaknesses in internal control over financial reporting that could lead to material misstatements in the City's financial statements as well as any other compliance findings.

Deficiency in internal control - exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

Material weakness - is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis.

Significant deficiency - is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

The auditors did not identify deficiencies in internal control over financial reporting that they considered to be weaknesses.

Audit Communication Letter
The Audit Communication Letter (Attachment No. 3) provides certain information related to the audit of the City's financial records, including the following:

Qualitative Aspects of Accounting Practices – The letter notes that City management is responsible for the selection and use of appropriate accounting policies. The letter indicates that there have been no significant changes in accounting policies or their application during the fiscal year. The letter also notes that there were no transactions entered into by the City during Fiscal Year 2023-24 for which there was a lack of authoritative guidance, and that all significant transactions were recorded in the proper accounting periods.

Significant Difficulties Encountered During the Audit – The letter communicates that the auditors encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements – The letter communicates the auditors' responsibility to note all known and likely misstatements identified during the audit. The auditors noted no such misstatements that were material, either individually or in aggregate, to the financial statements taken as a whole.

Disagreements with Management – The auditors are required to communicate any disagreements with management related to an accounting, reporting or auditing matter, whether resolved or not, in the Audit Communication Letter. No such disagreements arose during the course of the audit for Fiscal Year 2023-24.

Community Financial Report
The Community Financial Report (Attachment No. 4) is an extract of information from the ACFR specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance.

Audit Committee
The ACFR and associated reports were reviewed by the Audit Committee on February 10, 2025.

LEGAL REVIEW:
The City Attorney's Office has reviewed this report.

Prepared by: Maria-Luisa Olea, Assistant Finance Director

Fiscal Impact

FISCAL IMPACT:
Financial highlights of the fiscal year are noted in the Financial section of the ACFR and include the following:

City Wide
As of June 30, 2024, the City's total net position (assets plus deferred outflows of resources less liabilities and less deferred inflows of resources) was $13.7 million.

The City's total net position increased $7.1 million from the prior year. This is due to various factors. There is an increase in assets of $2.7 million. The increase is mostly due to cash; there was 2.2 million more in investment income when compared to the prior fiscal year. In liabilities and deferred inflows of resources, there was a significant decrease due to OPEB related inflows, which accounts for a $5.2 million decrease in deferred inflows of resources. Additionally, the lease revenue bond liabilities decreased by $5.9 million. Overall, there were positive factors to increase the net position, however the net pension liability and related deferred outflows and inflows of resources was the source of an increase to the City's liabilities of $8.8 million; the net pension liability increased by $13.3 million, offset with a $3.9 million increase to deferred outflows of resources relating to pension related items and $0.6 million decrease to deferred inflows of resources relating to pension related items.

The City's total governmental funds reported combined ending fund balances of $150.1 million, an increase of $13.4 million in comparison with the prior fiscal year of $136.7 million. The increase is comprised of changes in fund balance, primarily in the State Gas Tax for $2.5 million, non-major Sewer Maintenance fund for $2.3 million, non-major Measure M fund for $2.0 million, and non-major Measure W fund for $1.2 million. Revenues for the year for the funds slightly due to anticipated increase of tax revenues for gasoline taxes. The fund balances increased for the aforementioned funds due to lower than budgeted expenditures in the funds. The City anticipates to use the funds in the upcoming years. Of the $151.1 million fund balance, $3.5 million, or 2.3%, of this total is non-spendable (not available for new spending). The restricted fund balance categories of $119.7 million, or 79.7%, is spendable for restricted purposes. The assigned fund balance of $8.5 million, or 5.7%, represents amounts that are intended to be used for specific purposes, but are not formally restricted or committed. The unassigned fund balance category of $18.5 million, or 12.3%, represents the City's fund balance reserves.

General Fund
The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was $18.5 million, while total fund balance was $21.9 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 26.8% of total general fund expenditures, while total fund balance represents 31.7% of that same amount. The non-spendable portion of fund balance in the amount of $3.4 million mainly consists of Land Held for Resale in the amount of $3.0 million.

General Fund, Fund Balance Policy
Per the City's current Fund Balance Policy, the city shall maintain a minimum unassigned fund balance of at least 17% of the General Fund operating expenditures. As of June 30, 2024, the General Fund unassigned fund balance is $18,484,968, which is in excess of the 17% FY 2024-25 Budgeted Expenditures & Transfers. An update to the Fund Balance Policy and the minimum reserve requirement is included as a separate item for Council consideration.

Attachments

Attachment No. 1 - Annual Comprehensive Financial Report for the Year Ended June 30, 2024

Attachment No. 2 - Government Auditing Standards June 30, 2024

Attachment No. 3 - Audit Communication Letter SAS 114 Communication June 30, 2024

Attachment No. 4 - Community Financial Report 2024

CITY COUNCIL GOALS & OBJECTIVES: Achieve Fiscal Sustainability and Financial Stability

ATTACHMENT NO. 1

ANNUAL COMPREHENSIVE FINANCIAL REPORT

2024



YEAR ENDED
JUNE 30, 2024

CITY OF WEST COVINA
www.westcovina.org

CITY OF WEST COVINA, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ended June 30, 2024

Prepared by
Finance Department

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City of West Covina
Annual Comprehensive Financial Report
Year Ended June 30, 2024

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City of West Covina
Annual Comprehensive Financial Report
Year Ended June 30, 2024

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City of West Covina
Annual Comprehensive Financial Report
Year Ended June 30, 2024

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INTRODUCTORY SECTION

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January 29, 2025

Members of the City Council, the City Manager, and the Citizens of the City of West Covina:

Enclosed is the Annual Comprehensive Financial Report (ACFR) of the City of West Covina (City) for the fiscal year ended June 30, 2024. This report consists of management's representations concerning the finances of the City. Management assumes full responsibility for the completeness and reliability of all the information presented in this report.

To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed to both protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Van Lant & Fankhanel, LLP, a firm of certified public accountants. The auditors have issued an unmodified opinion on these financial statements. The Independent Auditor's Report is located at the front of the financial section of this report.

The Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Profile of the Government

The City of West Covina is located in the San Gabriel Valley, 20 miles east of downtown Los Angeles and 15 miles north of Orange County. Incorporated as a general law city in 1923, the City's 16 square miles flourished with walnut groves and orange groves for many decades. The post-World War II building boom rapidly transformed the City, which experienced a significant population increase between 1950 and 1960, from less than 5,000 to more than 50,000 citizens. Subsequent to this rapid population increase, the City has continued to grow at a steady pace to a population of over 109,000. In recent years there has been a slight decline with a current population in excess of 105,000.

From early in its history, the City of West Covina has been noted as a city of beautiful homes. Through its General Plan, the City Council strives to maintain the City's high-quality residential base and living environment. The City's identity is defined by carefully designed entry point elements, landmark areas, and open space areas.

Known as the headquarters of the East San Gabriel Valley, the City strives to maintain a prosperous business and commercial climate. Despite the current challenging financial and economic environment, West Covina derives significant economic stability from the City's three major commercial districts: Plaza West Covina, Eastland Center, and The Lakes. The City's location and access to major freeways makes West Covina close to many visitor attractions and an ideal business and commercial center. The City has over 32,000 housing units and offers the amenities of a big city location with a high standard of living for its community.

The City provides a full range of services to its citizens, including police, fire and emergency medical; construction and maintenance of streets, traffic signalization and other infrastructure; planning and building safety; and social, recreational and cultural activities and events. The City offers sixteen parks, four community centers, a sports complex, and a county operated library.

Under the Council-Manager form of government, the five City Council members are elected by districts to overlapping four-year terms. The City Council selects a Mayor from one of its members each November to serve a one-year term. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring both the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments.

The City is financially accountable for the Successor Agency to the former Redevelopment Agency of the City of West Covina, a financing authority, and a housing authority, which are combined within the City's financial statements. Additional information regarding all three of these legally separate entities can be found in the notes to the financial statements.

The annual budget serves as a foundation for the City's financial planning and control. The City Council holds public hearings and adopts an annual budget for all funds. The budget appropriations are prepared by fund, function, and department. The City Manager is authorized to transfer budgeted amounts within departments to assure adequate and proper standards of service. Budgetary revisions, including supplemental appropriations which increase total appropriations in individual funds must be approved by the City Council.

Economic Outlook and Major Objectives

In December 2020, the California State Auditor identified several risks in the City's financial condition, including a major unfunded pension liability and general fund expenditures that have exceeded revenues. Since then, the City has grown its general fund reserves from an unassigned fund balance of $12.6 million in in fiscal year 2019–20 to $18.5 million as of the end of fiscal year 2023–24. Additionally, the city no longer operates with a structural deficit. Instead, the city's general fund revenue exceeds its operating expenditures.

While progress has been made, in December 2024, the State Auditor retained its high-risk designation for the City, citing that the City's approach to addressing its reserve level increases its risk for future financial instability – specifically regarding its pension debt. The City must consider establishing and maintaining a general fund reserve target at a level above its current policy to better mitigate this risk.

The City continues to work to secure the financial future while safeguarding the delivery of great public services. This requires stewardship and a willingness to consider all alternatives in service provision. Service levels are directly related to the income from which public expenses are met. The City has attempted to attain fiscal sustainability into the future by finding economies and efficiencies in its operations.

Rising costs of materials and services continue to be of grave concern. Through sound financial policies and procedures, the City has attempted to manage rising costs and dwindling revenues efficiently and effectively. This is not to say that significant challenges do not face the City going forward. The infrastructure needs of the City have been long deferred.

Short-term and Long-term Financial Planning

The City has made some progress toward the goal of attaining fiscal sustainability and positioned the City for long-term financial success. Annually, the City adopts a budget covering operating revenues and expenditures, labor usage, capital expenditures, and other sources and uses of funds. For financial planning purposes, the City conducts a comprehensive citywide financial forecast. The latest forecast shows expenditures are increasing at a faster pace than revenues.

Like most California cities, West Covina has several unfunded liabilities. The biggest of these being the cost of employee pensions. Pension obligations and payments for the unfunded accrued liability (UAL) were expected to worsen each fiscal year. This fact prompted the City to issue bonds in July of 2020 to address the UAL and attain more favorable interest rates to address the pension problem. Other Post Employment Benefits (OPEB) liabilities account for the second largest cost. Net change in Net Pension liability was $13.3 million and Net Change in Total OPEB Liability was $3 million as of June 30, 2024. This liability continues to rise and will need to be addressed in the long term.

In addition to pension and OPEB liabitlies, the City is self-insured and exposed to various risks of loss related to its operation which continue to rise. While the City does have excess workers' compensation and excess general liability insurance, the self-insured retention limit is $1 million per occurrence. Overall, there is a $10.7 million deficit in the self-insurance internal service funds as of June 30, 2024. Additionally, claims and judgments payable, including estimated claims for incurred but not reported claims, amounted to $24.4 million. This is up nearly four million dollars from the prior year. Continuous risk management improvement will be critical to the financial outcome of these programs.

Awards and Acknowledgements

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to all members of the Department who assisted and contributed to the preparation of this report. Credit must also be given to City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Stephanie Sikkema
Finance Director

CITY OF WEST COVINA, CALIFORNIA

1444 W. Garvey Avenue South, West Covina CA 91790

CITY OFFICIALS

JUNE 30, 2024

CITY COUNCIL

Brian Calderón Tabatabai, Mayor
Tony Wu, Mayor Pro Tem
Ollie Cantos, Councilman
Rosario Diaz, Councilwoman
Letty Lopez-Viado, Councilwoman

ELECTED OFFICIALS

Nickolas S. Lewis, City Clerk
Colleen B. Rozatti, City Treasurer

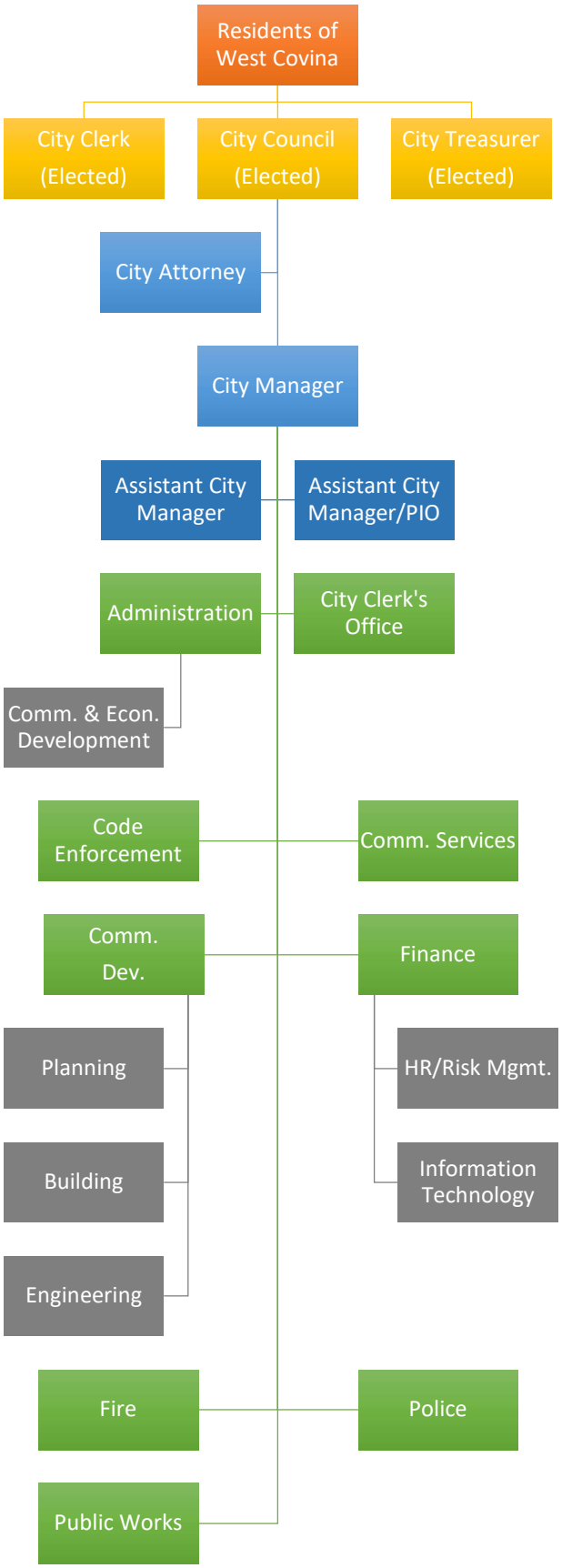
CITY MANAGER

Paulina Morales

EXECUTIVE MANAGEMENT TEAM

Roxanne Lerma, Assistant City Manager
Thomas P. Duarte, City Attorney
Lisa Sherrick, Assistant City Clerk
Stephanie Sikkema, Finance Director
Vincent Capelle, Fire Chief
Richard Bell, Police Chief

City Organizational Chart



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of West Covina
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

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Van Lant & Fankhanel, LLP
Certified Public Accountants

Independent Auditor's Report

The Honorable City Council
City of West Covina, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of West Covina (City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of West Covina, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cashflows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining statements and budgetary schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated January 29, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



January 29, 2025
Murrieta, CA

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the financial performance of the City of West Covina (the City) provides an overview of the City's financial activities for the fiscal year ended June 30, 2024. The information presented herein should be considered in conjunction with the transmittal letter and financial statements identified in the accompanying table of contents.

FINANCIAL HIGHLIGHTS

- As of June 30, 2024, the City's total net position (assets plus deferred outflows of resources less liabilities and less deferred inflows of resources) was $13.7 million.

- The City's total net position increased $7.1 million from the prior year. This is due to various factors. There is an increase in assets of $2.7 million. The increase is mostly due to cash; there was 2.2 million more in investment income when compared to the prior fiscal year. In liabilities and deferred inflows of resources, there was a significant decrease due to OPEB related inflows, which accounts for a $5.2 million decrease in deferred inflows of resources. Additionally, the lease revenue bond liabilities decreased by $5.9 million. Overall, there were positive factors to increase the net position, however the net pension liability and related deferred outflows and inflows of resources was the source of an increase to the City's liabilities of $8.8 million; the net pension liability increased by $13.3 million, offset with a $3.9 million increase to deferred outflows of resources relating to pension related items and $0.6 million decrease to deferred inflows of resources relating to pension related items.

- The City's total governmental funds reported combined ending fund balances of $150.1 million, an increase of $13.4 million in comparison with the prior fiscal year of $136.7 million. The increase is comprised of changes in fund balance, primarily in the State Gas Tax for $2.5 million, non-major Sewer Maintenance fund for $2.3 million, non-major Measure M fund for $2.0 million, and non-major Measure W fund for $1.2 million. Revenues for the year for the funds slightly due to anticipated increase of tax revenues for gasoline taxes. The fund balances increased for the aforementioned funds due to lower than budgeted expenditures in the funds. The City anticipates to use the funds in the upcoming years. Of the $151.1 million fund balance, $3.5 million, or 2.3%, of this total is non-spendable (not available for new spending). The restricted fund balance categories of $119.7 million, or 79.7%, is spendable for restricted purposes. The assigned fund balance of $8.5 million, or 5.7%, represents amounts that are intended to be used for specific purposes, but are not formally restricted or committed. The unassigned fund balance category of $18.5 million, or 12.3%, represents the City's fund balance reserves.

- The City's business-type computer service enterprise activity (West Covina Service Group) had an operating gain for fiscal year (FY) 2023-24 of $10,259, compared with a $6,526 operating gain in FY 2022-23. The total net position for the computer service enterprise fund as of June 30, 2024 is $252,092. The net position in the prior year was $241,833.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of four parts – *management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and an optional section that presents *combining statements* for non-major governmental funds and internal service funds. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's overall financial status.

- The remaining statements are *fund financial statements* that focus on *individual parts* of the City government, reporting the City's operations in *more detail* than the government-wide statements.

    - The *governmental funds* statements tell how *general government* services like public safety were financed in the *short-term* as well as what remains for future spending.

    - *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities that are operated like a business, such as the West Covina Service Group, the City's computer service enterprise.

    - *Fiduciary fund* statements provide information about the fiduciary relationships – like the custodial funds of the City – in which the City acts solely as an *agent* or *trustee* for the benefit of others, to whom the resources in question belong.

The financial statements also include *notes* that provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Reporting the City as a Whole

The accompanying **government-wide financial statements** include two statements that present financial data for the City as a whole. The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in them. The City's net position is one way to measure the City's financial health, or financial position. Over time, increases and decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's property tax or sales tax base and the condition of the City's roads, to assess the overall health of the City.

The Statement of Net Position and the Statement of Activities are divided into two kinds of activities:

- Governmental activities – Most of the City's basic services such as public safety, streets and roads, economic development and parks and recreation, are reported here. Sales taxes, property taxes, state subventions, and other revenues finance most of these activities.

- Business-type activities – The City charges a fee to customers to help it cover all or most of the cost of the services accounted for in these funds. These activities include the City's computer service enterprise operation.

The government-wide financial statements include the West Covina Housing Authority, the West Covina Public Financing Authority, the Parking Authority of the City of West Covina and the West Covina Community Services Foundation (component units), along with the City of West Covina (the primary government). Although legally separate, these component units are important because the City is financially accountable for them.

The activities of the Successor Agency of the former redevelopment agency can be found in the Fiduciary Fund Section of the Financial Statements in the Private Purpose Trust Fund.

Reporting the City's Most Significant Funds

The **fund financial statements** provide detailed information about the City's most significant funds – not the City as a whole. Some funds are required to be established by State law or by bond covenants. However, City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting administrative responsibilities for using certain taxes, grants, or other money (like grants received). The City's two kinds of funds – *governmental* and *proprietary* – use different accounting approaches.

- *Governmental funds* – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using the modified accrual accounting method, which measures cash and all other current financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship or differences between *governmental activities* (reported in the Statement of Net Assets and the Statement of Activities) and *governmental funds* in reconciliations on the pages following the fund financial statements in this report.

- *Proprietary funds* – When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows for proprietary funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities.

Reporting the City's Fiduciary Responsibilities

The City is an agent for certain assets held for, and under the control of, other organizations and individuals. All of the City's fiduciary activities are reported in separate fiduciary funds. These activities are not included in the government-wide financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2024, net position for the City was a balance of $13.7 million. Compared to the prior year, the net position of the City increased by $7.1 million.

The City's net position of $13.7 million is made up of three components: Net investment in Capital Assets, Restricted Net Position and Unrestricted Net Position. The largest portion of the City's net position, $149.2 million, reflects its net investment in capital assets (e.g., infrastructure, land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to the community. As such, these assets are not available for spending. In addition, $113.7 million of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit of $249.1 million due to the unfunded pension liability (GASB 68) for which the City has issued 2020 Lease Revenue Bonds; the balance of the bonds is $192.3 million.

The table below reflects the Statement of Net Position for the fiscal year ended June 30, 2024, with the comparative data for the fiscal year ended June 30, 2023:

Table 1
Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets:						
Current and other assets	$194,364,322	$186,439,041	$ 255,710	$ 291,899	$194,620,032	$186,730,940
Capital assets	188,412,980	193,577,149	-	-	188,412,980	193,577,149
Total assets	382,777,302	380,016,190	255,710	291,899	383,033,012	380,308,089
Deferred Outflows of Resources:						
Pension related	41,675,192	37,822,672	-	-	41,675,192	37,822,672
OPEB related	8,003,872	8,878,853	-	-	8,003,872	8,878,853
	49,679,064	46,701,525	-	-	49,679,064	46,701,525
Liabilities:						
Long-term debt outstanding	382,039,274	368,378,854	1,236	17,268	382,040,510	368,396,122
Other liabilities	17,960,423	26,715,769	2,382	32,798	17,962,805	26,748,567
Total liabilities	399,999,697	395,094,623	3,618	50,066	400,003,315	395,144,689
Deferred Inflows of Resources:						
Pension related	141,011	785,967	-	-	141,011	785,967
OPEB related	12,406,521	17,602,036	-	-	12,406,521	17,602,036
Lease Related	6,412,504	6,834,555	-	-	6,412,504	6,834,555
	18,960,036	25,222,558	-	-	18,960,036	25,222,558
Net Position:						
Net investment in capital assets	149,162,351	152,367,256	-	-	149,162,351	152,367,256
Restricted	113,696,248	109,315,672	-	-	113,696,248	109,315,672
Unrestricted	(249,361,966)	(255,282,394)	252,092	241,833	(249,109,874)	(255,040,561)
Total net position	$ 13,496,633	$ 6,400,534	$ 252,092	$ 241,833	$ 13,748,725	$ 6,642,367

Changes in Net Position

The City's total revenues of $132.9 million for governmental activities are $4.2 million more than the expenses of $128.7 million. The majority of the increase is due to a $3.0 million increase in sales tax and $2.2 million increase in investment income.

A summary of the government-wide statement of activities for the year ended June 30, 2024, with the comparative data for the fiscal year ended June 30, 2023, is as follows:

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues:						
Charges for services	$ 17,389,515	$ 19,678,784	$ 692,994	$ 686,731	$ 18,082,509	$ 20,365,515
Operating contributions and grants	22,201,169	18,983,157	-	-	22,201,169	18,983,157
Capital contributions and grants	15,149,924	15,354,938	-	-	15,149,924	15,354,938
General revenues:						
Property taxes	35,055,298	33,822,147	-	-	35,055,298	33,822,147
Sales taxes	26,575,421	23,526,119	-	-	26,575,421	23,526,119
Other taxes	9,884,121	10,053,724	-	-	9,884,121	10,053,724
Other general revenues	6,685,708	4,007,614	-	30	6,685,708	4,007,644
Total revenues	132,941,156	125,426,483	692,994	686,761	133,634,150	126,113,244
Expenses						
General government	20,662,676	19,222,882	-	-	20,662,676	19,222,882
Public safety	65,336,608	66,098,443	-	-	65,336,608	66,098,443
Public works	20,428,579	24,203,764	-	-	20,428,579	24,203,764
Community services	11,905,416	10,247,116	-	-	11,905,416	10,247,116
Community development	1,716,136	1,446,667	-	-	1,716,136	1,446,667
Interest expense	8,655,994	8,792,569	-	-	8,655,994	8,792,569
Computer service	-	-	682,735	680,235	682,735	680,235
Total expenses	128,705,409	130,011,441	682,735	680,235	129,388,144	130,691,676
Increase (decrease) in net position	4,235,747	(4,584,958)	10,259	6,526	4,246,006	(4,578,432)
Beginning net position	6,400,534	10,985,492	241,833	235,307	6,642,367	11,220,799
Restatement of net position	2,860,352		-	-	2,860,352	-
Ending net position	$ 13,496,633	$ 6,400,534	$ 252,092	$ 241,833	$ 13,748,725	$ 6,642,367

Governmental Activities

Some of the more significant changes in the revenues and expenses of the City's governmental activities presented above are as follows:

- Charges for services decreased by $2.3 million, primarily due to building permits. The prior year had higher than anticipated construction activity.

- Operating contributions and grants increased by $3.2 million, primarily due to $2.9 million of American Rescue Plan Act (ARPA) funds expended. The City received a total of $19.6 million in ARPA in Fiscal Years 2020-21 and 2021-22. A total of $9.2 million was expended and recognized as revenue in FY 2021-22, $1.9 million was expended and recognized as revenue in FY 2022-23, and in FY 2023-24 $4.8 million was spent on eligible expenses.

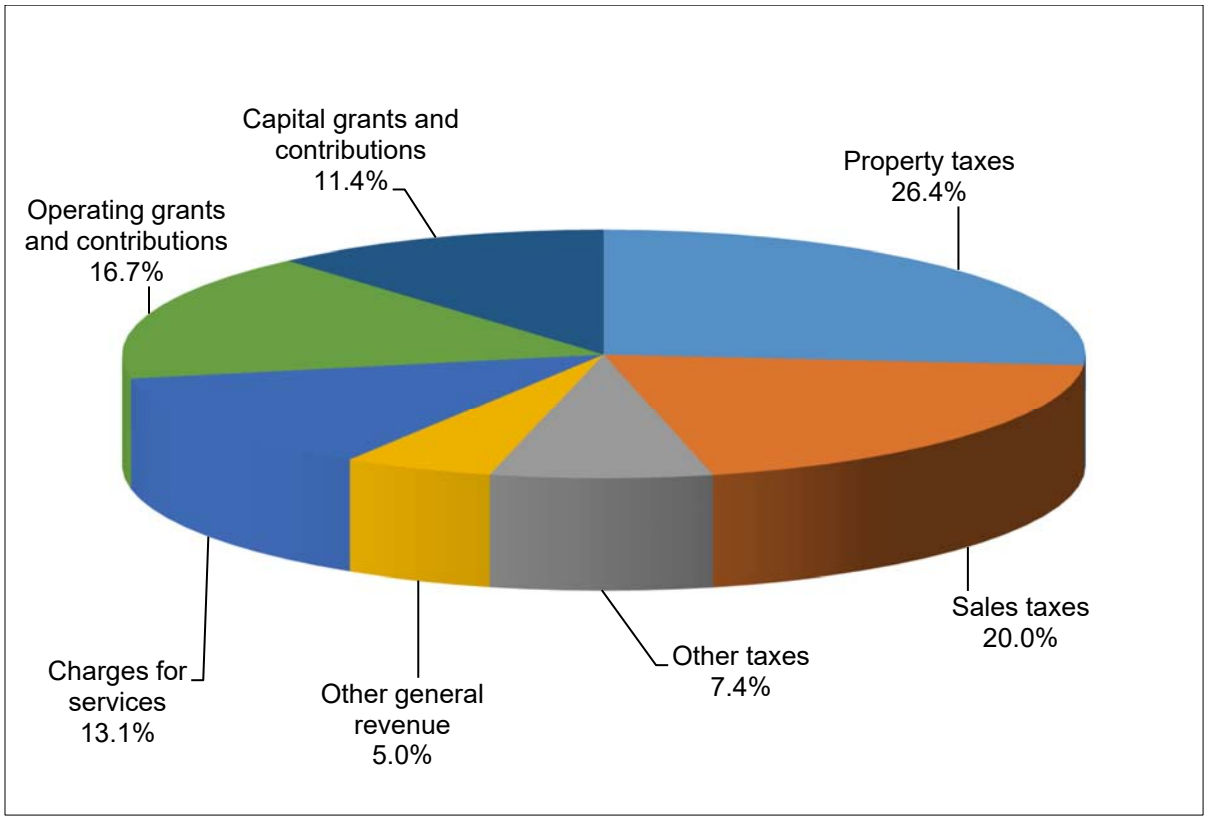
- Property taxes, the City's largest revenue source, increased $1.2 million, or 3.6%, primarily due to an increase in the assessed valuation on all classes of property, driven by local real estate market values.

- Sales tax, the City's second largest revenue source, increased $3.0 million, or 13.0%, primarily due to gains in the autos and transportation sector.

- Other general revenues increased by $2.7 million, primarily due to increased realized interest income and a positive fair market value adjustment.

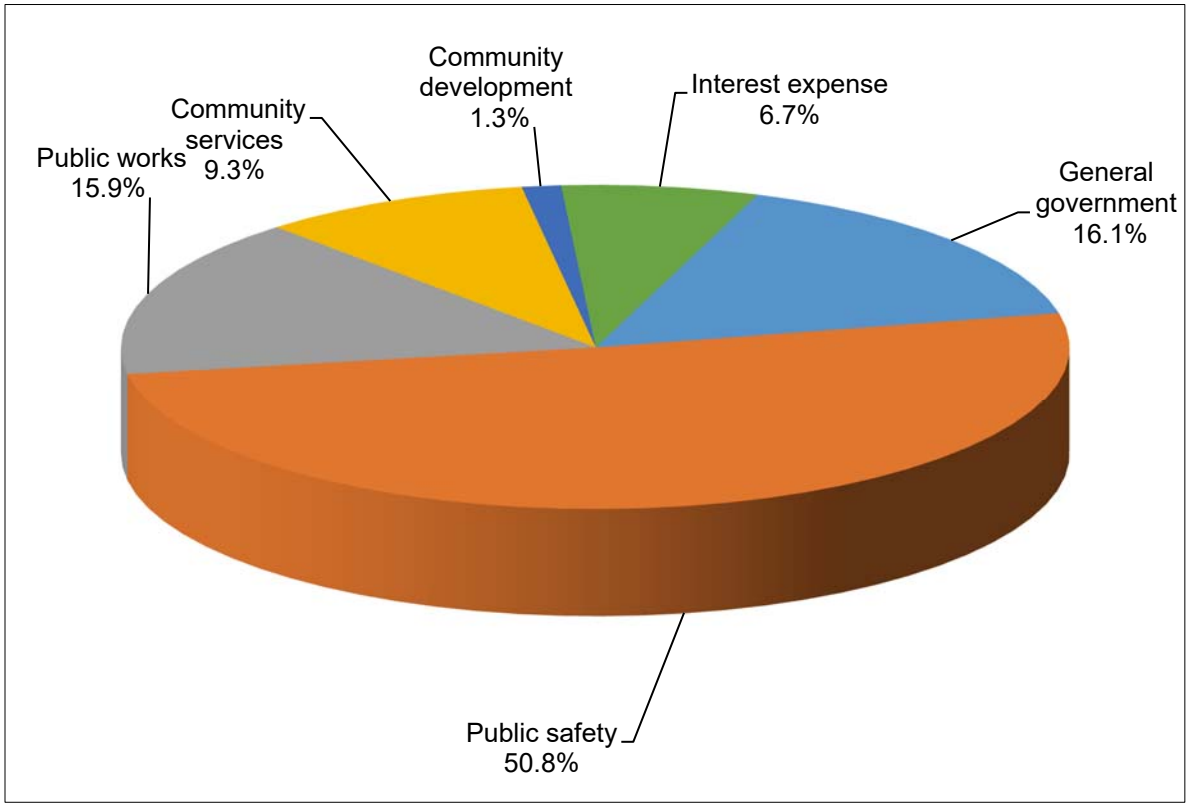
- There was an overall decrease in expenses of $1.3 million. This is primarily due to an decrease in Public Works contracts.

Revenues by Source – Governmental Activities



The most significant revenues of the governmental activities are property taxes ($35.0 million), sales tax ($26.6 million) and other taxes ($9.9 million). Program revenues are $54.7 million of the total revenues of the governmental activities, which include charges for services ($17.4 million), operating contributions and grants ($22.2 million), and capital grants and contributions ($15.1 million).

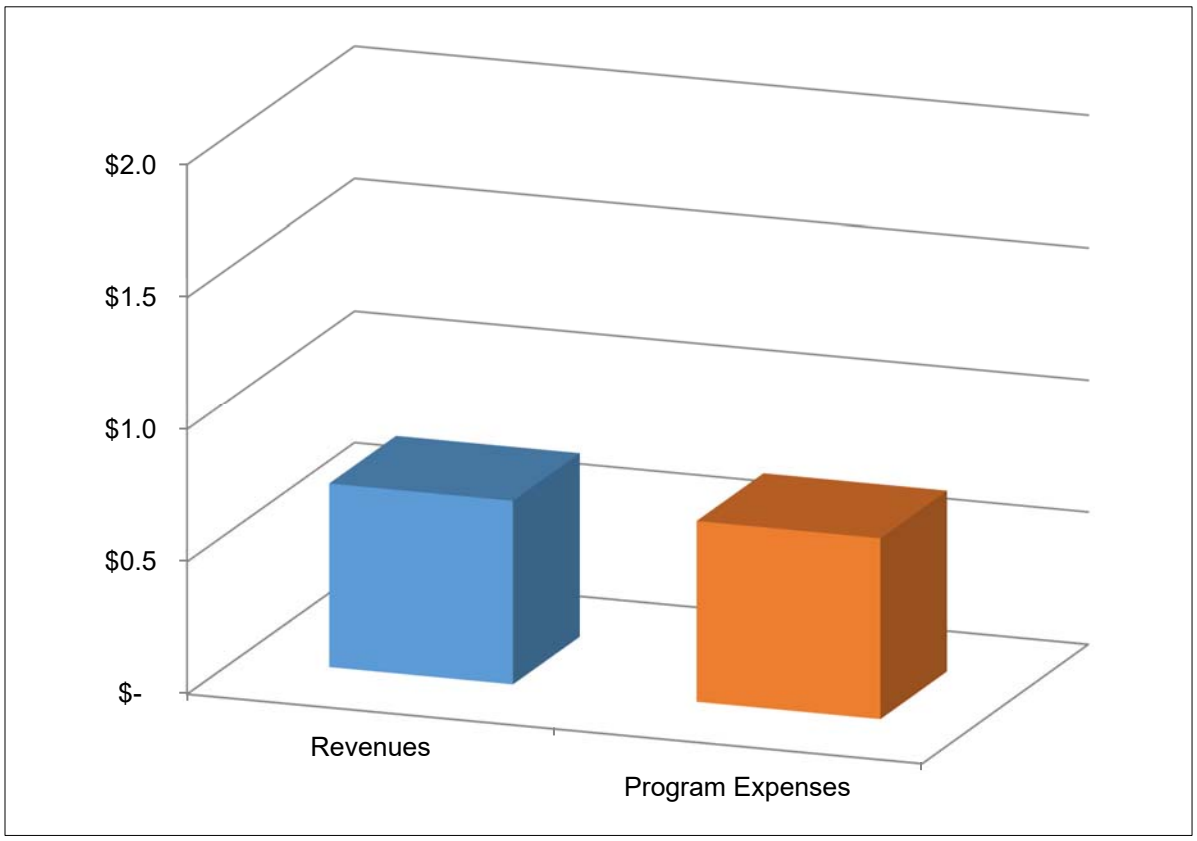
Expenses by Function – Governmental Activities



The City's expenses cover a range of services whose expenses were as follows: Public safety ($65.3 million), public works ($20.4 million), community services ($11.9 million), general government ($20.7 million), interest expense ($8.7 million) and community development ($1.7 million). These expenses include pension related items, claims and capital outlays which are now reflected in the City-wide assets and liabilities.

Business-Type Activities

The business-type activity is the West Covina Service Group, which provides dispatch and records management software and services to other police departments.



The business-type activity's expenses increased by $2,500, or 0.4%, from the prior fiscal year. Charges for services and other revenues increased by $6,233, or 0.9%, in FY 2023-24. The changes from the prior year resulted in a slight increase of net position of $10,259. The West Covina Service Group has experienced less sales over the years.

MAJOR FUNDS

As noted earlier, the City uses fund accounting to provide proper financial management of the City's resources and to demonstrate compliance with finance-related legal requirements.

Major Governmental Funds

The **General Fund** is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was $18.5 million, while total fund balance was $21.9 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 26.8% of total general fund expenditures, while total fund balance represents 31.7% of that same amount. The non-spendable portion of fund balance in the amount of $3.4 million mainly consists of Land Held for Resale in the amount of $3.0 million.

Total revenues, exclusive of fund transfers in, increased $4.5 million while total operating expenditures, exclusive of fund transfers out, increased $2.2 million. The reasons for significant changes in the revenues and expenditures of the City's General Fund from the prior year are as follows:

- Total taxes were up $3.9 million (5.8%) from the prior year. Sales taxes increased by $2.9 million (12.4%) due to increased property assessments compared to the prior year.

- Investment income was up $2.0 million (3.7%) from the prior year. The fair market value of investments valued has increased for the fiscal year.

The **West Covina Housing Authority Fund** provides for low- and moderate-income activities that were previously provided by the redevelopment agency. The Authority has outstanding loans receivable of $11.9 million. The fund holds $19.9 million in restricted fund balance.

The **State Gas Tax Fund** accounts for tax collected on fuel to fund maintenance and repair of the States' highways and roads. The fund finished the fiscal year with a total fund balance of $8.3 million. There were $1.9 million less expenses than revenues for the fund, additionally there was a $0.6 million transfer in from the General Fund.

The **American Rescue Plan Act (ARPA) Fund** accounts for federal monies received for COVID-19 related expenses. The City has received $19.6 million in funding and spent $15.8 million as of June 30, 2024. The fund has $3.8 million in unearned revenue.

GENERAL FUND BUDGET

There were numerous budget amendments throughout the fiscal year to adjust budget to actuals, but the net effect to the General Fund budget was $0.2 million. Taxes in total exceeded the original budget by $5,139,300, primarily from sales tax received during the fiscal year. The City budgeted conservatively for these sources of revenue as it may fluctuate from year to year. The property tax revenue budget was adjusted to reflect the higher property tax due to higher assessed valuations. Budgeted expenditures were increased $4.1 million primarily due to public safety salaries and benefits and public works' contract services.

CAPITAL ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	$ 48,356,495	$ 48,356,495	$ -	$ -	$ 48,356,495	$ 48,356,495
Buildings and improvements	75,679,925	63,104,441	-	-	75,679,925	63,104,441
Equipment and vehicles	14,964,313	8,930,667	-	-	14,964,313	8,930,667
Infrastructure	33,255,375	36,701,275	-	-	33,255,375	36,701,275
Rights of way	14,376,498	14,376,498	-	-	14,376,498	14,376,498
Construction in progress	1,780,374	22,107,773	-	-	1,780,374	22,107,773
Total	$ 188,412,980	$ 193,577,149	$ -	$ -	$ 188,412,980	$ 193,577,149

The major additions to capital assets during the year ended June 30, 2024 were as follows:

- Construction in progress had a net decrease of $20.3 million. There were several completed projected including:
    - Azusa Sewer lift station upgrades ($4.1 million)
    - Energy Efficient Project ($7.8 million)
    - Residential Street Rehabilitation ($2.6 million)
    - Fire Station Pre-Alerting System ($183,000)
    - Senior Center Sliding Doors ($100,000)
    - Fire Building Improvements ($1.2 million)
    - Safety Portable & Mobile Rad ($217,000)
    - Fire Station Repairs ($314,000)
    - Pumper Fire Trucks (Two) ($2.2 million)
    - Ladder Truck (Quint) ($1.8 million)
    - New Ambulances ($1.7 million)
    - Citrus Ave Rehab ($103,000)
    - City Hall Entry Signs ($122,000)
    - Workman Ave Rehab at Citrus ($73,000)
    - Park Sports Field Lighting ($714,000)
    - Self-contained Breathing Apparatus ($977,000)

Additional information on the City's capital assets can be found in Note 6 of this report.

LONG-TERM DEBT

At the end of the current fiscal year, the City had debt outstanding of $382.0 million. Of this amount, $225.8 million represents outstanding bonds and $144.1 million represents other debt such as compensated absences payable, claims and judgments payable, and the net pension and OPEB liabilities. All of the outstanding bonds are lease revenue bonds secured by leases from the General Fund.

Outstanding Bonds

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Lease Revenue Bonds	$ 225,782,088	$ 231,690,193	$ -	$ -	$ 225,782,088	$ 231,690,193
Notes Payable	6,368,089	6,947,007	-	-	6,368,089	6,947,007
Loans Payable	5,783,541	6,044,700	-	-	5,783,541	6,044,700
Compensated Absences	4,448,714	4,379,497	1,236	17,268	4,449,950	4,396,765
Net Pension Liability	57,913,001	44,600,464	-	-	57,913,001	44,600,464
Total OPEB Liability	57,255,537	54,205,612	-	-	57,255,537	54,205,612
Claims Payable	24,488,304	20,511,381	-	-	24,488,304	20,511,381
Total	$ 382,039,274	$ 368,378,854	$ 1,236	$ 17,268	$ 382,040,510	$ 368,396,122

Additional information on the City's long-term debt can be found in Note 7 of this report.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director, at City of West Covina, 1444 West Garvey Avenue South, West Covina, California 91790.

BASIC FINANCIAL STATEMENTS

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City of West Covina
Statement of Net Position
June 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Investments	$ 128,729,271	$ -	$ 128,729,271
Cash and Investments with Fiscal Agents	19,455,412	-	19,455,412
Receivables:			
Accounts	1,507,248	264,705	1,771,953
Taxes	6,941,815	-	6,941,815
Interest	4,376,495	-	4,376,495
Notes and Loans	14,818,265	-	14,818,265
Other	2,048,391	-	2,048,391
Due from Other Agencies	3,190,163	-	3,190,163
Leases	6,412,504	-	6,412,504
Internal Balances	205,022	(205,022)	-
Prepaid Items	514,381	196,027	710,408
Inventory	61,141	-	61,141
Advances to Successor Agency	-	-	-
Land Held for Resale	3,007,802	-	3,007,802
Restricted Cash and Investments	3,096,412	-	3,096,412
Net Pension Asset	-	-	-
Capital Assets, Not Being Depreciated	64,513,367	-	64,513,367
Capital Assets, Net of Accumulated Deprecation	123,899,613	-	123,899,613
Total Assets	382,777,302	255,710	383,033,012
DEFERRED OUTFLOWS OF RESOURCES			
OPEB Related Items	8,003,872	-	8,003,872
Pension Related Items	41,675,192	-	41,675,192
Total Deferred Outflows of Resources	49,679,064	-	49,679,064
LIABILITIES			
Accounts Payable	6,768,174	2,070	6,770,244
Other Accrued Liabilities	2,478,702	312	2,479,014
Interest Payable	3,049,967	-	3,049,967
Deposits Payable	1,853,381	-	1,853,381
Unearned Revenue	3,810,199	-	3,810,199
Noncurrent Liabilities:			
Due Within One Year	20,450,943	1,236	20,452,179
Due in More Than One Year:			
Total OPEB Liability	55,131,239	-	55,131,239
Net Pension Liability	57,913,001	-	57,913,001
Notes, Loans, and Bonds Payable	248,544,091	-	248,544,091
Total Liabilities	399,999,697	3,618	400,003,315
DEFERRED INFLOWS OF RESOURCES			
OPEB Related Items	12,406,521	-	12,406,521
Pension Related Items	141,011	-	141,011
Lease Related	6,412,504	-	6,412,504
Total Deferred Inflows of Resources	18,960,036	-	18,960,036
NET POSITION			
Net Investment in Capital Assets	149,162,351	-	149,162,351
Restricted for:			
Affordable Housing	23,168,615	-	23,168,615
Debt Service	20,118,960	-	20,118,960
Pension Trust	16,069	-	16,069
Community Services	4,887,456	-	4,887,456
Public Safety	8,981,467	-	8,981,467
Public Works	56,523,681	-	56,523,681
Unrestricted	(249,361,966)	252,092	(249,109,874)
Total Net Position	$ 13,496,633	$ 252,092	$ 13,748,725

The accompanying notes are an integral part of this statement.

City of West Covina
Statement of Activities
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	$ 20,662,676	$ 777,588	$ 4,926,429	$ 2,752
Public Safety	65,336,608	6,677,549	5,472,213	134,229
Public Works	20,428,578	8,384,949	8,072,257	8,473,568
Community Services	11,905,417	1,549,429	3,730,270	6,252,503
Community Development	1,716,136	-		286,872
Interest on Long-Term Debt	8,655,994	-	-	-
Total Governmental Activities	128,705,409	17,389,515	22,201,169	15,149,924
Business-type Activities:				
Computer Service	682,735	692,994	-	-
Total Business-type Activities	682,735	692,994	-	-
Total Primary Government	$ 129,388,144	$ 18,082,509	$ 22,201,169	$ 15,149,924
General Revenues:				
Taxes:				
Property Taxes				
Sales Taxes				
Franchise Taxes				
Transient Occupancy Taxes				
Other Taxes				
Other Revenues				
Investment Income				
Total General Revenues and Transfers				
Change in Net Position				
Net Position, Beginning, as Previously Reported				
Restatement for Correction of an Error				
Net Position, Beginning, as Restated				
Net Position - Ending				

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
$ (14,955,907)	$ -	$ (14,955,907)
(53,052,617)	-	(53,052,617)
4,502,196	-	4,502,196
(373,215)	-	(373,215)
(1,429,264)	-	(1,429,264)
(8,655,994)	-	(8,655,994)
(73,964,801)	-	(73,964,801)
-	10,259	10,259
-	10,259	10,259
(73,964,801)	10,259	(73,954,542)
35,055,298	-	35,055,298
26,575,421	-	26,575,421
5,052,041	-	5,052,041
1,728,098	-	1,728,098
3,103,982	-	3,103,982
2,431,663	-	2,431,663
4,254,045	-	4,254,045
78,200,548	-	78,200,548
4,235,747	10,259	4,246,006
6,400,534	241,833	6,642,367
2,860,352	-	2,860,352
9,260,886	241,833	9,502,719
$ 13,496,633	$ 252,092	$ 13,748,725

City of West Covina
Balance Sheet
Governmental Funds
June 30, 2024

	General	Special Revenue: West Covina Housing Authority	Special Revenue: Proposition A	Special Revenue: State Gas Tax
ASSETS				
Cash and Investments	$ 14,597,848	$ 7,981,393	$ 962,049	$ 7,549,954
Cash and Investments with Fiscal Agent	-	-	-	-
Restricted Cash	1,867,261	6,834	-	-
Receivables, net:				
Accounts	1,449,912	-	-	-
Taxes	5,758,936	-	-	255,446
Interest	1,003,996	3,289,910	-	-
Notes and Loans	-	11,968,838	-	-
Other	1,406,262	-	-	494,278
Due from Other Agencies	77,898	-	-	-
Leases	6,412,504	-	-	-
Due from Other Funds	266,113	-	-	-
Avances to Other Funds	115,159	-	-	-
Prepaid Items	233,128	5,750	-	-
Land Held for Resale	3,007,802	-	-	-
Total Assets	$ 36,196,819	$ 23,252,725	$ 962,049	$ 8,299,678
LIABILITIES				
Accounts Payable	$ 3,038,761	$ 70,149	$ -	$ 319,102
Accrued Liabilities	2,106,968	8,211	-	21,555
Deposits Payable	1,849,381	-	-	-
Unearned Revenue	15,407	-	-	-
Due to Other Funds	-	-	-	-
Advances to Other Funds	-	-	-	-
Total Liabilities	7,010,517	78,360	-	340,657
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	914,861	3,275,231	-	-
Lease Related	6,412,504	-	-	-
Total Deferred Inflows of Resources	7,327,365	3,275,231	-	-
FUND BALANCE (DEFICITS)				
Nonspendable	3,356,089	5,750	-	-
Restricted	17,880	19,893,384	962,049	7,959,021
Assigned	-	-	-	-
Unassigned	18,484,968	-	-	-
Total Fund Balances (Deficits)	21,858,937	19,899,134	962,049	7,959,021
Total Liabilities, Deferred Inflows and Fund Balances (Deficits)	$ 36,196,819	$ 23,252,725	$ 962,049	$ 8,299,678

The accompanying notes are an integral part of this statement.

Special Revenue	Debt Service		
ARPA	Citywide Debt	Non-major Governmental Funds	Total
$ 3,659,435	$ 583,659	$ 78,526,362	$ 113,860,700
-	19,455,412	-	19,455,412
-	-	8,614	1,882,709
-	-	57,336	1,507,248
-	-	927,433	6,941,815
-	82,589	-	4,376,495
-	-	2,849,427	14,818,265
-	-	147,851	2,048,391
-	-	1,806,259	1,884,157
-	-	-	6,412,504
-	-	-	266,113
-	-	-	115,159
173,602	-	101,901	514,381
-	-	-	3,007,802
$ 3,833,037	$ 20,121,660	$ 84,425,183	$ 177,091,151
$ 38,245	$ 2,700	$ 2,640,233	$ 6,109,190
-	-	340,916	2,477,650
-	-	4,000	1,853,381
3,794,792	-	-	3,810,199
-	-	61,091	61,091
-	-	115,159	115,159
3,833,037	2,700	3,161,399	14,426,670
-	-	1,928,035	6,118,127
-	-	-	6,412,504
-	-	1,928,035	12,530,631
-	-	101,901	3,463,740
-	20,118,960	70,770,145	119,721,439
-	-	8,487,928	8,487,928
-	-	(24,225)	18,460,743
-	20,118,960	79,335,749	150,133,850
$ 3,833,037	$ 20,121,660	$ 84,425,183	$ 177,091,151

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City of West Covina
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2024

Fund balances of governmental funds		$ 150,133,850
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital Assets	475,845,607	
Accumulated Depreciation	(288,214,615)	187,630,992
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.		6,118,127
Interest Payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liabiltiy in the funds.		(3,049,967)
Long term liabilities are not due and payable in the current period and are not reported in the funds.		
Bonds Payable (including premiums)		(225,782,088)
Loans Payable		(5,783,541)
Compensated Absences		(4,441,022)
Notes Payable		(6,368,089)
Net Pension Liability		(57,913,001)
Total OPEB Liability		(57,255,537)
Amounts for deferred inflows and deferred outflows related to the City's Net Pension Liability are not reported in the funds.		
Deferred Outflows Related to Pensions		41,675,192
Deferred Inflows Related to Pensions		(141,011)
Deferred Outflows Related to OPEB		8,003,872
Deferred Inflows Related to OPEB		(12,406,521)
Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.		(6,924,623)
Net position of governmental activities		$ 13,496,633

The accompanying notes are an integral part of this statement.

City of West Covina
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2024

	General	Special Revenue: West Covina Housing Authority	Special Revenue: Proposition A	Special Revenue: State Gas Tax
REVENUES				
Taxes	$ 71,323,605	$ -	$ 3,088,020	$ 2,828,524
Special Assessments	-	-	-	-
Licenses and Permits	2,279,923	-	-	-
Fines and Forfeitures	911,167	-	-	-
Investment Income	2,599,872	279,888	53,766	203,894
Rental Income	1,044,318	-	-	-
Revenue from Other Agencies	1,253,674	-	-	2,954,749
Charges for Services	8,452,607	-	-	-
Other Revenues	2,361,173	176,002	-	-
Total Revenues	90,226,339	455,890	3,141,786	5,987,167
EXPENDITURES				
Current:				
General Government	4,819,722	-	-	3,458
Public Safety	54,504,622	31,824	-	-
Public Works	5,582,220	10,817	-	4,041,451
Community Services	3,441,745		3,046,649	2,617
Community Development	662,727	646,795	-	224
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	69,011,036	689,436	3,046,649	4,047,750
Excess (Deficiency) of Revenues over Expenditures	21,215,303	(233,546)	95,137	1,939,417
OTHER FINANCING SOURCES (USES)				
Transfer In	-	-	-	567,200
Transfer Out	(20,385,108)	-	-	-
Total Other Financing Sources (Uses)	(20,385,108)	-	-	567,200
Net Change in Fund Balances	830,195	(233,546)	95,137	2,506,617
Fund Balances, Beginning, as Previously Reported	21,028,742	23,191,204	866,912	5,452,404
Restatement for Correction of an Error	-	(3,058,524)	-	-
Fund Balances, Beginning, as Restated	21,028,742	20,132,680	866,912	5,452,404
Fund Balances, Ending	$ 21,858,937	$ 19,899,134	$ 962,049	$ 7,959,021

The accompanying notes are an integral part of this statement.

Special Revenue	Debt Service		
ARPA	Citywide Debt	Non-major Governmental Funds	Total
$ -	$ -	$ 10,128,734	$ 87,368,883
-	-	7,205,542	7,205,542
-	-	-	2,279,923
-	-	-	911,167
-	1,049,592	1,885,160	6,072,172
-	-	126,936	1,171,254
4,642,536	1,341,441	4,425,997	14,618,397
-	-	177,036	8,629,643
-	-	1,252,996	3,790,171
4,642,536	2,391,033	25,202,401	132,047,152
4,392,536	12,500	306,297	9,534,513
-	-	3,695,924	58,232,370
-	-	9,071,998	18,706,486
250,000		3,765,576	10,506,587
-	-	406,390	1,716,136
-	6,695,077	-	6,695,077
-	8,751,132	-	8,751,132
4,642,536	15,458,709	17,246,185	114,142,301
-	(13,067,676)	7,956,216	17,904,851
-	13,131,897	2,373,211	16,072,308
-	-	-	(20,385,108)
-	13,131,897	2,373,211	(4,312,800)
-	64,221	10,329,427	13,592,051
-	20,054,739	66,101,633	136,695,634
-	-	2,904,689	(153,835)
-	20,054,739	69,006,322	136,541,799
$ -	$ 20,118,960	$ 79,335,749	$ 150,133,850

City of West Covina
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2024

Net change in fund balances-total governmental funds	$	13,592,051
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense.		
Capital Expenditures		5,484,196
Depreciation Expense		(10,736,782)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		894,004
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, government funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The effect of these differences are as follows:		
Principal Paid on Notes Payable		578,918
Principal Paid on Bonds Payable		5,855,000
Principal Paid on Loans Payable		261,159
Amortization of Premium on Lease Revenue Bonds		53,105
Accrued interest on bonds is not recorded in the governmental funds. This is the net change in accrued interest for the period.		42,033
Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as governmental fund expenditures:		
Net Change in Employee Leave Benefits		(68,689)
Net Change in Net Pension Liability		(13,312,537)
Net Change in Total OPEB Liability		(3,049,925)
Net Change in Deferred Outflows Pension Related Amounts		3,852,520
Net Change in Deferred Inflows Pension Related Amounts		644,956
Net Change in Deferred Outflows OPEB Related Amounts		(874,981)
Net Change in Deferred Inflows OPEB Related Amounts		5,195,515
Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.		(4,174,796)
Change in net position of governmental activities	$	4,235,747

The accompanying notes are an integral part of this statement.

City of West Covina
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-type Activities	Governmental Activities
	Computer Service Enterprise Fund	Internal Service Funds
ASSETS		
Current Assets:		
Cash and Investments	$ -	$ 14,868,571
Restricted Cash and Investments	-	1,213,703
Accounts Receivable, Net	264,705	-
Due from Other Agencies	-	1,306,006
Prepaids	196,027	-
Inventories	-	61,141
Total Current Assets	460,732	17,449,421
Noncurrent Assets:		
Capital Assets, Net of Accumulated Depreciation	-	781,988
Total Noncurrent Assets	-	781,988
Total Assets	460,732	18,231,409
LIABILITIES		
Current Liabilities:		
Accounts Payable	2,070	658,984
Other Accrued Liabilities	312	1,052
Due to Other Funds	205,022	-
Current Portion of Long-Term Liabilities:		
Compensated Absences	1,236	7,692
Claims Payable	-	7,578,180
Total Current Liabilities	208,640	8,245,908
Noncurrent Liabilities:		
Claims Payable	-	16,910,124
Total Noncurrent Liabilities	-	16,910,124
Total Liabilities	208,640	25,156,032
NET POSITION		
Net Investment in Capital Assets	-	781,988
Unrestricted	252,092	(7,706,611)
Total Net Position	$ 252,092	$ (6,924,623)

The accompanying notes are an integral part of this statement.

City of West Covina
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2024

	Business-type Activities	Governmental Activities
	Computer Service Enterprise Fund	Internal Service Funds
OPERATING REVENUES		
Charges for Services	$ 692,994	$ 6,528,061
Other Revenues	-	1,699,449
Total Operating Revenue	692,994	8,227,510
OPERATING EXPENSES		
Personnel Services	19,888	170,065
Cost of Sales, Services, and Operations	662,847	1,491,038
Depreciation	-	226,917
Insurance and Claims Paid	-	14,900,409
Total Operating Expenses	682,735	16,788,429
Operating Income (Loss)	10,259	(8,560,919)
NONOPERATING REVENUES (EXPENSES)		
Investment Income	-	73,323
Gain/ (Loss) on Disposal of Capital Assets	-	-
Total Nonoperating Revenues (Expenses)	-	73,323
Income Before Contributions and Transfers	10,259	(8,487,596)
Transfers In	-	4,312,800
Transfers Out	-	-
Change in Net Position	10,259	(4,174,796)
Total Net Position, Beginning	241,833	(2,749,827)
Total Net Position, Ending	$ 252,092	$ (6,924,623)

The accompanying notes are an integral part of this statement.

City of West Covina
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2024

	Business-type Activities	Governmental Activities
	Computer Service Enterprise Fund	Internal Service Funds
Cash Flows from Operating Activities		
Cash Received from Customers	$ 1,040,368	$ -
Cash Received from User Departments	-	6,943,259
Cash Paid to Suppliers for Goods and Services	(794,258)	(10,662,471)
Cash Paid to Employees for Services	(37,592)	(168,883)
Net Cash from Operating Activities	208,518	(3,888,095)
Cash Flows from Noncapital Financing Activities		
Cash Received (Paid to) Other Funds	(208,518)	4,312,800
Net Cash from Noncapital Financing Activities	(208,518)	4,312,800
Cash Flows from Capital and Related Financing Activities		
Acquisition and Construction of Capital Assets	-	(315,334)
Net Cash from Capital and Related Financing Activities	-	(315,334)
Cash Flows from Investing Activities		
Interest on Investments	-	73,323
Net Cash from Investing Activities	-	73,323
Net Increase (Decrease) in Cash and Cash Equivalents		182,694
Cash and Cash Equivalents, Beginning of Year	-	15,899,580
Cash and Cash Equivalents, End of Year	$ -	$ 16,082,274
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating income (loss)	$ 10,259	$ (8,560,919)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	-	226,917
Other Revenues	-	-
(Increase) Decrease in Accounts Receivable	347,374	(1,284,251)
(Increase) Decrease in Due from Other Agencies	-	-
(Increase) Decrease in Inventory and Prepaid Items	(102,667)	1,852,100
Increase (Decrease) in Accounts Payable	(28,744)	(100,047)
Increase (Decrease) in Accrued Liabilities	(1,672)	654
Increase (Decrease) in Compensated Absences	(16,032)	528
Increase (Decrease) in Claims and Judgments	-	3,976,923
Net Cash Provided (Used) by Operating Activities	$ 208,518	$ (3,888,095)

The accompanying notes are an integral part of this statement.

City of West Covina
Statement of Net Position
Fiduciary Funds
June 30, 2024

	Successor Agency Private-purpose Trust Fund
ASSETS	
Cash and Investments	$ 1,822,229
Cash and Investments with Fiscal Agent	1,575,022
Restricted Cash and Investments	6,514,513
Receivables, Net:	
Interest	18,698
Assessments	12,500
Due from City of West Covina	6,368,089
Land Held for Resale	54,279
Total Assets	16,365,330
LIABILITIES	
Accounts Payable	1,629
Accrued Liabilities	1,222
Interest Payable	45,837
Due to Other Governments	83,716
Long-term Liabilities:	
Due to County Auditor Controller	6,368,089
Due within One Year	1,304,975
Due in More than One Year	91,596,421
Total Liabilities	99,401,889
NET POSITION	
Held in Trust for:	
Successor Agency	(83,036,559)
	$ (83,036,559)

The accompanying notes are an integral part of this statement.

City of West Covina
Statement of Changes in Net Position
Fiduciary Funds
Year Ended June 30, 2024

	Successor Agency Private-purpose Trust Fund
ADDITIONS	
Contributions:	
Taxes and assessments collected for others	$ 2,082,313
Investment Earnings:	
Interest Income	111,608
Rental Income	50,000
Total Additions	2,243,921
DEDUCTIONS	
Program Administration	1,673,796
Administrative Costs	2,499
Interest and Fiscal Charges	131,622
Total Deductions	1,807,917
Change in Net Position	436,004
Net Position, Beginning of Year	(83,472,563)
Net Position, End of Year	$ (83,036,559)

The accompanying notes are an integral part of this statement.

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1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of West Covina, California (the City) have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's significant accounting policies are described below.

A) Financial Reporting Entity

The City was incorporated on February 23, 1923 under the general laws of the State of California. The accompanying financial statements present the City and its component units; entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and the City is able to impose its will on that organization or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City's financial statements to be misleading or incomplete.

Because each component unit meets the above-mentioned criteria, included within the financial reporting entity of the City are the City of West Covina Housing Authority, the West Covina Public Financing Authority, the Parking Authority of the City of West Covina, and the West Covina Community Services Foundation, Inc. A brief description of each component unit follows:

West Covina Housing Authority

The West Covina Housing Authority (the Housing Authority) was formed on January 17, 2012 and is responsible for the administration of providing affordable housing in the City. The Housing Authority is administered by a Board which consists of members of the City Council, and management of the City has operational responsibility for the Housing Authority. The transactions of the Housing Authority are reported as a special revenue fund and the Housing Authority is reported as a blended component unit of the City.

West Covina Public Financing Authority

The West Covina Public Financing Authority (the Authority) was created by a joint powers agreement between the City and the Community Development Commission of the City on June 1, 1990. The purpose of the Authority is to provide, through the issuance of debt, financing necessary for various capital improvements. The Authority is administered by the Board who are the members of the City Council. The Authority's sole source of income is installment sale, loan and lease payments received from the City and former Community Development Commission (the Commission) which are used to meet the debt service requirements on debt issues. The Authority is blended into the debt service fund of the City.

The Parking Authority of the City of West Covina

The Parking Authority of the City of West Covina (the Parking Authority) was formed under the provision of the government code of the State of California for the purpose of financing and constructing parking facilities for lease to the City. The City Council acts as the governing body of the Parking Authority and is able to impose its will on the Parking Authority. It is a component unit of the City, and the financial statements of the Parking Authority are included within the financial statements of the City using the blended method. The Parking Authority has been inactive since 1999.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The West Covina Community Services Foundation, Inc.

The West Covina Community Services Foundation, Inc. (the Foundation) was established on July 26, 2005 as a nonprofit public benefit corporation. It was organized and operates exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. The Foundation is administered by the Board of Directors who are the members of the City Council. The Foundation is blended into the special revenue funds of the City.

Since the City Council serves as the governing board for these component units, all of the City's component units are considered to be blended component units. Blended component units, although legally separate entities, are in substance, part of the City's operations and so data from these units are reported with the interfund data of the primary government. Except for the Housing Authority, these component units do not issue component unit financial statements.

Separate financial statements for the Housing Authority can be obtained from the City of West Covina, City Hall.

B) Basis of Accounting and Measurement Focus

The basic financial statements of the City are composed of the following:

- Government-wide Financial Statements
- Fund financial statements
- Notes to financial statements

Government-wide Financial Statements:

Government-wide financial statements display information about the reporting government as a whole except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units). Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the City. Interfund services provided and used are not eliminated in the process of consolidation.

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

Government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of Generally Accepted Accounting Principles.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program. Taxes and other items not included among program revenues are reported instead as *general revenues*.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability rather than as an expenditure.

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar programs are recognized as revenue as soon as all eligibility requirements imposed by providers have been met.

Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds; each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about the major funds individually and other governmental funds in the aggregate for governmental funds. Fiduciary statements represent assets held by the City in a custodial capacity for other individuals or organizations in the private purpose trust, pension trust, and custodial funds.

Governmental Funds

In the fund financial statements, governmental funds are presented using the modified-accrual basis of accounting. Their revenues are recognized when they become measurable and available. Measurable means that the amounts can be estimated, or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period.

Revenue recognition is subject to the measurable and available criteria for the governmental funds in the fund financial statements. Significant revenues subject to the criteria include taxes, licenses and permits, and intergovernmental revenues. Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). Locally imposed derived tax revenues are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. Imposed non-exchange transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. Government-mandated and voluntary non-exchange transactions are recognized as revenues when all applicable eligibility requirements have been met.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

In the fund financial statements, governmental funds are presented using the current financial resources measurement focus. This means that only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources are generally included on their balance sheets. The reported fund balance is considered to be a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Revenues, expenditures, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of Generally Accepted Accounting Principles. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Therefore, recognition of governmental fund type revenue represented by receivables is reported as deferred inflows of resources until they meet the "availability" criteria.

Sales taxes, property taxes, franchise taxes, revenue from other agencies, rental income, occupancy taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government. The availability period for all revenues is 60 days.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as other financing sources rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures rather than as a reduction of a fund liability.

Proprietary and Fiduciary Funds

The City's enterprise and internal service funds are proprietary funds. In the fund financial statements, the proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activity are included on their statement of net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, taxes, and investment earnings result from non-exchange transactions or ancillary activities. Amounts paid to acquire capital assets are capitalized as assets in the enterprise fund financial statements rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the enterprise fund financial statements rather than as another financing source. Amounts paid to reduce long-term indebtedness of the enterprise fund are reported as a reduction of the related liability rather than as an expenditure.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The City's fiduciary private purpose trust funds are accounted for using the economic resources measurement focus and accrual basis of accounting. The private purpose trust fund accounts for the assets held by the City for the Successor Agency to the former Community Development Commission of the City. The City's fiduciary custodial fund accounts for assets held for the benefit of others, as applicable. Because these funds are not available for use by the City, fiduciary funds are not included in the governmental-wide statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are combined and are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Classifications

The City reports the following major governmental funds:

The *General Fund* is the general operating fund of the City. This fund is used to account for all financial resources of the City, except for those required to be accounted for in another fund

The *West Covina Housing Authority Special Revenue Fund* is used to account for assets and related income received from the former Community Development Commission to be used for the administration of providing affordable housing in the City.

The *Proposition A Special Revenue Fund* accounts for the 0.5% sales tax collected in Los Angeles County which is used for transportation programs and projects.

The *State Gas Tax Special Revenue Fund* accounts for the City's proportionate share of gas tax monies collected by the State of California and Proposition 1B monies which are used for street construction and maintenance.

The *ARPA Special Revenue Fund* accounts for the grant funds received from the American Rescue Plan Act.

The *Citywide Debt Service Fund* accounts for the payments of principal, interest, and related costs on the City long-term debt issues.

The City reports the following major proprietary fund:

The *Computer Service Enterprise Fund* is used to account for operations that are financed and operated in a manner similar to private business enterprises. The City's enterprise fund is used to account for computer services provided by the Police Department to other public agencies.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Additionally, the City reports the following fund types:

The *Internal Service Funds* are used to account for vehicle and equipment maintenance and replacement, for the City's self-insurance programs, and for retirement health savings plans for qualified City employees. Departments of the City are charged for the services provided or benefits received from these funds.

Fiduciary fund financial statements consist of a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The City reports a private-purpose trust fund. Custodial funds, as applicable, are used to account for the assets held for distribution by the City as an agent for another entity for which the City has custodial responsibility and accounts for the flow of assets. Private-purpose trust funds account for resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments (i.e. unclaimed property/escheat property). Fiduciary funds are accounted for using the accrual basis of accounting. The City reports the following fiduciary funds:

Successor Agency Private Purpose Trust Fund – accounts for assets and liabilities transferred in fiscal year 2012 from the Redevelopment Agency of the City of West Covina to the Successor Agency Trust Fund.

C) Cash and Investments

Investments are reported in the accompanying balance sheet at fair value, except for certain certificates of deposit and investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates.

Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. *Investment income* earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance.

For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates, and have an original maturity date of 3 months or less. Cash equivalents represent the proprietary funds' share in the cash and investment pool of the City.

D) Inventories

Inventory is stated at average cost. Physical counts of inventory are taken on a cyclical basis during each fiscal year with perpetual records adjusted to actual at that time. The City uses the consumption method of accounting for inventory.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

E) Prepaid Items

Certain payments to vendors for costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements using the consumption method.

F) Notes and Loans Receivable

The accompanying financial statements report certain loans receivable for loans made to private developers, private homeowners, and other parties. Where applicable, an allowance for doubtful accounts has been recorded to reflect management's best estimate of probable losses associated with non-repayment.

G) Property Taxes

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the cities based on complex formulas. Accordingly, the City accrues only those taxes which are received within 60 days after year end. The property tax calendar is as follows:

Property Tax Calendar		County Remittance Dates and Percentages	
Lien date	January 1	December	40% Advance
Levy date	July 1	January	10% Advance
Due date	November 1 and February 1	February	Collection No. 1
Delinquent dates	December 10 and April 10	April	35% Advance
		May	Collection No. 2
		July	Collection No. 3

H) Claims and Judgements

The City records a liability for litigation, judgments, and claims when it is probable that an asset has been impaired or a liability (including incurred but not reported) has been incurred prior to yearend and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. This liability is recorded in the internal service fund that accounts for the City's self-insurance activities.

I) Compensated Absences Payable

A liability is recorded for unused vacation and similar compensatory leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

A liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in termination payments. This is estimated by including in the liability the unused balances of employees currently entitled to receive termination payment, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the City. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness) which is outside the control of the City and the employee.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The General Fund and Computer Service Enterprise Fund typically have been used to liquidate the liability for compensated absences.

J) Capital Assets

Capital assets greater than $5,000 and infrastructure greater than $100,000 are capitalized and recorded at cost or at an estimated fair value of the assets at the time of acquisition where complete historical records do not exist. Contributed capital assets are valued at their acquisition value at the date of the contribution. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets include public domain infrastructure assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, medians, sewer and storm drains.

Depreciation has been provided using the straight-line method over the estimated useful life of the assets in the government-wide financial statements and in the fund financial statements of the proprietary and the private-purpose trust funds. Depreciation starts the year following acquisition. For capital assets, depreciation is recorded on a straight-line basis over the useful lives of the assets. The lives used for depreciation purposes of each capital asset class generally are:

Governmental Activities	
Infrastructure - pavement	25 years
Infrastructure - other	20 - 75 years
Buildings	20 - 50 years
Improvements other than buildings	20 - 50 years
Equipment and Vehicles	5 - 25 years
Business-type Activities	
Equipment and Machinery	5 - 25 years

K) Interest Payable

In the Government-Wide Financial Statements, interest payable on long-term debt is recognized as the liability is incurred. In the Fund Financial Statements, proprietary fund types recognize the interest payable when the liability is incurred.

L) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has certain items that qualify for reporting in this category: deferred outflows relating to the City's net pension and OPEB liabilities.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows for certain items under the modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues related to taxes and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also reports deferred inflows relating to the net pension and OPEB liabilities.

M) Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) and Public Agency Retirement System plans (PARS) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS and PARS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results for pensions must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used for CalPERS:

Valuation Date (VD)	June 30, 2023
Measurement Date (MD)	June 30, 2023
Measurement Period (MP)	July 1, 2022 to June 30, 2023

The following timeframes are used for PARS:

Valuation Date (VD)	June 30, 2023
Measurement Date (MD)	June 30, 2023
Measurement Period (MP)	July 1, 2022 to June 30, 2023

N) Other Postemployment Benefits (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used: June 30, 2023 Valuation Date; June 30, 2023 Measurement Date; and July 1, 2022 through June 30, 2023 Measurement Period.

O) Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

P) Fund Balance

Nonspendable Fund Balance: These include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact, e.g., the principal of an endowment fund. Examples of "not in spendable form" include inventory, prepaid amounts, long-term notes and loans, property held for resale and other items not expected to be converted to cash. However, if the proceeds from the eventual sale or liquidation of the items would be considered restricted, committed or assigned (as defined further on) then these amounts would be included in the restricted, committed or assigned instead of the nonspendable classification. A debt service reserve fund held by a trustee is an example of fund balance in nonspendable form that is classified as restricted instead of nonspendable since the reserve is eventually liquidated to make the final debt service principal payment.

Restricted Fund Balance: Amounts that have externally enforceable limitations on use. The limitations on use can be imposed by creditors, grantors, or contributors as well as by constitutional provisions, enabling legislation, laws and government regulations.

Committed Fund Balance: Amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned Fund Balance: Amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council (Council) has by resolution authorized the City Manager to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. Additional formal action does not normally have to be taken for the removal of an assignment.

Unassigned Fund Balance: These are either residual positive net resources of the General Fund in excess of what can properly be classified in one of the other four categories, or negative balances. For all funds other than the General Fund, amounts expended in excess of resources that are restricted, committed, or assigned, negative unassigned fund balance may be necessary to report.

Q) Fair Value Measurements

Certain assets and liabilities are required to be reported at fair value. The fair value framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements), as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly and fair value is determined through the use of models or other valuation methodologies including:

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are inactive; inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect the City's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). These unobservable inputs are developed based on the best information available in the circumstances and may include the City's own data.

R) Leases

Lessor: The City is a lessor for noncancellable leases of land owned by the City. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.
- The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

S) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2) CASH AND INVESTMENTS

Cash and investments as of June 30, 2024 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	$ 128,729,271
Cash and Investments with Fiscal Agents	19,455,412
Restricted Cash and Investments	3,096,412
Statement of Fiduciary Net Position:	
Cash and Investments	1,822,229
Cash and Investments with Fiscal Agents	1,575,022
Restricted Cash and Investments	6,514,513
Total Cash and Investments	$ 161,192,859

Cash and investments as of June 30, 2024 consist of the following:

Cash on Hand	$ 17,960
Deposits with Financial Institutions	50,188,778
Investments	110,986,121
Total Cash and Investments	$ 161,192,859

Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy. This table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that addresses interest rate risk and concentrations of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City and investments in the City's retirement enhancement and supplemental retirement defined benefit pension trust funds that are in the Public Agency Retirement Plans (PARS Trust Pool), rather than the general provisions of the California Government Code or the City's investment policy.

Investment Types Authorized by State Law	Authorized by Investment Policy	Maximum Maturity*	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer*
U.S. Treasury Obligations	Yes	5 years	None	None
U.S. Government Sponsored Agency Securities	Yes	5 years	None	None
Municipal Securities	Yes	5 years	30%	5%
Supranationals	Yes	5 years	30%	10%
Medium-Term Notes	Yes	5 years	30%	5%
Collateralized Certificate of Deposit	Yes	5 years	25%	25%
Negotiable Certificates of Deposit	Yes	5 years	30%	30%
Banker's Acceptance	Yes	180 days	40%	30%
Commercial Paper	Yes	270 days	25%	5%
Asset Backed Securities	Yes	5 years	20%	20%
Money Market Mutual Funds	Yes	N/A	20%	10%
Repurchase Agreements	Yes	100 days	20%	20%
County Pooled Investment Funds	Yes	N/A	None	None
Local Agency Investment Fund	Yes	N/A	None	$75,000,000

*Based on state law requirements or investment policy requirements, whichever is more restrictive.

2) CASH AND INVESTMENTS - Continued

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are generally authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk and concentration of credit risk.

Investment Types Authorized by State Law	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Government Sponsored Agency Securities	5 years	None	None
Municipal Securities	5 years	30%	None
Supranationals	5 years	30%	None
Medium-Term Notes	5 years	30%	None
Collateralized Certificate of Deposit	5 years	25%	None
Negotiable Certificates of Deposit	5 years	30%	None
Banker's Acceptance	180 days	None	None
Commercial Paper	270 days	25%	5%
Money Market Mutual Funds	5 years	20%	10%
Repurchase Agreements	100 days	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund	N/A	None	None

Investments Authorized by Pension Trust Agreements

Investments of pension trust fund contributions held by the trustee are governed by the trust agreements. The City selected an investment strategy allowed by the trust agreements with the objective of providing current income and moderated capital appreciation. The strategic ranges for the investment strategy selected by the City are as follows:

5%	Cash
45%	Fixed Income
48.50%	Equities
1.50%	REIT

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater is the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

2) CASH AND INVESTMENTS – Continued

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

		Remaining Maturity (in Months)		
Investment Type	Total	12 Months Or Less	13 to 24 Months	25 to 60 Months
Los Angeles County Investment Pool	$ 33,817,074	$ 33,817,074	$ -	$ -
Local Agency Investment Fund	56,138,613	56,138,613	-	-
Held by Bond Trustees:				
Money Market Mutual Funds	21,030,434	21,030,434	-	-
Total	$ 110,986,121	$ 110,986,121	$ -	$ -

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, the City's investment policy, or debt agreements and the actual rating as of year-end by Standard and Poor's or Moody's or Fitch for each investment type:

Investment Type	Amount	Minimum Legal Rating	AAA	Unrated
Los Angeles County Investment Pool	$ 33,817,074	N/A	$ -	$ 33,817,074
Local Agency Investment Fund	56,138,613	N/A	-	56,138,613
Held by Bond Trustees:				
Money Market Mutual Funds	21,030,434	A	21,030,434	-
Total	$ 110,986,121		$ 21,030,434	$ 89,955,687

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There was no investment in any one issuer (other than U.S. Government Agencies, Supranationals, Money Market Funds, and external investment pools) that represent 5% or more of total City investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

2) CASH AND INVESTMENTS – Continued

The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provisions for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. All the City's deposits are either federally insured or collateralized as of June 30, 2024. Investments held by bond trustee are selected under the terms of the applicable trust agreement. The trustee acquires the investment and holds the investment on behalf of the reporting government.

Investment in County Investment Pool

The City is a voluntary participant in the Los Angeles County Investment Pool (LACIP) that is regulated by the California Government Code and the Los Angeles County Board of Supervisors under the oversight of the Los Angeles County Treasurer-Tax Collector. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amount based upon the City's pro-rata share of the fair value provided by LACIP for the entire LACIP portfolio. The balance for withdrawal is based on the accounting records maintained by LACIP, which are recorded on an amortized cost basis.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the Entity's investment in this pool is reported in the accompanying financial statements at amounts based on the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Information regarding LAIF's and the City's exposure to risk (credit, market, or legal) is not currently available.

Fair Value of Investments

Investments (except those that may be reported at amortized cost) are measured at fair value on a recurring basis. Recurring fair value measurements, are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. None of the investments held at year-end are subject to the fair value hierarchy.

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due to/from

The General Fund has loaned $61,091 to non-major governmental funds, and $205,022 to the enterprise fund to cover temporary cash deficits.

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

Advances to/from

Advances of $115,159 between the General Fund and the Auto Plaza Improvement District non-major special revenue fund represent cash advanced for the replacement of the reader board sign at the Auto Plaza.

Interfund transfers for the year ended June 30, 2024 are as follows:

	TRANSFERS IN					
TRANSFERS OUT	General Fund	State Gas Tax Fund	Citywide Debt	Non-major Governmental Funds	Internal Service Funds	Total
General Fund	$ -	$ 567,200	$ 13,131,897	$ 2,373,211	$ 4,312,800	$ 20,385,108
	$ -	$ 567,200	$ 13,131,897	$ 2,373,211	$ 4,312,800	$ 20,385,108

The General Fund transferred $567,200 to the State Gas Tax Fund for an SB1 project. The General Fund transferred $13,131,897 to the Citywide Debt Service Fund for debt service payments. The General Fund transferred $2,373,211 to the Non-major Governmental Funds for various projects and operating expenditures. The General Fund transferred $4,312,800 to the Internal Service Fund for deficits in the self-insurance fund, and to establish the OPEB Internal Service Fund.

4) NOTES AND LOANS RECEIVABLE

The following notes and loans receivable were outstanding as of June 30, 2024:

Housing Rehabilitation	$ 338,838
First Time Homebuyer Loans	108,861
Housing Preservation Program	738,361
Home Improvement Program	644,011
Lark Ellen Towers	4,251,010
Executive Lodge Apartments Limited Partnership	5,975,678
West Covina Senior Villas, LLC	2,833,333
West Covina Senior Villas II, LP	8,513,885
CDBG Housing Loans	3,196,245
Other Loans	608,196
Less: Allowance for Doubtful Accounts	(12,390,153)
Total Governmental Funds	$ 14,818,265

Several housing rehabilitation loans totaling $338,838 have been made to qualified applicants using Community Development Block Grants received by the City and housing set-aside funds of the former Commission's redevelopment activities. These loans bear 5% interest and are repaid when title to the property changes. The City has included 5% of the balance in the allowance for doubtful accounts.

The Housing Authority has loans to first-time home buyers totaling $108,861. Loans are secured by second trust deeds and bear interest at 5%. Principal and interest are deferred for five years and are due monthly in years 6 through 30. The City has included 36% of the balance in the allowance for doubtful accounts.

4) NOTES AND LOANS RECEIVABLE - Continued

The Housing Authority also has housing preservation loans to qualified applicants using housing set-aside funds totaling $738,361. Principal and interest are deferred for ten years; after the tenth year loans bear interest at 5%. Loans are repaid after the tenth year or when title to the property changes. The City has included 4% of the balance in the allowance for doubtful accounts.

Several housing improvement loans totaling $644,011 have been made to qualified applicants. The loans are secured by second trust deeds. The City has not included any of the balance in the allowance for doubtful accounts.

In May 1997, the Commission loaned $4,270,000 to Lark Ellen Towers. The loan was transferred to the Housing Authority from the dissolved former Commission. The loan is secured by a deed of trust. The loan accrues interest at 3% per annum and requires annual payments equal to the maximum of $35,000 or 50% of net profits earned by the project. The outstanding principal as of June 30, 2024 was $4,251,010.

In April 1998, the Commission loaned $5,622,300 to Executive Lodge Apartments Limited Partnership (Promenade Apartments project). The loan was transferred to the Housing Authority from the dissolved former Commission. The loan is secured by a deed of trust. The loan was amended and restated on April 1, 2017, with a principal of $6,056,621 accruing interest at 2.82% compounded annually and requires annual payments equal to 50% of “Available Cash Flow.” The outstanding principal as of June 30, 2024 was $5,975,678.

In May 2002, the Commission loaned $4,360,000 to West Covina Senior Villas, LLC. The loan is secured by a deed of trust. The loan does not accrue interest. The loan requires annual payments of $141,667 through May 2032 that are forgiven by the City unless the borrower defaults on the agreement. The outstanding principal as of June 30, 2024 was $2,833,333. The loan is likely to be forgiven; therefore, the City has included the entire balance in the allowance for doubtful accounts.

In May 2009, the Commission entered into an agreement with West Covina Senior Villas II, L.P. to provide $8,600,000 for the acquisition of real property in the City and construction and maintenance of an approximately 65-unit apartment complex to be rented to low-income and very low-income senior citizens. The loan is secured by a deed of trust. The loan does not accrue interest and is forgiven so long as the borrower does not default on the loan. The outstanding principal as of June 30, 2024 was $8,513,885. The loan is likely to be forgiven; therefore, the City has included the entire balance in the allowance for doubtful accounts.

The City has provided zero-interest housing loans totaling $3,196,245 using Community Development Block Grant funds. The City has included approximately 11% of these loans in the allowance for doubtful accounts.

Other notes consist of affordable housing loans of $400,000. The notes do not accrue interest and are forgiven unless the borrower sells or refinances the property. Additionally, the balance included a note of $208,196 for low-income housing which accrues no interest and is forgivable if the owner maintains the low- and moderate-income housing status. The outstanding principal of these loans as of June 30, 2024 was $608,196. The loans are likely to be forgiven; therefore, the City has included the entire balance in the allowance for doubtful accounts.

5) LAND HELD FOR RESALE

Land held for resale is valued at the lower of cost or the sales price per contract with the developer. The land held for resale at June 30, 2024 was comprised of land to be used as open space or a municipal golf course in the amount of $3,007,802.

6) CAPITAL ASSETS

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	$ 48,356,495	$ -	$ -	$ 48,356,495
Rights of Way	14,376,498	-	-	14,376,498
Construction in Progress	22,107,773	5,396,103	(25,723,502)	1,780,374
Total Capital Assets, Not Being Depreciated	84,840,766	5,396,103	(25,723,502)	64,513,367
Capital Assets Being Depreciated:				
Buildings and Improvements	119,668,071	14,790,811	-	134,458,882
Equipment and Vehicles	40,425,103	8,303,764	-	48,728,867
Infrastructure - Pavement	203,157,461	2,574,837	-	205,732,298
Infrastructure - Other	25,778,775	457,517	-	26,236,292
Total Capital Assets Being Depreciated	389,029,410	26,126,929	-	415,156,339
Less Accumulated Depreciation:				
Buildings and Improvements	(56,563,630)	(2,215,327)	-	(58,778,957)
Equipment and Vehicles	(31,494,436)	(2,270,118)	-	(33,764,554)
Infrastructure - Pavement	(172,427,362)	(6,060,027)	-	(178,487,389)
Infrastructure - Other	(19,807,599)	(418,227)	-	(20,225,826)
Total Accumulated Depreciation	(280,293,027)	(10,963,699)	-	(291,256,726)
Net Capital Assets Being Depreciated	108,736,383	15,163,230	-	123,899,613
Governmental Activities, Capital Assets	$ 193,577,149	$ 20,559,333	$ (25,723,502)	$ 188,412,980

Depreciation expense was charged to the following functions for governmental activities in the Statement of Activities:

General Government	$ 298,212
Public Safety	1,833,451
Public Works	7,433,206
Community Services	1,398,830
	$ 10,963,699

Business-type Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Being Depreciated:				
Equipment and Vehicles	$ 1,027,538	$ -	$ -	$ 1,027,538
Less Accumulated Depreciation:				
Equipment and Vehicles	(1,027,538)	-	-	(1,027,538)
Net Capital Assets Being Depreciated	-	-	-	-
Business-type Activities, Capital Assets	$ -	$ -	$ -	$ -

7) LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended June 30, 2024 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Direct Borrowing:					
Notes Payable	$ 6,947,007	$ -	$ (578,918)	$ 6,368,089	$ 578,918
Loans Payable	6,044,700	-	(261,159)	5,783,541	283,681
2006 Lease Revenue Bonds	13,640,000	-	(695,000)	12,945,000	730,000
2018 Lease Revenue Bonds	20,410,000	-	(950,000)	19,460,000	990,000
Premium on Bonds	1,115,193	-	(53,105)	1,062,088	53,105
2020 Lease Revenue Bonds	196,525,000	-	(4,210,000)	192,315,000	4,525,000
Compensated Absences	4,379,497	4,014,579	(3,945,362)	4,448,714	3,587,761
Net Pension Liability	44,600,464	13,312,537	-	57,913,001	-
Total OPEB Liability	54,205,612	3,049,925	-	57,255,537	2,124,298
Claims Payable	20,511,381	8,411,243	(4,434,320)	24,488,304	7,578,180
Total	$ 368,378,854	$ 28,788,284	$ (15,127,864)	$ 382,039,274	$ 20,450,943
Business-type Activities:					
Compensated Absences	$ 17,268	$ 818	$ (16,850)	$ 1,236	$ 1,236
Total	$ 17,268	$ 818	$ (16,850)	$ 1,236	$ 1,236

The liability for compensated absences, Total OPEB, and Net Pension are generally liquidated by the General Fund and internal service funds.

Notes Payable – Direct Borrowing

Successor Agency Note

On December 4, 2015, the City and Successor Agency entered into a settlement agreement with the California Department of Finance (DOF) regarding the Other Funds Due Diligence Review. The agreement requires the City to repay the Successor Agency $11,578,351 for transfers that did not represent enforceable obligations. The Successor Agency will then remit these funds to the Los Angeles County Auditor-Controller for allocation to the affected taxing entities. The amount of the note must be repaid through biannual payments in the amount of $289,459 each January 15th and June 15th until the loan is repaid in full on June 15, 2035. There is no interest charged on this repayment. The outstanding balance as of June 30, 2024 was $6,368,089. The following represents the future annual debt service requirements:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	$ 578,918	$ 186,786	$ 765,704
2026	578,918	179,661	758,579
2027	578,918	172,411	751,329
2028	578,918	165,877	744,795
2029	578,918	160,205	739,123
2030 - 2034	2,894,590	496,871	3,391,461
2035	578,909	7,200	586,109
Totals	$ 6,368,089	$ 1,369,011	$ 7,737,100

7) LONG-TERM LIABILITIES - Continued

Energy Efficiency Loans Payable – Direct Borrowing

Solar Equipment Loan

In May 2021, the City entered into a lease-purchase agreement for the acquisition and installation of certain energy conservation equipment and improvements (solar) with an aggregate principal borrowing of $3,386,950. The proceeds are to be used to pay for the energy efficiency and conservation improvements as specified in the agreement. The payments bear interest at 3.60% and are due and payable semi-annually on May 13th and November 13th each year, maturing on May 13, 2041. The General Fund will generally be responsible for making the debt service payments annually.

Non-Solar Equipment Loans

In May 2021, the City entered into a lease-purchase agreement for the acquisition and installation of certain energy conservation equipment including lighting and HVAC (non-solar) with an aggregate principal borrowing of $3,215,098. The proceeds are to be used to pay for the energy efficiency and conservation improvements as specified in the agreement. The payments bear interest at 3.05% and are due and payable semi-annually on May 13th and November 13th each year, maturing on May 13, 2036. The General Fund will generally be responsible for making the debt service payments annually. Annual debt service requirements follow:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	$ 283,681	$ 191,234	$ 474,915
2026	307,696	181,853	489,549
2027	310,249	171,878	482,127
2028	317,502	161,772	479,274
2029	328,788	151,392	480,180
2030 - 2034	1,847,019	586,412	2,433,431
2035 - 2039	1,697,380	281,177	1,978,557
2040 - 2041	691,226	31,027	722,253
Totals	5,783,541	1,756,745	7,540,286

Lease Revenue Bonds

2006 Lease Revenue Bonds, Series A and B (Big League Dreams Project)

In September 2006, the City issued $10,710,000 of Lease Revenue Bonds, Series A and $7,295,000 of taxable Lease Revenue Bonds, Series B to provide financing for facilities and infrastructure related to the Big League Dreams sports park. The Series A bonds mature annually through June 1, 2036, in amounts ranging from $80,000 to $1,270,000, with interest rates that range from 4.0% to a maximum of 5.0% over the term of the bonds. The Series B bonds mature annually through June 1, 2036, in amounts ranging from $115,000 to $550,000, with interest rates that range from 5.39% to a maximum of 6.07% over the term of the bonds. The bonds are payable from lease payments as rental for certain public facilities. The reserve requirement was fully funded at June 30, 2024. The outstanding principal balance as of June 30, 2024 was $12,945,000.

The following represents the future annual debt service requirements:

7) LONG-TERM LIABILITIES - Continued

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	$ 730,000	$ 699,295	$ 1,429,295
2026	770,000	659,802	1,429,802
2027	820,000	618,100	1,438,100
2028	860,000	573,622	1,433,622
2029	905,000	526,930	1,431,930
2030	950,000	477,775	1,427,775
2031	1,005,000	426,155	1,431,155
2032	1,060,000	371,518	1,431,518
2033	1,120,000	313,864	1,433,864
2034	1,180,000	252,942	1,432,942
2035	1,725,000	188,699	1,913,699
2036	1,820,000	96,885	1,916,885
Totals	$12,945,000	$ 5,205,587	$18,150,587

2018 Lease Revenue Refunding Bonds, Series A and B

On November 20, 2018, the City issued $19,310,000 of Lease Revenue Bonds, Series A and $4,855,000 of taxable Lease Revenue Bonds, Series B to provide financing for the advance refunding of the City's 2002 Lease Revenue Bonds Series A, 2004 Lease Revenue Bonds Series A&B, and the 2013 Lease Revenue Refunding Bonds Series A. The Series A bonds mature annually through May 1, 2044, in amounts ranging from $460,000 to $125,000, with interest rates that range from 4.0% to a maximum of 5.0% over the term of the bonds. The Series B bonds mature annually through May 1, 2030, in amounts ranging from $345,000 to $500,000, with interest rates that range from 2.953% to a maximum of 4.469% over the term of the bonds. The bonds are payable from lease payments as rental for certain public facilities. The reserve requirement was fully funded as of June 30, 2024. The outstanding principal balance as of June 30, 2024 was $19,460,000.

The following represents the future annual debt service requirements:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	$ 990,000	$ 866,750	$ 1,856,750
2026	1,040,000	820,871	1,860,871
2027	1,085,000	772,151	1,857,151
2028	1,135,000	721,118	1,856,118
2029	1,190,000	667,466	1,857,466
2030 - 2034	6,760,000	2,420,345	9,180,345
2035 - 2039	6,680,000	808,200	7,488,200
2040 - 2044	580,000	71,200	651,200
Total	$ 19,460,000	$ 7,148,101	$ 26,608,101

7) LONG-TERM LIABILITIES - Continued

2020 Lease Revenue Bonds, Series A

On July 23, 2020, the City issued $204,095,000 of Lease Revenue Bonds, Series A (taxable) to provide financing to pay the City's unfunded pension liabilities to CalPERS, to establish a reserve fund, and pay issuance costs. The Series A bonds mature annually through August 1, 2044, in amounts ranging from $3,645,000 to $16,105,000, with interest rates that range from 1.747% to a maximum of 3.892% over the term of the bonds. The bonds are payable from lease payments as rental for certain public facilities. The reserve requirement was fully funded as of June 30, 2024. The outstanding principal balance as of June 30, 2024 was $192,315,000. The following represents the future annual debt service requirements:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	$ 4,525,000	$ 6,813,563	$ 11,338,563
2026	4,560,000	6,711,662	11,271,662
2027	4,900,000	6,596,630	11,496,630
2028	5,265,000	6,462,372	11,727,372
2029	5,650,000	6,308,906	11,958,906
2030 - 2034	34,920,000	28,555,904	63,475,904
2035 - 2039	49,020,000	21,071,040	70,091,040
2040 - 2044	67,370,000	10,012,560	77,382,560
2045	16,105,000	313,403	16,418,403
Total	$192,315,000	$ 92,846,040	$285,161,040

Claims Payable

Claims payable are typically paid from the City's Internal Service Self-Insurance Fund. There is no fixed payment schedule for claims liabilities.

Compensated Absences

The liability of $4,448,714 represents the governmental activities portion of total unpaid vacation and compensation time earned by employees of the City. There is no fixed payment schedule for earned but unpaid compensated absences. The General Fund typically has been used to liquidate the liability for compensated absences. The liability of $1,236 represents the business-type activity portion of total unpaid vacation and compensation time earned by employees of the City. There is no fixed payment schedule for earned but unpaid compensated absences.

8) SELF-INSURANCE

The City is exposed to various risks of loss related to its operation, including losses associated with errors and omissions, injuries to employees and members of the public. The City's Internal Service Self-Insurance Fund is used to account for and finance its uninsured risks of loss.

Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

As of July 1, 2021, the City is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 123 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq.

8) SELF-INSURANCE - Continued

The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The Authority began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

The City participates in the excess workers' compensation and excess general liability programs of the Authority.

Excess Liability Program

Liability coverage includes auto liability, employment practices liability, public officials' errors and omissions, bodily injury, personal injury, third party property damage, advertising injury, and employee benefit administration liability. The City has a retained limit of $1,000,000 per occurrence. The overall coverage limit for each member, including all layers of coverage, is $50 million per occurrence. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on the Authority's website: https://cjpia.org/coverage/risk-sharing-pools/ .

Excess Workers' Compensation Program

The City has a retained limit of $1,000,000 per occurrence for workers' compensation claims. The Authority's pooled retention is $1 million per occurrence with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to $1 million. Coverage from $1 million to $5 million is purchased through reinsurance policies, and Employer's Liability losses from $5 million to $10 million are pooled among members.

Purchased Insurance

Pollution Legal Liability Insurance
The City of West Covina participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of West Covina. Coverage is on a claims-made basis. There is a $250,000 deductible, with a limit of $5 million per member.

Property Insurance
The City of West Covina participates in the All-Risk Property Protection Program. This insurance protection is underwritten by several insurance companies. The City's property is currently insured according to a schedule of covered property submitted by the City to the Authority. The total insured value of scheduled City property is $174,564,178. There is a $10,000 deductible per occurrence except for non-emergency vehicle insurance which has a $2,500 deductible.

Crime Insurance
The City of West Covina participates in the Crime Insurance Program. Formerly called Blanket Fidelity Bond, this policy covers faithful performance, depositor's forgery, theft of money and securities, and computer fraud related to the transfer of money. The policy limit is $3,000,000, and the deductible is $2,500.

8) SELF-INSURANCE - Continued

Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2023-24.

Claims and Judgments

The City accounts for uninsured, material claims and judgments and associated legal and administrative costs when it is probable that the liability claim has been incurred and the amount of the loss can be reasonably estimated. Included therein are claims incurred but not reported, which consists of (a) known loss events expected to be presented as claims later, (b) unknown loss events that are expected to become claims, and (c) expected future development on claims already reported. This is based upon historical actual results that have established a reliable pattern supplemented by specific information about current matters. Small dollar claims and judgments are recorded as expenditures when paid.

The claims and judgments liability reported in the Internal Service Self-Insurance Fund is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims and judgments be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. Claims and judgments payable, including estimated claims for incurred but not reported claims, amounted to $24,388,304 as of June 30, 2024.

In the past three years, no claims for general liability or workers' compensation have exceeded the City's purchased insurance coverage.

Changes in the claims and judgments payable amounts for the past two fiscal years for the Self-Insurance Fund are as follows:

Year Ended June 30,	Beginning of Year	Claims and Changes in Estimates	Claim Payments	End of Year
2024	$ 20,511,381	$ 8,411,243	$ 4,434,320	$ 24,488,304
2023	12,673,154	13,170,491	5,332,264	20,511,381

9) NON-CITY OBLIGATION DEBT

Emanate Health, a California nonprofit public benefit corporation (Corporation), has requested that the California Statewide Communities Development Authority (CSCDA) participate in the issuance of one or more series of revenue bonds (Bonds) in an aggregate principal amount not to exceed $260,000,000, for the acquisition, construction, equipping, improvement, renovation, rehabilitation and/or remodeling of hospital, health care and related facilities (Project) to be owned and operated by the Corporation or one of its affiliates.

9) NON-CITY OBLIGATION DEBT - Continued

For each component of the Project, the issuance of the Bonds by the CSCDA must be approved by the applicable city in which the component of the Project is located before construction can begin. One component of the Project consists of the construction of two separate buildings at the Queen of the Valley Hospital campus located in West Covina.

On May 19, 2020, the City Council approved the issuance of the Bonds and Refunding Bonds by the CSCDA for the purposes of financing and/or refinancing the Project via the adoption of the resolution number 2020-26.

10) FUND BALANCE CLASSIFICATIONS

The City's governmental fund balances at June 30, 2024, are presented below:

	General Fund	West Covina Housing Authority	Proposition A	State Gas Tax	ARPA	Citywide Debt	Other Governmental Funds	Total
Nonspendable:								
Prepaid Items	$ 233,128	$ 5,750	$ -	$ -	$ -	$ -	$ 101,901	$ 340,779
Advances to Successor Agency	-	-	-	-	-	-	-	-
Advances to Other Funds	115,159	-	-	-	-	-	-	115,159
Land Held for Resale	3,007,802	-	-	-	-	-	-	3,007,802
Restricted for:								
Affordable Housing	-	19,893,384	-	-	-	-	-	19,893,384
Debt Service	-	-	-	-	-	20,118,960	-	20,118,960
Pension Trust	17,880	-	-	-	-		-	17,880
Community Services	-	-	-	-	-	-	3,567,438	3,567,438
Public Safety	-	-	-	-	-	-	8,860,652	8,860,652
Public Works	-	-	962,049	7,959,021	-	-	58,342,055	67,263,125
Assigned:								
Capital Improvement	-	-	-	-	-	-	8,487,928	8,487,928
Unassigned	18,484,968	-	-	-	-	-	(24,225)	18,460,743
Total Fund Balances	$ 21,858,937	$ 19,899,134	$ 962,049	$ 7,959,021	$ -	$ 20,118,960	$ 79,335,749	$ 150,133,850

11) DEFICIT FUND BALANCES

The Community Services Foundation non-major governmental fund had an unassigned fund balance deficit of $24,225 at June 30, 2024. The deficit will be eliminated through future revenues.

12) PENSION PLAN SUMMARY

The City currently has a total of two pension plans administered by CalPERS and two retirement enhancement plans administered by PARS. The pension plans consist of a miscellaneous agent plan and a safety agent plan (see Note 14 for a full description of the plans). The retirement enhancement plan consists of an EPMC replacement supplemental retirement plan and a supplemental retirement plan for executive staff and City Council (see Note 15 for a full description of the plans). The summary of the pension related liability, deferred inflows of resources and deferred outflows of resources are as follows:

12) PENSION PLAN SUMMARY - Continued

	Miscellaneous Plan	Safety Plan	EPMC	EXEC	Total
Deferred Outflows of Resources	$ 8,573,814	$ 32,810,859	$ 191,958	$ 98,561	$ 41,675,192
Deferred Inflows of Resources	-	-	141,011	-	141,011
Pension Liability/(Asset)	15,730,834	37,323,434	1,022,821	3,835,912	57,913,001

13) EMPLOYEE RETIREMENT PLANS

General Information about the Pension Plans

Plan Descriptions: All qualified permanent and probationary employees are eligible to participate in the City's separate Miscellaneous and Safety Plans, an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided: The Plans are agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plans regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the plans' June 30, 2022 Annual Actuarial Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website.

The Plans' provisions in effect at June 30, 2024, are summarized as follows:

	Miscellaneous			
Hire date	Prior to January 1, 2011	On or after January 1, 2011	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.0% @ 55	2.5% @ 55	2.0% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50-67+	50-67+	50-67+	52-67+
Monthly benefits, as a % of eligible compensation	(1)	(1)	(1)	(1)
Required employee contribution rates	0%	8.00%	7%	7.75%
Required employer contribution rates	9.87%	9.87%	9.87%	9.87%

13) EMPLOYEE RETIREMENT PLANS – Continued

	Safety		
Hire date	Prior to July 1, 2012	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 & up	50-55+	50-57+
Monthly benefits, as a % of eligible compensation	(1)	(1)	(1)
Required employee contribution rates	9%	9%	13.50%
Required employer contribution rates	22.72%	22.72%	22.72%

*New hires who are already enrolled in CalPERS are eligible for benefits under the Tier II, and other new hires are enrolled in the PEPRA rate plans.

Employees Covered: At June 30, 2024 (June 30, 2022 valuation date), the following number of employees were covered by the benefit terms for the Plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	460	364
Inactive employees entitled to but not yet receiving benefits	318	76
Active employees	116	169
Total	894	609

Contributions: Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer-Paid Member Contributions or situations where members are paying a portion of the employer contribution.

Net Pension Liability/(Asset)

The City's net pension liability/(asset) for the Plans is measured as the total pension liability, less the pension plans' fiduciary net position. The net pension liability/(asset) of the Plans is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability/(asset) is shown below.

13) EMPLOYEE RETIREMENT PLANS – Continued

Actuarial Assumptions: The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Projected salary increase	(1)
Investment rate of return	6.90%
Mortality	(2)
Post Retirement Benefit Increase	(3)

(1) Depending on age, service and type of employment

(2) Derived using CalPERS' Membership Data for all Funds.

(3) The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

Long-term Expected Rate of Return - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

13) EMPLOYEE RETIREMENT PLANS – Continued

Asset Class	New Strategic Allocation	Real Return (1,2)
Global Equity - Cap Weighted	30%	4.54%
Global Equity - Non-Cap Weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%

(1) An expected inflation of 2.3% used for this period.
(2) Figures are based on the 2021 Asset Liability Management study.

Discount Rate - The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

The changes in the Net Pension Liability for the Miscellaneous and Safety Plans are as follows:

	Miscellaneous		
	Increase (Decrease)		
	Pension Plan Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2022 (June 30, 2023 reporting date)	$ 169,325,748	$ 157,809,036	$ 11,516,712
Changes in the year:			
Service cost	1,318,320	-	1,318,320
Interest on the total pension liability	11,539,485	-	11,539,485
Differences between expected and actual experience	2,575,267	-	2,575,267
Changes of benefit terms	273,751	-	273,751
Contributions from the employer	-	1,538,513	(1,538,513)
Contributions from employees	-	623,900	(623,900)
Net investment income	-	9,446,333	(9,446,333)
Benefit payments, including refunds	(11,190,041)	(11,190,041)	-
Administrative/other expense	-	(116,045)	116,045
Net changes	4,516,782	302,660	4,214,122
Balance at June 30, 2023 (June 30, 2024 reporting date)	$ 173,842,530	$ 158,111,696	$ 15,730,834

13) EMPLOYEE RETIREMENT PLANS – Continued

	Safety		
	Increase (Decrease)		
	Pension Plan Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2022 (June 30, 2023 reporting date)	$ 446,332,110	$ 418,083,434	$ 28,248,676
Changes in the year:			
Service cost	6,622,214	-	6,622,214
Interest on the total pension liability	30,486,947	-	30,486,947
Differences between expected and actual experience	4,789,224	-	4,789,224
Changes of benefit terms	106,527	-	106,527
Contributions from the employer	-	5,593,515	(5,593,515)
Contributions from employees	-	2,414,142	(2,414,142)
Net investment income	-	25,229,936	(25,229,936)
Benefit payments, including refunds	(25,398,301)	(25,398,301)	-
Administrative/other expense	-	(307,439)	307,439
Net changes	16,606,611	7,531,853	9,074,758
Balance at June 30, 2023 (June 30, 2024 reporting date)	$ 462,938,721	$ 425,615,287	$ 37,323,434

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 6.90 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

	Miscellaneous	Safety
1% Decrease	5.90%	5.90%
Net Pension Liability/(Asset)	$ 36,867,642	$ 98,549,607
Current Discount Rate	6.90%	6.90%
Net Pension Liability/(Asset)	$ 15,730,834	$ 37,323,434
1% Increase	7.90%	7.90%
Net Pension Liability/(Asset)	$ (1,736,876)	$ (20,633,320)

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2024, the City recognized pension expense/(income) of $5,323,485 for the Miscellaneous Plan and $16,397,968 for the Safety Plan. At June 30, 2024, the City reported deferred outflows and deferred inflows for the Miscellaneous and Safety Plans from the following sources:

13) EMPLOYEE RETIREMENT PLANS – Continued

	Miscellaneous		Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 875,331	$ -	$ 4,985,321	$ -
Differences between actual and expected experience	858,422	-	4,297,040	-
Changes in assumptions	-	-	5,777,996	-
Net differences between projected and actual earnings on plan investments	6,840,061	-	17,750,502	-
Total	$ 8,573,814	$ -	$ 32,810,859	$ -

The $875,311 and $4,985,321 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction/(increase) of the net pension liability/(asset) in the year ended June 30, 2024. Other amounts reported as deferred outflows and deferred inflows related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Deferred Outflows/Inflows of Resources, Net	
	Miscellaneous	Safety
2025	$ 1,753,667	$ 8,654,015
2026	426,059	3,824,089
2027	5,297,415	14,751,173
2028	221,342	596,261
2029	-	-
Thereafter	-	-

Payable to the Pension Plan: The City had no outstanding contributions to the pension plan required for the year ended June 30, 2024.

14) PUBLIC AGENCY RETIREMENT SYSTEM (PARS)

A) General Information about the EPMC Replacement Supplemental Pension Plan

Plan Description and Benefits Provided

Effective November 1, 2007, the City established an agent multiple-employer defined benefit plan to supplement the current CalPERS retirement benefits that is to be administered for the City by the Public Agency Retirement System (PARS), a third-party administrator. The plan meets the requirements of a pension trust under California Government Code. Phase II Systems is the PARS Trust Administrator. PARS issues a publicly available financial report that may be obtained from the Public Agency Retirement Services, 4350 Von Karman Ave., Newport Beach, CA 92660.

The EPMC Replacement Plan was established to replace a long-standing benefit for city employees no longer allowed by CalPERS. The plan provides for a benefit in an amount equal to the member's years of service, times the member's final pay, times the CalPERS age factor, times .70% for miscellaneous employees (times .89% for safety employees). At the time of retirement, employees will make an election to receive either a lump sum payment or receive ongoing stipends over their lifetime.

14) PUBLIC AGENCY RETIREMENT SYSTEM (PARS) - Continued

Employees shall be eligible to receive benefits under this plan if he or she meets all of the following requirements under one of the following tiers:

Tier 1

- Full time miscellaneous employees on or after July 1, 2004 but hired prior to July 1, 2011.
- Classified as a department head or city council, employee represented by the Confidential Employees' Association, General Employees' Association, West Covina Maintenance and Crafts Employees' Association, Mid-Management Employees' Association and Non-Sworn Support Employees' Association.
- Has had compensable earnings under CalPERS impacted by CalPERS regulation, thereby causing a reduction in CalPERS benefits.
- At least fifty (50) years of age.
- Has completed at least one year of employment.
- Has terminated employment with the City and concurrently retired under
- CalPERS under a regular service retirement and remains in retired status under CalPERS.
- Has applied for benefits under this plan.

Tier 2

- Full time miscellaneous employees on or after July 1, 2004 but hired prior to July 1, 2011.
- Fire safety employee on or after July 1, 2004 but hired prior to July 1, 2012.
- Police management employee on or after July 1, 2004 but hired prior to December 31, 2012, or an employee hired prior to January 1, 2013 who promotes or transfers to police management position on or after January 1, 2013.
- Not represented by the West Covina Police Officers Association.
- Has had compensable earnings under CalPERS impacted by CalPERS regulation, thereby causing a reduction in CalPERS benefits.
- At least fifty (50) years of age.
- Has completed at least one year of employment
- Has terminated employment with the City and concurrently retired under CalPERS under a regular service retirement, and remains in retired status under CalPERS.
- Has applied for benefits under this plan.

Contributions - The City makes all contributions to these plans. Participants do not make any contributions. The actuarially required contribution is determined on the funding policy and most recent measurement available when the contribution for the reporting period was adopted. The City is funding the plan to pay the benefit payments payable each year. The City's contribution for the year ended June 30, 2024 was $44,098.

14) PUBLIC AGENCY RETIREMENT SYSTEM (PARS) - Continued

Employees Covered

At June 30, 2023, the valuation date, the following employees were covered by the benefit terms for the plan:

	EPMC
Inactive employees or beneficiaries currently receiving benefits	33
Inactive employees entitled but not currently receiving benefits	22
Active employees	45
Total	100

Net Pension Liability

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2023. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions - The total pension liabilities in the June 30, 2023 actuarial valuations were determined using the following actuarial assumptions:

	EPMC
Valuation date	June 30, 2023
Measurement date	June 30, 2023
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	3.70% at June 30, 2023 3.59% at June 30, 2022
Inflation	2.50%
Mortality	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generation with scale MP-2021

Discount Rate

GASB 67 and 68 generally require that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 and 68 will often require that the actuary performs complex projections of future benefit payments and asset values.

14) PUBLIC AGENCY RETIREMENT SYSTEM (PARS) - Continued

The following circumstances were included in the evaluation of sufficiency for the City:

- Annual contributions of 0.7% of payroll (closed group basis) are assumed (beginning with 2015/16).
- Benefit payments are annually withdrawn from the Trust until assets are exhausted and then benefit payments made directly by the City.
- All cash flows are assumed to occur on average halfway through the year.
- The long-term expected rate of return on pension plan investments is 5.75%.
- The actuarial assumptions do not change.
- GASB 67 and 68 specify that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is the actuary's opinion that a depletion date projection is not appropriate. Therefore, the discount rate is based on the projected portion of the Total Pension Liability funded by the Fiduciary Net Position in each future year. For the funded portion, the long-term expected rate of return on pension plan investments (5.75%) was used. For the unfunded portion, the Bond Buyer 20-Bond Go Index as of the June 30, 2023, measurement date (3.65%) was used. The discount rate used (3.65%) represents the single equivalent rate of return, as described under GASB 68 (paragraph 31).

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

The table bellows reflects the long-term expected real rate of return by asset class:

Asset Class	Target Allocation	Expected Real Rate of Return
Global Equity	60%	4.56%
Fixed Income	35%	0.78%
Cash	5%	-0.50%
Total	100.00%	

The plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current retirees. Therefore, the discount rate for calculating the total pension liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan's fiduciary net position is not projected to be sufficient. The City chose the Bond Buyer General Obligation 20-Bond Index resulting in the use of a 3.65% discount rate (single equivalent rate of return) in calculating the pension liability.

14) PUBLIC AGENCY RETIREMENT SYSTEM (PARS) - Continued

Changes in the Net Pension Liability

The changes in the net pension liability for the Plan are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2022 (June 30, 2023 reporting date)	$ 1,115,837	$ 72,481	$ 1,043,356
Changes in the year:			
Service cost	29,900	-	29,900
Interest on the total pension liability	39,536	-	39,536
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(30,960)	-	(30,960)
Changes in assumptions	(11,422)	-	(11,422)
Contributions from the employer	-	51,212	(51,212)
Net investment income	-	4,497	(4,497)
Benefit payments, including refunds	(88,935)	(88,935)	-
Administrative/other expense	-	(8,120)	8,120
Net changes	(61,881)	(41,346)	(20,535)
Balance at June 30, 2023 (June 30, 2024 reporting date)	$ 1,053,956	$ 31,135	$ 1,022,821

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability (asset) of the City for the Plan, calculated using the discount rate for the Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease		2.70%
Net Pension Liability	$	1,135,908
Current Discount Rate		3.70%
Net Pension Liability	$	1,022,821
1% Increase		4.70%
Net Pension Liability	$	928,723

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2024, the City recognized pension expense of $90,389 for the Plan. At June 30, 2024, the City reported deferred outflows and deferred inflows related to the Plan from the following sources:

14) PUBLIC AGENCY RETIREMENT SYSTEM (PARS) - Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 44,098	$ -
Differences between actual and expected experience	34,515	24,768
Changes in assumptions	111,074	116,243
Net differences between projected and actual earnings on plan investments	2,271	-
Total	$ 191,958	$ 141,011

The $44,098 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows and deferred inflows related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	EPMC
2025	$ 16,033
2026	14,224
2027	(2,050)
2028	(21,358)
2029	-
Thereafter	-

Payable to the Pension Plan: The City had no outstanding contributions to the pension plan required for the year ended June 30, 2024.

B) Supplemental Retirement Plan for Executive Staff and City Council Pension Plan

Plan Description and Benefits Provided

Effective November 1, 2007, the City established a agent multiple-employer defined benefit plan to supplement the current CalPERS retirement benefits that is to be administered for the City by with the Public Agency Retirement System (PARS), a third-party administrator. The plan meets the requirements of a pension trust under California Government Code. Phase II Systems is the PARS Trust Administrator. The plan does not issue separate financial reports and is closed to new hires.

This agent multiple-employer defined benefit pension plan is separated into three tiers.

Tier 1 (full-time non-safety Department Head and the City Manager) and Tier 2 (City Council) provides an additional retirement amount to miscellaneous department heads, City Manager and City Council in an amount equal to the amount of $823 per month. This benefit amount increases each year by CPI, up to 2%. In order to be eligible for this benefit, participants must have five years of service with the City and must retire into PERS from the City.

14) PUBLIC AGENCY RETIREMENT SYSTEM (PARS) - Continued

Tier 3 (City Manager) provides an increased retirement benefit to a former City Manager consistent with the terms of his contract. It will convert the retirement formula for all years of prior CalPERS service at non-West Covina agencies to the CalPERS 2.5% @ 55 formula currently in place with the City of West Covina.

Contributions

All three tiers are combined for funding purposes in this plan. The City makes all contributions to these plans. Participants do not make any contributions. The actuarially required contribution is determined on a pay as you go funding policy and most recent measurement available when the contribution for the reporting period was adopted. The City is funding the plan to pay the benefit payments payable each year. The City's contribution for the year ended June 30, 2024 was $86,183.

Employees Covered

At June 30, 2023, the measurement date, the following employees were covered by the benefit terms for the plan:

	Supplemental
Inactive employees or beneficiaries currently receiving benefits	11
Active employees	1
Total	12

Net Pension Liability

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2023. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

	Supplemental
Valuation date	June 30, 2023
Measurement date	June 30, 2023
Actuarial cost method	entry-age normal, closed to new entrants
Actuarial assumptions:	
Discount rate	3.67% at June 30, 2023 3.60% at June 30, 2022
Inflation	2.50%
Salary Increase	3.00%
Benefit Increase	2.00%
Mortality	CalPERS 2000 - 2019 Experience Study
Investment Rate of Return	5.75%

14) PUBLIC AGENCY RETIREMENT SYSTEM (PARS) - Continued

Discount Rate

GASB 67 and 68 generally require that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 and 68 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 67 (paragraph 43) and 68 (paragraph 29) do allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for the City:

- The City ceased contributions and withdrawals from the Trust. The City will pay benefits directly to retirees until the trust is sufficient, on an expected basis, to pay all remaining benefits.
- All cash flows are assumed to occur on average halfway through the year.
- The long-term expected rate of return on pension plan investments is 5.75%.
- The actuarial assumptions do not change.
- GASB 67 and 68 specify that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is the actuary's opinion that a depletion date projection is not appropriate. Therefore, the discount rate is based on the projected portion of the Total Pension Liability funded by the Fiduciary Net Position in each future year. For the funded portion, the long-term expected rate of return on pension plan investments (5.75%) was used. For the unfunded portion, the Bond Buyer 20-Bond Go Index as of the June 30, 2023, measurement date, (3.65%) was used. The discount rate used (3.67%) represents the single equivalent rate of return, as described under GASB 68 (paragraph 31).

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

The table below reflects the long-term expected real rate of return by asset class:

Asset Class	Target Allocation	Expected Real Rate of Return
Equity	60%	4.56%
Fixed Income	35%	0.78%
Cash	5%	-0.50%
Total	100.00%	

14) PUBLIC AGENCY RETIREMENT SYSTEM (PARS) - Continued

The plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current retirees. Therefore, the discount rate for calculating the total pension liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan's fiduciary net position is not projected to be sufficient. The City chose the Bond Buyer General Obligation 20-Bond Index resulting in the use of a 3.65% discount rate (single equivalent rate of return) in calculating the pension liability.

Changes in the Net Pension Liability

The changes in the net pension liability, with a measurement date of June 30, 2023, for the Plan are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2022 (June 30, 2023 reporting date)	$ 4,109,654	$ 317,934	$ 3,791,720
Changes in the year:			
Service cost	-	-	-
Interest on the total pension liability	144,880	-	144,880
Changes of benefit terms	-	-	-
Differences between expected and actual experience	26,582	-	26,582
Changes in assumptions	(38,862)	-	(38,862)
Contributions from the employer	-	75,852	(75,852)
Net investment income	-	19,068	(19,068)
Benefit payments, including refunds	(170,456)	(170,456)	-
Administrative/other expense	-	(6,512)	6,512
Net changes	(37,856)	(82,048)	44,192
Balance at June 30, 2023 (June 30, 2024 reporting date)	$ 4,071,798	$ 235,886	$ 3,835,912

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability (asset) of the City for the Plan, calculated using the discount rate for the Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease		2.67%
Net Pension Liability	$	4,451,106
Current Discount Rate		3.67%
Net Pension Liability	$	3,835,912
1% Increase		4.67%
Net Pension Liability	$	3,338,652

For the year ended June 30, 2024, the City recognized pension expense/(credit) of $126,180. At June 30, 2024, the City reported deferred outflows and deferred inflows related to the Plan from the following sources:

14) PUBLIC AGENCY RETIREMENT SYSTEM (PARS) - Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 86,183	$ -
Net differences between projected and actual earnings on plan investments	12,378	-
Total	$ 98,561	$ -

The $86,183 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows and deferred inflows related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Supplemental
2025	$ 1,701
2026	(1,357)
2027	12,842
2028	(808)
2029	-
Thereafter	-

Payable to the Pension Plan: The City had no outstanding contributions to the pension plan required for the year ended June 30, 2024.

15) DEFINED CONTRIBUTION RETIREMENT PLAN

During the 1991-1992 fiscal year, the City established the West Covina Part-Time Retirement Plan, a defined contribution retirement plan, for all non-benefited, part-time employees in accordance with Internal Revenue Code Section 457, to conform to Section 3121(b)(7)(F) of the Internal Revenue Code added by the Omnibus Budget Reconciliation Act of 1990. The plan is administered by Nationwide Retirement Solutions. The plan was established by the authority of the City Council who retains the authority to amend the plan.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on investments of the contributions.

Part-time, non-benefited, non-persable employees of the City must participate in the plan. During 2012-13, 195 part-time employees participated in the plan. All contributions to the plan vest immediately. An employee who leaves the City is entitled to all contributions and earnings applied to the individual's account through the date of separation, less legally required income tax withholding. Contribution levels into the deferred compensation plan were established by City Council resolution at 0% for the City and 7.5% for non-benefited, non-persable part-time employees.

15) DEFINED CONTRIBUTION RETIREMENT PLAN - Continued

During the year, total required and actual contributions amounted to $77,581 and covered payroll for the year ended June 30, 2024 totaled $1,536,658. No contributions were made by the City and employees contributed $115,251 (7.5% of current covered payroll). Total plan assets at June 30, 2024 were $880,170. Plan assets are held in trust for the exclusive benefit of participants and their beneficiaries and, therefore, are not included in the financial statements.

16) OTHER POST EMPLOYMENT BENEFITS

General Information About the OPEB Plan

Plan Descriptions

Medical - The City administers a single-employer defined benefit plan which provides healthcare benefits to eligible retirees and their dependents in accordance with various labor agreements. There are no assets accumulated in a GASB-compliant trust. City paid amounts are capped at varying amounts depending on employee's bargaining unit, as follows:

- Police:
  - $1,005 per month for employees hired before July 1, 2012, with five years of sworn service or hired after July 1, 2012, with more than twenty years of sworn service
  - PEMHCA minimum amount ($151 and $157 per month in calendar years 2023 and 2024, respectively) for employees hired after July 1, 2012, with less than twenty years of sworn service
- Fire:
  - $1,005 per month for employees hired before July 1, 2012, with five years of sworn service
  - PEMHCA minimum amount ($151 and $157 per month in calendar years 2023 and 2024, respectively) for employees hired after July 1, 2012
- Miscellaneous:
  - PEMHCA minimum amount ($151 and $157 per month in calendar years 2023 and 2024, respectively).

Life Insurance - Eligible retirees, in accordance with various labor agreements, receive life insurance benefits from the City as follows:

- $500 Confidential/Exempt, General, Maintenance and Non-Sworn Safety bargaining units
- $10,000 Executive Management, Mid-Management, Police Management (retired after September 1, 2006), Fire Management and Fire bargaining units
- $10,500 Police bargaining unit

Employees Covered by Benefit Terms - As of the June 30, 2023 measurement date, the following current and former employees were covered by the benefit terms under the Plan:

Active Employees	290
Inactive employees entitled to, but not yet receiving benefits	41
Retirees or spouses of retirees currently receiving benefits	395
Total	726

16) OTHER POST EMPLOYMENT BENEFITS – Continued

Contributions - The contribution requirements of plan members and the City are established and may be amended by City Council. The contribution required to be made under City Council and bargaining unit requirements is based on a pay-as-you-go basis (i.e. as medical insurance premiums become due). For fiscal year ended June 30, 2024, the City contributed $2,552,298 to the plan, including $2,124,298, for current premiums (100% of total premiums), and $428,000 of implied subsidy premiums.

Total OPEB Liability - The City's total OPEB liability was measured as of June 30, 2023 and the total OPEB liability determined by an actuarial valuation dated June 30, 2023, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2023
Actuarial Cost Method	Entry Age Actuarial Cost
Mortality	CalPERS 2000 - 2019 Experience Study
Health Care Trend Rate	Non-Medicare - 7.9% for 2024, 3.45% ultimate Medicare - 5.65% for 2024, 3.45% ultimate
PEMHCA Minimum Increase	3.5% Annually
Inflation Rate	2.50%
Salary Changes	2.75%
Discount Rate	3.65% at June 30, 2023 3.54% at June 30, 2022

Discount Rate - The discount rate used to measure the total OPEB liability was 3.65% at June 30, 2023.

Changes in the Total OPEB Liability

	Total OPEB Liability (TOL)
Balance at June 30, 2023 (2022 Measurement Date)	$ 54,205,612
Changes in the year:	
Service cost	1,266,718
Interest on the total OPEB liability	1,919,454
Differences between expected and actual experience	2,792,237
Changes of assumptions	(427,546)
Benefit payments, including refunds	(2,500,938)
Net changes	3,049,925
Balance at June 30, 2024 (2023 Measurement Date)	$ 57,255,537

Sensitivity of the Total OPEB Liability to changes in the Discount Rate - The following presents the total OPEB liability of the City if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	Discount Rate 1% Lower	Valuation Discount Rate	Discount Rate 1% Higher
Total OPEB liability (asset)	$ 65,335,117	$ 57,255,537	$ 50,659,447

16) OTHER POST EMPLOYMENT BENEFITS – Continued

Sensitivity of the Total OPEB Liability to changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the District, as well as what the District's Total OPEB would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB liability (asset)	$ 54,984,720	$ 57,255,537	$ 59,638,471

OPEB Expense and Recognition of Deferred Outflows/Inflows of Resources Related to OPEB

The Plan Fiduciary Net Position was $0 at the June 30, 2023 measurement date, as the City is not prefunding with an OPEB trust. The City does not have assets accumulated in a trust that meets the criteria of GASB 75 to pay related benefits.

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The net difference between projected and actual earnings on OPEB plan investments is amortized using the straight-line method over 5 years, while all other amounts are amortized over the expected average remaining service lifetime (EARSL) of plan participants, which was 5.1 years as of the 2019 valuation date.

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

For the year ended June 30, 2024, the City recognized OPEB expense/(credit) of $1,281,689. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
OPEB Contributions Subsequent to the Measurement Date	$ 2,552,298	$ -
Changes of Assumptions	3,186,174	8,769,023
Net differences between expected and actual experience	2,265,400	3,637,498
Total	$ 8,003,872	$ 12,406,521

The $2,552,298 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2023 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ended June 30, 2025. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Year Ending June 30,	
2025	$ (1,669,605)
2026	(4,166,186)
2027	(1,699,175)
2028	446,168
2029	133,851
Thereafter	-

17) COMMITMENTS AND CONTINGENCIES

A) In 1989, in order to assist in the expansion of the Fashion Plaza shopping center, the City enacted an ordinance to allow the Redevelopment Agency of the City of West Covina (the predecessor to the West Covina Community Development Commission) to receive the sales tax generated as a result of the expansion project. At the same time, the City enacted an ordinance providing a credit for sales tax payable by the developer in the amount equal to the sales tax due to the redevelopment agency. These sales tax ordinances and related agreements between the City and the Agency essentially transferred the sales tax increment due to the Fashion Plaza expansion project from the City to the Agency.

B) On July 25, 2005, the Board of Directors of the former West Covina Community Development Commission adopted Resolution No. 2005-50. By this resolution, the Board of Directors authorized the Commission to reimburse the City of West Covina over a period of 17 years for the sales tax revenue that had essentially been shifted from the City to the Agency. These budgeted interfund transfers between the primary government of the City of West Covina and the former Community Development Commission will be recorded in the fiscal year that they result in a flow of current financial resources, as required by the measurement focus prescribed for governmental funds. As a result of the dissolution of the Redevelopment Agency, the Department of Finance has deemed this agreement as an unenforceable obligation.

C) Outstanding construction commitments at year-end were approximately $1.3 million.

18) SUCCESSOR AGENCY DISCLOSURES

The assets and liabilities of the Commission's former non-housing redevelopment activities were transferred to the City in its fiduciary capacity as the Successor Agency to the Redevelopment Agency of the City of West Covina on February 1, 2012, as a result of the dissolution of California redevelopment agencies. These assets and liabilities and any activities related to them are reported in the City's fiduciary private-purpose trust fund financial statements. Disclosures related to these assets and liabilities are as follows:

Due from the City of West Covina

As part of the dissolution process, AB1484 required the Successor Agency to have due diligence reviews of both the low and moderate-income housing funds and all other funds to be completed by October 15, 2012, and January 15, 2013, to compute the funds (cash) which were not needed by the Successor Agency to be retained to pay for existing enforceable obligations. The Successor Agency remitted $1,891,166 to the County Auditor-Controller (CAC) on December 19, 2012, for the low and moderate-income housing funds due diligence review.

The due diligence review for all other funds was finalized with the final letter of determination issued by the DOF on April 24, 2013. The DOF determined that the principal and interest payments made by the former Community Development Commission totaling $12,205,531 on various loans from the City of West Covina for the period January 1, 2011, to June 30, 2012, were on loans not made within the first two years of the formation of the former redevelopment agency. The DOF ordered the Successor Agency to remit $11,578,351 to the CAC within five days from the date of the letter. City management, in consultation with its legal counsel, did not agree with the DOF's decision and filed a lawsuit to contest the decision. The City also did not remit the payments that were disallowed to the CAC. In December 2015, the City entered into a settlement agreement, which requires the City to repay the $11,578,351 over a period of 20 years. See additional details on the long-term payable in Note 8. As the City repays the Successor Agency, the Successor Agency will remit the amounts collected to the CAC.

18) SUCCESSOR AGENCY DISCLOSURES – Continued

The City reported a long-term liability of $6,368,089 (reported as part of notes payable) in governmental activities and a receivable of $6,368,089 in the Successor Agency related to the DOF's determination at June 30, 2024.

Land Held for Resale

Land held for resale is valued at the lower of cost or the sales price per contract with the developer. The land held for resale at June 30, 2024 was comprised of BKK Project in the amount of $54,279.

Long-Term Liabilities

Changes in long-term liabilities for the Successor Agency are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Tax Allocation Bonds:					
Series 2017, Refunding	$ 5,410,000	$ -	$ (1,255,000)	$ 4,155,000	$ 1,290,000
Premium	164,723	-	(14,975)	149,748	14,975
Developer Agreement Payable	88,596,648	-	-	88,596,648	-
Total	$ 94,171,371	$ -	$ (1,269,975)	$ 92,901,396	$ 1,304,975

2017 Tax Allocation Revenue Refunding Bonds

On February 14, 2017, the Successor Agency issued Tax Allocation Revenue Refunding bonds, Series 2017A (Tax-Exempt) and 2017B (Federally Taxable). These bonds refinanced the 1998 Housing Set-Aside Tax Allocation Bonds Series A & B, the 2001 Housing Set-Aside Tax Allocation Revenue Bonds, the 2002 Tax Allocation Refunding Bonds and the 1999 Taxable Variable Rate Demand Tax Allocation Bonds.

The bonds are payable from and secured solely from the Trust Estate, which will consist primarily of principal and interest payments on the Local Obligations to be purchased by the Authority as set forth in the Agency Indenture. The interest on the Series A bonds is payable semiannually on September 1 and March 1 of each year at interest rates ranging from 2% to 5%. The principal of the Series A bonds is due annually throughout 2026, in amounts ranging from $400,000 to $670,000. The interest on the Series B bonds is payable semiannually on September 1 and March 1 of each year at interest rates ranging from 1% to 3.75%. The principal of the Series B bonds is due annually throughout 2032, in amounts ranging from $145,000 to $1,215,000. The reserve requirement was fully funded as of June 30, 2024. The principal balance of outstanding bonds at June 30, 2024 was $4,155,000.

The future debt service requirements for the bonds are as follows:

18) SUCCESSOR AGENCY DISCLOSURES – Continued

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	$ 1,290,000	$ 117,281	$ 1,407,281
2026	1,200,000	78,007	1,278,007
2027	145,000	58,409	203,409
2028	415,000	48,700	463,700
2029	425,000	33,469	458,469
2030	435,000	17,344	452,344
2031	150,000	6,375	156,375
2032	95,000	1,781	96,781
Totals	$ 4,155,000	$ 361,366	$ 4,516,366

Developer Agreement Payable

On June 26, 1989, the Commission entered into an agreement with a developer to share certain future tax revenues generated by the Community Facilities District. Since 1992, the developer's share of revenues totaled $55,372,039, the unpaid balance accrues interest at a rate of 10%. The Commission has made payments to the developer totaling $21,678,037. The balance outstanding at June 30, 2024 was $88,596,648. The Developer Advances are repaid by the Commission only from available funds in the Repayment Fund. The Repayment Fund is funded in any year the total of the Minimum Special, Tax and Agency Contributions exceeds the annual debt service on the Public Financing of the 1996 Special Tax Refunding Bonds. According to the Developer Agreement, the Agency Contributions terminate once the outstanding principal and accrued interest on these bonds are paid in full.

The bonds were paid in full on September 1, 2022. As of June 30, 2024, the Community Facilities District had a restricted cash balance of $6,514,513. The City has engaged a consulting firm to provide a closeout report for the District's remaining funds to determine the appropriate disposition. Once complete, a detailed Closeout Analysis and Findings Report will be issued with a list of delinquencies, the requirements for fund disposition, and the list of parcels and their refunds amount if applicable.

19) LEASES

Lease Receivable - In prior fiscal years, the City entered into various land lease agreements with third parties to lease pieces of land owned by the City. The initial lease terms ranged from 5 to 30 years. The City currently receives monthly payments from all leases of $42,064. The City recognized $422,051 in lease revenue and approximately $119,000 in interest revenue during the current fiscal year related to the various leases. As of June 30, 2024, the City's receivable for lease payments was $6,412,504. Also, the City has a deferred inflow of resources associated with leases that will be recognized as revenue over the lease terms. As of June 30, 2024, the balance of the deferred inflow of resources was $6,412,504.

20) IMPLEMENTATION OF GASB PRONOUNCEMENTS

The Governmental Accounting Standards Board has issued the following Statements, which may affect the City's financial reporting requirements in the future:

Statement No. 101, "Compensated Absences." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2024.

21) SUBSEQUENT EVENTS

In July 2024, the City entered into a settlement agreement for $1,250,000 with a former employee alleging harassment and wrongful termination. This claim was split proportionally amongst two of the City's excess carriers, each with a $1,000,000 self-insured retention. The city received $265,218.01 from California Joint Powers Insurance Authority (CJPIA).

On August 12, 2024 the City started a trial for a wrongful termination claim with a former employee. August 14, 2024, the City's excess carrier, Big Independent Cities Excess Pool (BICEP), initiated a settlement agreement. The City has $1,000,000 in self-insured retention, any excess will be covered by the City's excess carrier.

22) ERROR CORRECTIONS

Beginning Net Position for Governmental Activities was decreased by $44,337 due to a recalculation of accrued interest on Notes Receivable in previous years, and it was increased by $2,904,689 for loans receivable previously determined to be uncollectible and offset by an allowance for doubtful accounts. Beginning Fund Balance in the West Covina Housing Fund was decreased by $3,058,524 for accrued interest on Notes Receivable. The interest was reported as revenue in the previous years, and is now corrected and reported as a Deferred Inflow in the Housing Fund. Beginning Fund Balance in the non-major governmental funds was increased for the $2,904,689 in loans receivable mentioned above. The error corrections are as follows:

	Governmetal Activities	West Covina Housing Fund	Non-major Governmental Funds
Beginning Net Position/Fund Balance	$ 6,400,534	$ 23,191,204	$ 66,101,633
Error Correction	2,860,352	(3,058,524)	2,904,689
Restated Net Position/Fund Balance	$ 9,260,886	$ 20,132,680	$ 69,006,322

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REQUIRED SUPPLEMENTARY INFORMATION

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Taxes	$ 66,184,300	$ 71,590,600	$ 71,323,605	$ (266,995)
Licenses and Permits	2,135,100	2,331,100	2,279,923	(51,177)
Fines and Forfeitures	627,220	961,620	911,167	(50,453)
Investment Income	556,400	1,506,400	2,599,872	1,093,472
Rental Income	1,217,741	1,230,741	1,044,318	(186,423)
Revenue from Other Agencies	1,075,862	2,424,962	1,253,674	(1,171,288)
Charges for Services	6,369,534	7,711,114	8,452,607	741,493
Other Revenues	2,565,683	2,565,683	2,361,173	(204,510)
Total Revenues	80,731,840	90,322,220	90,226,339	(95,881)
EXPENDITURES				
Current:				
General Government	5,242,449	4,998,974	4,819,722	179,252
Public Safety	52,151,443	54,999,903	54,504,622	495,281
Public Works	4,565,043	5,834,043	5,582,220	251,823
Community Services	2,634,822	2,952,903	3,441,745	(488,842)
Community Development	762,627	692,122	662,727	29,395
Total Expenditures	65,356,384	69,477,945	69,011,036	466,909
Excess (Deficiency) of Revenues over Expenditures	15,375,456	20,844,275	21,215,303	371,028
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(15,199,375)	(20,904,275)	(20,385,108)	519,167
Total Other Financing Sources (Uses)	(15,199,375)	(20,904,275)	(20,385,108)	519,167
Net Change in Fund Balances	176,081	(60,000)	830,195	890,195
Fund Balances, Beginning	21,028,742	21,028,742	21,028,742	-
Fund Balances, Ending	$ 21,204,823	$ 20,968,742	$ 21,858,937	$ 890,195

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - West Covina Housing Authority Special Revenue Fund
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Income	$ 72,000	$ 186,000	$ 279,888	$ 93,888
Other Revenues	-	-	176,002	176,002
Total Revenues	72,000	186,000	455,890	269,890
EXPENDITURES				
Current:				
Public Safety	64,400	64,400	31,824	32,576
Public Works	-	16,004	10,817	5,187
Community Development	639,396	768,392	646,795	121,597
Total Expenditures	703,796	848,796	689,436	159,360
Excess (Deficiency) of Revenues over Expenditures	(631,796)	(662,796)	(233,546)	429,250
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(631,796)	(662,796)	(233,546)	429,250
Fund Balance, Beginning, Restated	20,132,680	20,132,680	20,132,680	-
Fund Balance, Ending	$ 19,500,884	$ 19,469,884	$ 19,899,134	$ 429,250

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Proposition A Special Revenue Fund
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Taxes	$ 3,460,069	$ 3,460,069	$ 3,088,020	$ (372,049)
Investment Income	6,070	6,070	53,766	47,696
Total Revenues	3,466,139	3,466,139	3,141,786	(324,353)
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Works	-	-	-	-
Community Services	3,149,440	3,149,440	3,046,649	102,791
Total Expenditures	3,149,440	3,149,440	3,046,649	102,791
Excess (Deficiency) of Revenues over Expenditures	316,699	316,699	95,137	(221,562)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	316,699	316,699	95,137	(221,562)
Fund Balance, Beginning	866,912	866,912	866,912	-
Fund Balance, Ending	$ 1,183,611	$ 1,183,611	$ 962,049	$ (221,562)

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - State Gas Tax Special Revenue Fund
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Taxes	$ 2,709,511	$ 2,709,511	$ 2,828,524	$ 119,013
Investment Income	48,600	48,600	203,894	155,294
Revenue from Other Agencies	3,091,904	3,091,904	2,954,749	(137,155)
Charges for Services	200	200		(200)
Total Revenues	5,850,215	5,850,215	5,987,167	136,952
EXPENDITURES				
Current:				
General Government	-	-	3,458	(3,458)
Public Works	7,710,191	10,825,363	4,041,451	6,783,912
Community Services	-	-	2,617	(2,617)
Community Development	1,800	1,800	224	1,576
Total Expenditures	7,711,991	10,827,163	4,047,750	6,779,413
Excess (Deficiency) of Revenues over Expenditures	(1,861,776)	(4,976,948)	1,939,417	6,916,365
OTHER FINANCING SOURCES (USES)				
Transfers In	567,200	567,200	567,200	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	567,200	567,200	567,200	-
Net Change in Fund Balance	(1,294,576)	(4,409,748)	2,506,617	6,916,365
Fund Balance, Beginning	5,452,404	5,452,404	5,452,404	-
Fund Balance, Ending	$ 4,157,828	$ 1,042,656	$ 7,959,021	$ 6,916,365

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - ARPA Special Revenue Fund
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Revenue from Other Agencies	$ -	$ -	$ 4,642,536	$ 4,642,536
Total Revenues	-	-	4,642,536	4,642,536
EXPENDITURES				
Current:				
General Government	-	8,628,632	4,392,536	4,236,096
Public Safety	-	-	-	-
Community Services	-	-	250,000	(250,000)
Total Expenditures	-	8,628,632	4,642,536	3,986,096
Excess (Deficiency) of Revenues over Expenditures	-	(8,628,632)	-	8,628,632
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	(8,628,632)	-	8,628,632
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	$ -	$ (8,628,632)	$ -	$ 8,628,632

City of West Covina
Notes to Required Supplementary Information
Year Ended June 30, 2024

BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for governmental funds. The City Council approves each year's budget submitted by the City Manager prior to the beginning of the fiscal year. Public meetings are conducted prior to its adoption by the City Council. It is the City Council's goal to adopt an annual balanced budget, a budget in which current revenues equal recurring expenditures.

After adoption of the final budget, the City Manager has authority to adjust the amounts appropriated within the funds and activities of a fund, provided, however, that the total appropriations for each fund may not exceed the amounts provided in the budget resolution. The City Manager is also authorized to approve continuing appropriations at year-end for capital improvement projects and other expenditures previously approved by the City Council. Budget modifications between funds and increases or decreases to a fund's overall budget must be approved by the City Council.

Numerous properly authorized amendments are made during the fiscal year.

Budgetary control is enhanced by integrating the budget into the general ledger accounts. Encumbrance accounting (e.g. purchase orders) is employed by the City.

City of West Covina
Required Supplementary Information
Year Ended June 30, 2024

Schedule of Changes in the Net Pension Liability and Related Ratios - Last 10 Years
CalPERS Pension Plan - Miscellaneous

	Measurement Period				
Total Pension Liability	2023	2022	2021	2020	2019
Service cost	$ 1,318,320	$ 1,102,405	$ 1,148,088	$ 1,230,251	$ 1,488,940
Interest on total pension liability	11,539,485	11,240,257	11,357,041	11,161,901	11,031,185
Changes of benefit terms	273,751	-	-	-	-
Changes in assumptions	-	4,428,742	-	-	-
Differences between expected and actual experience	2,575,267	(2,165,000)	605,918	(956,094)	1,166,025
Benefit payments, including refunds	(11,190,041)	(10,735,978)	(10,630,997)	(9,824,549)	(9,388,384)
Net change in total pension liability	4,516,782	3,870,426	2,480,050	1,611,509	4,297,766
Total pension liability - beginning	169,325,748	165,455,322	162,975,272	161,363,763	157,065,997
Total pension liability - ending (a)	$ 173,842,530	$ 169,325,748	$ 165,455,322	$ 162,975,272	$ 161,363,763
Plan Fiduciary Net Position					
Contributions - employer	$ 1,538,513	$ 1,212,228	$ 41,343,222	$ 3,588,307	$ 3,041,783
Contributions - employee	623,900	671,818	489,857	658,924	597,814
Net investment income	9,446,333	(13,283,040)	33,695,359	5,681,537	7,327,093
Benefit payments	(11,190,041)	(10,735,978)	(10,630,997)	(9,824,549)	(9,388,384)
Net Plan to Plan Resource Movement	-	-	-	-	-
Administrative/Other Expense	(116,045)	(112,164)	(115,152)	(162,590)	(80,969)
Other Miscellaneous Income/Expense	-	-	-	-	-
Net change in plan fiduciary net position	302,660	(22,247,136)	64,782,289	(58,371)	1,497,337
Plan fiduciary net position - beginning	157,809,036	180,056,172	115,273,883	115,332,254	113,834,917
Plan fiduciary net position - ending (b)	$ 158,111,696	$ 157,809,036	$ 180,056,172	$ 115,273,883	$ 115,332,254
Net pension liability - ending (a) - (b)	$ 15,730,834	$ 11,516,712	$ (14,600,850)	$ 47,701,389	$ 46,031,509
Plan fiduciary net position as a percentage of the total pension liability	90.95%	93.20%	108.82%	70.73%	71.47%
Covered payroll	$ 6,394,459	$ 7,100,111	$ 6,699,270	$ 7,843,755	$ 8,498,816
Net pension liability as percentage of covered payroll	246.01%	162.20%	-217.95%	608.14%	541.62%

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2018 valuation date. This applies to voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in Assumptions: In 2022, the accounting discount rate was reduced from 7.15 percent to 6.90 percent. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflected an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

Measurement Period				
2018	2017	2016	2015	2014
$ 1,598,999	$ 1,568,756	$ 1,395,164	$ 1,454,757	$ 1,653,769
10,735,301	10,499,411	10,423,152	10,180,561	9,849,865
-	-	-	-	-
(792,110)	8,138,458	-	(2,336,836)	-
884,485	(1,086,666)	(568,485)	(134,455)	-
(9,225,744)	(8,527,256)	(8,197,448)	(7,534,397)	(6,835,867)
3,200,931	10,592,703	3,052,383	1,629,630	4,667,767
153,865,066	143,272,363	140,219,980	138,590,350	133,922,583
$ 157,065,997	$ 153,865,066	$ 143,272,363	$ 140,219,980	$ 138,590,350
$ 2,610,696	$ 2,449,585	$ 1,871,710	$ 1,507,469	$ 1,441,234
785,970	788,064	819,011	714,712	921,495
9,216,240	11,531,815	590,110	2,500,142	17,189,513
(9,225,744)	(8,527,256)	(8,197,448)	(7,534,397)	(6,835,867)
(266)	-	(4,880)	307	-
(172,889)	(154,821)	(66,948)	(123,626)	-
(328,320)	-	-	-	-
2,885,687	6,087,387	(4,988,445)	(2,935,393)	12,716,375
110,949,230	104,861,843	109,850,288	112,785,681	100,069,306
$ 113,834,917	$ 110,949,230	$ 104,861,843	$ 109,850,288	$ 112,785,681
$ 43,231,080	$ 42,915,836	$ 38,410,520	$ 30,369,692	$ 25,804,669
72.48%	72.11%	73.19%	78.34%	81.38%
$ 12,173,646	$ 14,062,225	$ 9,349,710	$ 9,381,292	$ 10,025,879
355.12%	305.19%	410.82%	323.73%	257.38%

City of West Covina
Required Supplementary Information
Year Ended June 30, 2024

Schedule of Changes in the Net Pension Liability and Related Ratios - Last 10 Years
CalPERS Pension Plan - Safety

	Measurement Period			
Total Pension Liability	2023	2022	2021	2020
Service cost	$ 6,622,214	$ 6,180,932	$ 5,563,564	$ 5,180,535
Interest on total pension liability	30,486,947	29,392,100	28,585,424	27,556,923
Changes of benefit terms	106,527	-	-	-
Changes in assumptions	-	14,667,222	-	-
Differences between expected and actual experience	4,789,224	860,268	4,243,730	(2,269,271)
Benefit payments, including refunds	(25,398,301)	(24,245,865)	(23,371,783)	(22,204,388)
Net change in total pension liability	16,606,611	26,854,657	15,020,935	8,263,799
Total pension liability - beginning	446,332,110	419,477,453	404,456,518	396,192,719
Total pension liability - ending (a)	$ 462,938,721	$ 446,332,110	$ 419,477,453	$ 404,456,518
Plan Fiduciary Net Position				
Contributions - employer	$ 5,593,515	$ 4,920,292	$ 149,228,549	$ 12,592,111
Contributions - employee	2,414,142	2,052,325	2,010,282	1,806,665
Net investment income	25,229,936	(34,949,499)	87,171,072	12,466,983
Benefit payments	(25,398,301)	(24,245,865)	(23,371,783)	(22,204,388)
Net Plan to Plan Resource Movement	-	-	-	-
Administrative/Other Expense	(307,439)	(293,155)	(255,545)	(354,567)
Other Miscellaneous Income/Expense	-	-	-	-
Net change in plan fiduciary net position	7,531,853	(52,515,902)	214,782,575	4,306,804
Plan fiduciary net position - beginning	418,083,434	470,599,336	255,816,761	251,509,957
Plan fiduciary net position - ending (b)	$ 425,615,287	$ 418,083,434	$ 470,599,336	$ 255,816,761
Net pension liability - ending (a) - (b)	$ 37,323,434	$ 28,248,676	$ (51,121,883)	$ 148,639,757
Plan fiduciary net position as a percentage of the total pension liability	91.94%	93.67%	112.19%	63.25%
Covered payroll	$ 19,136,013	$ 18,840,380	$ 17,133,244	$ 16,447,485
Net pension liability as percentage of covered payroll	195.04%	149.94%	-298.38%	903.72%

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2018 valuation date. This applies to voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in Assumptions: In 2022, the accounting discount rate reduced from 7.15 percent to 6.90 percent. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflected an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

Measurement Period						
2019	2018	2017	2016	2015	2014
$ 5,573,847	$ 5,300,363	$ 5,376,792	$ 4,729,431	$ 4,604,800	$ 4,824,545
26,959,893	26,141,448	25,330,388	24,899,740	24,117,128	23,426,151
-	-	-	-	-	-
-	(1,644,342)	21,000,606	-	(5,858,071)	-
706,038	2,470,547	(2,764,123)	(145,882)	(1,760,971)	-
(21,231,071)	(20,444,515)	(19,858,900)	(18,951,025)	(17,865,208)	(17,362,607)
12,008,707	11,823,501	29,084,763	10,532,264	3,237,678	10,888,089
384,184,012	372,360,511	343,275,748	332,743,484	329,505,806	318,617,717
$ 396,192,719	$ 384,184,012	$ 372,360,511	$ 343,275,748	$ 332,743,484	$ 329,505,806
$ 11,176,490	$ 10,515,780	$ 10,058,079	$ 8,387,165	$ 7,339,064	$ 6,403,118
1,731,882	1,830,019	1,818,024	1,660,160	1,628,630	2,416,548
15,909,762	19,582,552	23,916,665	1,179,228	5,057,426	34,775,710
(21,231,071)	(20,444,515)	(19,858,900)	(18,951,025)	(17,865,208)	(17,362,607)
-	(568)	-	4,880	10,338	-
(174,192)	(364,120)	(321,946)	(137,683)	(254,287)	-
568	(691,471)	-	-	-	-
7,413,439	10,427,677	15,611,922	(7,857,275)	(4,084,037)	26,232,769
244,096,518	233,668,841	218,056,919	225,914,194	229,998,231	203,765,462
$ 251,509,957	$ 244,096,518	$ 233,668,841	$ 218,056,919	$ 225,914,194	$ 229,998,231
$ 144,682,762	$ 140,087,494	$ 138,691,670	$ 125,218,829	$ 106,829,290	$ 99,507,575
63.48%	63.54%	62.75%	63.52%	67.89%	69.80%
$ 16,283,859	$ 14,051,195	$ 17,084,933	$ 17,288,458	$ 16,517,686	$ 16,974,682
888.50%	996.98%	811.78%	724.29%	646.76%	586.21%

City of West Covina
Required Supplementary Information
Year Ended June 30, 2024

Schedule of Changes in the Net Pension Liability and Related Ratios - Last 10 Years
PARS Pension Plan - EPMC

	Measurement Period			
Total Pension Liability	2023	2022	2021	2020
Service cost	$ 29,900	$ 38,336	$ 26,943	$ 30,564
Interest on total pension liability	39,536	28,982	31,913	41,806
Changes in assumptions	(11,422)	(148,744)	38,703	146,898
Differences between expected and actual experience	(30,960)	-	10,382	-
Benefit payments, including refunds	(88,935)	(38,080)	(81,760)	(103,008)
Net change in total pension liability	(61,881)	(119,506)	26,181	116,260
Total pension liability - beginning	1,115,837	1,235,343	1,209,162	1,092,902
Total pension liability - ending (a)	$ 1,053,956	$ 1,115,837	$ 1,235,343	$ 1,209,162
Plan Fiduciary Net Position				
Contributions - employer	$ 51,212	$ 51,428	$ 52,666	$ 56,957
Contributions - employee	-	-	-	-
Net investment income	4,497	(8,794)	18,413	2,908
Benefit payments	(88,935)	(38,080)	(81,760)	(103,008)
Net Plan to Plan Resource Movement	-	-	-	-
Administrative/Other Expense	(8,120)	(3,086)	(6,231)	(10,788)
Other Miscellaneous Income/Expense	-	-	-	-
Net change in plan fiduciary net position	(41,346)	1,468	(16,912)	(53,931)
Plan fiduciary net position - beginning	72,481	71,013	87,925	141,856
Plan fiduciary net position - ending (b)	$ 31,135	$ 72,481	$ 71,013	$ 87,925
Net pension liability - ending (a) - (b)	$ 1,022,821	$ 1,043,356	$ 1,164,330	$ 1,121,237
Plan fiduciary net position as a percentage of the total pension liability	2.95%	6.50%	5.75%	7.27%
Covered Employee payroll	$ 8,046,588	$ 6,238,365	$ 7,202,240	$ 10,222,450
Net pension liability as percentage of covered employee payroll	12.71%	16.72%	16.17%	10.97%

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

Benefit Changes: None.

Changes in Assumptions: In 2023, the discount rate was updated to 3.70%. In 2022, the discount rate was updated to 3.59% In 2021, the discount rate was updated to 2.31%. In 2020, the discount rate was updated to 2.67 percent. In 2019, the discount rate was updated to 3.90% and the mortality improvement scale was updated to Scale MP- 2019. In 2018, the discount rate used to measure the total pension liability was 4.86 percent. In 2017, amounts reported reflect an adjustment of the discount rate from 3.90 percent to 4.98 percent. In 2016, amounts reported reflect an adjustment of the discount rate from 3.50 percent to 3.90 percent. In 2015, amounts reported reflect an adjustment of the discount rate from 4.80 percent to 3.50 percent. In 2014, amounts reported were based on the 4.80 percent discount rate.

Measurement Period						
2019	2018	2017	2016	2015	2014
$ 29,665	$ 29,701	$ 35,733	$ 40,000	$ 36,000	$ 36,000
46,211	46,463	35,268	32,000	28,000	36,000
90,640	10,475	(85,060)	(37,000)	200,000	-
45,697	-	98,508	-	(72,000)	-
(80,968)	(56,554)	(42,877)	(91,000)	(9,000)	(64,000)
131,245	30,085	41,572	(56,000)	183,000	8,000
961,657	931,572	890,000	946,000	763,000	755,000
$ 1,092,902	$ 961,657	$ 931,572	$ 890,000	$ 946,000	$ 763,000
$ 62,350	$ 60,056	$ 61,019	$ 56,000	$ 56,000	$ 65,000
-	-	-	-	-	-
6,567	8,234	10,029	(1,000)	3,000	12,000
(80,968)	(56,554)	(42,877)	(91,000)	(9,000)	(64,000)
-	-	-	-	-	-
(769)	(775)	(9,456)	(1,000)	(7,000)	(3,000)
-	-	-	-	-	-
(12,820)	10,961	18,715	(37,000)	43,000	10,000
154,676	143,715	125,000	162,000	119,000	109,000
$ 141,856	$ 154,676	$ 143,715	$ 125,000	$ 162,000	$ 119,000
$ 951,046	$ 806,981	$ 787,857	$ 765,000	$ 784,000	$ 644,000
12.98%	16.08%	15.43%	14.04%	17.12%	15.60%
$ 14,447,921	$ 15,855,534	n/a	$ 13,388,000	n/a	n/a
6.58%	5.09%	n/a	5.71%	n/a	n/a

City of West Covina
Required Supplementary Information
Year Ended June 30, 2024

Schedule of Changes in the Net Pension Liability and Related Ratios - Last 10 Years
PARS Pension Plan - Executive Staff

	Measurement Period			
Total Pension Liability	2023	2022	2021	2020
Service cost	$ -	$ -	$ -	$ 14,068
Interest on total pension liability	144,880	111,645	113,650	143,620
Changes in assumptions	(38,862)	(921,653)	81,046	879,137
Differences between expected and actual experience	26,582	-	168,573	-
Benefit payments, including refunds	(170,456)	(173,697)	(171,237)	(155,804)
Net change in total pension liability	(37,856)	(983,705)	192,032	881,021
Total pension liability - beginning	4,109,654	5,093,359	4,901,327	4,020,306
Total pension liability - ending (a)	$ 4,071,798	$ 4,109,654	$ 5,093,359	$ 4,901,327
Plan Fiduciary Net Position				
Contributions - employer	$ 75,852	$ 80,949	$ 79,364	$ 77,814
Contributions - employee	-	-	-	-
Net investment income	19,068	(44,821)	96,424	15,031
Benefit payments	(170,456)	(173,697)	(171,237)	(155,804)
Net Plan to Plan Resource Movement	-	-	-	-
Administrative/Other Expense	(6,512)	(4,948)	(5,903)	(9,475)
Other Miscellaneous Income/Expense	-	-	-	-
Net change in plan fiduciary net position	(82,048)	(142,517)	(1,352)	(72,434)
Plan fiduciary net position - beginning	317,934	460,451	461,803	534,237
Plan fiduciary net position - ending (b)	$ 235,886	$ 317,934	$ 460,451	$ 461,803
Net pension liability - ending (a) - (b)	$ 3,835,912	$ 3,791,720	$ 4,632,908	$ 4,439,524
Plan fiduciary net position as a percentage of the total pension liability	5.79%	7.74%	9.04%	9.42%
Covered Employee payroll	$ -	$ -	$ 269,287	$ 219,555
Net pension liability as percentage of covered employee payroll	n/a	n/a	1720.44%	2022.06%

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

Benefit Changes: None.

Changes in Assumptions: In 2023, the discount rate was updated to 3.67%. In 2022, the discount rate was updated to 3.60%. In 2021, the discount rate was updated to 2.23% and the mortality improvement scale was updated to Scale MP-2021. In 2020, the discount rate was updated to 2.36%. In 2019, the discount rate was updated to 3.63% and the mortality improvement scale was updated to Scale MP-2019. In 2018, the discount rate used to measure the total pension liability was 4.16 percent. In 2017, amounts reported reflect an adjustment of the discount rate from 6.25 percent to 3.95 percent. In 2016, amounts reported reflect an adjustment of the discount rate from 4.70 percent to 6.25 percent. In 2015, amounts reported reflect an adjustment of the discount rate from 5.55 percent to 4.70 percent. In 2014, amounts reported were based on the 5.55 percent discount rate.

Measurement Peri Measurement Period

2019	2018	2017	2016	2015	2014
$ 11,963	$ 12,235	$ 20,388	$ 30,000	$ 116,000	$ 112,000
133,267	130,692	161,327	141,000	178,000	168,000
281,983	(101,877)	803,038	(455,000)	346,000	-
477,904	-	(111,492)	-	(643,000)	-
(152,749)	(139,056)	(136,317)	(137,000)	(104,000)	(82,000)
752,368	(98,006)	736,944	(421,000)	(107,000)	198,000
3,267,938	3,365,944	2,629,000	3,050,000	3,157,000	2,959,000
$ 4,020,306	$ 3,267,938	$ 3,365,944	$ 2,629,000	$ 3,050,000	$ 3,157,000
$ 78,102	$ 74,100	$ 73,467	$ 78,000	$ 78,000	$ 59,000
-	-	-	-	-	-
31,817	36,931	49,861	9,000	13,000	75,000
(152,749)	(139,056)	(136,317)	(137,000)	(104,000)	(82,000)
-	-	-	-	-	-
(3,109)	(3,379)	(8,431)	(4,000)	(6,000)	(6,000)
-	-	-	-	-	-
(45,939)	(31,404)	(21,420)	(54,000)	(19,000)	46,000
580,176	611,580	633,000	687,000	706,000	660,000
$ 534,237	$ 580,176	$ 611,580	$ 633,000	$ 687,000	$ 706,000
$ 3,486,069	$ 2,687,762	$ 2,754,364	$ 1,996,000	$ 2,363,000	$ 2,451,000
13.29%	17.75%	18.17%	24.08%	22.52%	22.36%
$ 179,572	$ 172,512	n/a	$ 143,000	n/a	n/a
1941.32%	1558.01%	n/a	1395.80%	n/a	n/a

City of West Covina
Required Supplementary Information
Year Ended June 30, 2024

Schedule of Contributions – Last 10 Years
Agent Multiple-employer Plan – Miscellaneous Plan

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2024	$ 875,331	$ (875,331)	$ -	$ 9,025,556	9.70%
2023	1,541,102	(1,541,102)	-	8,453,677	18.23%
2022	1,212,353	(1,212,353)	-	7,100,111	17.08%
2021	3,887,907	(41,343,286)	(37,455,379)	6,699,270	617.13%
2020	3,588,349	(3,588,349)	-	7,843,755	45.75%
2019	3,041,539	(3,041,539)	-	8,498,816	35.79%
2018	2,610,696	(2,610,696)	-	12,173,646	21.45%
2017	2,449,585	(2,449,585)	-	14,062,225	17.42%
2016	1,871,710	(1,871,710)	-	9,349,710	20.02%
2015	1,507,469	(1,507,469)	-	9,381,292	16.07%

Schedule of Contributions – Last 10 Years
Agent Multiple-employer Plan – Safety Plan

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2024	$ 4,985,321	$ (4,985,321)	$ -	$ 20,183,420	24.70%
2023	5,590,927	(5,590,927)	-	19,136,013	29.22%
2022	4,920,803	(4,920,803)	-	18,840,380	26.12%
2021	14,008,612	(149,096,249)	(135,087,637)	17,133,244	81.76%
2020	12,592,730	(12,592,730)	-	16,447,485	76.56%
2019	11,174,096	(11,174,096)	-	16,289,859	68.60%
2018	10,515,780	(10,515,780)	-	14,051,195	74.84%
2017	10,058,079	(10,058,079)	-	17,084,933	58.87%
2016	8,387,165	(8,387,165)	-	17,288,458	48.51%
2015	7,339,064	(7,339,064)	-	16,517,686	44.43%

City of West Covina
Required Supplementary Information
Year Ended June 30, 2024

Schedule of Plan Contributions
PARS Pension Plan - EPMC
Last 10 Years

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2024	$ 250,000	$ (44,098)	$ 205,902	$ 6,751,360	0.65%
2023	251,000	(51,212)	199,788	8,046,588	0.64%
2022	173,000	(51,428)	121,572	6,238,365	0.82%
2021	173,000	(52,666)	120,334	7,202,240	0.73%
2020	134,000	(56,957)	77,043	10,222,450	0.56%
2019	134,000	(62,350)	71,650	14,447,921	0.43%
2018	104,000	(60,056)	43,944	n/a	n/a
2017	105,000	(66,000)	39,000	n/a	n/a
2016	105,000	(59,000)	46,000	13,737,000	0.43%
2015	82,000	(56,000)	26,000	n/a	n/a

Schedule of Plan Contributions
PARS Pension Plan - Executive Staff
Last 10 Years

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2024	$ 774,000	$ (86,183)	$ 687,817	$ -	n/a
2023	774,000	(75,852)	698,148	-	n/a
2022	487,000	(80,949)	406,051	202,292	40.02%
2021	488,000	(79,364)	408,636	269,281	29.47%
2020	313,000	(77,814)	235,186	219,555	35.44%
2019	314,000	(78,102)	235,898	179,572	43.49%
2018	278,000	(74,100)	203,900	n/a	n/a
2017	279,000	(73,000)	206,000	96,000	76.04%
2016	439,000	(78,000)	361,000	n/a	n/a
2015	439,000	(78,000)	361,000	n/a	n/a

City of West Covina
Required Supplementary Information
Year Ended June 30, 2024

Schedule of Changes in the Total OPEB Liability and Related Ratios - Last 10 Years*

	Measurement Period			
Total OPEB Liability	2023	2022	2021	2020
Service cost	$ 1,266,718	$ 1,774,641	$ 2,306,792	$ 1,575,501
Interest on total OPEB liability	1,919,454	1,418,451	1,704,367	2,156,480
Changes in assumptions	(427,546)	(11,680,203)	(3,773,434)	13,555,256
Differences between expected and actual experience	2,792,237	-	(8,698,716)	-
Benefit payments, including refunds	(2,500,938)	(2,403,386)	(2,513,526)	(2,509,638)
Net change in total OPEB liability	3,049,925	(10,890,497)	(10,974,517)	14,777,599
Total OPEB liability - beginning	54,205,612	65,096,109	76,070,626	61,293,027
Total OPEB liability - ending (a)	$ 57,255,537	$ 54,205,612	$ 65,096,109	$ 76,070,626
Covered Employee payroll	$ 39,913,385	$ 36,002,475	$ 33,956,907	$ 33,069,467
Total OPEB liability as percentage of covered - employee payroll	143.45%	150.56%	191.70%	230.03%

Notes to Schedule of Changes in Total OPEB Liability and Related Ratios:

Benefit Changes: None.

No assets are accumulated in a GASB-compliant trust.

* OPEB schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

Measurement Period		
2019	2018	2017
$ 1,545,500	$ 1,619,250	$ 1,913,541
2,285,257	2,158,673	1,889,517
2,887,380	(2,524,608)	(7,040,369)
(1,738,131)	-	-
(2,384,056)	(2,470,254)	(2,467,893)
2,595,950	(1,216,939)	(5,705,204)
58,697,077	59,914,016	65,619,220
$ 61,293,027	$ 58,697,077	$ 59,914,016
$ 26,672,215	$ 28,239,505	$ 26,527,000
229.80%	207.85%	225.86%

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SUPPLEMENTARY INFORMATION

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Citywide Debt Service Fund
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	$ 600,000	$ 1,049,592	$ 449,592
Revenue from Other Agencies	1,431,880	1,341,441	(90,439)
Total Revenues	2,031,880	2,391,033	359,153
EXPENDITURES			
Current:			
General Government	12,500	12,500	-
Public Safety	-	-	-
Debt Service:			
Principal	6,691,766	6,695,077	(3,311)
Interest	8,754,525	8,751,132	3,393
Total Expenditures	15,458,791	15,458,709	82
Excess (Deficiency) of Revenues over Expenditures	(13,426,911)	(13,067,676)	359,235
OTHER FINANCING SOURCES (USES)			
Transfers In	13,614,412	13,131,897	(482,515)
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	13,614,412	13,131,897	(482,515)
Net Change in Fund Balances	187,501	64,221	(123,280)
Fund Balance, Beginning	20,054,739	20,054,739	
Fund Balance, Ending	$ 20,242,240	$ 20,118,960	$ (123,280)

OTHER GOVERNMENTAL FUNDS

City of West Covina
Other Governmental Funds
Year Ended June 30, 2024

Special Revenue Funds

Drug Enforcement Rebate
This fund accounts for the City's portion of revenue received from drug asset seizures. The revenue is used to enhance the police programs.

Air Quality Improvement
This fund accounts for the City's portion of motor vehicle registration fees collected under AB 2766. This fee was levied to fund programs to reduce air pollution from mobile sources such as cars, trucks and buses. Money is distributed to the cities based on population, and additional discretionary grants are made based on specific requests.

Proposition C
This fund accounts for gasoline taxes which are restricted for transportation programs and projects.

Police Donations
This fund accounts for donations received and expenditures related to various police programs.

Transportation Development Act
This fund accounts for regional Transportation Development Act funds received from Los Angeles County which are used for local streets and roads.

AB939
This fund accounts for programs to reduce solid waste deposits in local landfills, pursuant to AB939.

Various Grants
This fund accounts for various Federal, State of California, and local grants that are restricted to expenditures for specific programs and projects.

Community Development Block Grant (CDBG)
This fund accounts for the activities of the Community Development Block Grant received from the U.S. Department of Housing and Urban Development.

Inmate Welfare
This fund accounts for any money, refund, rebate or commission received from a telephone call from inmates while incarcerated to meet the requirements of California Penal Code: Part 3; Title 4; Chapter 1; Section 4025. The monies are to be expended for the benefit, education, and welfare of inmates confined within the jail. Any funds that are not needed for the welfare of the inmates may be expended for the maintenance of the jail facilities.

Public Safety Augmentation
This fund accounts for sales tax revenue legally restricted for public safety. Revenue is used to augment police operations.

COPS/SLESA
This fund accounts for revenue from the State restricted for supplementing police operations.

City of West Covina
Other Governmental Funds
Year Ended June 30, 2024

Special Revenue Funds - Continued

Maintenance District #1
The City levies special benefit assessments and property taxes upon property within defined districts. Through the Los Angeles County Tax Collector, assessments are placed on the property owner's annual tax bill. These funds are used to maintain and improve the open spaces within the districts by providing landscape maintenance.

Maintenance District #2
The City levies special benefit assessments and property taxes upon property within defined districts. Through the Los Angeles County Tax Collector, assessments are placed on the property owner's annual tax bill. These funds are used to maintain and improve the open spaces within the districts by providing landscape maintenance.

Coastal Sage Shrub
This community facilities district was formed to provide for the restoration and ongoing maintenance of sensitive environmental habitat within the development area of a former landfill, including habitat for endangered species such as the California gnatcatcher (Polioptila californica).

Maintenance District #4
The City levies special benefit assessments and property taxes upon property within defined districts. Through the Los Angeles County Tax Collector, assessments are placed on the property owner's annual tax bill. These funds are used to maintain and improve the open spaces within the districts by providing landscape maintenance.

Maintenance District #6
The City levies special benefit assessments and property taxes upon property within defined districts. Through the Los Angeles County Tax Collector, assessments are placed on the property owner's annual tax bill. These funds are used to maintain and improve the open spaces within the districts by providing landscape maintenance.

Maintenance District #7
The City levies special benefit assessments and property taxes upon property within defined districts. Through the Los Angeles County Tax Collector, assessments are placed on the property owner's annual tax bill. These funds are used to maintain and improve the open spaces within the districts by providing landscape maintenance.

Citywide Maintenance District
Revenue for the fund comes from annual special benefit assessments from property owners who benefit from covered improvements. This fund provides the majority of funding for the City's street lighting system and street tree program.

Sewer Maintenance
This fund supports the City's street sweeping program and maintenance of the City's sewer system. The City also provides services to the City of Covina through this fund.

Auto Plaza Improvement District
This fund is an assessment district supported by six of West Covina's automobile dealers to fund the construction, maintenance and operations of a reader board adjacent to Interstate 10.

City of West Covina
Other Governmental Funds
Year Ended June 30, 2024

Special Revenue Funds - Continued

General Plan Update
This fund accounts for the General Plan and Zoning Code Update Surcharge which is designated to be used for future plan updates.

Measure W
This fund accounts for the special parcel tax on all property owners in Los Angeles County approved November 2018. This tax raises funds to pay for stormwater projects including the infrastructure and any associated programs to capture, treat and recycle rainwater.

Charter PEG
This fund accounts for monies received from the City's cable television franchisee for a one-time litigation settlement and for cable-related capital expenditures.

Art in Public Places
This fund accounts for development fees paid in lieu of acquisition and installation of approved artwork in a development with expenditures restricted to acquisition, installation, maintenance and repair of artworks at approved sites.

West Covina Community Services Foundation
This fund accounts for activity of the West Covina Community Services Foundation, a 501(c) (3) nonprofit organization.

Measure R
This fund accounts for sales tax revenues collected in Los Angeles County to provide transportation related projects and programs.

Measure M
Under Measure M, the City receives a portion of a ½ cent sales tax levied in Los Angeles County to provide transportation related projects and programs. The City uses Measure M Funds for certain capital projects or transportation projects such as street rehabilitation and reconstruction, traffic monitoring systems, and congestion management and planning.

Measure H
This funding accounts for funding received and expenditures related to prevent and combat homelessness.

CASP Training
This fund accounts for funding received and expenditure incurred to support jailer mental health awareness training programs.

Sportsplex
This fund accounts for activity at the West Covina Sportsplex, a recreation facility which amenities include softball fields, a pavilion, playgrounds, and restaurants.

Capital Projects Funds

City Capital Projects
This fund accounts for all capital expenditures not being accounted for in the capital projects described below or in other fund types.

City of West Covina
Other Governmental Funds
Year Ended June 30, 2024

Capital Projects Funds - Continued

Construction Tax
This fund accounts for monies received from developers based on the construction of dwelling units and used primarily to construct public domain assets.

Information Technology
The funds paid into this fund are to be used for information technology capital outlay projects.

Development Impact Fees
This fund accounts for fees received from residential developers to help fund the purchase/replacement of vehicles/equipment along with the repairs and improvements of city facilities.

Park Development
This fund accounts for park fees received from residential developers to be used for new park construction.

Future Street Improvements
This fund accounts for monies paid in-lieu of street rehabilitation improvements.

City of West Covina
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2024

	Special Revenue			
	Drug Enforcement Rebate	Air Quality Improvement	Proposition C	Police Donations
ASSETS				
Cash and Investments	$ 7,011,775	$ 430,063	$ 3,143,369	$ 29,908
Restricted Cash and Investments	-	-	-	-
Receivables, net:				
Accounts	-	-	-	-
Taxes	-	-	187,002	-
Notes and Loans				
Other	64,165	-	-	-
Due from Other Agencies	-	36,299	-	-
Prepaid Items	-	-	-	-
Total Assets	$ 7,075,940	$ 466,362	$ 3,330,371	$ 29,908
LIABILITIES				
Accounts Payable	$ 168,498	$ -	$ 710,438	$ -
Other Accrued Liabilities	5,773	-	1,762	-
Deposits Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Advances from Other Funds	-	-	-	-
Total Liabilities	174,271	-	712,200	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	36,299	-	-
Total Deferred Inflows of Resources	-	36,299	-	-
FUND BALANCE (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	6,901,669	430,063	2,618,171	29,908
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	6,901,669	430,063	2,618,171	29,908
Total Liabilities, Deferred Inflows and Fund Balances (Deficits)	$ 7,075,940	$ 466,362	$ 3,330,371	$ 29,908

Special Revenue							
Transportation Development Act	AB939	Various Grants	Community Development Block Grant	Inmate Welfare	Public Safety Augmentation	COPS/SLESA
$ 42,601	$ 1,437,611	$ 1,049,948	$ -	$ 7,242	$ 246,991	$ 34,936
-	-	-	4,614	-	-	-
-	-	57,336	-	-	-	-
-	-	-	-	-	171,089	158,801
			2,849,427			
-	78,881	432	-	-	-	-
-	-	384,623	37,797	-	-	-
-	-	-	-	-	-	-
$ 42,601	$ 1,516,492	$ 1,492,339	$ 2,891,838	$ 7,242	$ 418,080	$ 193,737
$ 1,203	$ 1,064	$ 109,609	$ 13,939	$ -	$ 13,482	$ 1,833
-	234	200,374	4,223	-	19,542	4,278
-	-	-	-	-	-	-
-	-	-	47,287	-	-	-
-	-	-	-	-	-	-
1,203	1,298	309,983	65,449	-	33,024	6,111
-	-	385,395	-	-	-	158,801
-	-	385,395	-	-	-	158,801
-	-	-	-	-	-	-
41,398	1,515,194	796,961	2,826,389	7,242	385,056	28,825
-	-	-	-	-	-	-
-	-	-	-	-	-	-
41,398	1,515,194	796,961	2,826,389	7,242	385,056	28,825
$ 42,601	$ 1,516,492	$ 1,492,339	$ 2,891,838	$ 7,242	$ 418,080	$ 193,737

Continued

City of West Covina
Combining Balance Sheet
Non-major Governmental Funds - Continued
June 30, 2024

	Special Revenue			
	Maintenance District #1	Maintenance District #2	Coastal Sage Shrub	Maintenance District #4
ASSETS				
Cash and Investments	$ 4,310,214	$ 1,178,104	$ 538,813	$ 2,218,973
Restricted Cash and Investments	-	-	-	-
Receivables, net:				
Accounts	-	-	-	-
Taxes	8,722	1,492	-	11,461
Other	-	-	-	-
Due from Other Agencies	-	-	-	-
Prepaid Items	-	-	-	-
Total Assets	$ 4,318,936	$ 1,179,596	$ 538,813	$ 2,230,434
LIABILITIES				
Accounts Payable	$ 75,952	$ 28,158	$ 5,568	$ 84,257
Other Accrued Liabilities	6,132	551	-	1,370
Deposits Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Advances from Other Funds	-	-	-	-
Total Liabilities	82,084	28,709	5,568	85,627
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCE (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	4,236,852	1,150,887	533,245	2,144,807
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	4,236,852	1,150,887	533,245	2,144,807
Total Liabilities, Deferred Inflows and Fund Balances (Deficits)	$ 4,318,936	$ 1,179,596	$ 538,813	$ 2,230,434

Special Revenue								
Maintenance District #6	Maintenance District #7	Citywide Maintenance District	Sewer Maintenance	Auto Plaza Improvement District	General Plan Update	Measure W	Charter PEG
$ 340,737	$ 474,152	$ 843,701	$ 14,220,707	$ 199,223	$ 1,305,096	$ 5,881,577	$ 13,569
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,275	2,993	25,934	57,523	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,347,540	-
-	-	-	-	-	-	-	-
$ 343,012	$ 477,145	$ 869,635	$ 14,278,230	$ 199,223	$ 1,305,096	$ 7,229,117	$ 13,569
$ 17,280	$ 16,670	$ 143,056	$ 749,539	$ 62,025	$ 23	$ 64,739	$ -
375	375	1,998	53,487	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	115,159	-	-	-
17,655	17,045	145,054	803,026	177,184	23	64,739	-
-	-	-	-	-	-	1,347,540	-
-	-	-	-	-	-	1,347,540	-
-	-	-	-	-	-	-	-
325,357	460,100	724,581	13,475,204	22,039	1,305,073	5,816,838	13,569
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
325,357	460,100	724,581	13,475,204	22,039	1,305,073	5,816,838	13,569
$ 343,012	$ 477,145	$ 869,635	$ 14,278,230	$ 199,223	$ 1,305,096	$ 7,229,117	$ 13,569

Continued

City of West Covina
Combining Balance Sheet
Non-major Governmental Funds - Continued
June 30, 2024

	Special Revenue			
	Art in Public Places	West Covina Community Services Found.	Measure R	Measure M
ASSETS				
Cash and Investments	$ 727,480	$ -	$ 5,459,175	$ 9,188,612
Restricted Cash and Investments	4,000	-	-	-
Receivables, net:				
Accounts	-	-	-	-
Taxes	-	-	140,664	159,477
Other	-	1,200	-	-
Due from Other Agencies	-	-	-	-
Prepaid Items	-	39,170	-	-
Total Assets	$ 731,480	$ 40,370	$ 5,599,839	$ 9,348,089
LIABILITIES				
Accounts Payable	$ -	$ 11,621	$ 79,000	$ 155,800
Other Accrued Liabilities	-	-	6,063	-
Deposits Payable	4,000	-	-	-
Due to Other Funds	-	13,804	-	-
Advances from Other Funds	-	-	-	-
Total Liabilities	4,000	25,425	85,063	155,800
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCE (DEFICITS)				
Nonspendable	-	39,170	-	-
Restricted	727,480	-	5,514,776	9,192,289
Assigned	-	-	-	-
Unassigned	-	(24,225)	-	-
Total Fund Balances (Deficits)	727,480	14,945	5,514,776	9,192,289
Total Liabilities, Deferred Inflows and Fund Balances (Deficits)	$ 731,480	$ 40,370	$ 5,599,839	$ 9,348,089

Special Revenue			Capital Projects			
Measure H	CASP Training Fund	Sportsplex	City	Construction Tax	Information Technology	Development Impact Fees
$ 51,427	$ 113,461	$ 65,300	$ 8,551,388	$ 245,225	$ 508,502	$ 685,834
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	112	3,061	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	62,731	-
$ 51,427	$ 113,573	$ 68,361	$ 8,551,388	$ 245,225	$ 571,233	$ 685,834
$ -	$ -	$ 38,235	$ 59,207	$ -	$ 29,037	$ -
-	-	30,126	4,253	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	68,361	63,460	-	29,037	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	62,731	-
51,427	113,573	-	-	245,225	479,465	685,834
-	-	-	8,487,928	-	-	-
-	-	-	-	-	-	-
51,427	113,573	-	8,487,928	245,225	542,196	685,834
$ 51,427	$ 113,573	$ 68,361	$ 8,551,388	$ 245,225	$ 571,233	$ 685,834

Continued

City of West Covina
Combining Balance Sheet
Non-major Governmental Funds - Continued
June 30, 2024

	Capital Projects		
	Park Development	Future Street Improvements	Total
ASSETS			
Cash and Investments	$ 7,542,476	$ 428,172	$ 78,526,362
Restricted Cash and Investments	-	-	8,614
Receivables, net:			
Accounts	-	-	57,336
Taxes	-	-	927,433
			2,849,427
Other	-	-	147,851
Due from Other Agencies	-	-	1,806,259
Prepaid Items	-	-	101,901
Total Assets	$ 7,542,476	$ 428,172	$ 84,425,183
LIABILITIES			
Accounts Payable	$ -	$ -	$ 2,640,233
Other Accrued Liabilities	-	-	340,916
Deposits Payable	-	-	4,000
Due to Other Funds	-	-	61,091
Advances from Other Funds	-	-	115,159
Total Liabilities	-	-	3,161,399
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	-	-	1,928,035
Total Deferred Inflows of Resources	-	-	1,928,035
FUND BALANCE (DEFICITS)			
Nonspendable	-	-	101,901
Restricted	7,542,476	428,172	70,770,145
Assigned	-	-	8,487,928
Unassigned	-	-	(24,225)
Total Fund Balances (Deficits)	7,542,476	428,172	79,335,749
Total Liabilities, Deferred Inflows and Fund Balances (Deficits)	$ 7,542,476	$ 428,172	$ 84,425,183

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City of West Covina
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
Year Ended June 30, 2024

	Special Revenue			
	Drug Enforcement Rebate	Air Quality Improvement	Proposition C	Police Donations
REVENUES				
Taxes	$ -	$ -	$ 2,380,775	$ -
Special Assessments	-	-	-	-
Investment Income	201,232	11,250	88,397	901
Rental Income	-	-	-	-
Revenue from Other Agencies	2,521,247	108,830	-	-
Charges for Services	-	-	12,357	-
Other Revenues	120,273	-	3,138	1,920
Total Revenues	2,842,752	120,080	2,484,667	2,821
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	1,575,729	-	-	4,209
Public Works	-	57,242	472,762	-
Community Services	-	-	1,712,695	-
Community Development	-	-	8,000	-
Total Expenditures	1,575,729	57,242	2,193,457	4,209
Excess (Deficiency) of Revenues Over Expenditures	1,267,023	62,838	291,210	(1,388)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	1,267,023	62,838	291,210	(1,388)
Fund Balances, Beginning, as Previously Reported	5,634,646	367,225	2,326,961	31,296
Restatement for Correction of an Error	-	-	-	-
Fund Balances, Beginning, as Restated	5,634,646	367,225	2,326,961	31,296
Fund Balances - Ending	$ 6,901,669	$ 430,063	$ 2,618,171	$ 29,908

Special Revenue						
Transportation Development Act	AB939	Various Grants	Community Development Block Grant	Inmate Welfare	Public Safety Augmentation	COPS/SLESA
$ -	$ -	$ -	$ -	$ -	$ 970,096	$ -
-	-	-	-	-	-	-
1,293	40,179	39,036	-	239	13,308	1,917
-	-	-	-	-	-	-
-	-	1,012,655	180,813	-	-	311,793
-	-	-	-	-	-	-
-	312,310	67,003	-	-	-	-
1,293	352,489	1,118,694	180,813	239	983,404	313,710
-	-	-	-	-	-	-
-	-	630,766	409	1,620	1,159,514	284,885
1,779	63,773	172,870	8,979	-	-	-
-	29	384,117	209,810	-	-	-
-	-	187,479	37,558	-	-	-
1,779	63,802	1,375,232	256,756	1,620	1,159,514	284,885
(486)	288,687	(256,538)	(75,943)	(1,381)	(176,110)	28,825
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(486)	288,687	(256,538)	(75,943)	(1,381)	(176,110)	28,825
41,884	1,226,507	1,053,499	(2,357)	8,623	561,166	-
-	-	-	2,904,689	-	-	-
41,884	1,226,507	1,053,499	2,902,332	8,623	561,166	-
$ 41,398	$ 1,515,194	$ 796,961	$ 2,826,389	$ 7,242	$ 385,056	$ 28,825

Continued

City of West Covina
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds - Continued
Year Ended June 30, 2024

	Special Revenue			
	Maintenance District #1	Maintenance District #2	Coastal Sage Shrub	Maintenance District #4
REVENUES				
Taxes	$ 733,252	$ 253,016	$ 107,649	$ -
Special Assessments	-	-	-	1,156,012
Investment Income	122,711	32,787	15,813	62,014
Rental Income	-	-	-	-
Revenue from Other Agencies	-	-	-	-
Charges for Services	-	-	-	-
Other Revenues	-	-	-	-
Total Revenues	855,963	285,803	123,462	1,218,026
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	505,772	187,045	79,861	1,115,481
Community Services	-	-	-	-
Community Development	-	-	-	-
Total Expenditures	505,772	187,045	79,861	1,115,481
Excess (Deficiency) of Revenues Over Expenditures	350,191	98,758	43,601	102,545
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	350,191	98,758	43,601	102,545
Fund Balances, Beginning, as Previously Reported	3,886,661	1,052,129	489,644	2,042,262
Restatement for Correction of an Error	-	-	-	-
Fund Balances, Beginning, as Restated	3,886,661	1,052,129	489,644	2,042,262
Fund Balances - Ending	$ 4,236,852	$ 1,150,887	$ 533,245	$ 2,144,807

Special Revenue							
Maintenance District #6	Maintenance District #7	Citywide Maintenance District	Sewer Maintenance	Auto Plaza Improvement District	General Plan Update	Measure W	Charter PEG
$ -	$ -	$ -	$ 407,208	$ 128,505	$ -	$ 1,347,540	$ -
153,616	173,979	1,868,113	3,853,822	-	-	-	-
9,551	13,564	22,494	375,493	5,275	-	159,455	404
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	162,064	-	-
-	-	-	-	-	-	-	-
163,167	187,543	1,890,607	4,636,523	133,780	162,064	1,506,995	404
-	-	-	-	-	-	-	-
-	-	-	316	-	-	-	-
148,896	169,600	1,870,334	2,297,902	-	-	311,916	-
-	-	173	-	-	-	-	-
-	-	5	16	105,718	-	-	-
148,896	169,600	1,870,512	2,298,234	105,718	-	311,916	-
14,271	17,943	20,095	2,338,289	28,062	162,064	1,195,079	404
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
14,271	17,943	20,095	2,338,289	28,062	162,064	1,195,079	404
311,086	442,157	704,486	11,136,915	(6,023)	1,143,009	4,621,759	13,165
-	-	-	-	-	-	-	-
311,086	442,157	704,486	11,136,915	(6,023)	1,143,009	4,621,759	13,165
$ 325,357	$ 460,100	$ 724,581	$ 13,475,204	$ 22,039	$ 1,305,073	$ 5,816,838	$ 13,569

Continued

City of West Covina
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds - Continued
Year Ended June 30, 2024

	Special Revenue			
	Art in Public Places	West Covina Community Services Found.	Measure R	Measure M
REVENUES				
Taxes	$ -	$ -	$ 1,785,023	$ 2,015,670
Special Assessments	-	-	-	-
Investment Income	21,780	-	157,760	252,811
Rental Income	-	-	-	-
Revenue from Other Agencies	-	-	-	-
Charges for Services	-	-	2,615	-
Other Revenues	-	104,036	-	-
Total Revenues	21,780	104,036	1,945,398	2,268,481
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	5,673	-	-
Public Works	-	-	689,172	268,722
Community Services	-	92,466	367,739	-
Community Development	-	67,614	-	-
Total Expenditures	-	165,753	1,056,911	268,722
Excess (Deficiency) of Revenues Over Expenditures	21,780	(61,717)	888,487	1,999,759
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	21,780	(61,717)	888,487	1,999,759
Fund Balances, Beginning, as Previously Reported	705,700	76,662	4,626,289	7,192,530
Restatement for Correction of an Error	-	-	-	-
Fund Balances, Beginning, as Restated	705,700	76,662	4,626,289	7,192,530
Fund Balances - Ending	$ 727,480	$ 14,945	$ 5,514,776	$ 9,192,289

Special Revenue			Capital Projects			
Measure H	CASP Training Fund	Sportsplex	City	Construction Tax	Information Technology	Development Impact Fees
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
1,092	3,557	-	-	7,352	-	-
-	-	126,936	-	-	-	-
-	(19,189)	-	-	-	309,848	-
-	-	-	-	-	-	-
42,616	-	-	-	-	90,150	84,500
43,708	(15,632)	126,936	-	7,352	399,998	84,500
-	-	-	-	-	306,297	-
-	-	-	-	-	-	32,803
-	-	-	631,521	2,900	-	-
-	-	998,547	-	-	-	-
-	-	-	-	-	-	-
-	-	998,547	631,521	2,900	306,297	32,803
43,708	(15,632)	(871,611)	(631,521)	4,452	93,701	51,697
-	-	871,611	1,501,600	-	-	-
-	-	-	-	-	-	-
-	-	871,611	1,501,600	-	-	-
43,708	(15,632)	-	870,079	4,452	93,701	51,697
7,719	129,205	-	7,617,849	240,773	448,495	634,137
-	-	-	-	-	-	-
7,719	129,205	-	7,617,849	240,773	448,495	634,137
$ 51,427	$ 113,573	$ -	$ 8,487,928	$ 245,225	$ 542,196	$ 685,834

Continued

City of West Covina
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds - Continued
Year Ended June 30, 2024

	Capital Projects		
	Park Development	Future Street Improvements	Total
REVENUES			
Taxes	$ -	$ -	$ 10,128,734
Special Assessments	-	-	7,205,542
Investment Income	223,495	-	1,885,160
Rental Income	-	-	126,936
Revenue from Other Agencies	-	-	4,425,997
Charges for Services	-	-	177,036
Other Revenues	427,050	-	1,252,996
Total Revenues	650,545	-	25,202,401
EXPENDITURES			
Current:			
General Government	-	-	306,297
Public Safety	-	-	3,695,924
Public Works	15,471	-	9,071,998
Community Services	-	-	3,765,576
Community Development	-	-	406,390
Total Expenditures	15,471	-	17,246,185
Excess (Deficiency) of Revenues Over Expenditures	635,074	-	7,956,216
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	2,373,211
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	2,373,211
Net Change in Fund Balances	635,074	-	10,329,427
Fund Balances, Beginning, as Previously Reported	6,907,402	428,172	66,101,633
Restatement for Correction of an Error	-	-	2,904,689
Fund Balances, Beginning, as Restated	6,907,402	428,172	69,006,322
Fund Balances - Ending	$ 7,542,476	$ 428,172	$ 79,335,749

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Drug Enforcement Rebate Special Revenue Fund
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	$ 32,990	$ 201,232	$ 168,242
Revenues from Other Agencies	-	2,521,247	2,521,247
Other Revenues	-	120,273	120,273
Total Revenues	32,990	2,842,752	2,809,762
EXPENDITURES			
Current:			
Public Safety	2,730,039	1,575,729	1,154,310
Total Expenditures	2,730,039	1,575,729	1,154,310
Excess (Deficiency) of Revenues over Expenditures	(2,697,049)	1,267,023	3,964,072
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(2,697,049)	1,267,023	3,964,072
Fund Balance, Beginning	5,634,646	5,634,646	-
Fund Balance, Ending	$ 2,937,597	$ 6,901,669	$ 3,964,072

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Air Quality Improvement Special Revenue Fund
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	$ 3,400	$ 11,250	$ 7,850
Revenue from Other Agencies	136,500	108,830	(27,670)
Other Revenues	-	-	-
Total Revenues	139,900	120,080	(19,820)
EXPENDITURES			
Current:			
Public Works	226,500	57,242	169,258
Total Expenditures	226,500	57,242	169,258
Excess (Deficiency) of Revenues over Expenditures	(86,600)	62,838	149,438
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(86,600)	62,838	149,438
Fund Balance, Beginning	367,225	367,225	-
Fund Balance, Ending	$ 280,625	$ 430,063	$ 149,438

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Proposition C Special Revenue Fund
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	$ 2,594,875	$ 2,380,775	$ (214,100)
Investment Income	28,010	88,397	60,387
Charges for Services	-	12,357	12,357
Other Revenues	-	3,138	3,138
Total Revenues	2,622,885	2,484,667	(138,218)
EXPENDITURES			
Current:			
Public Works	539,681	472,762	66,919
Community Services	2,201,280	1,712,695	488,585
Community Development	6,591	8,000	(1,409)
Total Expenditures	2,747,552	2,193,457	554,095
Excess (Deficiency) of Revenues over Expenditures	(124,667)	291,210	415,877
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(124,667)	291,210	415,877
Fund Balance, Beginning	2,326,961	2,326,961	-
Fund Balance, Ending	$ 2,202,294	$ 2,618,171	$ 415,877

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Police Donations Special Revenue Fund
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	$ 370	$ 901	$ 531
Other Revenues	1,000	1,920	920
Total Revenues	1,370	2,821	1,451
EXPENDITURES			
Current:			
Public Safety	12,000	4,209	7,791
Total Expenditures	12,000	4,209	7,791
Excess (Deficiency) of Revenues over Expenditures	(10,630)	(1,388)	9,242
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(10,630)	(1,388)	9,242
Fund Balance, Beginning	31,296	31,296	-
Fund Balance, Ending	$ 20,666	$ 29,908	$ 9,242

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Transportation Development Act Special Revenue Fund
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	$ -	$ 1,293	$ 1,293
Revenue from Other Agencies	70,000	-	(70,000)
Total Revenues	70,000	1,293	(68,707)
EXPENDITURES			
Current:			
Public Works	175,939	1,779	174,160
Total Expenditures	175,939	1,779	174,160
Excess (Deficiency) of Revenues over Expenditures	(105,939)	(486)	105,453
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(105,939)	(486)	105,453
Fund Balance, Beginning	41,884	41,884	-
Fund Balance, Ending	$ (64,055)	$ 41,398	$ 105,453

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - AB 939 Special Revenue Fund
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	$ 12,540	$ 40,179	$ 27,639
Other Revenues	292,000	312,310	20,310
Total Revenues	304,540	352,489	47,949
EXPENDITURES			
Current:			
Public Works	184,715	63,773	120,942
Community Services	-	29	(29)
Total Expenditures	184,715	63,802	120,913
Excess (Deficiency) of Revenues over Expenditures	119,825	288,687	168,862
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	119,825	288,687	168,862
Fund Balance, Beginning	1,226,507	1,226,507	-
Fund Balance, Ending	$ 1,346,332	$ 1,515,194	$ 168,862

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Various Grants Special Revenue Fund
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	$ 7,220	$ 39,036	$ 31,816
Revenue from Other Agencies	1,485,465	1,012,655	(472,810)
Other Revenues	20,000	67,003	47,003
Total Revenues	1,512,685	1,118,694	(393,991)
EXPENDITURES			
Current:			
Public Safety	691,593	630,766	60,827
Public Works	12,706,899	172,870	12,534,029
Community Services	410,572	384,117	26,455
Community Development	580,000	187,479	392,521
Total Expenditures	14,389,064	1,375,232	13,013,832
Excess (Deficiency) of Revenues over Expenditures	(12,876,379)	(256,538)	12,619,841
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(12,876,379)	(256,538)	12,619,841
Fund Balance, Beginning	1,053,499	1,053,499	-
Fund Balance, Ending	$ (11,822,880)	$ 796,961	$ 12,619,841

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Community Development Block Grant Special Revenue Fund
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	$ -	$ -	$ -
Revenues from Other Agencies	2,516,679	180,813	(2,335,866)
Other Revenues	-	-	-
Total Revenues	2,516,679	180,813	(2,335,866)
EXPENDITURES			
Current:			
Public Safety	1,000,400	409	999,991
Public Works	727,945	8,979	718,966
Community Services	1,010,030	209,810	800,220
Community Development	330,008	37,558	292,450
Total Expenditures	3,068,383	256,756	2,811,627
Excess (Deficiency) of Revenues over Expenditures	(551,704)	(75,943)	475,761
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(551,704)	(75,943)	475,761
Fund Balance, Beginning, Restated	2,902,332	2,902,332	-
Fund Balance, Ending	$ 2,350,628	$ 2,826,389	$ 475,761

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Inmate Welfare Special Revenue Fund
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	$ -	$ 239	$ 239
Charges for Services	1,500	-	(1,500)
Total Revenues	1,500	239	(1,261)
EXPENDITURES			
Current:			
Public Safety	2,000	1,620	380
Total Expenditures	2,000	1,620	380
Excess (Deficiency) of Revenues over Expenditures	(500)	(1,381)	(881)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(500)	(1,381)	(881)
Fund Balance, Beginning	8,623	8,623	-
Fund Balance, Ending	$ 8,123	$ 7,242	$ (881)

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Public Safety Augmentation Special Revenue Fund
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	$ 972,700	$ 970,096	$ (2,604)
Investment Income	9,140	13,308	4,168
Total Revenues	981,840	983,404	1,564
EXPENDITURES			
Current:			
Public Safety	1,157,045	1,159,514	(2,469)
Total Expenditures	1,157,045	1,159,514	(2,469)
Excess (Deficiency) of Revenues over Expenditures	(175,205)	(176,110)	(905)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(175,205)	(176,110)	(905)
Fund Balance, Beginning	561,166	561,166	-
Fund Balance, Ending	$ 385,961	$ 385,056	$ (905)

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - COPS/SLESA Special Revenue Fund
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	$ 3,480	$ 1,917	$ (1,563)
Revenue from Other Agencies	285,000	311,793	26,793
Total Revenues	288,480	313,710	25,230
EXPENDITURES			
Current:			
Public Safety	285,650	284,885	765
Total Expenditures	285,650	284,885	765
Excess (Deficiency) of Revenues over Expenditures	2,830	28,825	25,995
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	2,830	28,825	25,995
Fund Balance, Beginning	-	-	-
Fund Balance, Ending	$ 2,830	$ 28,825	$ 25,995

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Maintenance District #1 Special Revenue Fund
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	$ 679,100	$ 733,252	$ 54,152
Investment Income	38,000	122,711	84,711
Total Revenues	717,100	855,963	138,863
EXPENDITURES			
Current:			
Public Works	890,142	505,772	384,370
Total Expenditures	890,142	505,772	384,370
Excess (Deficiency) of Revenues over Expenditures	(173,042)	350,191	523,233
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(173,042)	350,191	523,233
Fund Balance, Beginning	3,886,661	3,886,661	-
Fund Balance, Ending	$ 3,713,619	$ 4,236,852	$ 523,233

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Maintenance District #2 Special Revenue Fund
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	$ 249,500	$ 253,016	$ 3,516
Investment Income	7,550	32,787	25,237
Total Revenues	257,050	285,803	28,753
EXPENDITURES			
Current:			
Public Works	528,164	187,045	341,119
Total Expenditures	528,164	187,045	341,119
Excess (Deficiency) of Revenues over Expenditures	(271,114)	98,758	369,872
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(271,114)	98,758	369,872
Fund Balance, Beginning	1,052,129	1,052,129	-
Fund Balance, Ending	$ 781,015	$ 1,150,887	$ 369,872

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Coastal Sage Shrub Special Revenue Fund
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	$ 98,500	$ 107,649	$ 9,149
Investment Income	4,550	15,813	11,263
Total Revenues	103,050	123,462	20,412
EXPENDITURES			
Current:			
Public Works	103,050	79,861	23,189
Total Expenditures	103,050	79,861	23,189
Excess (Deficiency) of Revenues over Expenditures	-	43,601	43,601
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	-	43,601	43,601
Fund Balance, Beginning	489,644	489,644	-
Fund Balance, Ending	$ 489,644	$ 533,245	$ 43,601

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Maintenance District #4 Special Revenue Fund
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Special Assessments	$ 1,013,390	$ 1,156,012	$ 142,622
Investment Income	17,960	62,014	44,054
Total Revenues	1,031,350	1,218,026	186,676
EXPENDITURES			
Current:			
Public Works	1,693,050	1,115,481	577,569
Total Expenditures	1,693,050	1,115,481	577,569
Excess (Deficiency) of Revenues over Expenditures	(661,700)	102,545	764,245
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(661,700)	102,545	764,245
Fund Balance, Beginning	2,042,262	2,042,262	-
Fund Balance, Ending	$ 1,380,562	$ 2,144,807	$ 764,245

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Maintenance District #6 Special Revenue Fund
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Special Assessments	$ 158,220	$ 153,616	$ (4,604)
Investment Income	2,060	9,551	7,491
Total Revenues	160,280	163,167	2,887
EXPENDITURES			
Current:			
Public Works	332,044	148,896	183,148
Total Expenditures	332,044	148,896	183,148
Excess (Deficiency) of Revenues over Expenditures	(171,764)	14,271	186,035
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(171,764)	14,271	186,035
Fund Balance, Beginning	311,086	311,086	-
Fund Balance, Ending	$ 139,322	$ 325,357	$ 186,035

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Maintenance District #7 Special Revenue Fund
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Special Assessments	$ 176,220	$ 173,979	$ (2,241)
Investment Income	3,130	13,564	10,434
Total Revenues	179,350	187,543	8,193
EXPENDITURES			
Current:			
Public Works	328,236	169,600	158,636
Total Expenditures	328,236	169,600	158,636
Excess (Deficiency) of Revenues over Expenditures	(148,886)	17,943	166,829
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(148,886)	17,943	166,829
Fund Balance, Beginning	442,157	442,157	-
Fund Balance, Ending	$ 293,271	$ 460,100	$ 166,829

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Citywide Maintenance District Special Revenue Fund
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Special Assessments	$ 1,868,880	$ 1,868,113	$ (767)
Investment Income	8,140	22,494	14,354
Total Revenues	1,877,020	1,890,607	13,587
EXPENDITURES			
Current:			
Public Works	2,614,695	1,870,334	744,361
Community Services	-	173	(173)
Community Development	-	5	(5)
Total Expenditures	2,614,695	1,870,512	744,183
Excess (Deficiency) of Revenues over Expenditures	(737,675)	20,095	757,770
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(737,675)	20,095	757,770
Fund Balance, Beginning	704,486	704,486	-
Fund Balance, Ending	$ (33,189)	$ 724,581	$ 757,770

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Sewer Maintenance Special Revenue Fund
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	$ 344,000	$ 407,208	$ 63,208
Special Assessments	3,898,300	3,853,822	(44,478)
Investment Income	109,900	375,493	265,593
Charges for Services	-	-	-
Total Revenues	4,352,200	4,636,523	284,323
EXPENDITURES			
Current:			
Public Safety	200	316	(116)
Public Works	6,622,317	2,297,902	4,324,415
Community Development	-	16	(16)
Total Expenditures	6,622,517	2,298,234	4,324,283
Excess (Deficiency) of Revenues over Expenditures	(2,270,317)	2,338,289	4,608,606
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(2,270,317)	2,338,289	4,608,606
Fund Balance, Beginning	11,136,915	11,136,915	-
Fund Balance, Ending	$ 8,866,598	$ 13,475,204	$ 4,608,606

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Auto Plaza Improvement District Special Revenue Fund
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	$ 101,080	$ 128,505	$ 27,425
Investment Income	1,290	5,275	3,985
Total Revenues	102,370	133,780	31,410
EXPENDITURES			
Current:			
Community Development	63,520	105,718	(42,198)
Total Expenditures	63,520	105,718	(42,198)
Excess (Deficiency) of Revenues over Expenditures	38,850	28,062	(10,788)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	38,850	28,062	(10,788)
Fund Balance, Beginning	(6,023)	(6,023)	-
Fund Balance, Ending	$ 32,827	$ 22,039	$ (10,788)

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Plan Update Special Revenue Fund
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Charges for Services	$ 302,500	$ 162,064	$ (140,436)
Investment Income	-	-	-
Total Revenues	302,500	162,064	(140,436)
EXPENDITURES			
Current:			
Community Development	500,000	-	500,000
Total Expenditures	500,000	-	500,000
Excess (Deficiency) of Revenues over Expenditures	(197,500)	162,064	359,564
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(197,500)	162,064	359,564
Fund Balance, Beginning	1,143,009	1,143,009	-
Fund Balance, Ending	$ 945,509	$ 1,305,073	$ 359,564

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Measure W Special Revenue Fund
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	$ 1,370,000	$ 1,347,540	$ (22,460)
Investment Income	11,520	159,455	147,935
Investment Income	-	-	-
Total Revenues	1,381,520	1,506,995	125,475
EXPENDITURES			
Current:			
Public Works	1,708,747	311,916	1,396,831
Total Expenditures	1,708,747	311,916	1,396,831
Excess (Deficiency) of Revenues over Expenditures	(327,227)	1,195,079	1,522,306
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(327,227)	1,195,079	1,522,306
Fund Balance, Beginning	4,621,759	4,621,759	-
Fund Balance, Ending	$ 4,294,532	$ 5,816,838	$ 1,522,306

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Charter PEG Special Revenue Fund
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	$ -	$ -	$ -
Investment Income	70	404	334
Total Revenues	70	404	334
EXPENDITURES			
Current:			
General Government	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues over Expenditures	70	404	334
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	70	404	334
Fund Balance, Beginning	13,165	13,165	-
Fund Balance, Ending	$ 13,235	$ 13,569	$ 334

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Art in Public Spaces Special Revenue Fund
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	$ 3,750	$ 21,780	$ 18,030
Other Revenues	-	-	-
Total Revenues	3,750	21,780	18,030
EXPENDITURES			
Current:			
Public Works	199,998	-	199,998
Total Expenditures	199,998	-	199,998
Excess (Deficiency) of Revenues over Expenditures	(196,248)	21,780	218,028
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(196,248)	21,780	218,028
Fund Balance, Beginning	705,700	705,700	
Fund Balance, Ending	$ 509,452	$ 727,480	$ 218,028

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - West Covina Community Svcs. Found. Special Revenue Fund
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	$ -	$ -	$ -
Other Revenues	146,994	104,036	(42,958)
Total Revenues	146,994	104,036	(42,958)
EXPENDITURES			
Current:			
General Government	-	-	-
Public Safety	19,060	5,673	13,387
Community Services	239,000	92,466	146,534
Community Development	30,000	67,614	(37,614)
Total Expenditures	288,060	165,753	122,307
Excess (Deficiency) of Revenues over Expenditures	(141,066)	(61,717)	79,349
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(141,066)	(61,717)	79,349
Fund Balance, Beginning	76,662	76,662	-
Fund Balance, Ending	$ (64,404)	$ 14,945	$ 79,349

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Measure R Special Revenue Fund
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	$ 1,946,156	$ 1,785,023	$ (161,133)
Charges for Services	-	2,615	2,615
Investment Income	49,830	157,760	107,930
Total Revenues	1,995,986	1,945,398	(50,588)
EXPENDITURES			
Current:			
Public Works	2,238,241	689,172	1,549,069
Community Services	512,342	367,739	144,603
Total Expenditures	2,750,583	1,056,911	1,693,672
Excess (Deficiency) of Revenues over Expenditures	(754,597)	888,487	1,643,084
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(754,597)	888,487	1,643,084
Fund Balance, Beginning	4,626,289	4,626,289	-
Fund Balance, Ending	$ 3,871,692	$ 5,514,776	$ 1,643,084

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Measure M Special Revenue Fund
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	$ 2,205,644	$ 2,015,670	$ (189,974)
Investment Income	71,610	252,811	181,201
Total Revenues	2,277,254	2,268,481	(8,773)
EXPENDITURES			
Current:			
Public Works	4,651,679	268,722	4,382,957
Community Services	-	-	-
Total Expenditures	4,651,679	268,722	4,382,957
Excess (Deficiency) of Revenues over Expenditures	(2,374,425)	1,999,759	4,374,184
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(2,374,425)	1,999,759	4,374,184
Fund Balance, Beginning	7,192,530	7,192,530	-
Fund Balance, Ending	$ 4,818,105	$ 9,192,289	$ 4,374,184

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Measure H Special Revenue Fund
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	$ -	$ 1,092	$ 1,092
Revenue from Other Agencies	-	-	-
Other Revenues	-	42,616	42,616
Total Revenues	-	43,708	43,708
EXPENDITURES			
Current:			
Public Safety	50,000	-	50,000
Community Services	-	-	-
Total Expenditures	50,000	-	50,000
Excess (Deficiency) of Revenues over Expenditures	(50,000)	43,708	93,708
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(50,000)	43,708	93,708
Fund Balance, Beginning	7,719	7,719	-
Fund Balance, Ending	$ (42,281)	$ 51,427	$ 93,708

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Sportsplex Special Revenue Fund
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	$ -	$ -	$ -
Rental Income	301,900	126,936	(174,964)
Other Revenues	37,800	-	(37,800)
Total Revenues	339,700	126,936	(212,764)
EXPENDITURES			
Current:			
Public Works	-	-	-
Community Services	1,118,463	998,547	119,916
Total Expenditures	1,118,463	998,547	119,916
Excess (Deficiency) of Revenues over Expenditures	(778,763)	(871,611)	(92,848)
OTHER FINANCING SOURCES (USES)			
Transfers In	908,263	871,611	(36,652)
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	908,263	871,611	(36,652)
Net Change in Fund Balances	129,500	-	(129,500)
Fund Balance, Beginning	-	-	-
Fund Balance, Ending	$ 129,500	$ -	$ (129,500)

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - City Capital Projects Fund
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	$ -	$ -	$ -
Charges for Services	-	-	-
Total Revenues	-	-	-
EXPENDITURES			
Current:			
General Government	769,332	-	769,332
Public Works	6,818,608	631,521	6,187,087
Total Expenditures	7,587,940	631,521	6,956,419
Excess (Deficiency) of Revenues over Expenditures	(7,587,940)	(631,521)	6,956,419
OTHER FINANCING SOURCES (USES)			
Transfers In	1,751,600	1,501,600	(250,000)
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	1,751,600	1,501,600	(250,000)
Net Change in Fund Balances	(5,836,340)	870,079	6,706,419
Fund Balance, Beginning	7,617,849	7,617,849	-
Fund Balance, Ending	$ 1,781,509	$ 8,487,928	$ 6,706,419

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Construction Tax Capital Projects Fund
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Taxes	$ 1,100	$ -	$ (1,100)
Investment Income	2,920	7,352	4,432
Total Revenues	4,020	7,352	3,332
EXPENDITURES			
Current:			
Public Works	20,000	2,900	17,100
Total Expenditures	20,000	2,900	17,100
Excess (Deficiency) of Revenues over Expenditures	(15,980)	4,452	20,432
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(15,980)	4,452	20,432
Fund Balance, Beginning	240,773	240,773	-
Fund Balance, Ending	$ 224,793	$ 245,225	$ 20,432

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Information Technology Capital Projects Fund
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Revenue from Other Agencies	$ 310,000	$ 309,848	$ (152)
Other Revenues	67,100	90,150	23,050
Total Revenues	377,100	399,998	22,898
EXPENDITURES			
Current:			
General Government	603,835	306,297	297,538
Total Expenditures	603,835	306,297	297,538
Excess (Deficiency) of Revenues over Expenditures	(226,735)	93,701	320,436
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(226,735)	93,701	320,436
Fund Balance, Beginning	448,495	448,495	-
Fund Balance, Ending	$ 221,760	$ 542,196	$ 320,436

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Development Impact Fees Capital Projects Fund
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	$ -	$ -	$ -
Other Revenues	122,100	84,500	(37,600)
Total Revenues	122,100	84,500	(37,600)
EXPENDITURES			
Current:			
Public Safety	70,000	32,803	37,197
Public Works	209,728	-	209,728
Total Expenditures	279,728	32,803	246,925
Excess (Deficiency) of Revenues over Expenditures	(157,628)	51,697	209,325
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(157,628)	51,697	209,325
Fund Balance, Beginning	634,137	634,137	-
Fund Balance, Ending	$ 476,509	$ 685,834	$ 209,325

City of West Covina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Park Development Capital Projects Fund
Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance - Positive (Negative)
REVENUES			
Investment Income	$ 37,170	$ 223,495	$ 186,325
Other Revenues	613,303	427,050	(186,253)
Total Revenues	650,473	650,545	72
EXPENDITURES			
Current:			
Public Works	1,404,795	15,471	1,389,324
Community Services	-	-	-
Total Expenditures	1,404,795	15,471	1,389,324
Excess (Deficiency) of Revenues over Expenditures	(754,322)	635,074	1,389,396
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(754,322)	635,074	1,389,396
Fund Balance, Beginning	6,907,402	6,907,402	-
Fund Balance, Ending	$ 6,153,080	$ 7,542,476	$ 1,389,396

INTERNAL SERVICE FUNDS

City of West Covina
Internal Service Funds
Year Ended June 30, 2024

INTERNAL SERVICE FUNDS

The internal service funds are used to account for goods and services provided by one City department to other City departments on a cost reimbursement basis.

Fleet Management
This fund provides maintenance on materials and supplies for City vehicles and other gasoline or diesel powered equipment.

Self-Insurance
This fund accounts for the use of funds that are charged to departments for the administration and payment of claims under the City's self-insured general liability and workers' compensation programs.

Retiree Health Savings Plan
This fund accounts for the set aside lump sum benefits for retiring employees.

Other Post Employment Benefits (OPEB)
This fund is used to allocate OPEB costs for employees.

Vehicle Replacement
This fund provides for replacement of City vehicles.

City of West Covina
Combining Statement of Net Position
Internal Service Funds
June 30, 2024

	Fleet Management	Self-Insurance	Retiree Health Savings Plan	OPEB	Vehicle Replacement	Totals
ASSETS						
Current Assets:						
Cash and Investments	$ 233,946	$ 11,853,711	$ 358,327	$ 1,841,838	$ 580,749	$ 14,868,571
Restricted Cash and Investments	-	1,213,703	-	-	-	1,213,703
Accounts Receivable	44,074	1,241,932	-	-	20,000	1,306,006
Inventories	61,141	-	-	-	-	61,141
Total Current Assets	339,161	14,309,346	358,327	1,841,838	600,749	17,449,421
Noncurrent Assets:						
Capital Assets, Depreciable, Net	133,659	-	-	-	648,329	781,988
Total Noncurrent Assets	133,659	-	-	-	648,329	781,988
Total Assets	472,820	14,309,346	358,327	1,841,838	1,249,078	18,231,409
LIABILITIES						
Current Liabilities:						
Accounts Payable	103,998	554,986	-	-	-	658,984
Other Accrued Liabilities	1,052	-	-	-	-	1,052
Current Portion of Long-Term Liabilities:						
Compensated Absences	7,692	-	-	-	-	7,692
Claims Payable	-	7,578,180	-	-	-	7,578,180
Total Current Liabilities	112,742	8,133,166	-	-	-	8,245,908
Noncurrent Liabilities:						
Claims Payable	-	16,910,124	-	-	-	16,910,124
Total Noncurrent Liabilities	-	16,910,124	-	-	-	16,910,124
Total Liabilities	112,742	25,043,290	-	-	-	25,156,032
NET POSITION						
Net Investment in Capital Assets	133,659	-	-	-	648,329	781,988
Unrestricted	226,419	(10,733,944)	358,327	1,841,838	600,749	(7,706,611)
Total Net Position	$ 360,078	$ (10,733,944)	$ 358,327	$ 1,841,838	$ 1,249,078	$ (6,924,623)

City of West Covina
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
Year Ended June 30, 2024

	Fleet Management	Self-Insurance	Retiree Health Savings Plan	OPEB	Vehicle Replacement	Totals
OPERATING REVENUES						
Charges for Services	$ 1,551,498	$ 4,976,563	$ -	$ -	$ -	$ 6,528,061
Other Revenues	74,118	1,573,991	-	-	51,340	1,699,449
Total Operating Revenues	1,625,616	6,550,554	-	-	51,340	8,227,510
OPERATING EXPENSES						
Personnel Services	170,065	-	-	-	-	170,065
Cost of Sales, Services and Operations	1,490,655	383	-	-	-	1,491,038
Depreciation	33,289	-	-	-	193,628	226,917
Insurance and Claims Paid	-	14,900,409	-	-	-	14,900,409
Total Operating Expenses	1,694,009	14,900,792	-	-	193,628	16,788,429
Operating Income (Loss)	(68,393)	(8,350,238)	-	-	(142,288)	(8,560,919)
NONOPERATING REVENUES (EXPENSES)						
Interest Income	-	-	10,669	54,838	7,816	73,323
Gain/(Loss) on Disposal of Capital Assets	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	-	-	10,669	54,838	7,816	73,323
Income (Loss) Before Operating Transfers	(68,393)	(8,350,238)	10,669	54,838	(134,472)	(8,487,596)
Transfers In	-	3,937,400	-	-	375,400	4,312,800
Transfers Out	-	-	-	-	-	-
Change in Net Position	(68,393)	(4,412,838)	10,669	54,838	240,928	(4,174,796)
Net Position - Beginning of Year	428,471	(6,321,106)	347,658	1,787,000	1,008,150	(2,749,827)
Net Position - End of Year	$ 360,078	$ (10,733,944)	$ 358,327	$ 1,841,838	$ 1,249,078	$ (6,924,623)

City of West Covina
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2024

	Fleet Management	Self-Insurance	Retiree Health Savings Plan	OPEB	Vehicle Replacement	Totals
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Received from User Departments	$ 1,602,247	$ 5,309,672	$ -	$ -	$ 31,340	$ 6,943,259
Cash Paid to Suppliers for Goods and Services	(1,521,213)	(9,089,711)	-	-	(51,547)	(10,662,471)
Cash Paid to Employees for Services	(168,883)	-	-	-	-	(168,883)
Net Cash from Operating Activities	(87,849)	(3,780,039)	-	-	(20,207)	(3,888,095)
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES						
Cash Received from Other Funds	-	3,937,400	-	-	375,400	4,312,800
Net Cash from Noncapital and Related Financing Activities	-	3,937,400	-	-	375,400	4,312,800
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and Construction of Capital Assets	(35,304)	-	-	-	(280,030)	(315,334)
Net Cash from Capital and Related Financing Activities	(35,304)	-	-	-	(280,030)	(315,334)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest Received	-	-	10,669	54,838	7,816	73,323
Net Cash from Investing Activities	-	-	10,669	54,838	7,816	73,323
Net Increase (Decrease) in Cash and Cash Equivalents	(123,153)	157,361	10,669	54,838	82,979	182,694
Cash and Cash Equivalents, Beginning of the Year	357,099	12,910,053	347,658	1,787,000	497,770	15,899,580
Cash and Cash Equivalents, End of the Year	$ 233,946	$ 13,067,414	$ 358,327	$ 1,841,838	$ 580,749	$ 16,082,274
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:						
Operating Income (Loss)	$ (68,393)	$ (8,350,238)	$ -	$ -	$ (142,288)	$ (8,560,919)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation	33,289	-	-	-	193,628	226,917
Miscellaneous Income	-	-	-	-	-	-
Changes in Operating Assets and Liabilities:						
(Increase) Decrease in Accounts Receivable	(23,369)	(1,240,882)	-	-	(20,000)	(1,284,251)
(Increase) Decrease in Inventory and Prepaid Items	10,347	1,841,753	-	-	-	1,852,100
Increase (Decrease) in Accounts Payable	(40,905)	(7,595)	-	-	(51,547)	(100,047)
Increase (Decrease) in Accrued Liabilities	654	-	-	-	-	654
Increase (Decrease) in Compensated Absences Payable	528	-	-	-	-	528
Increase (Decrease) in Claims Payable	-	3,976,923	-	-	-	3,976,923
Net Cash from Operating Activities	$ (87,849)	$ (3,780,039)	$ -	$ -	$ (20,207)	$ (3,888,095)

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STATISTICAL SECTION

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City of West Covina
Description of Statistical Section Contents
June 30, 2024

This part of the City of West Covina's Annual Comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the government's overall financial health.

Contents:	Pages
Financial Trends these schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time	184
Revenue Capacity these schedules contain information to help the reader assess the City's most significant local revenue source, the property tax	198
Debt Capacity these schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future	206
Demographic and Economic Information these schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place	214
Operating Information these schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs	216

CITY OF WEST COVINA

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
Governmental activities:				
Net investment in capital assets	$144,215,248	$148,989,212	$153,784,463	$153,940,332
Restricted	48,793,821	56,902,504	50,717,656	51,130,936
Unrestricted	(129,152,694)	(138,162,202)	(144,659,629)	(201,951,785)
Total governmental activities net pension	$ 63,856,375	$ 67,729,514	$ 59,842,490	$ 3,119,483
Business-type activities:				
Net investment in capital assets	$ -	$ -	$ -	$ -
Restricted	-	-	-	-
Unrestricted	188,045	(135,676)	(252,336)	(275,010)
Total business-type activities net pension	$ 188,045	$ (135,676)	$ (252,336)	$ (275,010)
Primary government:				
Net investment in capital assets	$144,215,248	$148,989,212	$153,784,463	$153,940,332
Restricted	48,793,821	56,902,504	50,717,656	51,130,936
Unrestricted	(128,964,649)	(138,297,878)	(144,911,965)	(202,226,795)
Total primary government net pension	$ 64,044,420	$ 67,593,838	$ 59,590,154	$ 2,844,473

Source: City of West Covina Finance Department

Fiscal Year					
2019	2020	2021	2022	2023	2024
$147,204,908	$140,572,511	$139,507,563	$152,889,130	$152,367,256	$149,162,351
57,782,735	65,969,665	89,226,135	98,381,004	109,315,672	113,696,248
(207,212,078)	(225,184,697)	(255,200,972)	(240,284,642)	(255,282,394)	(249,361,966)
$ (2,224,435)	$ (18,642,521)	$ (26,467,274)	$ 10,985,492	$ 6,400,534	$ 13,496,633
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
(326,385)	(244,119)	38,329	235,307	241,833	252,092
$ (326,385)	$ (244,119)	$ 38,329	$ 235,307	$ 241,833	$ 252,092
$147,204,908	$140,572,511	$139,507,563	$152,889,130	$152,367,256	$149,162,351
57,782,735	65,969,665	89,226,135	98,381,004	109,315,672	113,696,248
(207,538,463)	(225,428,816)	(255,162,643)	(240,049,335)	(255,040,561)	(249,109,874)
$ (2,550,820)	$ (18,886,640)	$ (26,428,945)	$ 11,220,799	$ 6,642,367	$ 13,748,725

CITY OF WEST COVINA

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
Expenses:				
Governmental activities:				
General government	$ 5,676,067	$ 4,963,302	$ 5,775,173	$ 7,523,129
Public safety	49,813,447	48,410,511	56,169,907	67,734,047
Public works	20,586,770	20,259,279	21,243,019	21,161,586
Community services	7,035,872	7,368,492	7,926,410	8,926,070
Community development	766,886	753,721	2,190,319	1,618,181
Interest on long-term debt	1,353,156	1,572,645	1,575,724	1,515,826
Total governmental activities expenses	85,232,198	83,327,950	94,880,552	108,478,839
Business-type activities:				
Computer enterprise	1,427,789	1,638,573	1,575,066	1,305,426
Total business-type activities expenses	1,427,789	1,638,573	1,575,066	1,305,426
Total primary government expenses	86,659,987	84,966,523	96,455,618	109,784,265
Program revenues:				
Governmental activities:				
Charges for services:				
General government	885,123	400,051	546,626	814,465
Public safety	2,825,831	3,170,579	3,201,495	3,610,467
Public works	8,278,038	8,271,744	7,714,148	8,967,472
Community services	1,275,278	1,365,482	1,491,858	2,110,943
Community development	502,621	425,013	416,014	264,959
Operating grants and contributions	12,405,742	13,317,378	10,955,031	10,285,701
Capital grants and contributions	2,224,864	1,004,826	445,980	151,966
Total governmental activities program revenues	28,397,497	27,955,073	24,771,152	26,205,973
Business-type activities:				
Charges for services:				
Computer enterprise	1,655,134	1,413,114	1,274,318	1,199,162
Total business-type activities program revenues	1,655,134	1,413,114	1,274,318	1,199,162
Total primary government program revenues	30,052,631	29,368,187	26,045,470	27,405,135

Source: City of West Covina Finance Department

Fiscal Year					
2019	2020	2021	2022	2023	2024
$ 7,515,920	$ 7,781,252	$ 18,929,254	$ 3,700,172	$ 19,222,882	$ 20,662,676
58,057,784	72,653,866	62,479,977	49,887,239	66,098,443	65,336,608
21,625,190	23,649,892	17,212,496	13,508,312	24,203,764	20,428,578
9,280,450	9,418,860	7,675,178	12,587,100	10,247,116	11,905,417
795,685	1,394,131	1,568,283	1,238,687	1,446,667	1,716,136
1,680,335	1,874,899	8,354,304	9,033,455	8,792,569	8,655,994
98,955,364	116,772,900	116,219,492	89,954,965	130,011,441	128,705,409
1,263,693	1,230,639	475,672	719,911	680,235	682,735
1,263,693	1,230,639	475,672	719,911	680,235	682,735
100,219,057	118,003,539	116,695,164	90,674,876	130,691,676	129,388,144
829,295	369,796	312,112	617,087	1,192,555	777,588
3,839,103	4,304,075	3,718,158	4,467,009	5,424,121	6,677,549
9,156,370	2,034,963	4,458,831	8,415,913	11,104,690	8,384,949
1,903,119	2,438,156	697,351	1,620,427	1,957,418	1,549,429
465,097	6,780,115	-	-	-	-
12,097,219	19,989,920	21,764,524	29,598,365	18,983,157	22,201,169
360,872	582,023	10,621,147	17,666,351	15,354,938	15,149,924
28,651,075	36,499,048	41,572,123	62,385,152	54,016,879	54,740,608
1,099,028	1,249,195	758,120	916,458	686,731	692,994
1,099,028	1,249,195	758,120	916,458	686,731	692,994
29,750,103	37,748,243	42,330,243	63,301,610	54,703,610	55,433,602

CITY OF WEST COVINA

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
Net revenues (expenses):				
Governmental activities	$ (56,834,701)	$ (55,372,877)	$ (70,109,400)	$ (82,272,866)
Business-type activities	227,345	(225,459)	(300,748)	(106,264)
net primary government revenues (expenses)	(56,607,356)	(55,598,336)	(70,410,148)	(82,379,130)
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property taxes	21,156,596	22,352,163	23,994,740	25,392,860
Sales tax	15,096,101	17,228,237	16,503,563	17,449,827
Franchise tax	3,635,092	3,540,011	3,698,184	4,011,817
Other taxes	7,433,106	6,485,394	6,725,309	7,692,437
Investment income	660,157	(566,064)	4,452,938	559,164
Other general revenues	6,999,034	4,236,920	6,847,642	9,256,591
Transfers	101,775	101,775	-	-
Extraordinary gain (loss)	-	9,789,266	-	-
Total governmental activities	55,081,861	63,167,702	62,222,376	64,362,696
Business-type activities:				
Investment income	1,553	3,513	2,070	884
Other revenues	-	-	182,018	82,706
Transfers	(101,775)	(101,775)	-	-
Total business-type activities	(100,222)	(98,262)	184,088	83,590
Total primary government	54,981,639	63,069,440	62,406,464	64,446,286
Changes in net position:				
Governmental activities	(1,752,840)	7,794,825	(7,887,024)	(17,910,170)
Business-type activities	127,123	(323,721)	(116,660)	(22,674)
Total primary government change in net position	$ (1,625,717)	$ 7,471,104	$ (8,003,684)	$ (17,932,844)

Source: City of West Covina Finance Department

Fiscal Year					
2019	2020	2021	2022	2023	2024
$ (70,304,289)	$ (80,273,852)	$ (74,647,369)	$ (27,569,813)	$ (75,994,562)	$ (73,964,801)
(164,665)	18,556	282,448	196,547	6,496	10,259
(70,468,954)	(80,255,296)	(74,364,921)	(27,373,266)	(75,988,066)	(73,954,542)
26,365,067	27,422,706	30,108,110	31,348,677	33,822,147	35,055,298
17,464,609	17,033,647	20,858,803	23,101,668	23,526,119	26,575,421
4,207,765	4,445,101	4,644,360	4,806,348	5,237,769	5,052,041
9,158,794	5,026,703	4,571,270	4,721,569	4,815,955	4,832,080
2,016,573	2,682,794	223,485	(1,082,667)	2,019,179	4,254,045
5,747,563	7,244,815	5,520,479	2,126,984	1,988,435	2,431,663
-	-	-	-	-	-
-	-	-	-	-	-
64,960,371	63,855,766	65,926,507	65,022,579	71,409,604	78,200,548
1,083	-	-	-	-	-
112,207	63,710	-	-	-	-
-	-	-	-	-	-
113,290	63,710	-	-	-	-
65,073,661	63,919,476	65,926,507	65,022,579	71,409,604	78,200,548
(5,343,918)	(16,418,086)	(8,720,862)	37,452,766	(4,584,958)	4,235,747
(51,375)	82,266	282,448	196,547	6,496	10,259
$ (5,395,293)	$ (16,335,820)	$ (8,438,414)	$ 37,649,313	$ (4,578,462)	$ 4,246,006

CITY OF WEST COVINA

Changes in Net Position
Governmental Activities
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
Expenses:				
General government	$ 5,676,067	$ 4,963,302	$ 5,775,173	$ 7,523,129
Public safety	49,813,447	48,410,511	56,169,907	67,734,047
Public works	20,586,770	20,259,279	21,243,019	21,161,586
Community services	7,035,872	7,368,492	7,926,410	8,926,070
Community development	766,886	753,721	2,190,319	1,618,181
Interest on long-term debt	1,353,156	1,572,645	1,575,724	1,515,826
Total expenses	85,232,198	83,327,950	94,880,552	108,478,839
Program revenues:				
Charges for services:				
General government	885,123	400,051	546,626	814,465
Public safety	2,825,831	3,170,579	3,201,495	3,610,467
Public works	8,278,038	8,271,744	7,714,148	8,967,472
Community services	1,275,278	1,365,482	1,491,858	2,110,943
Community development	502,621	425,013	416,014	264,959
Operating grants and contributions	12,405,742	13,317,378	10,955,031	10,285,701
Capital grants and contributions	2,224,864	1,004,826	445,980	151,966
Total program revenues	28,397,497	27,955,073	24,771,152	26,205,973
Net program revenues (expenses)	(56,834,701)	(55,372,877)	(70,109,400)	(82,272,866)
General revenues and other changes in net position:				
Taxes:				
Property taxes	21,156,596	22,352,163	23,994,740	25,392,860
Sales tax	15,096,101	17,228,237	16,503,563	17,449,827
Franchise tax	3,635,092	3,540,011	3,698,184	4,011,817
Other taxes	7,433,106	6,485,394	6,725,309	7,692,437
Motor vehicle in lieu, unrestricted	-	-	-	-
Investment income	660,157	(566,064)	4,452,938	559,164
Other general revenues	6,999,034	4,236,920	6,847,642	9,256,591
Transfers	101,775	101,775	-	-
Extraordinary gain (loss)	-	9,789,266	-	-
Total governmental revenues and other changes	55,081,861	63,167,702	62,222,376	64,362,696
Changes in net position	$ (1,752,840)	$ 7,794,825	$ (7,887,024)	$ (17,910,170)

Source: City of West Covina Finance Department

Fiscal Year					
2019	2020	2021	2022	2023	2024
$ 7,515,920	$ 7,781,252	$ 18,929,254	$ 3,700,172	$ 19,222,882	$ 20,662,676
58,057,784	72,653,866	62,479,977	49,887,239	66,098,443	65,336,608
21,625,190	23,649,892	17,212,496	13,508,312	24,203,764	20,428,578
9,280,450	9,418,860	7,675,178	12,587,100	10,247,116	11,905,417
795,685	1,394,131	1,568,283	1,238,687	1,446,667	1,716,136
1,680,335	1,874,899	8,354,304	9,033,455	8,792,569	8,655,994
98,955,364	116,772,900	116,219,492	89,954,965	130,011,441	128,705,409
829,295	369,796	312,112	617,087	1,192,555	777,588
3,839,103	4,304,075	3,718,158	4,467,009	5,424,121	6,677,549
9,156,370	2,034,963	4,458,831	8,415,913	11,104,690	8,384,949
1,903,119	2,438,156	697,351	1,620,427	1,957,418	1,549,429
465,097	6,780,115	-	-	-	-
12,097,219	19,989,920	21,764,524	29,598,365	18,983,157	22,201,169
360,872	582,023	10,621,147	17,666,351	15,354,938	15,149,924
28,651,075	36,499,048	41,572,123	62,385,152	54,016,879	54,740,608
(70,304,289)	(80,273,852)	(74,647,369)	(27,569,813)	(75,994,562)	(73,964,801)
26,365,067	27,422,706	30,108,110	31,348,677	33,822,147	35,055,298
17,464,609	17,033,647	20,858,803	23,101,668	23,526,119	26,575,421
4,207,765	4,445,101	4,644,360	4,806,348	5,237,769	5,052,041
9,158,794	5,026,703	4,571,270	4,721,569	4,815,955	4,832,080
-	-	-	-	-	-
2,016,573	2,682,794	223,485	(1,082,667)	2,019,179	4,254,045
5,747,563	7,244,815	5,520,479	2,126,984	1,988,435	2,431,663
-	-	-	-	-	-
-	-	-	-	-	-
64,960,371	63,855,766	65,926,507	65,022,579	71,409,604	78,200,548
$ (5,343,918)	$ (16,418,086)	$ (8,720,862)	$ 37,452,766	$ (4,584,958)	$ 4,235,747

CITY OF WEST COVINA

Changes in Net Position
Business-Type Activities
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
Expenses:				
Computer Enterprise	$ 1,427,789	$ 1,638,573	$ 1,575,066	$ 1,305,426
Total expenses	1,427,789	1,638,573	1,575,066	1,305,426
Program revenues:				
Charges for services:				
Computer Enterprise	1,655,134	1,413,114	1,274,318	1,199,162
Total program revenues	1,655,134	1,413,114	1,274,318	1,199,162
Net revenues (expenses)	227,345	(225,459)	(300,748)	(106,264)
General revenues and other changes in net position:				
Investment income	1,553	3,513	2,070	884
Other revenues	-	-	182,018	82,706
Transfers	(101,775)	(101,775)	-	-
Total general revenues and other changes	(100,222)	(98,262)	184,088	83,590
Changes in net position	$ 127,123	$ (323,721)	$ (116,660)	$ (22,674)

Source: City of West Covina Finance Department

(continued)

Fiscal Year					
2019	2020	2021	2022	2023	2024
$ 1,263,693	$ 1,230,639	$ 475,672	$ 719,911	$ 680,235	$ 682,735
1,263,693	1,230,639	475,672	719,911	680,235	682,735
1,099,028	1,249,195	758,120	916,458	686,731	692,994
1,099,028	1,249,195	758,120.00	916,458.00	686,731.00	692,994.00
(164,665)	18,556	282,448.00	196,547.00	6,496.00	10,259.00
1,083	-	-	-	-	-
112,207	63,710	-	-	-	-
-	-	-	-	-	-
113,290	63,710	-	-	-	-
$ (51,375)	$ 82,266	$ 282,448	$ 196,547	$ 6,496	$ 10,259

CITY OF WEST COVINA

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
General Fund:				
Nonspendable	$ 6,483,924	$ 7,129,779	$ 6,982,268	$ 9,952,978
Restricted	-	-	-	-
Assigned	-	-	-	320,200
Unassigned	20,531,695	15,032,610	14,119,078	11,979,653
Total general fund	$ 27,015,619	$ 22,162,389	$ 21,101,346	$ 22,252,831
All other governmental funds:				
Nonspendable	$ 151,923	$ 5,277,203	$ 4,980,450	$ 110,833
Restricted	59,918,077	51,467,448	45,082,696	49,600,866
Assigned	4,930,693	5,065,065	2,820,665	2,004,895
Unassigned	(438,708)	(531,412)	(1,100,860)	(710,218)
Total all other governmental funds	$ 64,561,985	$ 61,278,304	$ 51,782,951	$ 51,006,376

Source: City of West Covina Finance Department

(continued)

Fiscal Year					
2019	2020	2021	2022	2023	2024
$ 8,976,583	$ 7,086,958	$ 4,009,651	$ 3,380,136	$ 3,358,665	$ 3,356,089
-	7,650	9,440	8,287	16,069	17,880
320,200	-	-	-	-	-
9,884,913	12,580,716	21,468,986	20,770,457	17,654,008	18,484,968
$ 19,181,696	$ 19,675,324	$ 25,488,077	$ 24,158,880	$ 21,028,742	$ 21,858,937
$ 99,167	$ 82,420	$ -	$ 11,989	$ 90,943	$ 107,651
57,840,755	64,044,695	92,198,163	100,732,082	107,980,761	119,703,559
1,107,138	1,786,815	9,687,492	6,601,977	7,617,849	8,487,928
(692,305)	(1,158,958)	(228,169)	(164,865)	(22,661)	(24,225)
$ 58,354,755	$ 64,754,972	$ 101,657,486	$ 107,181,183	$ 115,666,892	$ 128,274,913

CITY OF WEST COVINA

Changes in Fund Balances of Governmenta
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
Revenues:				
Taxes	$ 50,918,823	$ 54,237,649	$ 55,502,969	$ 59,255,716
Special assessments	5,595,338	5,550,657	5,318,497	6,077,861
Licenses and permits	1,419,457	1,156,613	1,037,389	1,089,850
Fines and forfeitures	959,606	796,989	894,618	1,290,187
Investment income	679,844	(570,132)	4,448,607	551,948
Rental income	406,350	529,833	604,817	649,968
Intergovernmental	10,769,196	11,218,711	10,193,278	7,920,178
Charges for services	6,803,615	7,731,236	7,359,139	8,681,704
Repayment of notes and loans	-	-	-	-
Other	5,490,327	1,487,103	2,129,531	4,229,895
Total revenues	83,042,556	82,138,659	87,488,845	89,747,307
Expenditures				
Current:				
General government	5,757,334	5,103,814	6,214,682	5,700,461
Public safety	45,906,138	50,962,883	54,480,972	53,087,630
Public works	13,724,417	15,509,267	15,328,717	17,635,489
Community services	5,816,443	6,864,180	10,824,395	6,975,178
Community development	761,896	898,714	2,198,881	1,182,255
Debt service:				
Principal retirement	1,866,947	2,027,461	7,931,202	1,958,918
Interest and fiscal charges	1,360,370	1,574,753	1,566,392	1,501,956
Cost of issuance	-	-	-	-
Developer agreement payments	-	-	-	-
Total expenditures	75,193,545	82,941,072	98,545,241	88,041,887
Excess (deficiency) of revenues over (under) expenditures	7,849,011	(802,413)	(11,056,396)	1,705,420
Other financing sources (uses):				
Transfers in	3,201,793	4,831,038	5,643,232	3,902,056
Transfers out	(3,100,018)	(10,812,296)	(5,643,232)	(5,232,566)
Acquisition under capital leases	-	2,568,446	500,000	-
Issuance of bonds	-	-	-	-
Premium of refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Extraordinary gain (loss)	11,578,351	-	-	-
Total other financing sources (uses)	11,680,126	(3,412,812)	500,000	(1,330,510)
Special Item				
Payment towards UAL	-	-	-	-
Net change in fund balances	$ 19,529,137	$ (4,215,225)	$ (10,556,396)	$ 374,910
Debt service as a percentage of noncapital expenditures	4.92%	4.70%	10.29%	4.18%

Source: City of West Covina Finance Department

Fiscal Year					
2019	2020	2021	2022	2023	2024
$ 62,477,442	$ 62,588,256	$ 72,496,610	$ 77,294,614	$ 84,173,323	$ 87,368,883
6,347,182	6,490,254	6,837,731	7,040,726	7,001,653	7,205,542
1,140,622	1,491,744	1,528,117	2,780,660	4,667,301	2,279,923
1,318,333	921,872	380,169	508,463	902,570	911,167
2,008,971	2,677,045	(18,511)	(1,311,234)	2,879,053	6,072,172
647,749	700,455	952,185	1,459,129	1,194,252	1,171,254
12,581,261	15,386,915	11,623,792	20,743,307	12,041,789	14,618,397
7,473,923	7,690,819	6,376,218	10,011,122	8,011,824	8,629,643
-	-	-	-	-	-
1,142,659	3,783,990	2,785,758	7,140,273	4,922,484	3,790,171
95,138,142	101,731,350	102,962,069	125,667,060	125,794,249	132,047,152
6,828,020	6,488,092	6,910,013	5,047,088	7,252,624	9,534,513
58,205,797	58,857,571	60,290,745	59,843,680	57,073,164	58,232,370
14,800,936	17,262,224	15,356,778	28,481,999	25,391,260	18,706,486
7,290,775	7,263,052	6,172,738	11,085,748	8,744,274	10,506,587
1,086,128	1,214,558	1,568,283	1,238,687	1,446,667	1,716,136
13,353,918	1,833,918	2,428,918	5,869,299	6,440,885	6,695,077
1,691,316	1,932,807	5,419,621	9,063,717	8,916,689	8,751,132
389,726	-	1,083,165	-	-	-
-	-	-	-	-	-
103,646,616	94,852,222	99,230,261	120,630,218	115,265,563	114,142,301
(8,508,474)	6,879,128	3,731,808	5,036,842	10,528,686	17,904,851
149,121	1,494,913	197,353,567	19,667,127	16,881,947	16,072,308
(9,121)	(1,676,955)	(201,320,249)	(20,509,469)	(22,055,062)	(20,385,108)
-	196759	3,900,000	-	-	-
24,165,000	-	210,697,048	-	-	-
1,380,718	-	-	-	-	-
(12,900,000)	-	-	-	-	-
-	-	-	-	-	-
12,785,718	14,717	210,630,366	(842,342)	(5,173,115)	(4,312,800)
-	-	(172,543,016)	-	-	-
$ 4,277,244	$ 6,893,845	$ 41,819,158	$ 4,194,500	$ 5,355,571	$ 13,592,051
15.08%	3.97%	7.91%	15.38%	13.64%	14.22%

CITY OF WEST COVINA

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands)

Fiscal Year Ended June 30	City				
	Secured	Non-Unitary	Unsecured	Less: Exemptions	Taxable Assessed Value
2015	7,116,733	-	12,346	(94,084)	7,034,995
2016	7,458,200	-	14,738	(95,915)	7,377,023
2017	7,829,861	-	11,212	(100,253)	7,740,820
2018	8,229,924	-	9,185	(84,900)	8,154,209
2019	8,718,033	-	10,356	(101,379)	8,627,010
2020	9,082,038	-	11,724	(79,629)	9,014,133
2021	9,458,367	-	11,927	(119,220)	9,351,074
2022	9,768,205	-	11,452	(111,904)	9,667,753
2023	10,256,615	-	17,714	(171,514)	10,102,815
2024	11,187,674		19,131	(180,090)	11,026,715

NOTE:
In 1978, the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: HdL Coren & Cone, Los Angeles Assessor 2014 - 2021/22 Combined Tax Rolls

Successor Agency (SA) of the former Community Development Commission (CDC)				City and SA	
Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	Total Taxable Assessed Value	Total Direct Tax Rate
2,566,170	161,710	(184,907)	2,542,973	9,577,968	14.116%
2,795,635	162,488	(189,554)	2,768,569	10,145,592	14.138%
3,028,206	165,375	(170,529)	3,023,052	10,763,872	14.165%
3,103,316	163,326	(154,330)	3,112,312	11,266,521	14.109%
3,305,249	167,442	(168,062)	3,304,629	11,931,639	14.221%
3,483,295	169,859	(195,530)	3,457,624	12,471,757	14.236%
3,604,156	168,578	(222,612)	3,550,122	12,901,196	14.262%
3,688,744	167,649	(209,821)	3,646,572	13,314,325	14.280%
3,836,294	174,355	(321,127)	3,689,522	13,792,337	14.280%
4,143,198	184,816	(426,038)	3,901,977	14,928,692	14.280%

CITY OF WEST COVINA

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per $100 of assessed value)

	Fiscal Year			
	2015	2016	2017	2018
Basic Levy[1]	1.00000	1.00000	1.00000	1.00000
Baldwin Park Unified	0.16519	0.16288	0.10510	0.13039
Bassett Unified School District	0.11539	0.15771	0.16781	0.17443
Covina Valley Unified School District	0.11426	0.11062	0.12581	0.14205
Hacienda-La Puente Unified	0.06432	0.06394	0.06600	0.10531
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350
Mt. San Antonio College	0.02129	0.02154	0.02400	0.02371
Rowland Heights Unified	0.14313	0.12426	0.12444	0.11841
Rowland Unified	0.00000	0.00000	0.00000	0.00000
Walnut Valley Unified	0.11510	0.09285	0.06601	0.07388
West Covina Municipal Maint. Dist.	0.18310	0.18310	0.18310	0.18310
West Covina Unified	0.05412	0.04205	0.04914	0.09514
Total Direct & Overlapping[2] Tax Rates	**1.97941**	**1.96245**	**1.91492**	**2.04992**
City Share of 1% Levy Per Prop 13[3]	**0.13820**	**0.13820**	**0.13820**	**0.13820**
Redevelopment Rate[4]	**N/A**	**N/A**	**N/A**	**N/A**
Total Tax Rate[5]	**0.14116**	**0.14138**	**0.14165**	**0.14109**

[1] In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes

[2] Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlappping rates

[3] City's share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City.

[4] Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied

[5] Total Direct Rate is the weighted average of all individual direct rates applied to by the government preparing the statistical section information and excludes revenues derived from aircraft taxes. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges

Source: Los Angeles County Assessor 2011/12 - 2020/21 Tax Rate Table

Fiscal Year					
2019	2020	2021	2022	2023	2024
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.12402	0.13032	0.19256	0.18029	0.17544	0.12783
0.16349	0.14196	0.14705	0.13911	0.13876	0.17596
0.13976	0.13521	0.12658	0.12995	0.12612	0.12325
0.10706	0.08252	0.08261	0.08511	0.08491	0.10215
0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
0.02435	0.04781	0.04459	0.04608	0.04267	0.03806
0.11861	0.10760	0.10905	0.00000	0.00000	0.00000
0.00000	0.00000	0.00000	0.11128	0.10909	0.11623
0.10582	0.09538	0.09893	0.10066	0.10118	0.10694
0.18310	0.18310	0.18480	0.18480	0.18480	0.18480
0.09795	0.08192	0.09980	0.07968	0.09317	0.06328
2.06766	**2.00932**	**2.08947**	**2.06046**	**2.05964**	**2.04201**
0.13820	**0.13820**	**0.13820**	**0.13820**	**0.13820**	**0.13820**
N/A	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
0.14221	**0.14236**	**0.14262**	**0.14280**	**0.14295**	**0.14311**

CITY OF WEST COVINA

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2024 Taxable Assessed Value	2024 Rank	2024 Percent of Total City Taxable Assessed Value	2015 Taxable Assessed Value	2015 Rank	2015 Percent of Total City Taxable Assessed Value
Plaza West Covina LLC	$ 290,911,773	1	1.95%	$ 220,306,658	1	2.30%
GREF Eastland Center LP	198,061,954	2	1.33%	105,368,555	2	1.10%
Colony at the Lakes	185,495,060	3	1.24%			
Walnut Ridge Apartments LP	104,239,682	4	0.70%	55,827,608	3	0.58%
CLPF 624 South Glendora Avenue LP	99,670,269	5	0.67%			
CLPF Verandas LP	93,927,698	6	0.63%			
Envision WC MB RE LLC	87,070,867	7	0.58%			
Twelve 31 Partners LP	81,957,000	8	0.55%			
TPA Nasch LLC	62,204,549	9	0.42%			
Go West Covina Owners LLC	59,619,000	10	0.40%			
Barranca Medici LP				52,402,350	4	0.55%
Gateway Crescent LLC				46,800,000	5	0.49%
Eastland Tower Partnership				46,100,000	6	0.48%
Glendora Ave Properties LLC				46,088,474	7	0.48%
TPA of Nasch LLC				44,824,901	8	0.47%
Hassen Real Estate Partnership				36,336,233	9	0.38%
KOR BAM Sunset Plaza LLC				32,287,266	10	0.34%
Totals	$1,263,157,852		8.46%	$ 686,342,045		7.17%

Twelve 31 Partners LP

Citrus Gardens Apartments LP

Source: HdL Coren & Cone; Los Angeles County Assessor 2013-14 and 2022-23 Combined Tax Rolls and the Non UnitaryTax Roll

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CITY OF WEST COVINA

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

	City					
		Collected within the Fiscal Year of Levy			Total Collections to Date	
Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Amount	Percent of Levy	Collections in Subsequent Years	Amount	Percent of Levy
2015	9,702,185	9,491,592	97.83%	34,965	9,526,557	98.19%
2016	10,173,156	9,881,520	97.13%	88,647	9,970,167	98.00%
2017	10,671,800	10,440,321	97.83%	109,928	10,550,250	98.86%
2018	11,679,354	11,040,516	94.53%	267,238	11,307,754	96.82%
2019	12,395,960	11,894,401	95.95%	96,641	11,991,042	96.73%
2020	12,607,874	11,998,360	95.17%	241,683	12,240,043	97.08%
2021	13,527,500	12,917,734	95.49%	91,377	13,009,111	96.17%
2022	13,947,187	12,958,850	92.91%	421,937	13,380,787	95.94%
2023	15,019,091	14,394,277	95.84%	48,995	14,443,272	96.17%
2024	16,044,884	15,368,164	95.78%	80,606	15,448,770	96.28%

Notes:
The amounts presented include City property taxes and Community Development Commission tax increment. This schedule also includes amounts collected by the City and the Community Development Commission that were passed-through to other agencies.

Source: Los Angeles County Auditor Controller's Office - Accounting Division

Fiscal Year Ended June 30	Community Development Commission					
	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2015	N/A	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A	N/A
2017	N/A	N/A	N/A	N/A	N/A	N/A
2018	N/A	N/A	N/A	N/A	N/A	N/A
2019	N/A	N/A	N/A	N/A	N/A	N/A
2020	N/A	N/A	N/A	N/A	N/A	N/A
2021	N/A	N/A	N/A	N/A	N/A	N/A
2022	N/A	N/A	N/A	N/A	N/A	N/A
2023	N/A	N/A	N/A	N/A	N/A	N/A
2024	N/A	N/A	N/A	N/A	N/A	N/A

CITY OF WEST COVINA

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities				Business-Type Activities
	Lease Revenue Bonds	Loans	Capital Lease Obligations	Total Governmental Activities	Total Business-type Activities
2015	47,225,000	12,941,113	216,342	60,382,455	-
2016	46,000,000	12,208,103	2,715,337	60,923,440	-
2017	42,570,000	10,920,515	-	53,490,515	-
2018	41,190,000	10,341,597	-	51,531,597	-
2019	39,680,000	9,762,679	-	49,442,679	-
2020	38,425,000	9,183,761	-	47,608,761	-
2021	241,170,000	8,104,843	6,602,048	255,876,891	-
2022	237,238,298	7,525,925	6,411,667	251,175,890	-
2023	231,690,193	6,947,007	6,044,700	244,681,900	-
2024	225,782,088	6,368,089	5,783,541	237,933,718	-

Notes:
Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) These ratios are calculated using personal income and population for the prior calendar year.

Source: City of West Covina Finance Department

(continued)

Total Primary Government	Percentage of Personal Income (1)	Debt Per Capita (1)
60,382,455	2.25%	560
60,923,440	2.27%	565
53,490,515	1.98%	494
51,531,597	1.88%	477
49,442,679	1.70%	466
47,608,761	1.56%	451
255,876,891	8.06%	2,364
251,175,890	7.56%	2,328
244,681,900	6.60%	2,243
237,933,718	5.99%	2,200

CITY OF WEST COVINA

Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years
(in thousands of dollars, except Per Capita)

Fiscal Year Ended June 30	Lease Revenue Bonds	Capital Lease Obligations	Total	Percent of Assessed Value(1)	Per Capita
2015	47,225	216	47,441	0.50%	438
2016	46,000	2,715	48,715	0.48%	427
2017	42,570	-	42,570	0.40%	393
2018	41,190	-	41,190	0.37%	381
2019	39,680	-	39,680	0.33%	374
2020	38,425	-	38,425	0.31%	364
2021	241,170	6,602	247,772	1.92%	2,228
2022	237,238	6,412	243,650	1.83%	2,199
2023	231,690	6,045	237,735	1.72%	2,124
2024	225,782	5,784	231,566	1.55%	2,087

Notes:
General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

(1) Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

Source: City of West Covina Finance Department and Los Angeles County Assessor's Office

CITY OF WEST COVINA

Direct and Overlapping Debt
June 30, 2023

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt repaid with Property Taxes:			
METROPOLITAN WATER DISTRICT	$ 9,835,780	0.806	$ 79,240
MT. SAN ANTONIO CCD DS 2008 SERIES 2013A	160,803,885	12.768	20,531,113
MT. SAN ANTONIO CCD DS 2008 SERIES 2013B	1,620,000	12.768	206,838
MT. SAN ANTONIO CCD DS 2013 REF SERIES A	12,320,000	12.768	1,572,993
MT. SAN ANTONIO CCD DS 2013 REF SERIES B	14,560,000	12.768	1,858,991
MT. SAN ANTONIO CCD DS 2008 SERIES 2015C	3,700,000	12.768	472,408
MT. SAN ANTONIO CCD DS 2015 REF BONDS	3,290,000	12.768	420,061
MT. SAN ANTONIO CCD DS 2018 SERIES 2019A	265,125,000	12.768	33,850,621
MT. SAN ANTONIO CCD DS 2020 SERIES A	59,075,000	12.768	7,542,576
MT. SAN ANTONIO CCD DS 2008 SERIES 2020D	120,358,674	12.768	15,367,151
MT. SAN ANTONIO CCD DS 2008 SERIES 2021E	289,508,893	12.768	36,963,907
BALDWIN PARK USD 2002 SERIES 2004	4,882,131	0.303	14,779
BALDWIN PARK USD 2006 SERIES 2013	1,989,076	0.303	6,021
BALDWIN PARK USD 2016 REF BONDS	57,660,000	0.303	174,546
BALDWIN PARK USD 2006 SERIES 2019	10,895,000	0.303	32,981
BALDWIN PARK USD 2019 REF BONDS	32,996,025	0.303	99,884
BALDWIN PARK USD 2018 SERIES 2020	26,800,000	0.303	81,128
BASSETT USD DS 2006 SER B	10,185,729	0.054	5,528
BASSETT USD DS 2014 REF SERIES A	7,325,000	0.054	3,975
BASSETT USD DS 2014 REF SERIES B	4,970,000	0.054	2,697
BASSETT USD DS 2014 SERIES A	8,375,000	0.054	4,545
BASSETT USD DS 2016 REF BONDS	5,345,000	0.054	2,901
BASSETT USD DS 2014 SERIES B	19,530,000	0.054	10,599
COVINA VALLEY USD DS 2001 SERIES B	7,226,440	31.283	2,260,623
COVINA VALLEY USD DS 2012 SERIES A	3,715,000	31.283	1,162,151
COVINA VALLEY USD DS 2013 REF BONDS	4,470,000	31.283	1,398,335
COVINA VALLEY USD DS 2012 SERIES B	12,000,000	31.283	3,753,920
COVINA VALLEY USD DS 2012 SERIES C	2,130,000	31.283	666,321
COVINA VALLEY USD DS 2012 SERIES C1	15,335,000	31.283	4,797,197
COVINA VALLEY USD DS 2016 REF BONDS	28,515,000	31.283	8,920,252
COVINA VALLEY USD DS 2012 SERIES D	13,600,000	31.283	4,254,443
COVINA VALLEY USD DS 2012 SERIES E	56,580,000	31.283	17,699,733
COVINA VALLEY USD DS 2019 REF BONDS	47,850,000	31.283	14,968,756
HACIENDA-LA PUENTE USD DS 2005 REFUNDING BONDS	12,725,000	1.391	176,960
HACIENDA-LA PUENTE USD DS 2007 REFUNDING	44,590,000	1.391	620,090
HACIENDA-LA PUENTE USD DS 2016 SERIES 2017A	57,895,000	1.391	805,115
ROWLAND HEIGHTS USD DS 2005 REF BONDS	4,569,606	14.542	664,511
ROWLAND HEIGHTS USD DS 2006 SERIES D QSCB	10,575,000	14.542	1,537,815
ROWLAND HEIGHTS USD DS 2006 SERIES E	19,830,000	14.542	2,883,676
ROWLAND HEIGHTS USD DS 2012 SERIES A	375,000	14.542	54,532
ROWLAND HEIGHTS USD DS 2013 REF BONDS	20,030,000	14.542	2,912,760
ROWLAND HEIGHTS USD DS 2012 SERIES B	65,999,972	14.542	9,597,706
ROWLAND HEIGHTS USD DS 2015 REF BONDS	38,625,000	14.542	5,616,842
ROWLAND HEIGHTS USD DS 2019 REF BONDS	10,565,000	14.542	1,536,361
ROWLAND HEIGHTS USD DS 2020 REF BONDS	45,110,000	14.542	6,559,889
WALNUT VALLEY USD DS 2000 SERIES D	10,067,924	0.767	77,224
WALNUT VALLEY USD DS 2000 SERIES E	3,743,269	0.767	28,712
WALNUT VALLEY USD DS 2007 SERIES B MEAS. S	9,421,644	0.767	72,267
WALNUT VALLEY USD DS 2014 REF BONDS SERIES A	3,260,000	0.767	25,005
WALNUT VALLEY USD DS 2014 REF BONDS SERIES B	715,000	0.767	5,484
WALNUT VALLEY USD DS 2016 REF BONDS	37,170,000	0.767	285,105
WALNUT VALLEY USD DS 2016 SERIES A BONDS	38,440,000	0.767	294,846
WALNUT VALLEY USD DS 2019 REF BONDS	25,110,000	0.767	192,601
WALNUT VALLEY USD DS 2016 SERIES B BONDS	106,615,000	0.767	817,769
WEST COVINA USD 2002 REFUNDING SERIES A	7,110,000	95.573	6,795,272
WEST COVINA USD DS 2012 REF BONDS	7,890,000	95.573	7,540,745
WEST COVINA USD DS 2016 SERIES A	99,125,000	95.573	94,737,174
Sub Total Overlapping Debt			323,025,675
City of West Covina Direct Debt - Notes Payable			6,368,089
City of West Covina Direct Debt - Loans Payable			5,783,541
City of West Covina Direct Debt - Lease Revenue Bonds			249,274,843
Total Direct and Overlapping Debt			$ 584,452,148

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Glendora. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for the debt, for each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the government's boundaries and dividing it by the County's total taxable assessed value.

Source: HdL Coren & Cone, Los Angeles, County Assessor and Auditor Combined 2020-21 Lien Date Tax Rolls

CITY OF WEST COVINA

Legal Debt Margin Information
Last Ten Fiscal Years
(in thousands of dollars)

	Fiscal Year			
	2015	2016	2017	2018
Assessed valuation	$ 7,034,995	$ 7,377,023	$ 7,740,820	$ 8,154,209
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	1,758,749	1,844,256	1,935,205	2,038,552
Debt limit percentage	15%	15%	15%	15%
Debt limit	263,812	276,638.36	290,280.75	305,782.84
Total net debt applicable to limitation	-	-	-	-
Legal debt margin	$ 263,812	$ 276,638	$ 290,281	$ 305,783
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%

The Government Code of the State of California provides for a legal debt margin of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). Although the statutory debt limit has not been amended by the State since this change, the percentages presented in the above computations have been proprtionately modified to 3.75% (25% of 15%) for the purpose of this calculation in order to be consistent with the computational effect of the debt limit at the time of the state's establishment of the limit.

Source: City of West Covina Finance Department
Los Angeles County Tax Assessor's Office

Fiscal Year					
2019	2020	2021	2022	2023	2024
$ 8,627,010	$ 9,014,133	$ 9,351,074	$ 9,667,753	$ 10,102,815	$ 3,836,294
25%	25%	25%	25%	25%	25%
2,156,753	2,253,533	2,337,769	2,416,938	2,525,704	959,074
15%	15%	15%	15%	15%	15%
323,512.88	338,029.99	350,665.28	362,540.74	378,855.55	143,861.03
-	-	-	-	-	-
$ 323,513	$ 338,030	$ 350,665	$ 362,541	$ 378,856	$ 143,861
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

CITY OF WEST COVINA

Pledged Revenue Coverage
Last Ten Fiscal Years
(In thousands of dollars)

Fiscal Year Ended June 30	Lease Revenue Bonds and Certificates of Participation			
	Revenue	Debt Service Principal	Debt Service Interest	Coverage
2015	57,588	1,655	891	22.62
2016	58,133	1,900	1,121	19.24
2017	64,372	4,005	1,185	12.40
2018	67,196	2,005	1,306	20.29
2019	65,426	1,255	1,918	20.62
2020	70,935	1,255	1,918	22.36
2021	72,992	1,350	1,859	22.75
2022	81,019	5,100	8,845	5.81
2023	85,678	5,495	8,671	6.05
2024	90,226	5,855	8,511	6.28

Fiscal Year Ended June 30	Tax Allocation Bonds			
	Tax Increment	Debt Service Principal	Debt Service Interest	Coverage
2015	9,260	1,420	920	3.96
2016	15,110	1,480	853	6.48
2017	9,365	19,005	802	0.47
2018	9,040	1,480	455	4.67
2019	11,169	1,765	406	5.14
2020	8,190	1,820	361	3.76
2021	6,775	1,865	306	3.12
2022	5,427	1,615	253	2.91
2023	3,151	1,425	237	1.90
2024	2,082	1,255	239	1.39

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation expenses.

Source: City of West Covina Finance Department

(continued)

Fiscal Year Ended June 30	Assessment District Bond					
	Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	Coverage
2015	3,305	1,457	1,848	2,340	1,758	0.45
2016	6,911	1,429	5,482	2,940	2,124	1.08
2017	4,596	2,536	2,060	2,745	1,365	0.50
2018	4,431	2,536	1,895	3,000	1,429	0.43
2019	5,304	929	4,375	3,250	1,004	1.03
2020	3,999	3,365	634	3,495	1,120	0.14
2021	5,627	3,916	1,711	3,735	650	0.39
2022	3,879	4,347	(468)	4,055	416	(0.10)
2023	1,371	105	1,266	4,905	416	0.24
2024		2	(2)			-

CITY OF WEST COVINA

Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Annual Unemployment Rate
2015	107,873	$ 2,680,000	24,844	8.2%
2016	107,813	$ 2,705,736	25,096	6.4%
2017	108,245	$ 2,737,892	25,293	5.2%
2018	108,116	$ 2,916,516	26,975	4.6%
2019	105,999	$ 3,053,619	28,807	4.4%
2020	105,593	$ 3,173,022	30,049	13.1%
2021	108,243	$ 3,324,204	30,710	9.2%
2022	107,893	$ 3,706,972	34,357	4.8%
2023	109,105	$ 3,970,712	36,393	4.7%
2024	108,173	$ 3,970,712	36,707	5.6%

Sources: HdL Coren & Cone, California State Department of Finance, and California Employment Development

CITY OF WEST COVINA

Principal Employers
Current Year and Nine Years Ago

	2024			2015		
Employer	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
Queen of the Valley Campus	1,607	1	3.07%	1,588	1	2.96%
WC Unified School District	1,261	2	2.41%	1,512	2	2.82%
City of West Covina	437	3	0.84%	351	4	0.65%
Porto's Bakery	402	4	0.77%			
Target Store #T1028 & #T2147	393	5	0.75%	374	3	0.70%
Merakey Allos	364	6	0.70%			
Macy's	291	7	0.56%	289	6	0.54%
Interspace/Concorde Battery Corporation	254	8	0.49%	245	7	0.46%
Walmart Store #5954	243	9	0.46%	300	5	0.56%
The Home Depot	162	10	0.31%			
JC Penny				220	8	0.41%
B.J.'s Restaurant & Brewery				196	9	0.37%
SGV Newspaper Group				180	10	0.34%
Totals	5,414		10.35%	5,255		9.81%

Note: "Total Employment" as used above represents the total employment of all employers located within City limits.

Source: Labor Market Info, EDD, State of California
HdL Coren & Cone

CITY OF WEST COVINA

Full-time and Part-time City Employees by
Last Ten Fiscal Years

	Fiscal Year									
Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government	31	32	42	46	36	32	38	48	34	38
Public safety	268	268	282	259	238	237	259	242	248	251
Public works	71	71	75	56	44	-	-	-		
Public Services	-	-	-	-	-	25	32	41	51	39
Community services	41	41	87	64	64	27	22	22	59	74
Community development	2	2	1	1	3	12	13	19	24	35
Total	413	414	487	426	385	333	364	372	416	437

Source: City of West Covina Finance Department

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CITY OF WEST COVINA

Operating Indicators by Function
Last Ten Fiscal Years

Function/Program	Fiscal Year 2015	2016	2017	2018
Public Safety:				
Police:				
Total arrests	2,544	2,624	2,818	3,080
Calls for police service (1)	71,098	72,368	74,898	84,850
Graffiti sites cleaned	16,156	N/A	N/A	N/A
Fire:				
Emergency responses	8,555	9,494	9,353	9,383
Fire inspections	717	778	816	805
Public Services:				
Building permits issued	3,617	5,038	1,547	1,399
Graffiti sites cleaned (2)	N/A	13,964	6,694	2,391
Community Services:				
Recreation class registrations (3)	6,487	7,129	7,500	17,902

Note:
(1) Calls received that generated an incident number but not necessarily a police response.
(2) Due to department restructuring, the responsibility for graffiti abatement was absorbed by the Police Department starting fiscal year 2008-2009 and by
(3) The increase in recreation class registrations in FY18 relates to inclusions of daycare classes.
(4) The decrease in recreation class registrations in FY20 relates to COVID restrictions.

Source: City of West Covina Finance Department

(continued)

Fiscal Year					
2019	2020	2021	2022	2023	2024
2,538	2,037	1,266	1,266	1,695	1,663
73,713	68,605	61,353	68,221	68,565	66,113
N/A	N/A	N/A	N/A	N/A	N/A
9,289	8,944	9,405	10,286	10,189	10,200
1,009	920	964	1,079	1,582	1,849
2,938	3,022	3,701	4,941	2,494	2,950
3,077	3,140	2,632	4,363	4,782	4,179
26,482	8,075	65	3,533	6,570	28,896

Capital Asset Statistics by Function/Progra
Last Ten Fiscal Years

Function	Fiscal Year 2015	2016	2017	2018
Public Safety:				
Police:				
Stations	1	1	1	1
Fire:				
Stations	5	5	5	5
Public works:				
Streets (miles)	231.0	240.3	240.3	240.3
Streetlight poles	826	826	674	674
Streelight fixtures	1,109	1,109	420	420
Traffic signals	114	114	97	97
Parks and recreation:				
Sports Complex	1	1	1	1
Parks	16	16	16	16
Community centers	4	4	4	4
Wastewater:				
Sanitary sewers (miles)	238.9	238.9	227.0	227.0
Storm sewers (miles)	42.0	42.0	26.0	26.0

Source: City of West Covina

(continued)

Fiscal Year					
2019	2020	2021	2022	2023	2024
1	1	1	1	1	1
5	5	5	5	5	5
240.3	240.3	240.3	240.3	240.3	240.3
674	674	674	674	674	674
420	420	420	420	420	420
97	97	97	97	97	97
1	1	1	1	1	1
16	16	16	16	16	16
4	4	4	4	4	4
227.0	227.0	227.0	227.0	227.0	227.0
26.0	26.0	26.0	26.0	26.0	26.0

Van Lant & Fankhanel, LLP
Certified Public Accountants

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

City Council
City of West Covina
West Covina, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of West Covina (City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 29, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did

not identify any deficiencies in internal control that we consider to be weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



January 29, 2025

Van Lant & Fankhanel, LLP
Certified Public Accountants

January 29, 2025

City Council
City of West Covina
West Covina, CA

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of West Covina for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards,* and Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 3, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year, except for the implementation of GASB Statement No. 100, *Accounting Changes and Error Corrections*. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

> Management's estimate of the fair value of investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of investments in determining that it is reasonable in relation to the financial statements as a whole.

Van Lant & Fankhanel, LLP
29970 Technology Drive, Suite 105 A
Murrieta, CA 92563
909.856.6879

Management's estimate of capital assets depreciation is based on historical estimates of each capitalized item's useful life. We evaluated key factors and assumptions used to develop the estimated useful lives in determining that they are reasonable in relation to the financial statements as a whole.

Management's estimate of the net pension and net OPEB liabilities/(assets) are based on actuarial information provided by the California Public Employee Retirement System's (CalPERS) actuarial office, and other sources. We evaluated the key factors and assumptions used to develop these liabilities in determining that the estimated liabilities/(assets) are reasonable in relation to the financial statements as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of the fair value of investments in Note 2 to the financial statements represents amounts susceptible to market fluctuation.

The disclosure of accumulated depreciation in Note 6 to the financial statements is based on estimated useful lives which could differ from actual useful lives of each capitalized item.

The disclosures for the net OPEB and net pension liabilities/(assets) in the Notes to the financial statements are based on assumptions for discount rates, etc., which could differ from actual experience. The notes disclose the differences in these liabilities/(assets) if different assumptions are used in estimating these liabilities/(assets).

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 29, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis and the schedules listed as required supplementary information in the table of contents, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information as listed in the table of contents, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory sections, which accompanies the financial statements but is not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restrictions on Use

This information is intended solely for the use of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



ATTACHMENT NO. 4



Community Financial Report

2023- 2024

This report provides a snapshot of the City's financial information, for Fiscal Year (FY) ending June 30, 2024 presented in a user-friendly format. For additional detail, please see the City's complete Annual Comprehensive Financial Report for fiscal year ending June 30, 2024 available at www.westcovina.org.

City Overview

CITY COUNCIL

Brian Tabatabai, Mayor
Tony Wu, Mayor Pro Tem
Ollie Cantos, Councilman
Rosario Diaz, Councilwoman
Letty Lopez-Viado, Councilwoman

ELECTED OFFICIALS

Nickolas S. Lewis, City Clerk
Colleen B. Rozatti, City Treasurer

CITY MANAGER

Paulina Morales

EXECUTIVE MANAGEMENT TEAM

Roxanne Lerma, Assistant City Manager/Public Works Director
Thomas P. Duarte, City Attorney
Lisa Sherrick, Assistant City Clerk
Stephanie Sikkema, Finance Director
Vincent Capelle, Fire Chief
Richard Bell, Police Chief

West Covina

The City of West Covina is located in the San Gabriel Valley, 20 miles east of downtown Los Angeles and 15 miles north of Orange County. Incorporated as a general law city in 1923, the City's 16 square miles flourished with walnut groves and orange groves for many decades.

Population
108K
2024



Personal Income
36.7K
2024 Per Capita



Unemployment Rate
5.6%
2024 Annual

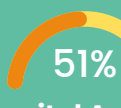
This report is informational in nature and does not constitute a financial statement as defined by Generally Accepted Accounting Principles. The data presented is taken directly from the audited Annual Comprehensive Financial Report (ACFR) for fiscal year ending June 30, 2024.

Statement of Net Position

As of June 30, 2024, the City's total net position was $13.7 million. This is an increase of $7.1 million from the prior year. This increase is due to an increase in assets of $2.7 million, a $5.2 million decrease in deferred inflows of resources, and a $5.9 million decrease in lease revenue bond liabilities. Additionally, the City's total governmental funds reported combined ending fund balances of $150.1 million, an increase of $13.4 million in comparison with the prior fiscal year of $136.7 million.

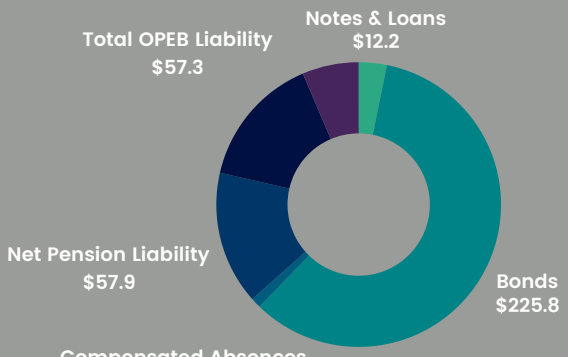
The City's net position may serve as a useful indicator of the government's financial position over time.

	2024	2023	
Assets	$383M	$380.3M	Assets Increased by 1% or $2.7 M
+ Deferred Outflows	$49.7M	$46.7M	
− Liabilities	$400M	$395.1M	Liabilities Increased by 1% or $4.9M
− Deferred Inflows	$19M	$25.2M	
= Total Net Position	$13.7M	$6.6M	The City's Net position increased by 107% or $7.1M over FY 2022-23



Capital Assets make up 51%

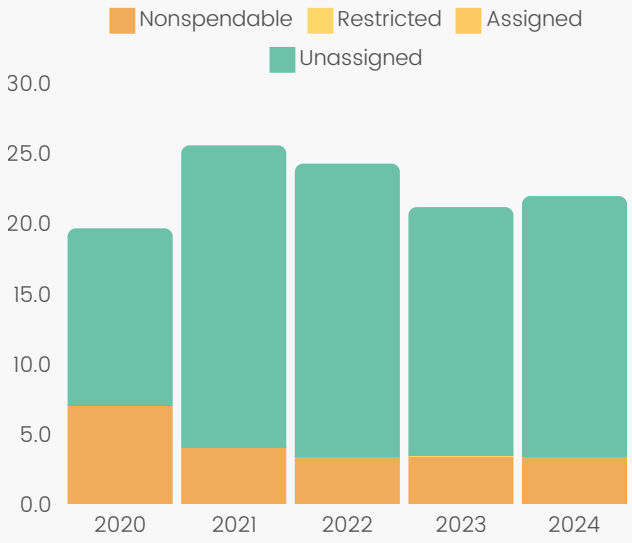
Bonds make up the majority of this liability



General Fund

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was $18.5 million, while total fund balance was $21.9 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 26.8% of total general fund expenditures, while total fund balance represents 31.7% of that same amount. The non-spendable portion of fund balance in the amount of $3.4 million mainly consists of Land Held for Resale in the amount of $3.0 million.

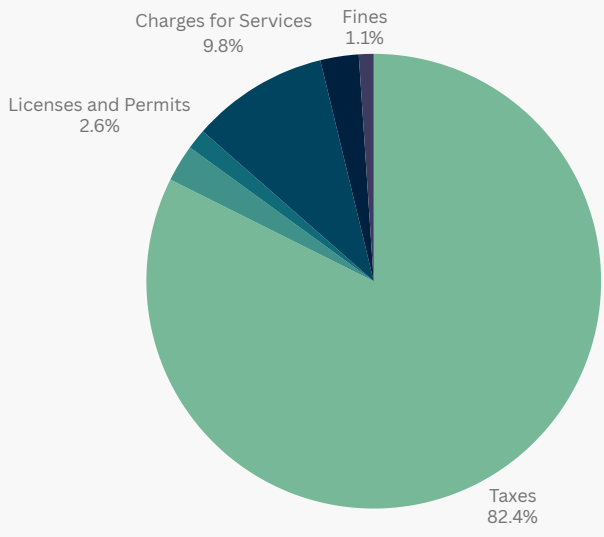
Changes in General Fund Fund Balance by Fiscal Year (Millions)



Beginning Fund Balance	$21M
Revenue Less Expenditures	+ $21.2M
Net Transfers	- $20.4M
Ending Fund Balance	= $21.8M

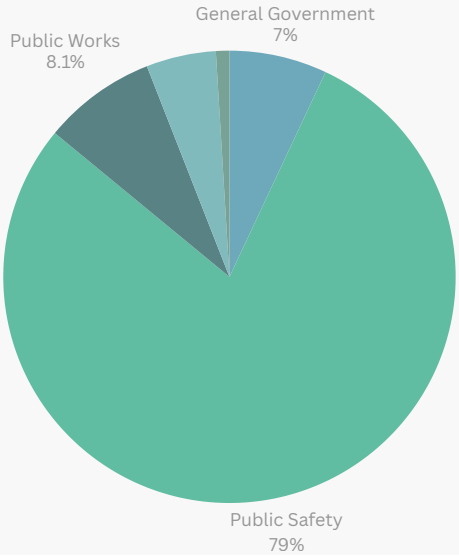
Revenue

$90.2 Million



Expenditures

$69 Million



AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: February 18, 2025

TO: Mayor and City Council

FROM: Paulina Morales, City Manager

SUBJECT: **CONSIDERATION OF PURCHASING REPORT AND REJECTION OF UNAWARDED BIDS AND REQUESTS FOR PROPOSALS**

RECOMMENDATION:

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

1. Receive and file the listing of all contracts and purchase orders that have been awarded by the City Manager from April 1, 2024 to January 31, 2025.
2. Reject the unawarded bids and requests for proposals detailed within the staff report.

BACKGROUND:

Sections 2-337 and 2-356 of the West Covina Municipal Code require that a report be presented to the City Council on a semi-annual basis listing all contracts and purchase orders that have been awarded by the City Manager pursuant to the City Manager's authority during the preceding six months. The report must include a description of the materials or services or public project performed, the vendor/contractor name and the amount of the expenditure. The last report was submitted to the City Council at the April 16, 2024 City Council meeting.

DISCUSSION:

Staff is submitting a Purchasing Report (Attachment No. 1) that provides a list of all purchase orders entered into under the Purchasing Officer's and City Manager's authority during the period of April 1, 2024 through January 31, 2025.

During this process, staff identified bids and requests for proposals that were posted and opened but not awarded. They are listed in Table 1 below. Per West Covina Municipal Code Sections 2-334, 2-354, and 2-355, the City Council may reject any and all bids or proposals presented. Staff is presenting the list below for formal rejection by the City Council as no action has been taken.

RFP Description	RFP #	Posted	Bid Opened
Farmers' Market/Night Market	202412	May 16, 2024	July 23, 2024
Sportsplex Operations	202414	October 23, 2024	November 21, 2024

LEGAL REVIEW:

The City Attorney's Office has reviewed this staff report.

Prepared by: Stephanie Sikkema, Finance Director

Fiscal Impact

FISCAL IMPACT:

This is strictly an administrative item, therefore, there is no fiscal impact associated with this action.

Attachments

Attachment No. 1 - Purchases within City Manager Authority

CITY COUNCIL GOALS & OBJECTIVES: Achieve Fiscal Sustainability and Financial Stability

ATTACHMENT NO. 1

City of West Covina

Contracts & Purchase Orders Issued under Sections 2-337 and 2-356 of the Municipal Code

April 1, 2024 to January 31, 2025

Vendor Name	Item Description	Amount FYE2024	Amount FYE2025
10-8 RETROFIT INC	Installation of vehicle mounted	$13,437	
	Vehicle mounted equipment		$21,456
AFFORDABLE GENERATOR	Repairs to Control Panel		$11,452
AM TEC TOTAL SECURIT	PNM-Wisenet and Network		$5,704
AMERICAN BIKE PATROL	5 Police Ebikes		$27,105
AON RISK SERVICES IN	Actuarial Services - Workers Comp		$11,000
ARTISAN PANELS INC	Fencing for Sewer Lift	$71,697	
ATHANS ICE HOUSE	Let It Snow - Ice		$14,939
BARCODES LLC	Mobile Label Printer Zebra Zq521		$9,986
BE DAZZLE MY EVENTS	Event Setup		$15,035
	State of the City Chair Rental		$22,956
CDW GOVERNMENT INC	Adobe Pro Licenses		$10,672
	Annual Veeam Server Backup Softw		$6,700
	Palo Alto Annual Support Subscri		$36,187
CLOSET QUEEN EVA	Ladies Locker Room Cabinets	$18,200	
COASTLINE EQUIPMENT	Repair Skid Steer With Tracks	$14,400	
COMPLETE PAPERLESS S	Laserfiche Support		$11,077
COVE COCKTAIL BAR, T	State of The City - Wait Staff.		$10,149
CPAC INC.COM	Trend Micro Cloud One Endpoint S		$7,620
CRAFCO INC	Roadway Maintenance Supplies	$20,000	
DANIELS TIRE SERVICE	Tires		$25,000
DAVID WELLHOUSE	State Mandated Cost Reimbursement		$5,500
DELL COMPUTERS	Dell EMC Ml3/Ml3E Tape Backup		$25,359
	Desktop Replacement Program Work		$26,823
	PowerEdge R760 servers	$37,701	
DESTINY SOFTWARE INC	Agenda Quick Software		$6,500
DIVERSIFIED LEASING	New 2025 Honda Odyssey EXL		$49,026
	New 2025 Honda Pilot EXL		$52,471
DURATECH USA	GETAC F110G5 & G6 Gambler Johnson	$30,303	
DWWCT LLC	2023 Nissan Altima SL		$24,768
E TSENG & ASSOC	Preparation of AB 939 Report	$6,500	
ECOHERO SHOW LLC	Community Engagement for CRV Rec		$5,200
ECONOLITE CORP	Traffic Signal Cabintes and Parts		$84,227
ELECTRA-MEDIA INC	Sign Maintenance & Programming		$19,215
ESRI	2024 Annual Arcgis Online Licens	$14,220	
FEC ELECTRIC INC	Install Pedestal and Controls		$10,900
FORTRESS SECURITY &	Security and Fire Alarm Monitoring		$19,608
FOSTER & FOSTER CONS	Actuarial Valuaiton & GASB 75 Report		$19,000
FULL CIRCLE ELECTRON	Recycling of Electronic Waste		$5,500
GOLDEN BELL PRODUCTS	Insecticide For Sewer Manholes		$39,000
GRAFIX SYSTEMS	Vehicle Graphics	$20,772	
GRAINGER INC	Janitorial Supplies		$20,000
HI WAY SAFETY INC	Barricade, Type 1, Eg, 8/6X24, W		$6,278

City of West Covina
Contracts & Purchase Orders Issued under Sections 2-337 and 2-356 of the Municipal Code
April 1, 2024 to January 31, 2025

Vendor Name	Item Description	Amount FYE2024	Amount FYE2025
HI WAY SAFETY INC	Street Signs - Citywide	$19,011	
IMPEX TECHNOLOGIES	Pure Storage Flash Array For WCP		$15,470
INTELESYSONE	Mitel Business VOIP Phone Maint.		$24,975
JEPPSON, CLAYTON S	Getac B360G2 Intel Core I5-1240		$50,230
	Havis B360 TF1 Standard Vehicle	$42,405	
JGL MECHANICAL INC	Replace 5-Ton Server Room Back	$30,625	
	Replace Vandalized Drain Pans		$13,828
	Replacement of Cassette Unit		$12,908
LANCET CONTRACTING I	Replace Sportsplex Doors	$88,540	
LC ACTION POLICE SUP	P540-3 Collapsible Stk Pgl65-40		$6,781
LN CURTIS & SONS COR	Hose and Valves Quote# 310009 S		$29,584
MEC HOLDING COMPANY	Used 2023 Nissan Altima		$24,572
MINDBASE LLC	Mindbase Wellness App, Peer Supp		$31,778
MOBILE WIRELESS LLC	Netmotion Complete Platform Full		$8,717
	Netmotion Platform	$7,944	
MULTI W SYSTEMS INC	PV Irrigation Pump Repair		$16,035
	Replace Submersibl Pump	$52,765	
MUNICIPAL EMERGENCY	Extrication Equipment Regional		$78,373
NATIONAL AUTO FLEET	New 2024 Ford F-150 Police Respo	$121,015	
	New 2025 Chevrolet Trax Fwd 4Dr		$48,834
PJ PRINTERS INC	Printing Of Discover Newsletter		$14,414
PLUMBING WHOLESALE O	G0Rlitz Gas Jetter 10Gpm W/Elect		$9,970
PROF CARPET & TILE C	City Yard Floor Renovation		$38,882
PRUDENTIAL OVERALL S	Uniform Rentals	$13,034	$13,034
QUADIENT	Postage For City Mail		$30,000
R D OFFUTT COMPANY	2018 John Deere 35G Mini Excavat		$55,759
RELX	Accurint Virtual Crime Center		$20,421
	Desk Officer Reporting System Li		$14,071
SANTIAGO, ADRIAN	Azusa Sewer Lift Station Fencing	$8,585	
SECTRAN SECURITY INC	Armoured Truck Services		$6,400
SEMPER FI AUTOMOTIVE	New 2024 Ford F150 STX	$49,987	
STUDIO CITY SOUND	State of The City - Sound		$5,831
TELEFLEX LLC	IO Needle Sets and IO Needle Sup		$12,000
THE TECH 10 GROUP	4th July Sound/Lighting		$24,999
	Festival of Frights-Sound/ Lighting		$8,880
TOP NOTCH PLUMBING I	Both Floor Drains Cast Iron Pipe		$5,500
	City Hall 4" Copper Main Repair		$15,284
	Lining of Toilets, Urinals and Sinks		$20,218
	Reline Failed Cast Iron Pipes	$24,878	
	Restroom Repairs on First Floor		$45,771
	Sewer Rehab		$7,860
TRAFFIC MANAGEMENT I	4th July Traffic Mgmt		$47,783
UNITED TACTICAL SYS	PepperBall FTC/TAC and Powder		$13,353
VERDEK LLC	Chargepoint Network Connection		$9,285

City of West Covina

Contracts & Purchase Orders Issued under Sections 2-337 and 2-356 of the Municipal Code

April 1, 2024 to January 31, 2025

Vendor Name	Item Description	Amount FYE2024	Amount FYE2025
VERITIV OPERATING CO	Janitorial Supplies		$8,000
VIGILANT SOLUTIONS L	Annual WCPD LEARN Investigative	$11,230	
VIRTUAL GRAFFITI	Barracuda Email Security Annual	$27,270	
WAYNE PERRY INC	Methane Mitigation System Monitor		$10,000
WHITE CAP LP	Vehicle Cleaning	$5,468	
XYLEM DEWATERING	Repairs to Pump Cable and Chopper		$13,603
ZOLL MEDICAL CORP GP	Zoll Medical Products		$15,000
Grand Total		**$749,987**	**$1,494,814**

AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: February 18, 2025

TO: Mayor and City Council

FROM: Paulina Morales, City Manager

SUBJECT: **CONSIDERATION OF THE SECOND QUARTER FINANCIAL REPORT AND BUDGET AMENDMENT FOR FISCAL YEAR 2024-25**

RECOMMENDATION:

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

1. Receive and file the Second Quarter Financial Report for Fiscal Year 2024-25; and
2. Adopt the following resolution:

RESOLUTION NO. 2025-12- A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, ADOPTING A BUDGET AMENDMENT FOR THE FISCAL YEAR COMMENCING JULY 1, 2024 AND ENDING JUNE 30, 2025 (SECOND QUARTER FINANCIAL REPORT)

BACKGROUND:

This report is intended only to provide the City Council and the public with an overview of the City's general fiscal condition. The financial information included in this report is preliminary, unaudited and subject to revision upon completion of the City's closing and audit. The City will make the Quarterly Financial Report available on the City's website for review by the City's stakeholders.

DISCUSSION:

The City has completed the second quarter of Fiscal Year 2024-25. The Quarterly Report (Attachment No. 1) summarizes the overall financial performance of the City for the period of July 1, 2024 through December 31, 2024, but it is not meant to be inclusive of all finance and accounting transactions. While the focus of the report is the General Fund, summary financial information is also provided for the Enterprise Fund and Special Revenue Funds.

The information presented reports revenues as they are received and expenditures when paid. Revenues and expenditures are only accrued at year-end to account for such activity in the correct fiscal year. Additionally, a budget amendment (Attachment No. 2) is proposed with the Quarterly Report to adjust revenue and expenditures based on activity to date.

LEGAL REVIEW:

The City Attorney's Office has reviewed the resolution and approved it as to form.

Prepared by: Stephanie Sikkema, Finance Director

Fiscal Impact

FISCAL IMPACT:

The original FY 2024-25 General Fund budget had a net change in fund balance of $1,335. The first quarter budget amendment had a positive net impact of $11,800. The second quarter budget amendment proposes adding $2,156,500 in revenue and $2,852,881 in expenditures. The overall net impact is a negative $696k. However, this includes the use of unassigned fund balance ($936,384). If excluded the net impact on the General Fund is positive $240k.

The proposed budget amendment includes the following changes to General Fund (Fund 110) appropriations:

General Fund	Original Budget	Current Budget	Requested BA	Amended Budget
Revenue				
Property Tax	36,219,000	36,219,000		36,219,000
Sales Tax	23,837,000	23,837,000	1,663,000	25,500,000
Other Taxes	10,740,400	10,740,400		10,740,400
Charges For Services	8,788,500	8,938,500	25,000	8,963,500
Licenses & Permits	3,874,200	3,874,200		3,874,200
Revenue from Other Agencies	3,443,795	4,172,650	423,500	4,596,150
Use of Money & Property	1,900,000	1,900,000		1,900,000
Interdepartmental Charges	1,196,200	1,196,200		1,196,200
Fines & Forfeitures	1,136,000	1,136,000		1,136,000
Transfers In/Out	145,687	145,687		145,687
Other Revenues	143,500	143,500	45,000	188,500
Revenue Total	**91,424,282**	**92,303,137**	**2,156,500**	**94,459,637**
Expenditures				
Administration	1,785,995	1,874,195	30,000	1,892,195
City Clerk	710,614	710,614	21,140	731,754
Code Enforcement	1,065,105	1,917,105		1,917,105
Community Development	2,754,986	2,755,269		2,755,269
Community Services	2,389,730	2,389,730		2,389,730
Finance	4,566,343	4,589,343	100,000	4,689,343
Fire	23,953,222	24,533,222	425,000	24,958,222
Police	34,048,448	33,372,303	830,676	34,202,979
Public Works	4,884,918	4,884,635	(400,926)	4,483,709
Transfers	15,263,586	15,263,586	1,846,991	17,110,577
Expenditures Total	**91,422,947**	**92,290,002**	**2,852,881**	**95,130,883**
Revenue Less Expenditures	**1,335**	**13,135**	**-696,381**	**-671,246**

In addition to the proposed amendments to the General Fund, the table below summarizes proposed amendments to other funds:

Other Funds	Current Budget	Requested BA	Amended Budget
Assessment Districts			
Expenditures	100,000	252,854	352,854
Capital Project Funds			
Revenue	0	468,192	468,192
Expenditures	1,105,000	8,263,611	9,368,611
CDBG			
Expenditures	0	2,471,060	2,471,060
CFD			
Expenditures	0	30,000	30,000

Gas Tax			
Expenditures	45,000	684,517	729,517
Grant Funds			
Revenue	0	3,020,470	3,020,470
Expenditures	800,000	15,441,249	16,241,249
Internal Service Funds			
Revenue	843,142	1,414,017	2,257,159
Expenditures	5,076,600	1,226,740	6,303,340
Metro Funds			
Expenditures	7,854,800	3,788,915	11,643,715
Other SR Funds			
Revenue	0	286,000	286,000
Expenditures	4,558,600	2,465,564	7,024,164
SB1			
Expenditures	5,052,000	3,866,757	8,918,757
Sewer Maintenance			
Expenditures	2,500,244	9,305,750	11,805,994

Attachments

Attachment No. 1 - Second Quarter Financial Report

Attachment No. 2 - Resolution No. 2025-12

CITY COUNCIL GOALS & OBJECTIVES: Achieve Fiscal Sustainability and Financial Stability
Maintain Good Intergovernmental Relations
Enhance City Image and Effectiveness

CITY OF WEST COVINA

SECOND QUARTER FINANCIAL REPORT

Fiscal Year 2024-25

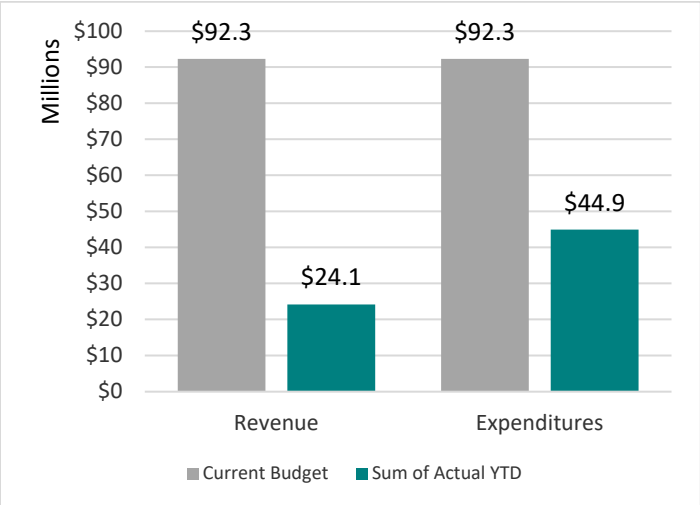
The City has completed the second quarter of Fiscal Year (FY) 2024-2025. This report summarizes the overall financial performance of the City for the period of July 1, 2024, through December 31, 2024, but it is not meant to be inclusive of all finance and accounting transactions. While the focus of the report is the General Fund, summary financial information is also provided for the Enterprise Fund and Special Revenue Funds. The information presented is unaudited. This report is intended to provide City Council and the public with an overview of the City's general fiscal condition.

The revenue and expenditures per the Budget to Year-To-Date (YTD) Actual comparisons include any appropriations made as of December 31, 2024. The information presented reports revenues as they are received and expenditures when paid. Revenues and expenditures are only accrued at year end to account for such activity in the correct fiscal year.

GENERAL FUND

The General Fund (GF) is the general operating fund for the City. It provides the resources to sustain the day-to-day activities and services to the community. All nine departments receive support, either directly or indirectly, from the General Fund.

Chart 1: GF Budget vs. YTD Actual



The General Fund original budget for FY 2024-25 was $91.3 million in revenue, $91.3 million in expenditures and net transfers, for a total net change of fund balance of $1,335. With 50% of the year complete, General Fund revenues are 26% of budget, and expenditures are 48.7%. Total revenues are $24.1 million, and expenditures are $44.9 million leaving a total revenue less expenditures negative $20.8 million.

GENERAL FUND REVENUE

The City's two major General Fund revenue sources are Property Tax and Sales Tax which make up 65% of the General Fund revenues combined. Table 1 below summarizes revenue to-date.

Table 1: GF Revenue – Budget vs. YTD Actual

Revenue Source	Current Budget	YTD Actual	%
Property Tax	36,219,000	6,287,519	17.4%
Sales Tax	23,837,000	8,283,680	34.8%
Other Taxes	10,740,400	2,141,072	19.9%
Charges For Services	8,938,500	4,302,111	48.1%
Revenue from Other Agencies	4,172,650	15,066	0.4%
Licenses & Permits	3,874,200	1,279,699	33.0%
Use of Money & Property	1,900,000	701,427	36.9%
Interdepartmental Charges	1,196,200	598,105	50.0%
Fines & Forfeitures	1,136,000	405,539	35.7%
Transfers In/Out	145,687	0	0.0%
Other Revenues	143,500	128,476	89.5%
Grand Total	**92,303,137**	**24,142,693**	**26.2%**

PROPERTY TAX

The first major property tax distribution to the City for the fiscal year was received in December. Also included in this line are Secured Property Taxes, Property Taxes In-Lieu of Vehicle License Fees (VLF), and residual payments from the dissolution of the former redevelopment agency.

SALES TAX

As of December 31, 2024, the allocation received represents approximately 35% of the total sales tax allocation for the year. This is typical for this time of year as there is a two-month lag in sales tax distributions. The City will continue to receive sales tax allocations with the final quarter allocation distributed by the California State Department of Taxes and Fees Administration (CDTFA) in August 2025. HdL, the City's Sales Tax consultant, has updated its projections and estimates that Sales Tax will be over $25.5 million for the year. This increase is included in the proposed budget amendment.

OTHER TAXES

This category includes Franchise Fees, Business License Tax, Transient Occupancy Tax (TOT), and Property Transfer Tax. At the end of the second quarter $2.1 million or 20% of the original budget was collected. This is due to a lag in when these revenues are received. Additionally, these taxes are not evenly disbursed throughout the year.

CHARGES FOR SERVICES

These revenues include plan check and zoning related fees, recreation fees, interfund charges, police, and fire fees. These fees are trending as projected at approximately 48% or $4.3 million through December 2024. Recreation fees are trending over projected by $25k – this has been included in the proposed budget amendment.

LICENSE & PERMITS

Revenues for licenses & permits include building and engineering permits, and animal licenses. Revenue projections are trending under projected at 33% of the original budget projection or $1.3 million.

REVENUES FROM OTHER AGENCIES

This category includes Vehicle In-Lieu, State Mandated Cost reimbursement revenue, the exchange of Prop A funds, and mutual aid cost reimbursement for strike team deployments for the Fire Department. Most of this revenue is received once within the fiscal year. The Prop A Exchange (which accounts for $2.3 million) typically does not occur until the end of the fiscal year.

To date the Fire Department has spent over $1.2 million on mutual aid overtime, this plus ten percent administrative fee will be reimbursed and the overage is included in the proposed budget amendment.

INTERDEPARTMENTAL CHARGES

This category includes overhead chargebacks from internal service funds: General Liability, Workers Compensation, and Fleet Maintenance. These charges are billed monthly and equally distributed.

USE OF MONEY & PROPERTY

This category includes rental and interest income. These are trending under projections at 37% or $701k through December 2024. There is typically a lag in interest since it is not posted until after the quarter by the investment pools.

FINES & FORFEITURES

This category includes late payment penalties, collection agency fees, code fines, vehicle impound fees, and administrative citations. Overall, fines and forfeitures 36% for the quarter.

OTHER REVENUES

This category includes proceeds from auction, advertising, final map, and other miscellaneous revenue. At the end of the second quarter, $128k or 89% of the original budget projection was realized. The majority of this is from one reimbursement. This has been included in the proposed budget amendment.

TRANSFERS IN

This category includes a transfer from the Successor Agency for administrative costs. This transfer is made at the end of the fiscal year.

REVENUES PROJECTIONS

Revenue projections (see Table 2) are revised with the Quarterly Report based on actuals to date. The total proposed adjustment is an increase of $2,156,500 in revenue for the General Fund.

Table 2: GF Revenue Projection

Revenue Source	Current Budget	Proposed Adj.	Revised Projection
Property Tax	36,219,000		36,219,000
Sales Tax	23,837,000	1,663,000	25,700,000
Other Taxes	10,740,400		10,740,400
Charges For Services	8,938,500	25,000	8,963,500
Revenue from Other Agencies	4,172,650	423,500	4,596,150
Licenses & Permits	3,874,200		3,874,200
Use of Money & Property	1,900,000		1,900,000
Interdepartmental Charges	1,196,200		1,196,200
Fines & Forfeitures	1,136,000		1,136,000
Transfers In/Out	145,687		145,687
Other Revenues	143,500	45,000	188,500
Grand Total	**92,303,137**	**2,156,500**	**94,659,637**

GENERAL FUND EXPENDITURES

As of December 31, 2024, with 50% of the year complete, 48.7% of the General Fund budget was expensed (see Table 3). Except for Fire, all departments are trending under budget (under 50%). Fire is slightly trending over due to Mutual Overtime. Transfers out are not always evenly distributed.

Table 3: GF Expenditures – Budget vs. YTD Actual

Department	Current Budget	YTD Actual	%
Administration	1,874,195	802,570	42.8%
City Clerk	710,614	194,877	27.4%
Code Enforcement	1,917,105	778,518	40.6%
Community Development	2,755,269	825,907	30.0%
Community Services	2,389,730	1,188,754	49.7%
Finance	4,589,343	2,146,179	46.8%
Fire	24,533,222	12,430,562	50.7%
Police	33,372,303	16,097,240	48.2%
Public Works	4,884,635	2,001,334	41.0%
Transfers	15,263,586	8,442,205	55.3%
Grand Total	**92,290,002**	**44,908,145**	**48.7%**

GENERAL FUND OVERTIME

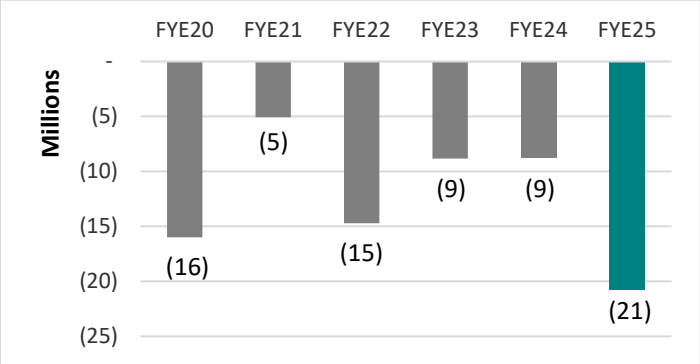
Overall, overtime in the General Fund is trending below budget. Table 4 summarizes overtime by department within the General Fund. Overtime is over budget in Administration due to Special Events.

Table 4: GF Overtime YTD

Department	Current Budget	YTD GF Overtime	%
Administration	1,440	2,918	202.6%
City Clerk	0	0	0.0%
Community Development	1,850	202	10.9%
Finance	1,230	13	1.1%
Fire	2,964,750	1,678,721	56.6%
Police	3,507,150	1,777,850	50.7%
Code Enforcement	10,090	3,367	33.4%
Public Works	11,860	8,642	72.9%
Community Services	143,580	63,614	44.3%
Planning	0	0	0.0%
Grand Total	**6,641,950**	**3,535,328**	**53.2%**

Overall, total General Fund Revenue ($24.1M) less expenditures ($44.9M) for the year is negative $20.8 million. Negative revenue less expenditures is typical for this time of year due to the lag in property and sales tax revenue – the City's primary revenue sources.

Chart 2: GF 1st Quarter Revenue Less Expenditures by FY



PROPOSED BUDGET AMENDMENT

The original FY 2024-25 General Fund budget had a net change in fund balance of $1,335. The first quarter budget amendment had a positive net impact of $11,800. The second quarter budget amendment proposes adding $2,156,500 in revenue and $2,852,881 in expenditures. Table 5 outlines the proposed amendment.

Table 5: Summary of Proposed GF Budget Amendment

Department	Current Budget	Requested BA	Amended Budget
Administration	1,874,195	30,000	1,892,195
City Clerk	710,614	21,140	731,754
Community Development	2,755,269		2,755,269
Finance	4,589,343	100,000	4,689,343
Fire	24,533,222	425,000	24,958,222
Police	33,372,303	830,676	34,202,979
Code Enforcement	1,917,105		1,917,105
Public Works	4,884,635	(400,926)	4,483,709
Community Services	2,389,730		2,389,730
Transfers	15,263,586	1,846,991	17,110,577
Grand Total	**92,290,002**	**2,852,881**	**95,130,883**

The overall net impact is a negative $696k. However, this includes the use of unassigned fund balance ($936,384). If excluded the net impact on the General Fund is positive $240k.

The proposed General Fund budget amendment includes the following:

1. ***Administration ($30,000):*** The proposed increase includes $12k for Council health insurance, $15k for new Council Chamber chairs, and $3k for overtime.
2. ***City Clerk ($21,140):*** The proposed increase is to fund a rollover contract for the municipal fee study.
3. ***Finance ($100,000):*** The proposed increase is to fund legal services for ongoing MOU negotiations and internal investigations.
4. ***Fire ($425k):*** Mutual Aid overtime expenditures are proposed to be increased based on actuals ($385k). Revenue has also been proposed to be increased. Funding is also proposed for Employer Paid Member Contributions (EPMC) to the Public Agency Retirement Services (PARS) ($40k).
5. ***Police ($830k):*** The budget is proposed to be increased by $500k for the recent MOU agreement with POA (includes increase to OT); $133k for sick leave and vacation payouts form the annual cash out program and recent separations; and $197k for the contract with Verdugo for fire dispatch services.
6. ***Public Works (-$400k):*** Expenditures from the general fund are proposed to be reallocated to Fund 179, ARPA to fund the second half of the parks landscape maintenance contract.
7. ***Transfers (1,846,991):***

   A transfer is proposed to the General Liability Fund to cover the overage of the increase in the insurance premiums and a settlement agreement for with a former employee alleging harassment and wrongful termination ($1,250,000). The City did receive reimbursement from the excess

carrier in the amount of $280k. This and the portion of unassigned fund balance decrease the total transfer from the General Fund.

Use of Unassigned Fund Balance (FB) – per the new fund balance policy, the minimum GF unassigned fund balance is 18% of operating expenditures. Additionally, the annual excess is distributed as follows: 50% stays in reserves and becomes assigned for the City's Pension and Other Post-Employment Benefits (OPEB) liabilities, 25% is transferred to the Capital Improvement Plan (CIP) Fund, 15% is transferred to the self-insurance funds, and 10% is transferred to the vehicle and equipment replacement fund (VERF). Below is the calculation for FY2023-24:

FY2023-24 Unassigned FB	18,484,968
FY2024-25 GF Expenditures	92,290,002
Unassigned FB as % of Expenditures	20.0%

Percentage	Reserve Amount ($)	Excess Reserve ($)
18%	16,612,200	1,872,768

Allocation	Percent (%)	Amount ($)
Assigned to Pension/OPEB	50%	936,384
Transfers Out:		
CIP	25%	468,192
Self-Insurance Funds	15%	280,915
VERF	10%	187,277
Subtotal Transfers Out	**50%**	**$936,384**
Total	**100%**	**$1,872,768**

ENTERPRISE FUND (FUND 375)

This fund accounts for the computer services provided by the Police Department to other public safety agencies for a fee. The programs are marketed to both public and private agencies. The Police Department also utilizes these products and services. Revenue is generally billed once annually. Expenditures are trending over budget due to one-time annual expenses (see Table 6).

Table 6: Police Enterprise Budget vs. YTD Actuals

Type	Current Budget	YTD Actual	%
Revenue	743,600	0	0.0%
Expenditures	688,804	320,939	46.6%
Revenue Less Expenditures	**54,796**	**(320,939)**	

SPORTSPLEX (FUND 242)

This fund accounts for activity at the West Covina Sportsplex, a recreation facility which amenities include softball fields, a pavilion, playgrounds, and restaurants. Budget versus actual comparisons for both revenue and expenditures for the Sportsplex are presented in Table 7 below.

Table 7: Sportsplex Budget vs. YTD Actuals

Type	Current Budget	YTD Actual	%
Revenue			
Charges For Services	57,000	137,939	242.0%
Other Revenues	2,400	11,338	472.4%
Use of Money & Property	99,600	103,130	103.5%
Transfers In/Out	753,068	0	0.0%
Revenue Total	**912,068**	**252,407**	**27.7%**
Expenditures			
Salaries & Benefits	574,668	387,960	67.5%
Materials & Services	337,400	180,817	53.6%
Capital Investments	0	0	0.0%
Expenditures Total	**912,068**	**568,777**	**62.4%**
Revenue less Expenditures	**0**	**-316,370**	

OTHER FUNDS

Table 8 shows a summary of budget versus actuals for other funds:

Table 8: Other Funds Budget vs. YTD Actuals

Fund Grouping	Current Budget	YTD Actual	%
Assessment Districts			
Revenue	4,500,410	1,949,348	43.3%
Expenditures	5,558,504	2,698,545	34.8%
Capital Project Funds			
Revenue	755,100	115,126	15.2%
Expenditures	1,304,000	244,278	22.2%
CDBG			
Revenue	1,039,671	72,732	7.0%
Expenditures	1,039,671	230,862	85.5%
Debt Service			
Revenue	15,872,613	8,889,329	56.0%
Expenditures	15,872,613	8,979,688	56.6%
Gas Tax			
Revenue	3,003,227	1,392,743	46.4%
Expenditures	3,384,327	1,789,245	41.8%
Grant Funds			
Revenue	1,479,949	112,433	7.6%
Expenditures	1,624,122	1,368,909	37.7%
Housing Authority			
Revenue	174,000	71,816	41.3%
Expenditures	884,456	465,090	36.2%
Internal Service Funds			
Revenue	9,059,141	4,131,828	45.6%
Expenditures	9,211,241	6,947,312	73.1%
Metro Funds			
Revenue	10,507,032	4,643,324	44.2%
Expenditures	15,282,451	4,374,306	9.7%
Other SR Funds			
Revenue	4,961,788	2,508,684	50.6%
Expenditures	11,658,385	2,736,879	15.3%
SB1			
Revenue	3,491,301	1,100,220	31.5%
Expenditures	5,552,000	91,410	1.6%
Sewer Maintenance			
Revenue	4,533,100	1,826,871	40.3%
Expenditures	4,800,182	743,531	13.5%
Successor Agency			
Revenue	2,866,944	54,963	1.9%
Expenditures	3,357,151	1,778,187	52.2%

In addition to the proposed amendments to the General Fund, the following is recommended:

1. ***CIP Rollover ($45.6 million):*** The annual CIP and purchase over rollover is included in the proposed amendment and is spread across various funds.

Fund Category	Rollover
Assessment Districts	252,854
Capital Project Funds	8,263,611
CDBG	2,471,060
CFD	30,000
Gas Tax	684,517
Grant Funds	14,684,490
Metro Funds	3,788,915
Operating	21,140
Other SR Funds	2,230,564
SB1	3,866,757
Sewer Maintenance	9,305,750
Grand Total	**$45,599,658**

2. ***Fund 179, ARPA ($756,759)***: Expenditures are proposed to be allocated for landscape maintenance ($400,926) and the homeless contract ($355,833).

3. ***Fund 220, Community Services Foundation: ($235k):*** Expenditures are proposed to be increased to reflect the $210k donation to the Police and $25k for summer concerts. This is offset by $286k in revenue.

4. ***Fund 361, General Liability ($1.4 million):*** Expenditures are proposed to be increased to cover the increase in the insurance premiums and a settlement agreement for with a former employee alleging harassment and wrongful termination ($1,250,000). The City did receive reimbursement from the excess carrier in the amount of $280k. This and the portion of unassigned fund balance decrease the total transfer from the General Fund.

5. ***Fund 365, Fleet Maintenance ($230k):*** Revenue and expenditures are proposed to be decreased as Fire expenses are paid directly from the General Fund. The net impact is to the fund is zero.

Table 9: Summary of Proposed Budget Amendment to Other Funds

Other Funds	Current Budget	Requested BA	Amended Budget
Transportation Development Act (128)			
Expenditures	118,600	31,174	149,774
ARPA Local Fiscal Recovery Funds (179)			
Revenue	0	3,020,470	3,020,470
Expenditures	0	3,020,470	3,020,470
Art In Public Places (212)			
Expenditures	0	199,998	199,998
Capital Projects (160)			
Revenue	0	468,192	468,192
Expenditures	1,105,000	5,974,877	7,079,877
PDF A - Del Norte (170)			
Expenditures	0	1,284,604	1,284,604
WC Community Svcs Foundation (220)			
Revenue	0	286,000	286,000
Expenditures	0	235,000	235,000
Measure M (235)			
Expenditures	7,504,800	2,697,893	10,202,693
CDBG - R (225)			
Expenditures	0	686,171	686,171
CFD Debt Service (853)			
Expenditures	0	30,000	30,000
Citywide Maintenance District (188)			
Expenditures	100,000	252,854	352,854
Community Dev. Block Grant (131)			
Expenditures	0	1,784,889	1,784,889
Fleet Management (365)			
Revenue	843,142	-230,000	613,142
Expenditures	607,000	-230,000	377,000
Gasoline Tax (124)			
Expenditures	45,000	684,517	729,517
Highway Safety Improvement Program (144)			
Expenditures	800,000	9,974,683	10,774,683
Information Technology (162)			
Expenditures	0	115,540	115,540
LA County Park Bond (143)			
Expenditures	0	62,566	62,566
Measure A (236)			
Expenditures	340,000	400,000	740,000
Measure R (224)			
Expenditures	350,000	1,091,022	1,441,022
Measure W Stormwater (197)			
Expenditures	3,400,000	1,378,292	4,778,292
Park Acquisition Fund (169)			
Expenditures	0	104,720	104,720
Park Facilities Dev. Impact Fees (166)			
Expenditures	0	172,395	172,395
PDF C Orangewood - Ca (172)			
Expenditures	0	375,775	375,775
PDF F - Gal-Wogrov-Cam (175)			
Expenditures	0	150,000	150,000
PDF H - Friendship (177)			
Expenditures	0	75,000	75,000
Police Facilities Dev. Impact Fees (164)			
Expenditures	0	10,700	10,700
SB1 - Road Maintenance Rehab (237)			
Expenditures	5,052,000	3,866,757	8,918,757
Self Insurance General/Auto Liab (361)			
Revenue	0	1,456,740	1,456,740
Expenditures	4,469,600	1,456,740	5,926,340
Sewer Maintenance (189)			
Expenditures	2,500,244	9,305,750	11,805,994
State Asset Forfeiture (116)			
Expenditures	100,000	100,000	200,000
STP Local (140)			
Expenditures	0	2,383,530	2,383,530
Vehicle Replacement (367)			
Revenue	0	187,277	187,277
Equitable Sharing-US DOJ (117)			
Expenditures	600,000	121,100	721,100

FOR MORE INFORMATION

This summary report is derived from detailed financial information generated by the City's Finance Department. Additional financial information is available online at www.westcovina.org.

ATTACHMENT NO. 2

RESOLUTION NO. 2025-12

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, ADOPTING A BUDGET AMENDMENT FOR THE FISCAL YEAR COMMENCING JULY 1, 2024 AND ENDING JUNE 30, 2025 (SECOND QUARTER FINANCIAL REPORT)

The City Council of the City of West Covina hereby finds and declares as follows:

WHEREAS, on May 7, 2024, the City Manager presented to the City Council a proposed budget for Fiscal Year 2024-25 in compliance with Section 2-151(m) of the West Covina Municipal Code; and

WHEREAS, the City held meetings and community workshops and conducted an online budget survey in order to solicit input from the public regarding the proposed budget; and

WHEREAS, on June 4, 2024, the City Council adopted a budget for the 2024-2025 Fiscal Year; and

WHEREAS, amendments must periodically be made to the budget to conform to changed circumstances following adoption of the budget.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The City Council hereby approves Budget Amendment No. 2025-12, attached hereto as Exhibit A, for Fiscal Year 2024-25.

SECTION 2. The City Clerk shall certify to the adoption of this resolution and shall enter the same in the book of original resolutions and it shall become effective immediately.

APPROVED AND ADOPTED this 18th day of February, 2025.

_____

Tony Wu
Mayor

APPROVED AS TO FORM

Thomas P. Duarte
City Attorney

ATTEST

Lisa Sherrick
Assistant City Clerk

I, LISA SHERRICK, Assistant City Clerk of the City of West Covina, California, do hereby certify that the foregoing Resolution No. 2025-12 was duly adopted by the City Council of the City of West Covina, California, at a regular meeting thereof held on the 18th day of February, 2025, by the following vote of the City Council:

AYES:
NOES:
ABSENT:
ABSTAIN:

Lisa Sherrick
Assistant City Clerk

Exhibit A

City of West Covina
Fiscal Year 2024-25
Budget Amendment No. 2025-12
Second Quarter Financial Report

Fund Name (Fund No.)	Current Budget	Proposed Amendment	Amended Budget
General Fund (110)			
Revenue	92,303,137	2,156,500	94,459,637
Expenditures	92,290,002	2,852,881	95,130,883
Fund (110) Total	**13,135**	**-696,381**	**-671,246**
Capital Projects (160)			
Revenue	0	468,192	468,192
Expenditures	1,105,000	5,974,877	7,079,877
Fund (160) Total	**-1,105,000**	**-5,506,685**	**-6,611,685**
ARPA Local Fiscal Recovery Funds (179)			
Revenue	0	3,020,470	3,020,470
Expenditures	0	3,020,470	3,020,470
Fund (179) Total	**0**	**0**	**0**
Art In Public Places (212)			
Revenue	15,300		15,300
Expenditures	0	199,998	199,998
Fund (212) Total	**15,300**	**-199,998**	**-184,698**
CDBG - R (225)			
Revenue	0		0
Expenditures	0	686,171	686,171
Fund (225) Total	**0**	**-686,171**	**-686,171**
CFD Debt Service (853)			
Revenue	0		0
Expenditures	6,474,641	30,000	6,504,641
Fund (853) Total	**-6,474,641**	**-30,000**	**-6,504,641**
Citywide Maintenance District (188)			
Revenue	1,918,310		1,918,310
Expenditures	2,053,439	252,854	2,306,293
Fund (188) Total	**-135,129**	**-252,854**	**-387,983**
Community Dev. Block Grant (131)			
Revenue	1,039,671		1,039,671
Expenditures	1,039,671	1,784,889	2,824,560
Fund (131) Total	**0**	**-1,784,889**	**-1,784,889**
Fleet Management (365)			
Revenue	1,765,341	-230,000	1,535,341
Expenditures	1,765,341	-230,000	1,535,341
Fund (365) Total	**0**	**0**	**0**

Fund Name (Fund No.)	Current Budget	Proposed Amendment	Amended Budget
Gasoline Tax (124)			
Revenue	3,003,227		3,003,227
Expenditures	3,384,327	684,517	4,068,844
Fund (124) Total	**-381,100**	**-684,517**	**-1,065,617**
Information Technology (162)			
Revenue	408,100		408,100
Expenditures	179,000	115,540	294,540
Fund (162) Total	**229,100**	**-115,540**	**113,560**
LA County Park Bond (143)			
Revenue	19,000		19,000
Expenditures	19,000	62,566	81,566
Fund (143) Total	**0**	**-62,566**	**-62,566**
Measure A (236)			
Revenue	340,000		340,000
Expenditures	340,000	400,000	740,000
Fund (236) Total	**0**	**-400,000**	**-400,000**
Measure M (235)			
Revenue	2,869,220		2,869,220
Expenditures	8,708,810	2,697,893	11,406,703
Fund (235) Total	**-5,839,590**	**-2,697,893**	**-8,537,483**
Measure R (224)			
Revenue	1,997,382		1,997,382
Expenditures	1,502,174	1,091,022	2,593,196
Fund (224) Total	**495,208**	**-1,091,022**	**-595,814**
Measure W Stormwater (197)			
Revenue	1,469,800		1,469,800
Expenditures	4,675,000	1,378,292	6,053,292
Fund (197) Total	**-3,205,200**	**-1,378,292**	**-4,583,492**
Park Acquisition Fund (169)			
Revenue	47,400		47,400
Expenditures	0	104,720	104,720
Fund (169) Total	**47,400**	**-104,720**	**-57,320**
Park Facilities Dev. Impact Fees (166)			
Revenue	75,000		75,000
Expenditures	0	172,395	172,395
Fund (166) Total	**75,000**	**-172,395**	**-97,395**
PDF A - Del Norte (170)			
Revenue	29,500		29,500
Expenditures	0	1,284,604	1,284,604
Fund (170) Total	**29,500**	**-1,284,604**	**-1,255,104**

Fund Name (Fund No.)	Current Budget	Proposed Amendment	Amended Budget
PDF C Orangewood - Ca (172)			
Revenue	35,300		35,300
Expenditures	0	375,775	375,775
Fund (172) Total	**35,300**	**-375,775**	**-340,475**
PDF F - Gal-Wogrov-Cam (175)			
Revenue	6,800		6,800
Expenditures	0	150,000	150,000
Fund (175) Total	**6,800**	**-150,000**	**-143,200**
Police Facilities Dev. Impact Fees (164)			
Revenue	44,300		44,300
Expenditures	0	10,700	10,700
Fund (164) Total	**44,300**	**-10,700**	**33,600**
SB1 - Road Maintenance Rehab (237)			
Revenue	3,491,301		3,491,301
Expenditures	5,552,000	3,866,757	9,418,757
Fund (237) Total	**-2,060,699**	**-3,866,757**	**-5,927,456**
Self Insurance General/Auto Liab (361)			
Revenue	4,469,600	1,456,740	5,926,340
Expenditures	4,469,600	1,456,740	5,926,340
Fund (361) Total	**0**	**0**	**0**
PDF H - Friendship (177)			
Revenue	1,700		1,700
Expenditures	0	75,000	75,000
Fund (177) Total	**1,700**	**-75,000**	**-73,300**
Sewer Maintenance (189)			
Revenue	4,533,100		4,533,100
Expenditures	4,800,182	9,305,750	14,105,932
Fund (189) Total	**-267,082**	**-9,305,750**	**-9,572,832**
State Asset Forfeiture (116)			
Revenue	6,100		6,100
Expenditures	100,000	100,000	200,000
Fund (116) Total	**-93,900**	**-100,000**	**-193,900**
STP Local (140)			
Revenue	0		0
Expenditures	0	2,383,530	2,383,530
Fund (140) Total	**0**	**-2,383,530**	**-2,383,530**
Transportation Development Act (128)			
Revenue	119,500		119,500
Expenditures	118,600	31,174	149,774
Fund (128) Total	**900**	**-31,174**	**-30,274**

Fund Name (Fund No.)	Current Budget	Proposed Amendment	Amended Budget
Vehicle Replacement (367)			
Revenue	6,000	187,277	193,277
Expenditures	200,000		200,000
Fund (367) Total	**-194,000**	**187,277**	**-6,723**
WC Community Svcs Foundation (220)			
Revenue	110,000	286,000	396,000
Expenditures	113,300	235,000	348,300
Fund (220) Total	**-3,300**	**51,000**	**47,700**
Highway Safety Improvement Program (144)			
Revenue	800,000		800,000
Expenditures	800,000	9,974,683	10,774,683
Fund (144) Total	**0**	**-9,974,683**	**-9,974,683**
Equitable Sharing-US DOJ (117)			
Revenue	84,600		84,600
Expenditures	1,999,432	121,100	2,120,532
Fund (117) Total	**-1,914,832**	**-121,100**	**-2,035,932**

AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: February 18, 2025

TO: Mayor and City Council

FROM: Paulina Morales, City Manager

SUBJECT: **ANNUAL REVIEW OF FINANCIAL POLICIES**

RECOMMENDATION:

It is recommended that the City Council adopt the following resolutions:

RESOLUTION NO. 2025-13 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, APPROVING THE CITY OF WEST COVINA STATEMENT OF INVESTMENT POLICY

RESOLUTION NO. 2025-14 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, AMENDING THE FUND BALANCE POLICY

BACKGROUND:

Financial policies are used to set the baseline standards for how the City will be managed financially. The City of West Covina has the following financial policies:

Budget Policy (Attachment No. 1)
This policy establishes a budget process to help decision makers make informed choices about the provision of services and capital assets and to promote stakeholder participation in the process.

Debt Management Policy (Attachment No. 2)
This policy establishes guidelines for the issuance and management of debt. Section 2 of this policy requires the Finance Director to conduct an annual review of the policy and bring forward to the City Council any amendments deemed necessary and appropriate.

Fund Balance Policy (Attachment No. 3)
This policy establishes the procedures for reporting unrestricted fund balance in the City's financial statements. Certain commitments and assignments of fund balance help ensure that there will be adequate financial resources to protect the City against unforeseen circumstances and events, such as revenue shortfalls and unanticipated expenditures.

Pension Funding Policy (Attachment No. 4)
This policy provides guidance in making annual budget decisions; demonstrates prudent financial management practices; creates sustainable and affordable budgets for pensions; and reassures bond rating agencies. Section III.F. of this policy requires the City to review the policy at least once every two years.

Investment Policy (Attachment No. 5)
The purpose of the Investment Policy is to establish prudent investment cash management guidelines for the City of West Covina, the Successor Agency to the former Redevelopment Agency of the City of West Covina, and the West Covina Community Facilities District. The investment goals of the City are safety, liquidity and yield. Section XX of this policy requires the City to review and approve the policy on an annual basis, with any modifications requiring City Council approval.

DISCUSSION:

It is a best practice, and for some policies a requirement, to conduct an annual review of these policies and bring forward any amendments deemed necessary and appropriate to the City Council for consideration.

No changes are proposed at this time to the Budget, Debt, Pension or Investment Policies. However, the Investment Policy must be approved annually. In accordance with Section XX of the Statement of Investment Policy, staff recommends that the City Council adopt the proposed resolution to approve the Statement of Investment Policy, as previously approved by the City Council, through the adoption of Resolution No. 2025-13 (Attachment No. 6).

Staff is proposing an amendment to the Fund Balance Policy to reflect the Corrective Action Plan recently submitted to the State Auditor. The current policy states that the City will maintain a minimum unassigned fund balance of at least 17% of the General Fund operating expenditures. Additionally, at the end of the fiscal year, the annual excess revenue over expenditures in the City's General Fund will be automatically allocated as follows, unless the transfer is overridden by an action of the City Council: 25% stays in the General Fund Balance reserves, 25% is transferred to the Capital Projects Fund, 10% is transferred to the Vehicle Replacement Fund, 15% is transferred to the Self-Insurance Funds, and 25% goes to pay down the City's Other Post Employment Benefit (OPEB) liability.

Staff recommends increasing the minimum unassigned fund balance to 18% of the General Fund operating expenditures. Additionally, at the end of the fiscal year, staff recommends the annual excess unassigned fund balance in the City's General Fund be modified by increasing the General Fund Balance reserves percentage to 50% (the amount will become assigned for the City's Pension and OPEB liabilities), and removing the 25% transfer to the OPEB Internal Service Fund (Attachment No. 7).

LEGAL REVIEW:

The City Attorney's Office has reviewed the resolutions and approved them as to form.

Prepared by: Maria-Luisa Olea, Assistant Finance Director

Fiscal Impact

FISCAL IMPACT:

This is strictly an administrative item, therefore; there is no fiscal impact associated with this action.

Attachments

Attachment No. 1 - Budget Policy
Attachment No. 2 - Debt Management Policy
Attachment No. 3 - Fund Balance Policy
Attachment No. 4 - Pension Funding Policy
Attachment No. 5 - Investment Policy
Attachment No. 6 - Resolution No. 2025-13 Approving Investment Policy
Attachment No. 7 - Resolution No. 2025-14 Approving Amended Fund Balance Policy

CITY COUNCIL GOALS & OBJECTIVES: Achieve Fiscal Sustainability and Financial Stability
A Well-Planned Community

ATTACHMENT NO. 1

City of West Covina

Budget Policy

Updated – May 19, 2020

INTRODUCTION

This document defines the policies and procedures for the budget for the City of West Covina.

The procedures serve as a guide for maintaining the City's reputation for fairness and integrity of fiscal responsibility in preparation of the annual budget using proper checks and balances. The budget functions will be conducted using the highest ethical standards.

The objective of the budget policy is to establish a budget process that helps decision makers make informed choices about the provision of services and capital assets and to promote stakeholder participation in the process. The term "stakeholder" refers to anyone affected by or has a stake in the City of West Covina with priority to residents and West Covina businesses. The use of "shall" is synonymous with will.

POLICY PURPOSE

Policy and procedures have been established in order to provide the most efficient and effective operations of preparing the budget. The budget process will cover four main Goals:

1. *Establish Broad Goals to Guide City Decision Making*
    - The City Council does adopt broad goals on an annual basis that provide overall direction for the City and serve as a basis for decision making.
        i. Assess community needs, priorities, challenges and opportunities.
        ii. Identify opportunities and challenges for City services, capital assets, and management.
        iii. Develop and disseminate broad goals.

2. *Develop Approaches to Achieve Goals*
    - The City will utilize specific policies, plans, programs, and management strategies to define how it will achieve its long-term goals.
        i. Adopt and review financial policies.
        ii. Develop programs, services, operating, and capital policies and plans.
        iii. Develop management strategies.

3. *Develop a Budget Consistent with Approaches to Achieve Goals*
    - A financial plan and budget that moves toward achievement of goals, within the constraints of available financial resources, is to be prepared and adopted.
        i. Develop a process for preparing and adopting a budget.
        ii. Make choices necessary to adopt a budget.

4. *Evaluate Performance and Make Adjustments*
    - Programs and financial performance will be continually evaluated, and adjustments made, to encourage progress toward achieving goals.
        i. Monitor, measure, and evaluate performance.
        ii. Make adjustments as needed.

Goal # 1 - Establish Broad Goals to Guide City Decision Making

i. Assess Community Needs, Priorities, Challenges, and Opportunities

A. Identify Stakeholder Priorities, Needs, and Concerns
- The City Council meetings are an open forum providing opportunity to stakeholders to bring forth concerns, needs, and priorities.
- Among other mechanisms that might be considered are special public hearings, surveys, meetings of leading residents and resident interest groups, City strategic planning processes, meetings with City employees, and workshops involving City administrative staff and/or the City Council.

B. Evaluate Community Condition, External Factors, Opportunities, and Challenges[1]
- The City Council will regularly collect and evaluate information about trends in community condition, the external factors affecting it, opportunities that may be available, and problems and issues that need to be addressed.
- Some mechanisms will involve data gathering from pre-existing sources or through opinion surveys.
- Other mechanisms will be subjective, such as observing physical characteristics of geographic areas within the community or talking to residents, experts, business and community leaders, and legislative bodies. Formal studies of particular issues or trends may also be undertaken.
- The frequency and extensiveness of the evaluation should be consistent with how frequently the information changes and the relative importance of the information being gathered.

ii. Identify Opportunities and Challenges for City Services, Capital Assets, and Management

A. Assess Services and Programs, and Identify Issues, Opportunities, and Challenges
- The City shall inventory, identify, and assess the programs and services that it provides, their intended purpose, and factors that could affect their provision in the future.

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[1] The intent of this practice is for the City to have up-to-date information with which to evaluate community conditions and major issues that are integral to the development and achievement of goals. In evaluating community condition, the City may want to consider local, regional, national, and global factors affecting the community (i.e. economic and financial factors, demographics, physical or environmental factors, changes in technology, etc.).

- Identify the changes in community conditions or other factors that may result in a program or service no longer addressing the needs it was intended to serve. Also, identify any changes in the operating environment that may affect the cost or effectiveness of service delivery in the future.
- The review will involve each department's assessment of the programs'
- purposes, beneficiaries and needs served, their success in achieving goals, and issues, challenges, and opportunities affecting their future provision.
- The inventory of programs and services will identify the organization responsible for service delivery if it is not the City itself. An evaluation of factors affecting service delivery will also be undertaken, such as funding issues; changes in technology; economic, demographic, or other factors that may affect demand; and legal or regulatory changes. These reviews will typically utilize a variety of information sources.
- Stakeholder involvement in these reviews is encouraged, such as through budget study workshops.

B. Assess Capital Assets, and Identify Issues, Opportunities, and Challenges
   - The City will identify and conduct an assessment of its capital assets, including the condition of the assets and factors that could affect the need for or ability to maintain the assets in the future. The capital assets of the City and their condition are critical to the quality of services provided, and hence are important in determining whether the needs and priorities of stakeholders can be met.
   - The City shall establish a process for inventorying its capital assets and assessing the need for and the condition of these assets. (See Capital Asset Management Policy)
   - The City will assess and evaluate issues, challenges, and opportunities affecting the provision of capital assets in the future, such as community needs and priorities; the impact of deferred maintenance; funding issues; changes in technology; economic, demographic, or other factors that may affect demand; and legal or regulatory changes. This review may be undertaken in conjunction with an evaluation of the program or service utilizing the particular assets.
   - The assessment of capital asset condition must consider the impact of any deferred maintenance and needed improvements. Identification or development of measurement standards for the condition of capital assets (including what is regarded as acceptable) are a valuable output of this practice.

C. Assess City Management Systems, and Identify Issues, Opportunities, and Challenges
   - The City will identify and analyze its organization and management systems, including system strengths and weaknesses and factors that could affect these systems in the future. The support systems established to manage the City are integral to the achievement of goals.
   - The City will inventory management systems by department and routinely identify, analyze, and address issues related to the City's organization and management systems and the environment in which these systems operate.
   - Each department will include an examination of strengths and weaknesses of the organizational structure, interdepartmental communication and cooperation, communication of goals and directives, motivation of staff, conflict management, and provision of other internal needs and support systems.
   - The review will also include an assessment of management policies, procedures, and systems that support achievement of goals.

iii. Develop and Disseminate Broad Goals

A. Identify Broad Goals
   - The City is to identify broad goals based on its assessment of the community it serves and its operating environment. Broad goals define the priorities and preferred future state of the community or area served. They provide a basis for making resource allocation decisions during the budget process and serve as a focal point for assessing and coordinating various long-range or strategic plans.
   - Goals are to be expressed in written form and should reflect stakeholder concerns, needs, and priorities as well as factors affecting the community and the City.
   - They must be sufficiently specific to help define the services to be emphasized and make difficult resource allocation decisions in the budget process.
   - Define priorities among goals to improve their usefulness in allocating resources.

B. Disseminate Goals and Review with Stakeholders
   - The City will disseminate broad goals and review them with stakeholders. Disseminating and reviewing goals helps foster participation, awareness, consensus, pride, and a sense of direction.
   - Dissemination may occur by conducting public forums and by publishing goals in key public documents, such as strategic and other planning documents and budget documents. Electronic media may also be used including the City website.

Goal # 2 - Develop Approaches to Achieve Goals

i. Adopt and Review Financial Policies

A. Develop Policy on Stabilization Funds

- The City developed policies to guide the creation, maintenance, and use of resources for financial stabilization purposes. (See Fund Balance Policy[2]).
- The policy establishes how and when the City builds up stabilization funds and will identify the purposes for which they may be used.

B. Develop Policy on Fees and Charges[3]

- The City has established a master fee schedule that identifies the manner in which fees and charges are set and the extent to which they cover the cost of the service provided.
- The fee schedules are to be evaluated annually in the budget process to review all fees and charges, the level of cost recovery for services and the reason for any subsidy, and the frequency with which cost-of- services studies will be undertaken.
- Policies on fees and charges are publicly available and summarized in materials used in budget preparation.

C. Develop Policy on Debt Issuance and Management

- The City has established a Debt Management Policy to guide the issuance and management of debt. Issuing debt commits the City's revenues several years into the future and may limit the City's flexibility to respond to changing service priorities, revenue inflows, or cost structures. Adherence to a debt policy helps ensure that debt is issued and managed prudently in order to maintain a sound fiscal position and protect credit quality. compliance.

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[2] *The Fund Balance Policy is reviewed annually to assess the alignment with set goals established in the budget process. The City should evaluate reserves set in the fund balance policy. These funds may be used at the City's discretion to address temporary cash flow shortages, emergencies, unanticipated economic downturns, and one-time opportunities.*

[3] *Costs of service include direct and indirect costs such as operating and maintenance costs, overhead, and charges for use of capital. The City may choose not to recover all costs, but it must identify such costs. Reasons for not recovering full costs will be identified and explained. State and local law may govern the establishment of fees and charges.*

- Debt policies are available to the public and other stakeholders. Because these policies are essential to budget decision making, particularly capital budgets, they will be reviewed by decision makers during the annual budget process and as an appendix in the budget document. Debt Policy will be reviewed for every debt issuance for The City Council has a debt policy and compiles it with other financial policies.

D. Evaluate the Use of Unpredictable Revenues

- One-time or short-term revenues will be identified clearly in the budget process. Unpredictable revenue sources cannot be relied on as to the level of revenue they will generate.
- For each major unpredictable revenue source, the City identifies those aspects of the revenue source that make the revenue unpredictable. Such as, grant supported operating costs.
- One-time revenues will never cover the costs of continuing operating budgets. One-time revenues will only cover one-time costs such as matching requirements, one-time purchases, one-time payments to unfunded liabilities, etc.

E. Develop Policy on Balancing the Operating Budget

- The City defines its Balanced Operating Budget as uses of resources for operating purposes does not exceed available resources over the budget period, July 1 to June 30th.
- The City is committed to a balanced budget under normal circumstances and will provide disclosures when a deviation from a balanced operating budget is planned or when it occurs. A balanced budget is a basic budgetary constraint intended to ensure that the City does not spend beyond its means.
- Operating resources (revenues) includes all taxes, licenses and permits, fines and forfeitures, use of money and property, charges for services, interdepartmental charges, miscellaneous revenues and intergovernmental revenues in the General Fund, Special Revenue Funds, Capital Projects, Debt Service Funds, and Internal Service Funds.
- Operating uses (expenditures) are personnel service costs, material and service costs, capital purchases, and interdepartmental allocations.

ii. *Develop Programs, Services, Operating, and Capital Policies and Plans*

A. Prepare Policies and Plans to Guide the Design of Programs and Services

- Service and programs directly relate to strategies identified by the City to achieve set goals.

- Each department of the City, such as City Council, City Manager, City Clerk, Police, etc. identify the programs and services along with groups or populations to be serviced, service delivery issues, specific programs listed with standards of performance (including level of service standards or other measures to gauge success), expected costs, time frames for achievement of goals, issues pertaining to organization structure, and priorities for service provision.
- Each department identifies their goals and achievements by department which should correlate to overall goals of the City.
- Each department identifies the resources (revenues) used to obtain the goals.

B. Prepare Policies and Plans for Capital Asset Acquisition, Maintenance, Replacement, and Retirement
   - The City will annually evaluate the need to budget for acquisition, maintenance, replacement, and retirement of capital assets to help ensure that needed capital assets or improvements receive appropriate consideration in the budget process and that older capital assets are considered for retirement or replacement. This is necessary to plan for large expenditures and to minimize deferred maintenance.
   - Annual budget evaluation may address inventorying capital assets and evaluating their condition, criteria for acceptable condition, criteria for continued maintenance versus replacement or retirement of an existing asset, and identification of funding for adequate maintenance and scheduled replacement of capital assets.
   - Any assets identified as corning due for replacement will be addressed in multi-year budgets to address replacement and renewal schedules and must recognize the linkage of capital expenditures with the annual operating budget.
   - Plans for addressing deferred maintenance may also be an output of this practice. Once adopted, which may be included in the Capital Improvement Program (CIP) Budget, the plan will be made publicly available, particularly as set forth in budget, management, and planning documents.

C. Develop Options for Meeting Capital Needs and Evaluating Acquisition Alternatives[4]
   - The City develops Capital Improvement Program Budgets to address

[4] *City is to conduct quarterly reviews of existing capital projects in relation to goal attainment and to maintain, renovate, and replace, City facilities. Various considerations to be part of evaluation (i.e. costs, impacts on service, funding levels, use of non-General Funds, stakeholder input, etc.).*

- capital needs that are consistent with financial, programmatic, and capital policies and to evaluate alternatives for acquiring the use of capital assets. Capital project planning is necessary to give adequate consideration to longer-range needs and goals, evaluate funding requirements and options, and achieve consensus on the physical development of the community.
- Annually in the budget process the City evaluates alternative mechanisms to help ensure that the best approach for providing use of a capital asset or facility is chosen based on the policies and goals of the City.
- The City uses the CIP Budget to identify capital projects that are needed to achieve goals and a general time frame in which these assets will be needed.

D. Develop Performance Measures

- The City will annually, during the budget process, review and develop and utilize performance measures for functions, programs, and/or activities. Performance measures are used for assessing how efficiently and effectively functions, programs, and activities are provided and for determining whether program goals are being met.
- Performance measures may be linked to specific program goals and objectives.
- The measures are to be valid, reliable, and verifiable.
- Whenever feasible, they should be expressed in quantifiable terms.
- Measures will be reported in periodic reviews of functions and programs, staff reports, and should be integral to resource allocation decisions.
- They also are to be reported in the budget document and may be reported in separate management reports or reports to residents.
- Different aggregations of performance measures may be appropriate for different audiences.

iii. *Develop Management Strategies*

A. Develop Strategies to Facilitate Attainment of Program and Financial Goals

- The City has an organizational structure and management strategies that facilitate attainment of program and financial goals. Goals are more likely to be achieved if organizational and management strategies are developed to support and encourage organizational and individual performance directed toward goal attainment.
- The City has developed a means to review, improve, and implement strategies that encourage the City and its employees to work toward achievement of goals.
- These strategies include both positive incentives and penalties.

- They also include support systems such as technology support, education, and training.

B. Develop Mechanisms for Budgetary Compliance
   - Finance provides monthly budget to actual reports to each department head and City Manager to ensure proper review for compliance with the adopted budget. Appropriate management processes and systems allow the City to detect and correct significant deviation if it occurs.
   - On a quarterly basis Finance provides budget to actual reports to department heads and City Council.
   - These reports provide measures of departments' budget.
   - Budgetary compliance is encouraged through use of data collection and reporting systems that control disbursements of funds and that facilitate the evaluation of revenue and expenditure trends and financial projections.
   - City Manager will address any deviation of the budget to actual report (i.e. budget amendments).
   - The City has instituted procedures to review the budget quarterly and decide on actions to bring the budget into balance, if necessary.

C. Develop the Type, Presentation, and Time Period of the Budget
   - The City will annually present the budget, which will cover the fiscal year July 1st through June 30th. The type of budget, the time period covered, and the manner of presenting materials in the budget documents can have a significant practical impact on the City's approach to planning, control, and overall management of its programs, services, and finances, and on the quality of information provided to stakeholders.
   - The output of the budget will provide fund level and department level program information for the full fiscal year. The adopted budget will be provided to all stakeholders on the City website.
   - A formal review will be undertaken periodically to ensure that the budget type, time period, and approach to presenting the budget continue to meet the needs and priorities of the City. Such a review will be broadly focused, and not directed simply at the format of individual pages.

Goal# 3 -Develop a Budget Consistent with Approaches to Achieve Goals

i. Develop a Process for Preparing and Adopting a Budget

A. Develop a Budget Calendar

- The City publishes a comprehensive budget calendar that specifies when budget tasks are to be completed and that identifies timelines for those tasks. This includes budget workshops available to the public. Stakeholders need to be aware of when key budget tasks, events, and decisions will occur so they have an opportunity to plan and to participate in the process. The preparation of a calendar helps ensure that all aspects of the budget process have been considered and that adequate time has been provided.
- Multiple calendars can be produced, each with different levels of detail and emphasis to meet the needs of the different types of stakeholders. (i.e. Internal Calendar and Public Calendar).
- Calendars list the dates of key events and deadlines.
- At least one calendar describes the overall budget and planning process and identify roles, responsibilities, and assignments.
- To ensure the greatest impact, calendars will identify when and how stakeholders can participate in the process.

B. Develop Budget Guidelines and Instructions

- The City will develop annual general policy guidelines and budget preparation instructions for each budget cycle and accompany the internal budget calendar. Budget guidelines and instructions help ensure that the budget is prepared in a manner consistent with government policies and the desires of management and the City Council. Instructions are necessary so that all participants know what is expected, thereby minimizing misunderstanding and extra work.
- Budget guidelines are specific to the particular budget under development and will incorporate relevant aspects of the City's financial policies.
- Each department is required to provide the Projected Actuals for revenues and expenditures of the current year for their respective department.
- Each department is required to provide Proposed Revenues and Appropriations for the upcoming fiscal year for their respective department.
- Guidelines and instructions may set forth financial constraints and key assumptions that will be used to guide development of the budget, as well as policy direction.
- Instructions often include sample forms to be completed by the operating departments. Guidelines and instructions are prepared in a

written format but may also be presented in an electronic format or through training and/or an oral presentation.

C. Develop Mechanisms for Coordinating Budget Preparation and Review
   - The City has developed mechanisms and assigned responsibilities to provide for overall coordination of the preparation and review of the budget. The complete budget process involves many levels, departments, and individuals in the City, as well as a number of distinct processes and disparate groups of stakeholders. Coordination is needed to ensure that processes move forward as planned, to prevent confusion and misinformation, and to ensure appropriate stakeholders are involved.
   - The Finance Department is the single point of coordination for all departments.
   - The Finance Department's coordination process will involve a number of tasks: developing a calendar, identifying responsibilities for completing various tasks, ensuring that various parts of the budget process are properly integrated, keeping the process on schedule, producing reports, identifying issues and problems, and ensuring that other requirements are met and quality standards are maintained.
   - The Finance Director has ultimate responsibility for coordinating the budget process and will respond to stakeholder issues and concerns that arise in the context of the budget process with direction from the City Manager and City Council.

D. Develop Procedures to Facilitate Budget Review, Discussion, Modification, and Adoption
   - The City has a process to facilitate the review, discussion, modification, and adoption of a proposed budget. Appropriate procedures are needed to resolve conflicts, to promote acceptance of the proposed budget by stakeholders, and to assist in timely adoption of the budget.
   - This process allows stakeholders to be informed of the budget proposal and to allow the legislative body to achieve consensus and adopt a budget.
   - Some examples include: small group meetings, hearings, workshops, independent analysis, specific decision-making techniques and procedures, conflict resolution processes, and methods for presenting portions of the budget.

E. Identify Opportunities for Stakeholder Input

- The City provides opportunities in the budget process for obtaining stakeholder input.[5] By definition, stakeholders are affected by the City's resource allocation plans and service and program decisions. Stakeholders should have clearly defined opportunities to provide input. This helps ensure that stakeholder priorities are identified and enhances stakeholder support for the approved budget.
- Stakeholder input can be obtained in a number of ways, including public hearings, advisory commissions, informal conversations, roundtable briefings, televised and live online broadcast, opinion surveys, neighborhood meetings, office hours, letter writing, telephone calls, and e-mail.
- The budget calendar should identify specific opportunities for resident input where City officials are available to explain issues and choices and to receive comments.

ii. *Make Choices Necessary to Adopt a Budget*

A. Prepare and Present a Recommended Budget

- The City will prepare and present a recommended comprehensive program and financial plan (the ''budget'') for review by stakeholders and consideration for adoption by the City Council. A complete plan is necessary to allow stakeholders to be informed on how well all the different aspects of the plan fit together and whether there is an appropriate balance of resources and assigned uses.
- The proposed budget will consist of a set of recommended actions regarding programs and services to be funded, including service level, quality, and goals to be achieved.
- It will also identify funding requirements and sources of funds and provide the supplemental information necessary to review the plans.
- The budget is to be consistent with policies and goals set by the City.
- The recommended budget must also comply with any statutory requirements.

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[5] *The budget process should include opportunities for all stakeholders to participate. A general-purpose public hearing shortly before final decisions are made on the budget is not adequate as the sole means of soliciting stakeholder input, especially on major issues. The process developed for obtaining stakeholder input should ensure that information is gathered in a timely and complete manner to be useful in budget decision making, such as City workshops.*

B. Present the Budget in a Clear, Easy-to-use Format

- Budget documents and related materials made available to stakeholders is to be presented in a clear and readily comprehensible format. The budget is the guide that determines the direction of the City. It is arguably the single most important document routinely prepared by the City. To be usable, it not only must contain the appropriate information, but must also be prepared in a manner that is clear and comprehensible.
- Some items in a budget document that will assist the reader include: a table of contents, summaries, a consistent format, high-level summary information that describes overall funding sources and the organization as a whole, a description of the overall planning and budgeting process and the interrelationships of those various processes, supplementary information about the City and the area for which it has responsibility, charts and graphs to better illustrate important points, succinct and clearly- written summaries, uncluttered pages, and detailed information placed in appropriate locations so that it does not overwhelm the reader.
- Similar requirements apply to the non-written means (e.g., audio, video) of presenting budget material to stakeholders at various times during the budget process.

C. Adopt the Budget

- The City should adopt a budget that meets all statutory requirements prior to the beginning of the fiscal year.[6] The timely adoption of a budget permits the City to proceed with implementing programs and services that further the achievement of goals.
- The adopted budget will clearly present the financial, operating, and capital plan.
- It includes all operations and funds, although not necessarily at the same level of detail.
- Non-appropriated funds, revolving funds, and any other planned revenues and expenditures are alsoincluded.
- Whenever feasible, the adopted budget should include (though not necessarily in a single document) all statutorily required materials such as the appropriation ordinance.
- Legally required documents that otherwise do not contribute to an understanding of the budget may be included as an appendix.

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[6] *If there are delays in adopting the budget, actions are to be taken to minimize uncertainty when the new budget period starts, as appropriate. A continuing appropriation may be legally required.*

Goal# 4 - Evaluate Performance and Make Adjustments

i. *Monitor, Measure, and Evaluate Performance*

A. Monitor, Measure, and Evaluate Program Performance

- The City quarterly evaluate the performance of the programs and services it provides. The City functions, programs, and activities will also be periodically reviewed to determine whether they are accomplishing intended program goals and making efficient use of resources.
- Performance measures, including efficiency and effectiveness measures, are to be presented in basic budget materials, including the operating budget document, and be available to stakeholders.
- Performance measures should be reported using actual data, where possible.
- At least some of these measures should document progress toward achievement of previously developed goals and objectives.
- More formal reviews and documentation of those reviews should be carried out as part of the overall planning, decision-making, and budget process.

B. Monitor, Measure, and Evaluate Budgetary Performance

- At a minimum, the City will, on a quarterly basis, evaluate its financial performance relative to the adopted budget. Regular monitoring of budgetary performance provides an early warning of potential problems and gives
  decision makers time to consider actions that may be needed if major deviations in budget-to-actual results become evident. It is also an essential input in demonstrating accountability.
- Budget-to-actual or budget-to-projected actual comparisons of revenues, expenditures, cash flow, and fund balance will be reviewed quarterly during the budget period. Staffing levels are also monitored.
- Comparisons for at least the current year will be included in the budget document and be generally available to stakeholders during discussions related
  to budget preparation and adoption.
- Expenditures shall be limited to the amount budgeted. Expenditures shall be continuously monitored and projected to the end of the year. If the projected expenditures exceed the budget, appropriate remedies shall be implemented immediately.

C. Monitor, Measure, and Evaluate Financial Conditions

- The City will monitor and evaluate its financial condition at least quarterly. The financial health of the City is critical to its ability to meet

- the needs of stakeholders. Financial condition should be evaluated to identify potential problems and any changes that may be needed to improve performance over both the short and long terms.
- Financial indicator measures often are developed to monitor financial condition and achievement of explicitly set financial goals.
- Indicators to monitor factors that affect financial performance are also reported.
- A report on financial condition will be periodically prepared and updated.
- The report may be a separate document or incorporated into other relevant documents, including the budget document.

D. Monitor, Measure, and Evaluate External Factors
   - The City is to constantly monitor and evaluate external factors that may affect budget and financial performance and achievement of goals at least quarterly. Factors outside the City's control, such as the national or regional economy, demographic changes, statutory changes, legislation, mandates, and weather, may affect achievement of stated goals. Monitoring these factors helps the City to evaluate and respond to the effect of these external influences on goals, programs, and financial plans.
   - External factors that are likely to be important in achieving goals are to be identified and monitored regularly.
   - The results of this analysis will be factored into the assessment of program and financial performance and considered in adjusting these programs.
   - Trends and significant issues may be described in reports to stakeholders discussing program, budget, and financial performance.
   - The assessment of external factors is to be reported, at least in summary form, and available to stakeholders.

E. Monitor, Measure, and Evaluate Capital Improvement Program Implementation
   - The City will monitor, measure, and evaluate capital improvement program implementation at least quarterly. Monitoring the status of capital projects helps to ensure that projects progress as planned, problems (such as delays in key milestones and cost overruns) are identified early enough to take corrective action, funds are available when needed, and legal requirements are met.
   - Reports on capital project implementation will be prepared for decision makers and other stakeholders.
   - Summary information is to be considered for projects that are progressing as planned.
   - Project milestones, such as dates for completion of such tasks as planning, land acquisition, engineering and design, and construction,

should be identified and progress in meeting these milestones should be reported at least annually, and as available.

- The City will monitor quality compliance and financial performance.

ii. *Make Adjustments as Needed*

A. Adjust the Budget

- The budget may be adjusted during the budget period should unforeseen events require changes to the original budget plan. The budget isa plan based on a set of assumptions that may not always match actual experiences during the execution phase. The City should watch for significant deviations from expectations and make timely adjustments so that the plan is consistent with revised expectations.
- The City has procedures in place to determine when deviations from the budget plan merit adjustments to the budget.
- Budget adjustments, whether to programs or to revenues and expenditures, are to be made as appropriate in a timely manner.[7]
- Any changes to the budget are to be reported.
- The timing and way this is done depends on the stakeholder group and the level of materiality of the changes.

B. Adjust Policies, Plans, Programs, and Management Strategies

- The City may adjust its policies, plans, programs, and management strategies during the budget period, as appropriate. Changing conditions or programs and services that are not producing the desired results or efficiently utilizing resources may require adjustments for the City to continue to meet the needs of stakeholders and to meet its own goals.
- The City's management team will evaluate their monthly budget to actual report for review, decision making, and implementation of changes to policies, plans, programs, and management strategies during the budgetperiod.
- Adjustments are based on findings obtained from monitoring and assessing program and financial results, stakeholder input, and external circumstances.
- Regular briefings to management and elected officials on the contents of the reports permit timely adjustments as needed to the plan or program activities.

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[7] *Budget adjustments may be administrative or legislative depending on the adjustment needed and on statutory requirements such as the legal level of control of the budget appropriations. City Manager may make adjustment within the fund across departments as long as the overall appropriation is not changed.*

C. Adjust Broad Goals, if Appropriate

- The City will modify or change its broad goals if conditions change sufficiently that these goals are no longer appropriate. Goals may need to be adjusted in response to new information about program results, stakeholder needs, and external circumstances in order to be more relevant for the community or more practically attainable.
- The City department heads meet to evaluate performance or changes in the annual budget plan to ensure that goals are reviewed during the budget period
  and adjusted when appropriate.
- Adjustments are based, in part, on findings obtained from monitoring and assessing program and financial results, stakeholder input, and external circumstances.
- Opportunities and challenges facing the City are also to be considered.

ATTACHMENT NO. 2

City of West Covina

Debt Management Policy

Adopted – May 19, 2020

CITY OF WEST COVINA
DEBT MANAGEMENT POLICY

Section 1 – Introduction

The purpose of this Debt Management Policy (Policy) is to establish guidelines for the issuance and management of debt for the City of West Covina and all affiliated city entities (collectively, the "City"). While the City prefers to finance projects on a pay-as-you-go basis, in the event debt is necessary, this Policy confirms the commitment of the Council, management, staff, advisors and other decision makers to adhere to sound financial management practices, including full and timely repayment of borrowing, and achieving the lowest possible cost of capital within prudent risk parameters.

Debt Issuance Priorities:

1. Achieve the lowest cost of capital while maintaining compliance with state and federal laws and regulations
2. Maintain a prudent level of financial risk and maintain the City's sound financial position
3. Preserve future financial flexibility
4. Ensure that all debt is structured to maximize the benefit to both current and future taxpayers, ratepayers, and constituents of the City
5. Maintain full and complete financial disclosure and reporting
6. Obtain and maintain the highest practical credit ratings consistent with maximizing the benefit to both current and future taxpayers, ratepayers and constituents of the City.
7. Maintain good relations with all investors in City debt
8. Ensure that the City's debt is consistent with the City's planning goals and objectives and capital improvement program or budget, as applicable

This policy shall govern the issuance and management of all debt and lease financing funded from the capital markets (including private placement and bank loans), including the selection and management of related financial services and products and investment of bond and lease proceeds. While adherence to this policy is required in applicable circumstances, it is recognized that changes in the capital markets, agency programs and other unforeseen circumstances may from time to time produce situations that are not covered by this policy and will require modifications or exceptions to achieve policy goals. In these cases, management flexibility is appropriate, provided specific authorization from the City Manager and City Council is obtained.

Section 2 – Responsibilities

The City's debt program for all City funds shall be operated in conformance with applicable federal, state, and other legal requirements, including the West Covina Municipal Code.

Responsibility for managing the coordinating of all activities related to the structure, issuance and administration of all long and short-term debt obligations shall rest with the Finance Director.

No debt obligations shall be presented to the City Council for their authorization without the joint assessment and recommendation of the City Manager, Finance Director and the City Attorney. Departments planning debt-financed capital programs or equipment acquisitions shall work closely with the City Manager, Finance Director

and City Attorney to provide information and otherwise facilitate the issuance and on-going administration of debt.

The Finance Director shall have the authority to periodically select service providers as necessary to meet legal requirements and minimize debt costs. Such services may include financial advisory, underwriting, trustee, verification agent, escrow agent, arbitrage consulting, special tax consulting, bond and disclosure counsel, and other consultants as needed. To achieve an appropriate balance between service and cost, the Finance Director is authorized to select such service providers through sole source selection or a competitive process using a Request for Proposals.

The Finance Director shall be responsible for maintaining good communications with rating agencies, investors and other debt related service providers about the City's financial condition and will follow a policy of full disclosure.

The Finance Director shall conduct an annual review of the Policy and bring forward to the City Council any amendments deemed necessary and appropriate.

Section 3 – Debt Considerations

The City will evaluate the need for debt financing a project compared to a pay-as-you-go financing methodology. The City prefers to fund projects on a pay-as-you-go basis.

A. Factors favoring a pay-as-you-go methodology include:
    a. Current projected revenues and fund balances available are sufficient to fund the project
    b. Long term total costs are lower due to the avoidance of interest expense
    c. Existing debt capacity is insufficient to absorb the additional debt without adverse impact to credit ratings
    d. Market conditions are unfavorable or present difficulties in marketing

B. Factors favoring debt financing include:
    a. Current and projected revenues available for debt service are sufficient and reliable so that financing can be marketed with investment grade credit ratings
    b. Market conditions present favorable interest rates and demand for the City financings
    c. A project is mandated by state or federal requirements, and current resources are insufficient or unavailable to fully fund the project
    d. The project is immediately required to meet or relieve capacity needs or emergency conditions and current resources are insufficient or unavailable
    e. The savings from the project are sufficient to pay for the debt service costs

The City will review debt limits in conjunction with any proposed financing. It is the City's goal to limit debt service costs in the General Fund to no more than twenty-five (25%) percent of revenues, including transfers. Payments on bonds that are tied to a specified revenue stream other than General Fund resources (e.g. enterprise revenue bonds, tax allocation bonds, and land secured bonds) are not subject to the twenty-five (25%) percent limit. The debt limit will exclude pension obligation bonds and other refunding bonds. Each proposed

financing will be individually assessed by the Finance Director and subject to the approval policies contained herein.

Section 4 – Debt Term

The City Council recognizes that any new debt obligation will have an impact on the long-term affordability of all outstanding debt and any future planned debt, as well as budgetary impacts associated with the maintenance and operating costs of debt financed facilities.

A. Term of Debt – Debt will be structured for the shortest period possible, consistent with a fair allocation of costs to current and future beneficiaries or users. The weighted average maturity of the debt (or the portion of the debt allocated to the project) shall not exceed the useful life of the project.
B. Debt Repayment – Typically, the City desires level debt service payments over the term of the debt. However, the cost of capital, financial risk, current economic conditions, future financial flexibility, credit ratings and available cash flow will be evaluated to determine the most appropriate method of debt amortizations for each debt issue. Notwithstanding the above, back loading of debt service will be evaluated as the circumstances dictate. Back loading occurs when debt service payments are lower in the initial years of a debt term and higher toward the later years of a debt term.

Section 5 – Debt Issuance

The City has the capacity to issue long and short-term debt and to refund any outstanding debt. The following section details the purposes of debt issuance and the method of determining the type of sale for such debt.

A. Long-term Debt – Long-term debt financings are appropriate when the project to be financed is necessary to provide basic services and long-term debt may be used to finance the acquisition or improvement of land, infrastructure, facilities or equipment for which it is appropriate to spread the costs of such over more than one budget year. Long-term debt may be used to fund capitalized interest, cost of issuance, required reserves and any other financing related costs that may be legally capitalized. Long-term debt shall not be used to fund City operating costs.
B. Short-term Debt – Short-term debt will be considered as an interim source of funding in anticipation of long-term debt. Short-term debt may be issued for any purpose for which long-term debt may be issued, including capitalized interest and financing related costs. Short-term debt is also appropriate to address legitimate short-term cash flow requirements during a given fiscal year to fund the operating costs of the City to provide necessary public services. The City will not engage in short-term borrowing solely for the purpose of generating investment income.
C. Financings on Behalf of Other Entities - The City may also find it beneficial to issue debt on behalf of other governmental agencies or private third parties to benefit the public purposes of the City. In such cases, the City shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower and that the issuance of such debt is consistent with the policies set forth herein.
D. Refunding – Refunding opportunities will be identified by periodic reviews of outstanding debt obligations. Refunding will be considered when there is a net economic benefit from the refunding of a least three (3) percent on a net present value basis. Non-economic refunding may be undertaken to achieve City objectives relating to changes in covenants, call provisions, operational flexibility, tax status, issuer, or other non-economic factors related to the debt.

E. Method of Sale – The City shall have the flexibility to determine which method of sale is appropriate for each debt issuance in light of market interest rates and City objectives. Determination of the appropriate method of sale will rest collectively with the City Manager, Finance Director, and City Attorney. Potential methods of sale include:
    a. A competitive bidding process through which interested underwriters submit proposals to purchase an issue of bonds and the award is based on, among other factors, the lowest offered true interest cost.
    b. A negotiated sale process through which a selected underwriter, or team of underwriters, negotiate the terms of an issue and sell bonds in the municipal market. Negotiated sales are often used where there are unusual conditions or unique considerations related to the bond sale. A negotiated sale is subject to approval by the City to ensure that interest costs are in accordance with comparable market interest rates.
    c. A private (or direct) placement sale typically occurs when the financing can or must be structured for a single or limited number of purchasers or where the terms of the private placement are more beneficial to the City than either a negotiated or competitive sale.
F. Pooled Financing – The City may also consider use of pooled financing as a method of accessing the capital markets. Use of pooled financing will be evaluated collectively by the City Manager, Finance Director, and City Attorney.

Section 6 - Debt Structure

A. Credit Ratings – The City seeks to obtain and maintain the highest possible credit rating when issuing debt. The City will seek credit ratings from at least one major credit rating agency on all debt, as appropriate. Ratings from multiple rating agencies may be sought for a single debt issue based upon the market conditions at the time of the issuance.
B. Fixed Rate and Variable Rate Debt – The City prefers to issue fixed rate debt. Variable rate debt may be used, if market conditions warrant at the time of issuance. It is acknowledged that variable rate debt passes an unknown obligation onto future budget cycles.
C. Call Provisions – The timing for when bonds are callable varies and is determined at the time of pricing such bonds. The City's preferred structure is to negotiate for optional redemption at par in order to maintain flexibility in the future, but a final decision will be made on a case by case basis after evaluation of the marketability of the City's bonds.
D. Credit Enhancements – The City may use credit enhancements (letters of credit, bond insurance, surety bonds, etc.) when such credit enhancements prove to be cost effective. The City will consider the use of credit enhancements on a case-by-case basis.
E. Reserve Funds – A debt service reserve fund provides an added measure of security to bond holders and may improve the credit rating and thus lower the costs of borrowing. Reserve funds may be necessary for specific transactions, or the City may choose to create one if it is determined to be cost effective. When cost beneficial, the City may consider the use of surety bonds, lines of credit, or similar instruments to satisfy the reserve requirements.

Section 7 – Private Activity Use Limitations on Tax Exempt Debt

IRS Tax Code Section 141 sets forth private activity tests for the purpose of limiting the volume of tax-exempt bonds that finance activities of persons other than state and local governmental entities. These tests serve to identify arrangements that actually or reasonably expect to transfer the benefits of tax-exempt financing to non-

governmental persons. The law includes tests of private use, security and payment as well as private loan financing tests. The law also provides for various safe harbors and nuances to the application of these limits. The City will manage a process to ensure private use compliance and will consult with bond counsel to obtain federal tax advice regarding whether anticipated project use will be consistent with the restrictions on private business use of the bond financed property and, if not, whether any "remedial action" permitted under §141 of the code may be taken as means of enabling that use arrangement to be put into effect without adversely affecting the tax-exempt status of the bonds.

With respect to tax-exempt bonds, the City pledges in each bond issuance that it will monitor and control the receipt, investment, expenditure, and use of all bond proceeds and will take or omit to take any actions as necessary to cause interest on tax-exempt bonds to remain excludable from the gross income of bond holders. City staff will ensure appropriate lease and building use policies to maintain compliance with this pledge.

Section 8 – Interfund Borrowings

The City may borrow internally from other funds with temporary cash surpluses to meet short term cash needs in lieu of issuing debt. Interfund borrowing extending for more than one year will be brought to Council for approval.

Section 9 – Debt Administration

The Finance Director shall be responsible for administering the City's debt management program. To that end, this position shall:

A. Ensure compliance with all disclosure and reporting requirements outlined in the City's Disclosure Policy
B. Periodically review outstanding debt for refunding opportunities
C. Maintain positive working relationships with rating agencies and other financial professionals
D. Review and recommend appropriate structures for all new debt issuances
E. Ensure compliance with the Investment Policy and bond documents regarding investing bond proceeds

Section 10 – Arbitrage Compliance

Arbitrage is defined as the profit earned when tax-exempt bond proceeds are invested in higher yielding securities than the interest rates of the bonds issued. The City shall comply with its investment policy and California and federal laws.

To ensure compliance with federal arbitrage laws, the City will monitor ongoing activities, including remittance of any required arbitrage rebate. If necessary, the City will utilize a consultant for arbitrage rebate calculations and preparation of the required Internal Revenue Service forms. Arbitrage rebate calculations on outstanding bond issues will be performed periodically, but never longer than the 5th year after a bond issuance.

Section 11 – Disclosure Policy

The Finance Director will be the disclosure coordinator for the City and will have the responsibility of complying with the City's Disclosure Policy document, as adopted by City Council.

RESOLUTION NO. 2024-27

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, AMENDING THE FUND BALANCE POLICY

The City Council of the City of West Covina hereby finds and declares as follows:

WHEREAS, in an effort to become more financially secure, the City Council adopted a Fund Balance Policy on July 7, 2015 through the adoption of Resolution No. 2015-52; and

WHEREAS, the City Council amended the Fund Balance Policy on March 1, 2016 through the adoption of Resolution No. 2016-18; on June 21, 2016 through the adoption of Resolution No. 2016-60; on June 5, 2018 through the adoption of Resolution No. 2018-64; and on May 17, 2022 through the adoption of Resolution No. 2022-47; and

WHEREAS, pursuant to the Fund Balance Policy, the City is required to maintain a minimum unassigned fund balance of at least 17% of the General Fund operating expenditures. If the reserve level falls below 17%, the City is required to amend the Fund Balance Policy, including a plan to rebuild the fund within three years. At the end of the fiscal year, the annual excess revenue over expenditures in the City's General Fund will be automatically allocated as follows, unless the transfer is overridden by an action of the City Council: 25% stays in the General Fund balance reserves, 40% is transferred to the City's Capital Projects Fund, 10% is transferred to the Vehicle Replacement Fund, and 25% goes to pay down the City's Other Post Employment Benefit (OPEB) liability; and

WHEREAS, the City Council has determined that the City has met the reserve level at a minimum of no less than two months of regular General Fund operating expenditures which is consistent with the Government Finance Officers Association (GFOA) recommended fund balance reserve level; and

WHEREAS, the City Council desires to amend the Fund Balance Policy to amend the allocations of annual excess revenues over expenditures as follows: 25% will stay in General Fund balance reserves, 25% will be transferred to the Capital Projects Fund, 10% will be transferred to the Vehicle Replacement Fund, 25% will go to pay down the City's Other Post Employment Benefit (OPEB) liability, and 15% will be transferred to the Self-Insurance Funds – General Liability and Workers' Compensation Funds.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA DOES RESOLVE AS FOLLOWS:

SECTION 1. The City Council hereby adopts the amended Fund Balance Policy attached hereto as Exhibit "A."

SECTION 2. Any and all prior resolutions adopting a Fund Balance Policy for the City of West Covina are hereby rescinded.

SECTION 3. The City Clerk shall certify to the adoption of this resolution and shall enter the same in the book of original resolutions and it shall become effective immediately.

APPROVED AND ADOPTED this 21st day of May, 2024.

Brian Calderón Tabatabai
Mayor

APPROVED AS TO FORM

Thomas P. Duarte
City Attorney

ATTEST

Lisa Sherrick
Assistant City Clerk

I, LISA SHERRICK, ASSISTANT CITY CLERK of the City of West Covina, California, do hereby certify that the foregoing Resolution No. 2024-27 was duly adopted by the City Council of the City of West Covina, California, at a regular meeting thereof held on the 21st day of May, 2024, by the following vote of the City Council:

AYES: Calderón Tabatabai, Cantos, Diaz, Lopez-Viado, Wu
NOES:
ABSENT:
ABSTAIN:

Lisa Sherrick
Assistant City Clerk

EXHIBIT A

FUND BALANCE POLICY

CITY OF WEST COVINA
FUND BALANCE POLICY

POLICY

In February 2009, the Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This new standard has not changed the total amount of reported fund balance, but has substantially altered the categories and terminology used to describe its components. The new categories and terminology reflect an approach that will focus, not on financial resources available for appropriation within a fund, but on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the fund can be spent.

This Fund Balance Policy establishes the procedures for reporting unrestricted fund balance in the City's financial statements. Certain commitments and assignments of fund balance will help ensure that there will be adequate financial resources to protect the City against unforeseen circumstances and events such as revenue shortfalls and unanticipated expenditures. The policy also authorizes and directs the Finance Director to prepare financial reports which accurately categorize fund balance as per Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

PROCEDURES

The term "Fund Balance" is used to describe the difference between assets (what is owned) and liabilities (what is owed) reported within a fund. In the past, fund balance has been classified into basically three separate components: Reserved, Designated, and Undesignated. There are almost always important limitations on the purpose for which all or a portion of the resources of a fund can be used. The force of these limitations can vary significantly, depending on their source. The various components of the "new" fund balance are designed to indicate the extent to which the City is bound by these limitations placed upon the resources.

GASB Statement No. 54 defines five separate components of fund balance, each of which identifies the extent to which the City is bound to honor constraints on the specific purposes for which amounts can be spent. These new components of fund balance will replace the current existing three components. The five components are:

- Nonspendable fund balance (inherently nonspendable)
- Restricted fund balance (externally enforceable limitations on use)
- Committed fund balance (self-imposed limitations on use)
- Assigned fund balance (limitation resulting from intended use)
- Unassigned fund balance (residual net resources)

The first two components listed above are not addressed in this policy due to the nature of their restrictions. Some examples of nonspendable fund balance are prepaid expenses, notes receivable, inventory and land held for resale. Restricted fund balance is either imposed by law or constrained by grantors, contributors, or laws or regulations of other governments. This policy is focused on financial reporting of unrestricted fund balance, or the last three components listed above. These three components are further defined below.

COMMITTED FUND BALANCE

The City Council, as the City's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as an ordinance or resolution. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment. City Council action to commit fund balance needs to occur within the fiscal reporting period; however, the amount can be determined subsequently.

ASSIGNED FUND BALANCE

Amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. Such intent needs to be established at either the highest level of decision making, or by an official designated for that purpose.

This policy hereby delegates the authority to assign amounts to be used for specific purposes to the City Manager for the purpose of reporting these amounts in the annual financial statements.

UNASSIGNED FUND BALANCE

These are residual positive net resource of the general fund in excess of what can properly be classified in one of the other four categories.

RESERVE POLICIES

The City shall maintain a minimum unassigned fund balance of at least 17% of the General Fund operating expenditures. If the reserve level falls below 17%, the City must amend this policy, including a plan to rebuild the fund within three years. This is considered the minimum level necessary to maintain the City's credit worthiness and to adequately provide for:

- Economic uncertainties, local disasters and other hardships or downturns in the local economy
- Contingencies for unforeseen operating or capital needs
- Cash flow requirements

At the end of the fiscal year, the annual excess revenue over expenditures in the City's General Fund will be automatically allocated as follows, unless the transfer is overridden by an action of City Council: 25% will stay in the General Fund Balance reserves, 25% will be transferred to the Capital Projects Fund, 15% will be transferred to the Self-Insurance Funds – General Liability and Workers Compensation Funds, 10% will be transferred to the Vehicle Replacement Fund and 25% will go to pay down the City's Other Post Employment Benefit (OPEB) liability.

FUND BALANCE CLASSIFICATION

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available the policy shall be to expend the restricted fund balance first before expending the unrestricted fund balance. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classification of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts.

This policy is in place to provide a measure of protection for the City against unforeseen circumstances and to comply with GASB Statement No. 54. No other policy or procedure supersedes the authority and provisions of this policy.

ATTACHMENT NO. 4

City of West Covina

Pension Funding Policy

Adopted – May 19, 2020

I. PURPOSE

The City's Pension Funding Policy documents the method the City will use to determine its actuarially determined contributions to fund the long-term cost of benefits to the plan participants and annuitants. The policy also:

- Provides guidance in making annual budget decisions;
- Demonstrates prudent financial management practices;
- Create sustainable and affordable budgets for pensions;
- Reassures bond rating agencies; and
- Shows employees and the public how pensions will be funded.

II. BACKGROUND

The City provides defined benefit retirement plan through the California Public Employees' Retirement System (CalPERS). CalPERS is a multiple-employer public employee defined benefit pension plan.

All full-time and certain part-time City employees are eligible to participate in CalPERS. CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and their beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute.

The financial objective of a defined benefit pension plan is to fund the long-term cost of benefits provided to the plan participants. In order to assure that the plan is financially sustainable, the plan should accumulate adequate resources in a systematic and disciplined manner over the active service life of benefitting employees. This funding policy outlines the method the City will utilize to determine its actuarially determined contributions to fund the long-term cost of benefits to the plan participants and annuitants.

Pension Funding: A Guide for Elected Officials, issued by eleven national groups including the U.S. Conference of Mayors, the International City/County Management Association, and the Government Finance Officers Association, established the following five general policy objectives for a pension funding policy:

- **Actuarially Determined Contributions**. A pension funding plan should be based upon an actuarially determined contribution (ADC) that incorporates both the cost of benefits in the current year and the amortization of the plan's unfunded actuarial accrued liability.

- **Funding Discipline**. A commitment to make timely, actuarially determined contributions to the retirement system is needed to ensure that sufficient assets are available for all current and future retirees.

- **Intergenerational equity**. Annual contributions should be reasonably related to the expected and actual cost of each year of service so that the cost of employee benefits is paid by the generation of taxpayers who receives services from those employees.

- **Contributions as a stable percentage of payroll**. Contributions should be managed so that employer costs remain consistent as a percentage of payroll over time.

- **Accountability and transparency**. Clear reporting of pension funding should include an assessment of whether, how, and when the plan sponsor will ensure sufficient assets are available for all current and future retirees.

III. POLICY

A. **Actuarially Determined Contribution (ADC).** CalPERS actuaries will determine the City's ADC to CalPERS based on annual actuarial valuations. The ADC will include the normal cost for current service and amortization of any under-funded amount. The normal cost will be calculated using the entry age normal cost method using economic and non-economic assumptions approved by the CalPERS Board of Administration.

The City will review the CalPERS annual actuarial valuations to validate the completeness and accuracy of the member census data and the reasonableness of the actuarial assumptions.

B. **Additional Discretionary Payment (ADP) Contribution.** The City will consider making ADP contributions with one-time General Fund resources, with the objectives of increasing the plan's funded status, by reducing the unfunded actuarially accrued liability, and reducing ongoing pension costs.

C. **Pension Obligations Bonds.** The City will consider pension obligation bonds if such bonds have expected savings using borrowing costs and CalPERS' discount rate.

The City and its advisors will discuss and consider the risks of any potential pension obligation bonds.

Any pension obligation bonds, or refundings of pension obligation bonds, must be voted upon by the City Council.

D. Contributions as a Manageable Budget Expense. The City will always make its required annual contributions to CalPERS. Contributions should be stable and a manageable portion of revenue. The City may:

- Make additional discretionary contributions directly to CalPERS.
- Consider establishing a pension stabilization trust, subject to approval by the Council.
- Issue, call, or refund pension obligation bonds.

E. **Transparency and Reporting.** Funding of the City's pension plans should be transparent to vested parties including plan participants, annuitants, the City Council, and residents. In order to achieve this transparency, the following information shall be available:

- Copies of the annual actuarial valuations for the City's CalPERS plans shall be made available to the City Council.

- The City's Comprehensive Annual Financial Report shall be published on its website. This report includes information on the City's annual contributions to the pension systems and their funded status.

- The City's annual operating budget shall include the City's contributions to CalPERS.

F. **Review of Funding Policy.** Funding a defined benefit pension plan requires a long-term horizon. As such, the City will review this policy at least every two years.

RESOLUTION NO. 2022-48

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, APPROVING THE STATEMENT OF INVESTMENT POLICY

WHEREAS, California Government Code Section 53646 authorizes the City Treasurer or the Chief Fiscal Officer to annually render to the City Council a statement of investment policy, which must be considered at a public meeting; and

WHEREAS, California Government Code Section 53600 et seq. provides guidelines and regulations pertaining to investment of temporary idle funds; and

WHEREAS, pursuant to the Section XX of the City's Investment Policy, the Investment Policy shall be reviewed and approved on an annual basis; and

WHEREAS, the City Council has reviewed the Investment Policy and desires to approve it.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The City Council hereby approves the Statement of Investment Policy attached hereto as Exhibit "A."

SECTION 2. The City Clerk shall certify to the adoption of this resolution and shall enter the same in the book of original resolutions and it shall become effective immediately.

APPROVED AND ADOPTED this 17th day of May, 2022.

Dario Castellanos
Mayor

APPROVED AS TO FORM

Thomas P. Duarte
City Attorney

ATTEST

For:

Lisa Sherrick
Assistant City Clerk

I, LISA SHERRICK, Assistant City Clerk of the City of West Covina, California, do hereby certify that the foregoing Resolution No. 2022-48 was duly adopted by the City Council of the City of West Covina, California, at a regular meeting thereof held on the 17th day of May, 2022, by the following vote of the City Council:

AYES:	Castellanos, Lopez-Viado, Tabatabai, Wu
NOES:	None
ABSENT:	Diaz
ABSTAIN:	None

For:

Lisa Sherrick
Assistant City Clerk

EXHIBIT A

STATEMENT OF INVESTMENT POLICY

CITY OF WEST COVINA
STATEMENT OF INVESTMENT POLICY

I. *POLICY*

The purpose of this Policy is to establish prudent investment cash management guidelines for the City of West Covina, the Successor Agency to the Redevelopment Agency of the City of West Covina, and the West Covina Community Facilities District, collectively (City). The investment goals of the City are safety, liquidity and yield. The State of California authority governing investments for local agencies is set forth in the California Government Code, Section 53600 et seq. The City's portfolio is designed and managed in a manner responsive to the public trust and consistent with State and local law.

II. *SCOPE*

This investment policy governs the pooled investment of funds in the treasury which are not required for the immediate needs of the City. These funds are accounted for in the City's general ledger and reported in the City's Comprehensive Annual Financial Report (CAFR). This policy is applicable, but not limited to all funds listed below:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Projects Funds
- Proprietary Funds

This policy does not apply where superseded by specific bond documents.

III. *PRUDENCE*

The standard to be used by the investment officials shall be that of a "prudent investor" and shall be applied in the context of managing all aspects of the overall portfolio. Government Code Section 53600.3 provides that those persons to whom investment decisions have been delegated are trustees with a fiduciary duty to act as a prudent investor. This standard of care directs that a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in 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.

IV. *OBJECTIVE*

The objectives, in order of priority, for the City's investment activities are:

(A) Safeguard principal: Preservation of principal is the primary objective of the investment program. Each investment transaction shall seek to ensure that capital losses are avoided, whether from securities default, broker/dealer default or erosion of market value. The City shall seek to preserve principal by mitigating the two types of risk, credit risk and interest rate risk.

Credit risk, defined as the risk of loss due to issuer's failure to fulfill obligations, shall be mitigated by investing in high grade securities that conform to California Code and by diversifying the investment portfolio.

Interest rate risk, defined as the risk that market interest rates will adversely affect the fair value of an investment, shall be mitigated by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide cash flow and liquidity needed for operations.

(B) Meet liquidity needs: Historical cash flow trends are compared to current cash flow requirements on an ongoing basis in an effort to ensure that the City's investment portfolio will remain sufficiently flexible to enable the City to meet reasonably anticipated operating requirements.

(C) Achieve a return on funds: The City's investment portfolio is designed with the objective of attaining a market rate of return, while safeguarding principal and meeting the City's liquidity needs.

V. *DELEGATION OF AUTHORITY*

The City Council or its delegate is a fiduciary for investments of City funds.

Authority to manage the City's investment program is specified in West Covina Municipal Code Section 2-182(i); "The chief financial officer also shall be responsible for the investment of surplus funds subject to the restrictions and requirements of applicable law." Daily management responsibility of the investment program may be delegated to responsible members of the Finance Department staff who, under direction of the Finance Director, shall establish Investment Policy Guidelines for the operation of the investment program consistent with this Investment Policy. Under the direction of the Finance Director, the Finance Department staff is responsible for investment cash management functions, is authorized to conduct transactions involving pooled cash accounts, as necessary, and is required to adhere to the requirements set forth in this Investment Policy.

The City may engage the services of one or more external investment advisers, who are registered under the Investment Advisers Act of 1940, to assist in the management of the City's investment portfolio in a manner consistent with the City's objectives. External investment advisers may be granted discretion to purchase and sell investment securities in accordance with this investment policy.

VI. ***ETHICS AND CONFLICTS OF INTEREST***

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the Investment Policy, or which could impair their ability to make impartial investment decisions. Investment officials shall disclose to the City Manager, and as otherwise required by law, any material financial interests (as defined by the Political Reform Act and the regulations thereunder) in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial or investment positions that could be related to the performance of the City's portfolio. Employees and officers shall subordinate their personal investment transactions to those of the City, particularly with regard to the time of purchases and sales.

VII. ***DIVERSIFICATION AND RISK MANAGEMENT***

Market risk is the risk that the portfolio value will fluctuate due to changes in the general level of interest rates. The City recognizes that over time, longer-term portfolios have the potential to achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. The City will mitigate market risk by providing adequate liquidity for short-term cash needs, and by making longer-term investments only with funds that are not needed for current cash flow purposes.

The City further recognizes that certain types of securities, including variable rate securities, securities with principal paydowns prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. Therefore, the City adopts the following strategies to control and mitigate its exposure to market risk:

- The City will maintain a minimum of six (6) months of budgeted operating expenditures in short-term investments to provide sufficient liquidity for expected disbursements.
- The maximum percent of callable securities (does not include "make whole call" securities as defined in the Glossary) in the portfolio will be 20%.
- The maximum stated final maturity of individual securities in the portfolio will be five (5) years, except as otherwise stated in this policy.
- The duration of the portfolio will generally be approximately equal to the duration (typically, plus or minus 20%) of a Market Benchmark, an index selected by the City based on the City's investment objectives, constraints and risk tolerances.

If securities owned by the City are downgraded to a level below the credit quality required by this Investment Policy, it shall be the City's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio. If a security is downgraded, the City will use discretion in determining whether to sell or hold the security based on its current maturity, the economic outlook for the issuer, and other relevant factors. If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported monthly to the City Council.

The following percentage limits, maturity matrix, and quality requirements, by individual investment type, are established for the City's total pooled funds portfolio:

Investment Type	Maximum Maturity	Maximum Specified % of Portfolio	Minimum Quality Requirements
Local Agency Investment Fund (LAIF) (not to exceed legal maximum)	N/A	None	None
Los Angeles County Investment Pool (LACIP)	N/A	None	None
Mutual Funds and Money Market Mutual Funds	N/A	20% - no more than 10% in any one mutual fund	Multiple
U.S. Treasury bonds/notes/bills	5 years	None	None
U.S. Government Agency obligations	5 years	None	None
Bankers' acceptances	180 days	40%	None
Commercial paper	270 days	25%	A1/P1 rating
Negotiable certificates of deposit	5 years	30%	None
Certificates of Deposit	5 years	25%	None
Medium term corporate notes	5 years	30%	"A" rating
Repurchase agreements	100 days	20%	None
Municipal Securities	5 years	30%	"A" Rating
Asset Backed Securities	5 Years	20%	"AA" Rating
Supranational	5 years	30%	"AA" Rating

VIII. ***AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS***

The Finance Director or his/her authorized designee will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security brokers/dealers selected by credit worthiness, who maintain an office in the State of California. These may include primary or secondary dealers or brokers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by state law.

All financial institutions and brokers/dealers who desire to become qualified bidders for investment transactions must supply the following:

A. Audited financial statements of all financial institutions
B. Proof of Financial Industry Regulatory Authority certification
C. Proof of State registration
D. Certification of having read Investment Policy
E. Depository contracts of all financial institutions
F. Broker/Dealer questionnaire, as applicable

An annual review of the financial condition and registrations of qualified bidders will be conducted by the Finance Director or his/her authorized designee.

IX. ***AUTHORIZED AND SUITABLE INVESTMENTS***

The City is empowered by California Government Code Section 53601 to invest in the following types of securities; and is subject to the limitations set out in that section as well as the remainder of this policy.

Any investment structure, which has an effect on the City borrowing money, is prohibited.

A. **TREASURY ISSUES:** Treasury Bills, Treasury Notes, and Treasury Bonds. The maximum maturity shall not be greater than five (5) years.

B. **FEDERAL AGENCIES**: Federal National Mortgage Association (FNMA) securities, Federal Home Loan Bank (FHLB) securities, Federal Home Loan Mortgage Corporation (FHLMC), Federal Farm Credit Bureau (FFCB) securities, Government National Mortgage Association (GNMA) securities, Small Business Administration (SBA) securities, Student Loan Marketing Association (SLMA) securities, etc. The City restricts the maximum percentage of investment in Federal Agencies to 25%, per issuer. The maximum maturity shall not be greater than five (5) years.

C. **BANKERS' ACCEPTANCES**: The City may not purchase bankers' acceptances exceeding one hundred and eighty (180) days maturity or forty percent (40%) of the City's surplus money, (Government Code 53601(f).) Furthermore, no more than thirty percent (30%) of the City's surplus funds may be invested in bankers' acceptances of any one commercial bank.

D. **CERTIFICATES OF DEPOSIT**: A type of collateralized bank deposit with a specific maturity evidenced by a certificate. The City restricts the maximum percentage of investment in Certificates of Deposit to 25% of the City's total portfolio. The maximum maturity shall not be greater than five (5) years.

E. **REPURCHASE AGREEMENTS:** A Public Securities Association (PSA) Master Repurchase Agreement is required between the City and the broker/dealer or financial institution for all repurchase agreements transacted. The maturity of repurchase agreements shall not exceed 100 days. The counterparty must be a primary dealer of the Federal Reserve Bank of New York. The market value of securities used as collateral for repurchase agreements shall be monitored daily and will not be allowed to fall below 102% of the value of the repurchase agreement. In order to conform with provisions of the Federal Bankruptcy Code which provides for the liquidation of securities held as collateral for repurchase agreements, the only securities acceptable as collateral shall be eligible negotiable certificates of deposit, eligible bankers' acceptances, or securities that are direct obligations of, or that are fully guaranteed as to principal and interest by, the United States or any agency of the United States.

F. **COMMERCIAL PAPER:** Must be of prime quality of the highest rating by both Moody's and Standard and Poor's (P-1 by Moody's and A-1 by Standard and Poor's). Eligible paper is limited to corporations organized and operating within the U.S. and having total assets of at least $500,000,000. Purchases of commercial paper shall not exceed two hundred and seventy (270) days to maturity and no more than 25% of the City's surplus funds should be invested in commercial paper. No more than 5% of the amount invested shall be in any one issuer.

G. **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. Notes eligible for investment under this subdivision shall be rated in a rating category of "A" or its equivalent or better by a NRSRO. Purchases of medium-term notes may not exceed 30% of the City's surplus money which may be invested pursuant to this section. The maximum maturity shall not be greater than five (5) years.

H. **NEGOTIABLE CERTIFICATES OF DEPOSIT (NCD)**: To be eligible for purchase by the City, the NCD must be issued by a Nationally or State-Chartered bank, State or Federal savings and loan association, or State-licensed branch of a foreign bank, and must meet one of the following criteria:

- Be a California Bank rated "A" or better by a nationally recognized statistical rating organization (NRSRO);
- Be a major national or regional bank outside California rated "A" or better by a NRSRO;
- Be a domestic branch of a foreign bank ("Yankee" C.D.) rated "I" for

country rating, "II" or better for peer-group rating, and "II" or better for dollar access by a NRSRO;

- Be a savings and loan association operating in California rated "A" or better by a NRSRO;

- Purchases of negotiable certificates of deposits may not exceed 30% of the total portfolio.

The maximum maturity shall not be greater than five (5) years.

I. **LOCAL AGENCY INVESTMENT FUND (LAIF):** The aggregate of all funds from political subdivisions that are placed in the custody of the State of California Treasurer for the benefit of local agencies. State law (California Government Code Section 16429.1) establishes the maximum deposits for each local agency.

J. **LOS ANGELES COUNTY INVESTMENT POOL (LACIP):** Similar to LAIF, this pool is established by the Los Angeles County Treasurer for the benefit of local agencies under California Government Code Section 53684.

K. **MUTUAL FUNDS AND MONEY MARKET MUTUAL FUNDS:** To be eligible for purchase by the City, the investment instruments must meet multiple minimum requirements. Instruments must receive the highest ranking, or the highest letter and numerical rating as provided for by a NRSRO, must comply with all investment restrictions and regulations that apply to public agencies in California Code 53601 (a-k, m-o), and must follow regulations specified by the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1, et seq.).

L. **MUNICIPAL SECURITIES:** Include obligations of the City, the State of California, any of the other 49 states, and any local city within the State of California, provided that the securities are rated "A" or higher by at least one NRSRO. No more than 5% of the portfolio may be invested in any single issuer. No more than 30% of the portfolio may be in Municipal Securities. The maximum maturity does not exceed five years.

M. **SUPRANATIONALS**: Securities that are unsubordinated obligations issued by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB). The securities must be rated "AA" or higher by a NRSRO. No more than 30% of the total portfolio may be invested in these securities. No more than 10% of the total portfolio shall be invested in any single issuer. The maximum maturity of any security of this type shall not exceed five years.

N. **ASSET BACKED SECURITIES**: Including mortgage pass through, collateralized mortgage obligation, mortgage backed or other pay through bond, equipment lease backed certificate, consumer receivable pass through certificate, or consumer receivable backed bond with a maximum maturity of five years. Securities eligible for investment under this subdivision shall be issued by an issuer having an "A" or higher rating for the issuer's debt as provided by a NRSRO and rated in a rating category of "AA" or its equivalent or better by a NRSRO. Purchase of securities authorized by this subdivision may not exceed 20% of the City's surplus money that may be invested pursuant to this section.

X. *PROHIBITED INVESTMENTS*

California Government Code Section 53601.6 prohibits the following list of investment types.

A. **INVERSE FLOATERS**

B. **RANGE NOTES**

C. **INTEREST-ONLY MORTGAGE STRIPS, OR ANY SECURITY THAT COULD RESULT IN ZERO INTEREST ACCRUAL IF HELD TO MATURITY.**

The City further restricts investment activities by prohibiting investments in reverse repurchase agreements.

XI. *COLLATERALIZATION*

Collateralization will be required on two types of investments: certificates of deposit and repurchase agreements. In order to anticipate market changes and provide a level of security for all funds, the market value of securities used as collateral for repurchase agreements shall be monitored daily and will not be allowed to fall below 102% of the value of the repurchase agreement. In order to conform with provisions of the Federal Bankruptcy Code, which provides for the liquidation of securities held as collateral for repurchase agreements, the only securities acceptable as collateral shall be eligible negotiable certificates of deposit, eligible banker's acceptances, or securities that are direct obligations, or that are fully guaranteed as to principal and interest by, the United States or any agency of the United States.

A third-party custodian with whom the City has a current custodial agreement will always hold collateral. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained.

XII. *INVESTMENT POOLS/MUTUAL FUNDS*

The City shall conduct a thorough investigation of any pool or mutual fund prior to making an investment, and on a continual basis thereafter. The Finance Director or his/her authorized designee shall develop a questionnaire which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced, and the program audited.
- A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listings.
- Are reserves, retained earnings, etc. utilized by the pool/fund?
- A fee schedule, and when and how is it assessed.
- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

XIII. *SAFEKEEPING AND CUSTODY*

All security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third-party custodian designated by the Finance Director or his/her authorized designee and evidenced by safekeeping records.

XIV. *MAXIMUM MATURITIES*

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. However, the City may collateralize its repurchase agreements using longer-dated investments not to exceed five (5) years to maturity.

XV. *INTERNAL CONTROL*

The Finance Director will establish internal controls covering investing procedures designed to protect the City's investments from unauthorized use or disposition and ensure compliance with the Investment Policy.

The Finance Director or his/her authorized designee shall establish an annual process of independent review of internal control by an external auditor. This review will ensure compliance with policies and procedures. Specific areas of review are investment authorizations, proper safekeeping methods, and comparison of broker/dealer with safekeeping confirmations.

XVI. *MINIMUM PERFORMANCE STANDARDS*

The City Treasurer shall monitor and evaluate the portfolio's performance relative to the chosen market benchmark(s), which will be included in the monthly Investment Report. The Finance Director or his/her authorized designee shall select an appropriate, readily available index to use as a market benchmark.

XVII. *REPORTING*

A. MONTHLY REPORTS: The Finance Director will submit a monthly investment report to the City Council which provides full disclosure of the City's investment activities within 30 days after the end of the month in accordance with California Government Code Section 53607. These reports will disclose, at a minimum, the following information about the City's portfolio:

- An asset listing showing par value, cost and independent third-party fair market value of each security as of the date of the report, the source of the valuation, type of investment, issuer, maturity date, and interest rate.

- Transactions for the period.

- A description of the funds, investments and programs (including lending programs) managed by contracted parties (i.e. LAIF, investment pools, outside money managers and securities lending agents).

- A one-page summary report that shows:
  i. Average maturity of the portfolio and modified duration of the portfolio;
  ii. Maturity distribution of the portfolio;
  iii. Percentage of the portfolio represented by each investment category;
  iv. Average portfolio credit quality; and,
  v. Time-weighted total rate of return for the portfolio for the prior one month, three months, twelve months and since inception compared to the City's market benchmark returns for the same periods.

- A statement of compliance with investment policy, including a schedule of any transactions or holdings which do not comply with this policy or with the California Government Code, including a justification for their

presence in the portfolio and a timetable for resolution.

- A statement that the City has adequate funds to meet its cash flow requirements for the next six (6) months.

XVIII. *LEGISLATIVE CHANGES*

Any State of California legislative action, that further restricts allowable maturities, investment type or percentage allocations, will be incorporated into the City's Investment Policy and supersede any and all previous applicable language.

XIX. *INTEREST EARNINGS*

All monies earned and collected from investments authorized in this policy shall be allocated monthly based on cash balances in each fund as a percentage of the entire pooled portfolio.

XX. *INVESTMENT POLICY ADOPTION*

The City's Investment Policy shall be reviewed and approved on an annual basis. Any modifications made thereto must be approved by the City Council.

GLOSSARY

AGENCIES: Shorthand market terminology for any obligation issued by *a government-sponsored entity (GSE),* or a *federally related institution*. Most obligations of GSE's are not guaranteed by the full faith and credit of the US government.

ASKED: The price at which a seller offers to sell a security.

ASSET BACKED SECURITIES: Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

BANKERS' ACCEPTANCE (BA): A draft, bill, or exchange accepted by a bank or trust company accepting institution guarantees payment of the bill, as well as the issuer.

BID: The price offered for securities.

BROKER: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides. Brokers are active in markets, where banks buy and sell money, as well as in inter-dealer markets.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also, refers to securities pledged by a bank to secure deposits of public monies.

COMMERCIAL PAPER (CP): Short-term, unsecured, promissory notes issued by corporations to finance short-term credit needs.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual financial report of the City. It includes combined statements for each individual fund in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

COUPON: (a). The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b). A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT (DVP): There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (also called free). Delivery versus payment is delivery of securities with an exchange of a signed receipt for the securities.

DERIVATIVES: (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest-bearing money market instruments that are issued at a discount and redeemed at maturity for full face value i.e., U.S. Treasury Bills.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, such as savings and loan associates, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to $250,000 per deposit.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the United States Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable rate mortgages and second loans in addition to fixed rate mortgages. FNMA's securities are highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven-member Board of Governors and 12 regional banks. About 5,700 commercial banks are members of the system.

FFCB: The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry. FFCB issues discount notes and bonds.

FHLB: The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.

FHLMC: Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called "FreddieMac" issues discount notes, bonds and mortgage pass-through securities.

FNMA: Like FHLB and FreddieMac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as "FannieMae," issues discount notes, bonds and mortgage pass-through securities.

GNMA: The Government National Mortgage Association, known as "GinnieMae," issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the US Government.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations and other institutions. The full faith and credit of the U.S. Government protect the security holder. Ginnie Mae securities are backed by FHA, VA or FMHM mortgages. The term "pass-throughs" is often used to describe Ginnie Mae Securities.

LIQUID ASSET: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LIQUIDITY: The ability to convert investments to cash.

LOCAL AGENCY INVESTMENT FUND (LAIF): The aggregate of all funds from political subdivisions that are placed in the custody of the State of California Treasurer for the benefit of local agencies. State law (California Government Code Section 16429.1) establishes the maximum deposits for each local agency.

LOS ANGELES COUNTY INVESTMENT POOL (LACIP): Similar to LAIF, this pool is established by the Los Angeles County Treasurer for the benefit of local agencies under California Government Code Section 53684.

MAKE WHOLE CALL: A type of call provision on a bond allowing the issuer to pay off remaining debt early. The issuer typically has to make a lump sum payment to the investor derived from a formula based on the net present value (NPV) of future coupon payments that will not be paid incrementally because of the call combined with the principal payment the investor would have received at maturity.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties related to repurchase or reverse repurchase agreements. The contract establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default of the seller-borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MEDIUM TERM NOTES: Notes with a maximum of five years maturity 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.

MUNICIPAL SECURITIES: Securities issued by state and local agencies to finance capital and operating expenses.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

NEGOTIABLE CERTIFICATES OF DEPOSIT (NCD): Although technically a deposit, it is similar to a short-term note, which earns the depositor a competitive rate of return. Negotiable certificates of deposit were developed so that large deposits could be made at a competitive interest rate with some liquidity.

OFFER: The price asked by the seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PEFCO: The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the US government.

PORTFOLIO: A collection of securities held by an individual organization or institution.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities brokers/dealers, banks, and a few unregulated firms.

PRUDENT INVESTOR RULE: This rule is an investment standard. In some states, the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the state. The securities are commonly referred to as the legal list. In other states the trustee may invest in a security if it is one, which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

REPURCHASE AGREEMENT (REPO): Agreements with banks and dealers under which the City has entered into a master repurchase agreement that specifies terms and conditions of individual repurchase agreements. The agreement requires the seller of a security to repurchase an investment on a specific date for an agreed-upon price.

SAFEKEEPING: A service to customers rendered by banks and other security custodians for a fee. For the fee, the customer's securities and valuables of all types and descriptions are held in the service provider's vaults for protection. Securities are commonly held electronically in lieu of physical custody in a vault.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15C3-1: See Uniform Net Capital Rule.

STRUCTURED NOTES: Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations, which have imbedded options (i.e., call features,

step-up coupons, floating rate coupons, and derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

SUPRANATIONAL: A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

TREASURY BILLS: A non-interest-bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

TREASURY NOTES: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

TVA: The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio, and Mississippi River valleys. TVA currently issues discount notes and bonds.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember brokers/dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) Income yield is obtained by dividing the current dollar income by the current market price for the security. (b) Net yield or yield to maturity (YTM) is the current income yield minus any premium above par or plus any discount from purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

ATTACHMENT NO. 6

RESOLUTION NO. 2025-13

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, APPROVING THE CITY OF WEST COVINA STATEMENT OF INVESTMENT POLICY

The City Council of the City of West Covina hereby finds and declares as follows:

WHEREAS, California Government Code Section 53646 requires the City Treasurer or the Chief Fiscal Officer to annually render to the City Council a statement of investment policy, which must be considered at a public meeting; and

WHEREAS, California Government Code Section 53600 et seq. provides guidelines and regulations pertaining to investment of temporary idle funds; and

WHEREAS, on May 17, 2022, the City Council reviewed and approved the amended City of West Covina Statement of Investment Policy through the adoption of Resolution No. 2022-48; and

WHEREAS, pursuant to Section XX of the Statement of Investment Policy, the Investment Policy must be reviewed and approved on an annual basis; and

WHEREAS, the City Council has reviewed the Statement of Investment Policy, last amended on May 17, 2022, and desires to approve the Statement of Investment Policy as required by Section XX of the Policy.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The City Council hereby approves the Statement of Investment Policy.

SECTION 2. The City Clerk shall certify to the adoption of this resolution and shall enter the same in the book of original resolutions and it shall become effective immediately.

APPROVED AND ADOPTED this 18th day of February, 2025.

_____

Tony Wu
Mayor

APPROVED AS TO FORM

Thomas P. Duarte
City Attorney

ATTEST

Lisa Sherrick
Assistant City Clerk

I, LISA SHERRICK, Assistant City Clerk of the City of West Covina, California, do hereby certify that the foregoing Resolution No. 2025-13 was duly adopted by the City Council of the City of West Covina, California, at a regular meeting thereof held on the 18th day of February, 2025, by the following vote of the City Council:

AYES:
NOES:
ABSENT:
ABSTAIN:

Lisa Sherrick
Assistant City Clerk

ATTACHMENT NO. 7

RESOLUTION NO. 2025-14

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, AMENDING THE FUND BALANCE POLICY

The City Council of the City of West Covina hereby finds and declares as follows:

WHEREAS, in an effort to become more financially secure, the City Council adopted a Fund Balance Reserve Policy for the General Fund on July 7, 2015 through the adoption of Resolution No. 2015-52; and

WHEREAS, the City Council amended the Fund Balance Policy on March 1, 2016 through the adoption of Resolution No. 2016-18; on June 21, 2016 through the adoption of Resolution No. 2016-60; on June 5, 2018 through the adoption of Resolution No. 2018-64; on May 17, 2022 through the adoption of Resolution No. 2022-47; and on May 21, 2024 through adoption of Resolution No. 2024-27; and

WHEREAS, pursuant to the Fund Balance Policy, the City is required to maintain a minimum unassigned fund balance of at least 17% of the General Fund operating expenditures. If the reserve level falls below 17%, the City is required to amend the Fund Balance Policy, including a plan to rebuild the fund within three years. At the end of the fiscal year, the annual excess revenue over expenditures in the City's General Fund will be automatically allocated as follows, unless the transfer is overridden by an action of the City Council: 25% stays in the General Fund balance reserves, 40% is transferred to the City's Capital Projects Fund, 10% is transferred to the Vehicle Replacement Fund, and 25% goes to pay down the City's Other Post Employment Benefit (OPEB) liability; and

WHEREAS, the City Council desires to amend the Fund Balance Policy to require the City to maintain a minimum unassigned fund balance of at least 18%; and

WHEREAS, the City Council further desires to amend the Fund Balance Policy to amend the allocations of annual excess unassigned fund balance in the City's General Fund as follows: 50% will stay in the General Fund Balance reserves and become assigned for the City's Pension and Other Post Employment Benefit (OPEB) liabilities, 25% will be transferred to the Capital Projects Fund, 15% will be transferred to the Self-Insurance Funds – General Liability and Workers Compensation Funds, and 10% will be transferred to the Vehicle Replacement Fund.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA DOES RESOLVE AS FOLLOWS:

SECTION 1. The City Council hereby adopts the amended Fund Balance Policy attached hereto as Exhibit "A."

SECTION 2. Any and all prior resolutions adopting a Fund Balance Policy for the City of West Covina are hereby rescinded.

SECTION 3. The City Clerk shall certify to the adoption of this resolution and shall enter the same in the book of original resolutions and it shall become effective immediately.

APPROVED AND ADOPTED this 18th day of February, 2025.

_____
Tony Wu
Mayor

APPROVED AS TO FORM

_____
Thomas P. Duarte
City Attorney

ATTEST

_____
Lisa Sherrick
Assistant City Clerk

I, LISA SHERRICK, ASSISTANT CITY CLERK of the City of West Covina, California, do hereby certify that the foregoing Resolution No. 2025-14 was duly adopted by the City Council of the City of West Covina, California, at a regular meeting thereof held on the 18th day of February, 2025, by the following vote of the City Council:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Lisa Sherrick
Assistant City Clerk

EXHIBIT A

FUND BALANCE POLICY

CITY OF WEST COVINA
FUND BALANCE POLICY

POLICY

In February 2009, the Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This new standard has not changed the total amount of reported fund balance, but has substantially altered the categories and terminology used to describe its components. The new categories and terminology reflect an approach that will focus, not on financial resources available for appropriation within a fund, but on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the fund can be spent.

This Fund Balance Policy establishes the procedures for reporting unrestricted fund balance in the City's financial statements. Certain commitments and assignments of fund balance will help ensure that there will be adequate financial resources to protect the City against unforeseen circumstances and events such as revenue shortfalls and unanticipated expenditures. The policy also authorizes and directs the Finance Director to prepare financial reports which accurately categorize fund balance as per Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

PROCEDURES

The term "Fund Balance" is used to describe the difference between assets (what is owned) and liabilities (what is owed) reported within a fund. In the past, fund balance has been classified into basically three separate components: Reserved, Designated, and Undesignated. There are almost always important limitations on the purpose for which all or a portion of the resources of a fund can be used. The force of these limitations can vary significantly, depending on their source. The various components of the "new" fund balance are designed to indicate the extent to which the City is bound by these limitations placed upon the resources.

GASB Statement No. 54 defines five separate components of fund balance, each of which identifies the extent to which the City is bound to honor constraints on the specific purposes for which amounts can be spent. These new components of fund balance will replace the current existing three components. The five components are:

- Nonspendable fund balance (inherently nonspendable)
- Restricted fund balance (externally enforceable limitations on use)
- Committed fund balance (self-imposed limitations on use)
- Assigned fund balance (limitation resulting from intended use)
- Unassigned fund balance (residual net resources)

The first two components listed above are not addressed in this policy due to the nature of their restrictions. Some examples of nonspendable fund balance are prepaid expenses, notes receivable, inventory and land held for resale. Restricted fund balance is either imposed by law or constrained by grantors, contributors, or laws or regulations of other governments. This policy is focused on financial reporting of unrestricted fund balance, or the last three components listed above. These three components are further defined below.

COMMITTED FUND BALANCE

The City Council, as the City's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as an ordinance or resolution. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment. City Council action to commit fund balance needs to occur within the fiscal reporting period; however, the amount can be determined subsequently.

ASSIGNED FUND BALANCE

Amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. Such intent needs to be established at either the highest level of decision making, or by an official designated for that purpose.

This policy hereby delegates the authority to assign amounts to be used for specific purposes to the City Manager for the purpose of reporting these amounts in the annual financial statements.

UNASSIGNED FUND BALANCE

These are residual positive net resource of the general fund in excess of what can properly be classified in one of the other four categories.

RESERVE POLICIES

The City shall maintain a minimum unassigned fund balance of at least 18% of the General Fund operating expenditures. If the reserve level falls below 18%, the City must amend this policy, including a plan to rebuild the fund within three years. This is considered the minimum level necessary to maintain the City's credit worthiness and to adequately provide for:

- Economic uncertainties, local disasters and other hardships or downturns in the local economy
- Contingencies for unforeseen operating or capital needs
- Cash flow requirements

At the end of the fiscal year, the annual excess unassigned fund balance in the City's General Fund will be automatically allocated as follows, unless the transfer is overridden by an action of City Council: 50% will stay in the General Fund Balance reserves and become assigned for the City's Pension and Other Post Employment Benefit (OPEB) liabilities, 25% will be transferred to the Capital Projects Fund, 15% will be transferred to the Self-Insurance Funds – General Liability and Workers Compensation Funds, and 10% will be transferred to the Vehicle Replacement Fund.

FUND BALANCE CLASSIFICATION

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available the policy shall be to expend the restricted fund balance first before expending the unrestricted fund balance. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classification of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts.

This policy is in place to provide a measure of protection for the City against unforeseen circumstances and to comply with GASB Statement No. 54. No other policy or procedure supersedes the authority and provisions of this policy.

AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: February 18, 2025

TO: Mayor and City Council

FROM: Paulina Morales, City Manager

SUBJECT: **CONSIDERATION OF ORDINANCE NO. 2525 (CODE AMENDMENT NO. 24-01) TO AMEND CHAPTER 26 OF THE WEST COVINA MUNICIPAL CODE TO MAKE CORRECTIONS AND INCORPORATE REQUIRED UPDATES TO COMPLY WITH STATE LAW, AND TO AMEND THE "COMMERCIAL" PORTION OF THE PLANNED COMMUNITY DEVELOPMENT NO. 1 (PCD-1) FOR THE WEST COVINA PORTION OF WOODSIDE VILLAGE TO MAKE DEVELOPMENT WITHIN THE PCD-1 ZONING CONSISTENT WITH THE CURRENT ZONING**

RECOMMENDATION:

It is recommended that the City Council:

1. Conduct the public hearing; and
2. Introduce the following Ordinance:

ORDINANCE NO. 2525 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, APPROVING CODE AMENDMENT NO. 24-01, THE DEVELOPMENT CODE UPDATE CLEAN UP, AMENDING CHAPTER 26 (ZONING) OF THE WEST COVINA MUNICIPAL CODE, AND AMENDING THE COMMERCIAL PORTION OF PLANNED COMMUNITY DEVELOPMENT NO. 1 (PCD-1) FOR THE WEST COVINA PORTION OF WOODSIDE VILLAGE

BACKGROUND:

At the June 2, 2020 City Council meeting, the City Council authorized the City Manager to apply for and receive the Local Early Action Planning (LEAP) Grant from the California Department of Housing and Community Development, and enter into an agreement with the State for a grant of $500,000. LEAP was a one-time grant funding to cities and counties to update their planning documents and implement process improvements that will facilitate the acceleration of housing production and help local governments prepare for the 6th Cycle Regional Housing Needs Assessment. The City utilized the LEAP Grant to complete a comprehensive re-write of the City's Zoning Code (Development Code Update). The Development Code Update process included extensive community outreach. The new Development Code was adopted by the City Council on February 20, 2024.

The Development Code is a "living document" that is intended to be updated periodically. Planning Division staff has been implementing the latest Development Code since it became effective March 2024. Staff has utilized the Development Code in responding to questions at the counter and on the phone as well as for review of development applications. Staff has made notations of issues as they were discovered. When the Development Code was adopted, it was understood that the City would go

back to fix certain items found through the application of the Code that were unintentionally left out, syntax/grammar/spelling/numbering errors, Code items that have been enforcement issues, fix/clarify language that is unclear, etc.

Changes proposed to the Planned Community Development No. 1 (PCD-1) for the West Covina portion of Woodside Village will make the application of PCD-1 consistent with current zoning designations. The Code standards for PCD-1 states that all commercial development is required to comply with the standards in the Neighborhood Commercial zone (N-C). The N-C zone was replaced with the Neighborhood-Mixed Use (NMU) zone, so the reference to the zoning will be corrected.

In addition, the California Department of Housing and Community Development (HCD) sent the City a letter on September 18, 2024 (Attachment No. 3) stating that the current draft of the Housing Element Update complies with State law. However, before HCD will certify the City's Housing Element, the City is required to adopt certain code amendments related to emergency shelter parking, multifamily residential parking, minimum lot size for multifamily residential lots, and "by-right" multifamily residential developments.

Furthermore, the proposed code amendment also includes minor revisions made to comply with new State laws that took effect on January 1, 2025.

Planning Commission Review
At the December 10, 2024 Planning Commission meeting, the Planning Commission held a public hearing. During the public hearing, one member of the public spoke against the code amendment with concerns related to temporary non-commercial and election season signs. The Planning Commission voted 3-0 to recommend to the City Council the adoption of the draft Ordinance through the approval of Resolution No. 24-6157, with exclusions. The Planning Commission's recommendation did not include Sections 14, 21, 27, 29, 41, 43, 44, 45, 46, 47, 48, 49, 50, and 51 of the draft Ordinance because they felt that the sections do not qualify as "clean up" items and should be reviewed separately to allow for at length discussions and specific public notification. The content of the sections not recommended for adoption are identified in detail in this report's "Discussion" section, and can be found within Ordinance No. 2525 (Attachment No. 1).

Ordinance No. 2525 is drafted to include the sections the Planning Commission did not include in its recommendation for adoption in order to provide the City Council with information on the exact texts the Planning Commission reviewed and to allow the City Council the ability to make its own determination. Should the City Council adopt the Ordinance as recommended by the Planning Commission, the Planning Commission desires to review those excluded sections at a subsequent meeting.

DISCUSSION:
The following is an outline of the proposed changes to the Development Code:

HCD-Required Changes for the Housing Element
The following changes are required by HCD in order for the City to obtain Housing Element certification.

- **Table 2-5** - The minimum lot size for all multifamily zones is proposed to be decreased to 20,000 square feet.
- **Sections 26-49(a)(2) and 26-212-(b)** - Ensures that multifamily projects with at least 20-percent of the units reserved for lower income households are approved "by-right."
- **Table 2-12 -** State law requires that emergency shelters are allowed "by-right" in zones where residential uses are allowed. The area that allows the most intense uses among the mixed-use zones is Regional Commercial Mixed Use (RMU). This area includes the Eastland Center and other mixed-use/commercial properties along Garvey Avenue N, east of the Eastland Center. All other zones require a conditional use permit.
- **Table 3-2**, **Section 26-90(b)(2), and 26-118(a)(5)** - Changed the sole reference to "CUP"

to "precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council" because not all uses require a CUP. In addition, the parking ratio for multifamily residential uses was consolidated (removed separate requirements for mixed use and condominiums) and the parking ratio for emergency shelters has been reduced to 1 per staff, as required by HCD.

Development Code Update "Clean Up" Revisions

- Capitalization throughout the document of the following terms: Community Development Director, City Engineer, Planning Commission, and City Council.
- **Section 26-38** - The definitions for "new structure" and "unclassified use permit (UUP)" were added
- **Section 26-45(b) -** Clarification that additions and accessory buildings are required to be consistent in architecture, materials, and color as the primary structure was unintentionally deleted from the code, and is proposed to be reinserted.
- **Table 2-3 -** Residential-Agriculture was unintentionally left out of the zoning designations with the minimum lot sizes and is proposed to be inserted.
- **Section 26-46(d)** - Height increase exception for hillside lots is proposed to be added for structures that are designed to be built along the slope to discourage significant grading and the construction of large retaining walls. *The Planning Commission excluded this section from its recommendation.*
- **Section 26-46(h) -** The Code does not address second story setbacks for new homes. In practice, this section has been applied to new homes as well, but the current language reads that it only applies to additions to existing homes. This was a carryover from the previous code and is in need of revision.
- **Section 26-71 -** Clarifies that not all accessory structures require an administrative permit and deletes urban dwelling units in the exemptions because urban dwelling units are considered a primary unit by the Government Code.
- **Table 3-1 -** Removed references to the R-1 section since accessory structures could be built on all residential zones. The maximum lot coverage column was also deleted since lot coverage and building coverage differs based on the underlying zone, and includes other structures in its calculation.
- **Section 26-73 -** The section was renumbered in some portions for better organization and provisions regarding reflection angles and glare were added to address potential hazards and negative impacts on neighbors. *The Planning Commission excluded this section from its recommendation.*
- **Sections 26-85(j), 26-00(d)(1) and 26-105(c)** - Correct spelling errors
- **Section 26-89(a)(4) -** Included quantifiable standards for motorhomes and recreation vehicles parked on driveways, and removed references to driveways leading to garages, since many garages have now been converted to ADUs.
- **Section 26-100(a) -** Removed timeframe and number of temporary noncommercial signs allowed, and increased maximum size to 32 square feet. The current language is difficult to enforce. *The Planning Commission excluded this section from its recommendation.*
- **Section 26-100(c) -** Increased the timeframe for election season signs from 60 days to 90 days to be consistent with State law. Remove number and size limitations, and added a requirement for property owner's consent. The current language is difficult to enforce. *The Planning Commission excluded this section from its recommendation.*
- **Section 26-117 -** Removed repeated standards, renumbered, and reorganized accordingly.
- **Section 26-140(b)** - Changed "or" to "and" so that the portion of the ADU standards identifying ADUs allowed in the single-family residential zone is consistent with State law.
- **Section 26-162(a)** - Clarifies the number of units allowed on single-family residential zoned properties with and without an urban lot split.
- **Sections 26-177 (a) and (b)** - Added "and/or in conjunction with" because- nonconforming uses are not necessarily always within structures (i.e. drive-throughs)
- **Section 26-270** - Made the public hearing notification process for CUP and Variance revocations consistent with State law and the public hearing notification section of the WCMC.
- **Section 26-287(b)** - Added the Community Development Director and City Attorney as allowed initiators for Code Amendments. *The Planning Commission excluded this section from its recommendation.*

- **Sections 26-298, 26-303, 26-304, 26-305, 26-310, 26-311, 26-317, 26-318, and 26-343 -** When the Development Code was adopted, the intent was to the Community Development Director authority to approve Tentative Parcel Maps and extension of time requests for subdivisions, in order to process projects more efficiently. The changes made clarify the review process and authority (City Engineer, Community Development Director, Planning Commission, and City Council) for taking action on proposed maps and subdivisions. *The Planning Commission excluded these sections from its recommendation.*

New State Law

- **Section 26-187 -** Clarified the public hearing notification procedures to be consistent with State law on the manner (newspaper and public area postings). The notification radius and timeframe has not changed, other than the increase from 10 days to 20 days for public hearing notices for zone changes, general plan amendments, and code amendments as required per State law (AB 2904) effective January 1, 2025.
- **Section 26-140 (c)** - Changed the number of ADUs allowed in multifamily uses from two (2) to "eight (8) or one (1) per primary unit, whichever is less" to be consistent with new State law (SB 1211) that will be effective January 1, 2025.

REQUIRED FINDINGS
Before a Code Amendment is adopted, the following findings are required to be met:

1. The proposed amendment ensures and maintains internal consistency with the goals, policies, and strategies of all elements of the General Plan, and, in the case of a Zoning Code amendment, will not create any inconsistencies with this Chapter.

The purpose of the proposed Development Code amendment is to fix errors made in the Development Code Update adoption and to make the Development Code consistent with State law. Therefore, Code Amendment No. 24-01 maintains internal consistency with the goals, policies, and strategies of all elements in the General Plan and will not create any inconsistencies within Chapter 26.

2. The proposed amendment would not be detrimental to the public interest, health, safety, convenience or welfare of the City.

The proposed amendment will not be detrimental to the public interest, health, safety, convenience or welfare of the City. The Code Amendment No. 24-01 is designed to improve the welfare of the City by fixing errors made in the Development Code Update adoption and making the revisions necessary to comply with State law.

3. The proposed amendment is in compliance with the provisions of the California Environmental Quality Act (CEQA).

Code Amendment No. 24-01 is statutorily exempt from CEQA under Section 15061(b)(3) of the CEQA Guidelines, which provides that CEQA only applies to projects that have the potential for causing a significant effect on the environment. The Code Amendment would not result in direct or indirect physical change in the environment and does not involve any construction or additions to any existing structures.

GENERAL PLAN CONSISTENCY
The proposed code amendment is consistent with the following General Plan Policies and Actions:

- **Policy 2.6** – Create a diversity of housing options.
- **Policy 3.1** – Preserve existing housing stock.
- **Policy 3.3** – New growth will complete, enhance, and reinforce the form and character of the unique West Covina neighborhoods, districts, and corridors.
- **Action 2.6a** - Encourage multifamily projects that are urban in design and facilitate a pedestrian-oriented environment by utilizing ground-floor retail, and active and vibrant streetscapes. West Covina should promote opportunities, engage developers, and support

higher-intensity, mixed-use multifamily residential development. The City can work to familiarize the development community with the City's General Plan and Vision for Downtown, and emphasize the City's commitment to a priority list of infrastructure investments, and expectations in terms of development/design quality.

- **Action 3.1** – Incorporate standards in the Development Code to preserve the existing form and character of stable residential areas and prevent encroachment of incompatible land uses and intensity.

LEGAL REVIEW:

The City Attorney's Office has reviewed the proposed ordinance and approved it as to form.

OPTIONS:

The City Council has the following options:

1. Adopt Ordinance No. 2525 as presented to the City Council; or
2. Adopt Ordinance No. 2525 with the exclusions identified by the Planning Commission; or
3. Provide alternative direction.

ENVIRONMENTAL REVIEW:

The ordinance is statutorily exempt from the California Environmental Quality Act (CEQA) under Section 15061(b)(3) of the CEQA Guidelines, which provides that CEQA only applies to projects that have the potential for causing a significant effect on the environment. The ordinance would not result in direct or indirect physical change in the environment and does not involve any construction or additions to any existing structures.

Prepared by: Jo-Anne Burns, Deputy Community Development Director

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Fiscal Impact

FISCAL IMPACT:

This is strictly an administrative item, therefore; there is no fiscal impact associated with this action.

Attachments

Attachment No. 1 - Ordinance No. 2525

Attachment No. 2 - Planning Commission Resolutions

Attachment No. 3 - HCD Letter

CITY COUNCIL GOALS & OBJECTIVES: A Well-Planned Community
Maintain Good Intergovernmental Relations
Enhance City Image and Effectiveness

ORDINANCE NO. 2525

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, APPROVING CODE AMENDMENT NO. 24-01, THE DEVELOPMENT CODE UPDATE CLEAN UP, AMENDING CHAPTER 26 (ZONING) OF THE WEST COVINA MUNICIPAL CODE, AND AMENDING THE COMMERCIAL PORTION OF PLANNED COMMUNITY DEVELOPMENT NO. 1 (PCD-1) FOR THE WEST COVINA PORTION OF WOODSIDE VILLAGE

WHEREAS, on February 20, 2024, the City Council approved Code Amendment No. 23-01, adopting Ordinance No. 2519, known as the "Development Code Update" which amended the City of West Covina Municipal Code including the combination of the Subdivision Code (Chapter 20) and the Zoning Code (Chapter 26) into one Development Code (Chapter 26); and

WHEREAS, it is necessary to amend Chapter 26 (Zoning) of the West Covina Municipal Code in order to make corrections and to incorporate updates required by State law; and

WHEREAS, it is necessary to amend the "Commercial" portion of the Planned Community Development No. 1 (PCD-1) for the West Covina portion of Woodside Village to make development within the PCD-1 zoning consistent with the current zoning; and

WHEREAS, on December 10, 2024, the Planning Commission conducted a duly noticed public hearing as prescribed by law to consider Code Amendment No. 24-01 (Development Code Update Clean Up), gave all persons interested therein an opportunity to be heard, and voted to recommend the City Council's approval and adoption of the Development Code Update Clean up, with exclusions; and

WHEREAS, on February 18, 2025, the City Council conducted a duly noticed public hearing as prescribed by law on this Ordinance; and

WHEREAS, the Ordinance is statutorily exempt from the California Environmental Quality Act (CEQA) under Section 15061(b)(3) of the CEQA Guidelines, which provides that CEQA only applies to projects that have the potential for causing a significant effect on the environment. The Ordinance would not result in direct or indirect physical changes in the environment and does not involve any construction or additions to any existing structures; and

WHEREAS, the City Council has duly considered all information presented to it, including written staff reports and any testimony provided at the public hearing, with all testimony received being made a part of the public record.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Recitals. The City Council finds that all of the facts set forth in the recitals to this Ordinance are true and correct and incorporated herein as findings.

SECTION 2. Record. The findings made in this Ordinance are based upon the information and evidence that has been presented at the hearings and in the record of the proceedings.

SECTION 3. Notice and Opportunity to Comment. The City Council finds that agencies and interested members of the public have been afforded ample notice and opportunity to comment on Code Amendment No. 24-01.

SECTION 4. General Plan Consistency. Based on the evidence presented, Code Amendment No. 24-01 is found to be consistent with the City's General Plan.

SECTION 5. Findings. In accordance with Section 26-292 of Chapter 26 of the West Covina Municipal Code, the City Council makes the following findings regarding Code Amendment No. 24-01:

(a) *The proposed amendment ensures and maintains internal consistency with the goals, policies, and strategies of all elements of the General Plan, and, in the case of a Zoning Code amendment, will not create any inconsistencies with this Chapter.*

The purpose of the proposed Development Code amendment is to fix errors made in the Development Code Update adoption and to make the Development Code consistent with State law. Therefore, Code Amendment No. 24-01 maintains internal consistency with the goals, policies, and strategies of all elements in the General Plan and will not create any inconsistencies within Chapter 26.

(b) *The proposed amendment would not be detrimental to the public interest, health, safety, convenience or welfare of the City.*

The proposed amendment will not be detrimental to the public interest, health, safety, convenience or welfare of the City. Code Amendment No. 24-01 is designed to improve the welfare of the City by fixing errors made in the Development Code Update adoption and making the revisions necessary to comply with State law.

(c) *The proposed amendment is in compliance with the provisions of the California Environmental Quality Act (CEQA).*

Code Amendment No. 24-01 is statutorily exempt from CEQA under Section 15061(b)(3) of the CEQA Guidelines, which provides that CEQA only applies to projects that have the potential for causing a significant effect on the environment. The Code Amendment would not result in direct or indirect physical change in the environment and does not involve any construction or additions to any existing structures.

SECTION 6. Code Amendment. Amend Subsection E (Commercial) of Section VII (Site Development Standards) of the Planned Community Development No. 1 (PCD-1) for the West Covina portion of Woodside Village to read as follows:

E. Commercial

The site development ~~S~~standards of the West Covina ~~N-C (Neighborhood Commercial)~~ Neighborhood Commercial Mixed Use (NMU) zone shall be used. In addition to the site development standards of the ~~Neighborhood Commercial (N-C)~~ NMU zone, the following shall apply: to auto supply stores that include "installation" and "minor services":

1. Auto supply stores that include "installation" and "minor services"
2. Not less than 40% of structures shall be devoted to retail use.
3. No service bays shall open onto a public right-of-way.
4. Landscaping shall conform to the landscaping requirements of the Master Plan.
5. Exterior of the structures must blend with the surrounding development.

A waiver of one or more of the development ~~S~~standards above for a specific Development Plan may be granted by the Planning Commission, if it finds that there are exceptional physical circumstances applied on the property which substantiate the requested waiver, and that the granting of such waiver will not be materially detrimental to the proposed development or to the surrounding developments. A request for waiver, and the justification, therefore, shall be filed in writing at the time that the application for the specific Development Plan is filed.

SECTION 7. Code Amendment. All references to “community development director” within Chapter 26 shall be changed to “Community Development Director.”

SECTION 8. Code Amendment. All references to “city engineer” within Chapter 26 shall be changed to “City Engineer.”

SECTION 9. Code Amendment. All references to “planning commission” within Chapter 26 shall be changed to “Planning Commission.”

SECTION 10. Code Amendment. All references to “city council” within Chapter 26 shall be changed to “City Council.”

SECTION 11. Code Amendment. The following definitions shall be added to Section 26-38 of Division 4 of Article I of Chapter 26 and shall be arranged in alphabetical order along with the existing definitions:

New Structure. Any building or structure built where no existing buildings are present, or any construction involving the alteration, addition, remodeling, repairing, or renovation of an existing building when fifty percent or more of the exterior wall and roof structures are removed/demolished.

Unclassified Use Permit (UUP). An Unclassified Use Permit shall be considered the same as a Conditional Use Permit (CUP).

SECTION 12. Code Amendment. Section 26-45 of Division 1 of Article II of Chapter 26 shall be amended to add new subsection (b) to read as follows:

Any additions or accessory buildings shall maintain architectural consistency with the primary structure in regard to roof profile and pitch, materials, colors, roofing, scale, exterior treatment and details.

SECTION 13. Code Amendment. Table 2-3 (Minimum Lot Dimensions and Lot Area for R-A and R-1 Zones) within Section 26-46 of Division 1 of Article II of Chapter 26 shall be amended to read as follows:

Zone	Minimum Lot Width (ft.)	Minimum Lot Depth (ft.)	Minimum Lot Area (sq. ft.)
R-A	–	–	6,000
R-A/R-1-6,000	50	95	6,000
R-A/R-1-7,500	60	105	7,500
R-A/R-1-9,450	70	110	9,450
R-A/R-1-14,400	90	125	14,400
R-A/R-1-20,000	110	–	20,000
R-A/R-1-40,000	130	–	40,000

SECTION 14. Code Amendment. Section 26-46 (d) of Division 1 of Article II of Chapter 26 shall be amended to read as follows:

(d) Single-Family Building Height.

(1) No building or structure shall have more than two (2) stories or be more than twenty-five (25) feet above finished grade.

(i) Hillside areas step massing. A maximum overall height of thirty-five (35) feet may be allowed for buildings which in stepping down the slope diminish bulk provided that no point around the perimeter exceeds twenty-five (25) feet and the natural slope is no less than fifteen (15) percent, subject to the approval of

an administrative permit. A building is considered to step down the slope if the line connecting its corresponding components is no steeper than the average of the natural slope adjacent to the entire structure. A topographical survey prepared by a licensed surveyor shall be required as part of the administrative permit submittal. Projects that utilize more than two (2) terracing retaining walls and/or retaining walls greater than four (4) feet in height to create a flat building pad do not qualify for the allowable step massing height increase.

(2) Chimneys, vents and other such incidental appurtenances shall conform to the standards set forth in 26-65.

(3) Subterranean garages shall not be included in the measurement of height nor counted as a story.

(4) Buildings on lots in excess of twenty thousand (20,000) square feet may exceed the maximum height limit stated in subsection (a) by one (1) foot for every five hundred (500) square feet of floor area in excess of twenty-five hundred (2,500) square feet. Such increase in height shall increase the yard requirements on a foot-to-foot ratio, i.e., one (1) foot of additional height requires eleven-foot side yards and twenty-six-foot front and rear yards, five (5) feet of additional height requires fifteen-foot side yards and thirty-foot front and rear yards, however no structure shall exceed two (2) stories and thirty-two (32) feet maximum height.

SECTION 15. Code Amendment. Section 26-46 (h) of Division 1 of Article II of Chapter 26 shall be amended to read as follows:

(h) Second-story setbacks regulations for R-A and R-1 Zones.

(1) *Front Yard:* When the first story of an existing or proposed single-family structure is built within thirty (30) feet or less of the front property line, the front yard setback of any future second story ~~addition~~ or second-floor expansion shall be a minimum of thirty (30) feet, except for lots less than 7,500 square feet in area, where the second story shall be set back a minimum of twenty-five (25) feet.

(2) Side Yard: When the first story of an existing or proposed single-family structure is built within ten (10) feet or less of the side property line, the side yard of any future second story ~~addition~~ or second-floor expansion shall be a minimum of ten (10) feet. The following exception may be allowed, subject to community development director (or their designee) review and the approval of an Administrative Permit, in cases where an existing second-story has a second-story setback that is less than ten (10) feet on an elevation:

(i) Said side yard second story setbacks may be the same as the existing second story setback if no portion of a building or structure (existing or

proposed) encroaches through a daylight plane that is projected above each setback line and sloping inwards at a forty-five (45) degree angle measured at a point ten (10) feet above the finished grade level along the side property line toward the opposing side property line.

(ii) Said side yard second story setback shall not be required along any side yard which abuts property zoned for or developed with a nonresidential use (e.g. schools and parks) or a public right-of-way, flood control channel, or utility easement upon which no residential structures may be developed.

(iii) As used in this section, second story setback shall also apply to any portion of the first story under a sloped roof with a ridge height greater than sixteen (16) feet and/or an exterior wall height greater than twelve (12) feet above the finished adjacent grade. The gable end of a sloped roof shall not be included in the exterior wall height calculation.

(iv) The second story setbacks stated in subsections (1) and (2) above on lots of 20,000 square feet or more shall ~~not be required~~ be increased accordingly for developments which utilize the additional height provisions pursuant to section 26-46(d)(4).

(v) Rooftop decks and/or balconies attached to the primary structure with direct access from the second-floor or stairs leading thereto shall comply with two story setback requirements.

SECTION 16. Code Amendment. Table 2-5 within Section 26-48 of Division 1 of Article II of Chapter 26 shall be amended to read as follows:

	MF-8	MF-15	MF-20	MF-45
Minimum Site Size	~~2 acres~~20,000 sq. ft.	~~1 acre~~ 20,000 sq. ft.	~~1 acre~~ 20,000 sq. ft.	20,000 sq. ft.
Minimum Width (feet)	150′	150′	150′	100′*
Minimum Average Depth	–	–	–	150′
*At the street line				

SECTION 17. Code Amendment. Section 26-49(a)(2) of Division 1 of Article II of Chapter 26 shall be amended to read as follows:

The review and approval process for an eligible Senate Bill 35 (SB35) housing project shall adhere to CGC Section 65913.4, as amended. For eligible SB35 projects, and/or multi-family residential projects providing a minimum of 20-percent of the total dwelling units reserved for lower income households subject to deed restriction, the community development director shall approve or deny the ministerial Precise Plan based on the West Covina Multi-Family Objective Design Standards (2022) adopted by the City. Within 30 days of such action, the

community development director shall prepare a report to the Planning Commission, providing a description of the project and the nature of the approval. Any such Precise Plan approved under SB35 shall be valid for a period of three (3) years, with one (1) additional extension of time in a one-year increment. The Community Development Director or their designee may approve a one-year extension if the project proponent provides documentation that there has been significant progress toward getting the development construction ready, such as, but not limited to, the filing of a building permit application that is kept active.

SECTION 18. Code Amendment. The "Emergency shelters (Homeless), up to 30 occupants within City" in the "Residential Uses" category of Table 2-12 of Division 2 of Article II of Chapter 26 shall be amended as follows ("X" designation means the use is allowed "by right":

Uses and Permit Requirements for Mixed-Use Zones	Zones					
Use Types	**OPMU**	**NMU**	**RMU**	**SMU**	**M-1**	**Special Regulations**
Emergency shelters (Homeless), up to 30 occupants within City	CUP	CUP	X	CUP	X	Section 26-118

SECTION 19. Code Amendment. Section 26-71 of Division 2 (Accessory Structures) of Article III of Chapter 26 shall be amended to read as follows:

26-71 Permit Requirements and Exemptions

(a) ~~Accessory~~ Certain accessory structures located in single-family zones referenced within this Section (Division 2 - Accessory Structures) and within Section 26-46 as requiring an Administrative Permit, and all accessory structures located in multi-family, mixed-use, commercial and industrial zones shall require an Administrative Permit, pursuant to the procedures and findings outlined in Article VI, division 6.

(b) The following structures located in the single-family and multi-family zones are exempt from planning entitlements provided they comply with the requirements listed below and standards set forth in section 26-72. Exempt accessory structures may require building permits to maintain conformance with the California Building Code adopted by the City.

(1) Accessory structures that are less than 120 square feet in size and no portion of the structure is seven (7) feet or greater in height, provided that no more than two (2) of such structures are located within the same lot or site.

(2) A detached structure typically used for decorative or landscape design purposes such as a fountain, water wall, bird bath and similar features that

are less than 120 square feet in size and no portion of the feature is six (6) feet in height or greater.

(3) Accessory dwelling units and junior accessory dwelling units pursuant to Article IV, Division 2 (Accessory Dwelling Units and Junior Accessory Dwelling Units).

~~(4) Urban Dwelling Units pursuant to Article IV, Division 4 (Urban Dwelling Units).~~

SECTION 20. Code Amendment. Table 3-1 within Division 2 (Accessory Structures) of Article III of Chapter 26 shall be amended to read as follows:

Type of Accessory Structure	Minimum Setback Requirements				~~Maximum Lot Coverage~~	Maximum Height
	Front	Rear	Side	Street Side		
Pools and spas,	Not Permitted*	5 feet	5 feet	Not permitted	~~n/a~~	n/a
Pool/spa equipment	Not Permitted*	5 feet	5 feet	Not permitted	~~n/a~~	5ft
Detached accessory structures with open or solid roofing.	Not Permitted	4 feet	4 feet	Not permitted	~~Standard building coverage per Table 2-4 of Section 26-46~~	16 ft
Temporary, portable shade structures	Not Permitted	4 feet	4 feet	Not permitted	~~30% of required rear yard area, Standard building coverage per Table 2-4 of Section 26-46~~	10 ft.
Decks/elevated structures greater than 30" in height and/or greater than 30 square feet in area	Not Permitted	1.5 times standard building setback of the underlying zone ~~per Section 26-46(e)~~	1.5 times standard building setback of the underlying zone ~~per Section 26-46(e)~~	1.5 times standard building setback of the underlying zone ~~per Section 26-46(e)~~	~~n/a~~	8 ft
Attached patios, chimneys and fireplaces, and similar structures	Same as required for primary structure					
* May be permitted through an Administrative Permit process per Section 26-68 (R-A/R-1 zones only)						

SECTION 21. Code Amendment. Section 26-73 of Division 2 of Article III of Chapter 26 shall be amended to read as follows:

26-73 Solar Energy Systems

(a) The purpose of this section is to allow for timely and cost-effective installations of solar energy systems that shall:

(1) Provide for the installation of small to medium solar energy systems to enable the generation of electricity from the sun, for on- and off-site uses.

(2) To minimize potential adverse impacts associated with solar energy systems.

(b) Development Standards

(1) Ground-mounted solar energy collectors. Ground-mounted solar energy collectors shall be installed and maintained in accordance with the following requirements:

(i) Location. Ground-mounted solar energy collectors are permitted in all zoning districts. In residential zoning districts, solar energy collectors and their mounting framework shall not be located within the front setback and shall not be visible from the public right-of-way adjacent to the front, or side property line. In nonresidential zoning districts, solar energy collectors may be visible from the public right-of-way with approval of an Administrative Permit.

(ii) Height. In residential zoning districts, the height of a ground-mounted solar energy collector system shall not exceed twelve (12) feet. The maximum height shall be twenty-five (25) feet when located on a non-residential property not abutting a residential zone. The maximum height of a ground-mounted solar energy collector system shall be fifteen (15) feet when located on a non-residential property abutting a residential zone.

(iii) Setbacks. Installations of less than six (6) feet in height may project up to two (2) feet into a required setback. Installations of six (6) feet or more in height shall comply with building setback requirements for patio covers.

~~(c)~~(2) *Roof-mounted solar energy collectors.*

~~(1)~~ (i) *Location.* It is preferred that photovoltaic solar energy systems in the single-family residential zone on roofs are designed in a way that is flush-mounted and/or are not installed on the portion of the roof that faces the street, and/or are screened from the public right-of-way. If the photovoltaic

solar energy systems on roofs are not flush-mounted and/or installed on the portion of the roof that faces the street, and/or is visible from the street, applicant submittal of additional documentation to the Planning Division is required prior to the first Building Division inspection to receive inspector sign-off. The required documentation shall be a written analysis prepared by a licensed engineer indicating that all options to redesign the photovoltaic system with a flush-mounted design and/or without utilizing the street facing roof will:

~~(i)~~a) Increase the installation cost by more than $1,000; AND

~~(ii)~~b) Will cause a drop in energy production by more than 10-percent (10%).

~~(2)~~(ii) *Height.* Photovoltaic solar energy systems on the roof may extend up to five (5) feet above the height limit in the district in which it is located or the roof surface on which they are installed, provided that the height extension is necessary to be within the installation cost and/or energy production thresholds mandated by State law.

~~(3)~~(iii) Solar water or swimming pool heating systems may extend up to seven (7) feet above the height limit in the district in which it is located or the roof surface on which they are installed.

~~(d)~~ (3) Solar energy collector on carports.

~~(1)~~(i) Photovoltaic equipment, as defined by section 26-36, "Solar Energy Systems," may be installed on the roof of carports for the purpose of collecting, storing, or transferring solar energy as part of a larger solar energy system installed in structure(s) on the same building site without additional discretionary permit.

~~(2)~~(ii) The maximum height of solar energy collector equipment on carport roofs shall not exceed the maximum height of the underlying district.

(c) Reflection Angles and Glare. Reflection angles for solar collectors shall be oriented such that they do not project glare onto adjacent properties. Solar collectors shall be designed such that concentrated solar glare does not project onto nearby structures, roadways, or the public right-of-way. Installation of anti-glare panels and/or anti-glare film is preferred. The property owner shall be responsible for mitigating any glare issues discovered after installation.

SECTION 22. Code Amendment. Section 26-85(j) of Division 5 of Article III of Chapter 26 shall be amended with subsections (1) through (9) remaining the same with no changes to read as follows:

Synthetic Turf. Synthetic turf may be used as a substitute for natural ~~turn~~turf for the purposes of water conservation. The use of synthetic turf on properties zoned for multi-family residential or non-residential uses shall require an administrative permit, pursuant to Article VI, Division 6. The following standards shall apply to the use and maintenance of synthetic turf.

SECTION 23. Code Amendment. Section 26-89(a)(4) of Division 6 of Article III of Chapter 26 shall be amended to read as follows:

(4) Parking of recreational vehicles, recreational equipment and trailers, and utility trailers in the front yard or unscreened street side yard.

(i) Under no circumstance may utility trailers be parked in the front yard or unscreened street side yard.

(ii) Campers and camper shells placed on the ground or otherwise not properly mounted on a pickup or other truck may not be stored in the front yard or unscreened street side yard.

(iii) Vehicles must be registered to the permanent resident of the property and registered to the property address.

(iv) Vehicles shall be maintained in proper condition. Vehicles stored or maintained in one (1) or more of the following conditions shall be deemed to be in violation of this standard:

a) Vehicles with damaged or broken windows or doors, or damaged or torn screens or shades.

b) Vehicles that are covered with tarps or other covers which are deteriorating or torn.

c) Vehicles with damaged or broken parts, including, but not limited to, tow bars, mirrors, light shields, bumpers, tanks, ladders, soft top cover for popups, luggage compartment doors, air handling units, and luggage racks.

d) Vehicles with any peeling, blistering, rusting, or otherwise deteriorating exterior surface.

e) Vehicles with open awnings, open slide-outs, and/or open popups.

(v) In addition to other applicable standards, vehicles may not be parked closer than a distance of five (5) feet from the curb face or the edge of the street pavement, if no curb exists.

(vi) In no case shall the parking of a motor home, accessory recreational vehicle, or recreational equipment and trailer occupy greater than fifty percent (50%) of the width of the primary driveway and/or block access or use of the primary driveway by other vehicles. ~~be in a location other than the primary driveway block the use of the primary driveway or access to the garage or carport by other vehicles.~~

(vii) One (1) motor home or accessory recreational vehicle may be parked on the side pad, circular drive, or ~~other allowed parking areas that are not part of the~~ primary driveway ~~leading directly to a garage or carport~~ without the approval of an administrative permit.

(viii) Motor homes, accessory recreational vehicles, and recreational equipment and trailer, up to an overall total of two (2) such vehicles, may be parked in any allowed parking area, subject to the approval of an administrative permit pursuant to the provisions of section Article VI, Division 6, and further pursuant to the provisions of subsection (e) below. A first motor home or accessory recreational vehicle permitted to be parked pursuant to subsections ~~(8~~(vi) and (vii)~~)~~ above shall be included in the total of two (2) vehicles.

SECTION 24. Code Amendment. Table 3-2 of Section 26-90 of Division 6 of Article III of Chapter 26 shall be amended to read as follows:

Land Use Type	Vehicle
General Business	
All business financial and professional service uses, except uses listed below.	1 space for each 250 sf of gfa of leasable area or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Automobile, boat, trailer sales or rental; retail nurseries, lumber yards, other open uses	1 space for each 1,000 sf of gfa devoted to display or as required by CUP.
Automobile service stations	1 space for each two employees (minimum of 2 spaces), plus 1 space for each service bay or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Adult day care services	1 space per employee and 1 additional space per 10 clients or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Automated teller machines	2 spaces for each machine or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Bars, taverns, and similar uses	1 space for each 50 sf of gfa seating and waiting areas or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Billiard parlors	1 space for each billiard table, plus 1 space for each employee or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Boarding house	1 space for each unit.

Land Use Type	Vehicle
Bowling alley	5 spaces for each alley or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Business, general retail, personal service	1 space for each 250 sf of gfa or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Clubs, fraternal organizations, etc.	1 space for each 2 beds, plus 1 space for each 40 sf of assembly area or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Convalescent homes	1 space for each 2 beds or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Construction and heavy equipment sales, including equipment rental	1 space for each 300 sf of gfa of display area and an additional space for each 1,000 square feet of outdoor display area.
Furniture, appliance / equipment sales.	1 space for each 300 sf of gfa of display area or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Gasoline sales	1 space for each gasoline pump, plus 1 space per employees plus additional parking requirements for each ancillary use.
Hospitals and sanitariums	1.5 spaces for each .75 beds (2 spaces per bed).
Medical and Dental Office	1 space for each 250 sf of gfa, or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Motels and hotels, including B&B inns	1 space for each room or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Mortuaries, funeral home	1 space for each 4 seats in assembly area and 1 space per employee or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Office	1 space for each 300 sf of gfa for buildings under 20,000 sf or 350 sf of gfa for buildings 20,000 sf or more.
Orphanage and rest home	1 space for each 3 beds or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Recreational vehicle, boat, or motor-home sales	1 space per 450 sf of gfa of building area or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Restaurant, greater than 2,500 square feet (permanent seating, drive-in, drive-through) and cocktail lounges	1 space for every 100 square feet of GFA, plus 1 space per 150 square feet of gfa of outdoor customer dining area in excess of 500 square feet. For outdoor customer dining area, no parking spaces are required for the first 500 square feet or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Restaurant, 2,500 square feet or less (permanent seating,) and cocktail lounges[1]	1 space for each 250 sf of gfa of leasable area or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Shopping centers	1 space for each 250 sf of gfa of gross leasable area or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council

Land Use Type	Vehicle
Theaters, skating rinks, other places of public assembly	1 space for every 3 seats, plus 1 space for every 40 sf of assembly area not occupied by seats or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council.
Veterinary clinics, including animal boarding and kennels.	1 space for each 350 sf of gfa and 1 additional space for each 1,250 sf of gfa of boarding area or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Warehouse	1 space for each 400 sf of gfa or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Industrial, Manufacturing and Processing, Wholesale	
Brewery, distillery with or without tasting or tap rooms	1.55 spaces per 1,000 sf of gfa which may include a maximum of 10% office space, plus if the percentages of office space exceed 10% of the gfa, 4 spaces per 1,000 sf of gfa in excess of 10%. Tasting or taprooms and outside patios: 17 spaces per 1,000 sf of gfa.
Computer game/internet access center	1 space for each 5 machines, plus 1 space for each 5 spaces in waiting area or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Industrial, manufacturing / Processing, wholesale uses less than 50,000 sf.	1 space for each 350 sf of gfa, or as determined by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council. Gross floor area may include any ancillary uses including offices ~~or as required by CUP~~.
Industrial, manufacturing / Processing, wholesale uses greater than 50,000 sf.	1 space for each 700 sf of gfa, or as determined by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council. Gross floor area may include any ancillary uses including offices.
Laboratory, research and development	1 space for each 300 sf of gfa. plus 1 space for each company vehicle.
Recycling facility	1 space for each 1,000 sf of gfa, or as determined by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council. The gfa may include ancillary uses including office space ~~or as required by CUP~~.
Self-storage facilities	A minimum of 5 parking spaces for customers and 2 additional spaces for on-site management or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council.
Wholesale and warehouse distribution.	1 space for each 1,000 sf of gfa or as determined by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council. The gfa may include ancillary uses including office space ~~or as required by CUP~~.
Adult entertainment	1 space for each 250 sf of gfa, or as determined by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Commercial recreation facility	1 space for each 250 sf of gfa or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council.
Conference, convention facility	1 space for each 4 seats or 1 space for every 50 sf of gfa. of assembly area or meeting rooms, whichever is greater or as

Land Use Type	Vehicle
	required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council.
Fitness facility or health club	1 space for each 250 sf of gfa, not including areas devoted to courts, plus 2 spaces for athletic courts or as required by ~~CUP~~ the precise plan, CUP, AP, or other entitlement as approved by the Planning Commission or City Council
Library, museum	1 space for each 300 sf of gfa and 1 space for associated vehicles or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council.
Schools	
Elementary schools	1 space for each employee or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council.
Junior high	1 space for each employee, plus 1 space for each 20-50 students or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council.
High school	1 space for each employee, plus 1 space for each 5 students or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council.
Colleges, business schools, trade schools, and similar uses	1 space for each 2 employees, plus 1 for each 2 students or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council.
Sports and entertainment assembly facilities	1 space for each 4 seats or 1 space for every 50 sf of gfa. of assembly area or meeting rooms, whichever is greater or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council..
Studios including art, dance, martial arts, music, educational, etc.	1 space per 200 sf of gfa or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council.
Theatre, auditorium, religious facilities	1 space for each 4 seats or 1 space for every 50 sf of gfa of assembly area or meeting room, whichever is greater or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council.
Residential Uses	
Child day care centers	1 space per employee, plus 1 additional space per 10 children or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council.
Child day care; large family day care homes.	Same as single-family or multi-family dwelling, or as required by State license or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council.
Child day care – small day care home	Same as single-family or multi-family dwelling, or as required by State license or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council.
~~Condominiums~~	~~2 spaces for each unit, plus 1 guest space for each 4 units or as required by CUP.~~
Emergency shelters	~~1 space per four beds and/or .5 per bedroom, plus 1 parking space per staff member or as required by CUP.~~ 1 space per staff member
Fraternity, Sorority, dormitory	1 space per bed.

Land Use Type	Vehicle
Live/work units	2 spaces, plus 1 guest space for each 2 units.
~~Multi-family dwelling (non-condominium)~~	~~2 spaces for each unit, plus 1 guest space for each 4 units.~~
Multi-family ~~mixed use~~	One (1) covered parking space per studio unit; One and a half (1.5) covered spaces per 1-bedroom unit; Two (2) spaces covered per 2-bedroom or larger unit; and 1 guest space for each 4 units.
Group home / facilities, and other special group residences	**Six or fewer residents:** See single-family dwelling parking. **Seven or more residents:** 1 space for each 2 residential units and an additional 1 space for guests and employees.
Single-family dwelling	Four or fewer bedrooms: 4 spaces, 2 of which shall be enclosed within a garage; Greater than four bedrooms: one additional garage space shall be required for every two additional bedrooms exceeding the fourth bedroom.
Senior housing	(A) 0 to 1 bedroom: 1 onsite parking space. (B) 2 to 3 bedrooms: 1.5 parking spaces. (C) 4 bedrooms or more: 2.5 parking spaces. (D) or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council.
Notes: [1] Restaurants less than 2,500 square feet in gfa and located within a multi-tenant parking center may provide parking at the general retain parking rate. *gfa* refers to gross floor area.	

SECTION 25. Code Amendment. Section 26-90(b)(2) of Division 6 of Article III of Chapter 26 shall be amended to read as follows:

Off-street parking standards for multi-family residential zones (Mf-8, MF-15, MF-20, and MF-45)

(i) Condominiums:

a) Carports shall not be permitted.

b) ~~There shall be two (2) parking spaces provided for each dwelling at a minimum size of ten (10) by twenty (20) feet per space.~~ The required parking shall be provided in a garage or garages. The location of parking spaces shall be within sixty (60) feet of the dwelling unit.

c) Guest parking ~~shall be provided one (1) space for every four (4) dwelling units. The spaces need~~ does not need to be enclosed. The guest parking shall be located within one hundred fifty (150) feet of the units and dispersed throughout the development.

(ii) In Multi-Family dwellings (non-condominium)

~~a) There shall be two (2) parking spaces provided for each dwelling unit, at least one (1) of which shall be enclosed on three (3) sides and roofed. An additional ten (10) percent of the required parking spaces shall be provided for guest parking, shall be labeled "Guest Parking Only," and shall be dispersed throughout the development. Covered and uncovered spaces shall be permanently maintained for required parking and guest parking spaces shall not be used for storage of boats, campers, or recreation vehicles.~~

a) Multi-family dwellings shall provide parking as indicated in Article III, Division 6. At least one (1) parking space per unit shall be enclosed on three (3) sides and roofed. Guest parking shall be labeled “Guest Parking Only,” and shall be dispersed throughout the development.

b) Each covered parking space shall be at least ten (10) feet wide by twenty (20) feet long except individual garages shall be at least eleven (11) feet wide and twenty (20) feet long. Garage doors shall be at least ten (10) feet wide.

c) Parking areas shall be evenly distributed throughout the development and no dwelling unit shall be located more than two hundred (200) feet from its assigned parking area.

d) All covered spaces shall be enclosed on three (3) sides. However, if the spaces are built in combinations of two (2) or more, only the rear and the two (2) ends need be enclosed. Design and material shall be architecturally compatible with the main structures.

(iii) In Multi-Family dwellings (including condominiums):

a) Each uncovered space shall be at least nine (9) feet wide and twenty (20) feet long.

b) Covered or uncovered spaces, when adjacent to walls shall be at least eleven (11) feet wide, twelve (12) feet where the wall extends beyond the space. Three-car garages are exempt from this requirement.

c) No off-street parking shall be permitted within any front or side yard setback area when adjacent to a street.

d) Garages or carports (carports prohibited in MF-8 zone) may be located within the side or rear yard setbacks except when side or rear yards abut a public street. In no case, however, may a garage or carport be constructed within twenty (20) feet of any side or rear street or twenty-five (25) feet of any front street in MF-8, MF-15 or MF-20 zones and fifteen (15) feet from any street in MF-45 zone.

e) No carport or garage shall open directly upon a public street.

f) Required parking and guest parking shall be maintained permanently.

g) All parking areas shall conform to Planning Commission Resolution No. 2513.

SECTION 26. Code Amendment. Section 26-99 (d)(1) of Division 8 of Article III of Chapter 26 shall be amended to read as follows:

The proposed signs do not exceed the standards set forth in sections Article III, Division 8, and are of the minimum size and height necessary to identify the site from a sufficient distance for the purposes of conveniently and ~~safety~~ safely accessing the site;

SECTION 27. Code Amendment. Subsection (a) of Section 26-100 (Exempt Signs) of Division 8 of Article III of Chapter 26 shall be amended to read as follows:

~~One (1) temporary~~ Temporary noncommercial signs no larger than thirty-two (32) square feet in area and no longer than eight (8) feet in any dimension, on private residential zoned properties, properties used for residential, and/or institutional uses; review exempt signs must be free from tears, rips, rust, deterioration, or similar condition described within West Covina Municipal Code Section 15-200. No such sign shall be placed on the roof of any structure, City-protected trees, or on the public right-of-way.~~per parcel not exceeding seven (7) square feet in area, and not posted for longer than thirty (30) days within a one (1) year period.~~

SECTION 28. Code Amendment. Subsection (c) of Section 26-100 (Exempt Signs) of Division 8 of Article III of Chapter 26 shall be amended to read as follows:

Directional, warning, or information signs required or authorized~~, or~~ by federal, state, county, or local government agencies including, but not limited to, traffic control signs, highway route identification signs and construction zone signs.

SECTION 29. Code Amendment. Subsection (f) of Section 26-100 (Exempt Signs) of Division 8 of Article III of Chapter 26 shall be amended to read as follows:

Election season signs and posters subject to the following conditions:

(1) No sign shall be erected earlier than ~~sixty (60)~~ ninety (90) days prior to the start of the closest future election date and each sign shall be removed within ten (10) days after that election.

~~(2) No such sign shall be more than sixteen (16) square feet in area. There shall be no more than four (4) signs per parcel and property owner permission shall be obtained prior to the installation of said signs.~~

~~(3) Freestanding signs shall be no more than six (6) feet in height.~~

~~(4)~~ (2) No sign shall be placed within the public right-of-way or on public property.

(3) No such sign shall be placed on private property without the property owner's permission and/or approval.

~~(5)~~(4) No such sign shall be placed on the roof of any structure.

SECTION 30. Code Amendment. Section 26-105 (c) of Division 8 of Article III of Chapter 26 shall be amended with subsections (1), (2), and (3) remaining the same with no changes to read as follows:

Public nuisance ~~decaled~~ declared by the City Council. The director may ask the council to declare a sign a public nuisance under the following conditions:

SECTION 31. Code Amendment. Section 26-117 of Division 1 of Article IV of Chapter 26 shall be amended to read as follows:

26-117 Electric Vehicle Charging Stations and Solar Carports

This Division sets forth design and development standards for Commercial Electric Vehicle Charging Stations and Solar Carports located within parking lots.

(a) Electric Vehicle Charging Stations. This section shall provide additional development standards in addition to the standards adopted in Article XVIII-Permit Process for Electric Vehicle Charging Stations.

(1) Electric vehicle charging stations may only provide required signage for compliance with accessibility requirements and U.S Department of Transportation Federal Highway Administration's Manual on Uniform Traffic Controls.

(2) Per State law, electric vehicle charging stations and related equipment are required to be counted towards the City's parking standards/ratio. As such, signage preventing non-electric vehicles from being parked on electric vehicle charging station spaces shall be prohibited.

(b) Solar Carports. This section shall provide development standards for Solar Panel Canopies located within parking lots.

(1) Solar carports shall not be located within any required building setback.

(2) Solar carports shall not be located within 100 feet of the front facing portion of buildings.

(3) Solar carports shall not result in a net loss of any required parking.

~~(4) Solar carport shall not result in a net loss of any required parking.~~

~~(5)~~(4) No signage shall be permitted on the solar carports other than signage required for ADA and identification purposes.

~~(6) No offsite advertising.~~

(c) Electric vehicle charging stations and/or solar carports shall not include any offsite advertisement.

SECTION 32. Code Amendment. Section 26-118(a)(5) of Division 1 of Article IV of Chapter 26 shall be amended to read as follows:

~~Bike rack parking~~ Parking shall be provided at the facility as indicated in Section 26-91.~~at a rate of one space for every four (4) beds.~~

SECTION 33. Code Amendment. Section 26-140(b) of Division 2 (Accessory Dwelling Units and Junior Accessory Dwelling Units) of Article IV of Chapter 26 shall be amended to read as follows:

(b) For single family dwelling lots in residential zones, either:

(1) One (1) accessory dwelling unit and one (1) junior accessory dwelling unit per lot may be constructed. Each accessory dwelling unit and junior accessory dwelling unit must have exterior access and side and rear setbacks sufficient for fire safety and comply with all other setback requirements. If the unit is a junior accessory dwelling unit, it must also comply with the requirements of Section 26-139(a)(3); ~~or~~and

(2) One (1) detached, new construction, accessory dwelling unit with setbacks of at least four (4) feet from side and rear setbacks, no more than eight hundred (800) square feet floor area with an existing or proposed single-family dwelling.

SECTION 34. Code Amendment. Section 26-140(c) of Division 2 (Accessory Dwelling Units and Junior Accessory Dwelling Units) of Article IV of Chapter 26 shall be amended to read as follows:

(c) On a lot with an existing multi-family residential use:

(1) Accessory dwelling units may be constructed in areas that are not used as livable space within an existing multi-family dwelling structure (e.g., storage rooms, boiler rooms, passageways, attics, basements, or garages), provided the spaces meet state building standards for dwellings. The number of interior

accessory dwelling units permitted on the lot shall not exceed twenty-five (25) percent of the current number of units of the multi-family complex on the lot and at least one (1) such unit shall be allowed; and

(2) Up to ~~two (2)~~ eight (8) detached accessory dwelling units or one (1) per primary unit, which ever is less, may be constructed, provided they are no taller than sixteen (16) feet, and they have at least four (4) feet of side and rear yard setbacks. Detached accessory dwelling units constructed pursuant to this subsection (b) shall not exceed one thousand (1,000) square feet in floor area per unit.

SECTION 35. Code Amendment. Section 26-162(a) of Division 4 of Article IV of Chapter 26 shall be amended to read as follows:

(a) Number of units: There shall be no more than two (2) ~~urban dwelling~~primary dwelling units per lot where an urban dwelling unit is constructed or proposed. ~~Accessory dwelling units (ADUs), junior accessory dwelling units (JADUs), and an~~ The existing primary residential unit and existing/proposed urban dwelling unit will be counted toward the maximum number of units. Each primary unit may have no more than one (1) accessory dwelling unit (ADU) and/or junior accessory dwelling (JADU) unit for a total of four (4) units per lot. When an urban dwelling unit is constructed on a lot, the maximum size new construction detached ADU shall be 800 square feet and/or the maximum size JADU shall be 500 square feet. All other standards within Division 2 of Article IV of Chapter 26 shall be complied with.

(1) When an urban lot split/subdivision is proposed, no more than two (2) units per lot shall be allowed. The existing primary dwelling unit and existing ADU/JADU shall be counted toward the maximum number of units. Construction on lots created through the urban lot split process shall be limited to urban dwelling units.

SECTION 36. Code Amendment. Section 26-177(a) of Division 5 of Article V (Nonconforming Uses) of Chapter 26 shall be amended with subsections (1) through (7) remaining the same with no changes to read as follows:

Any nonconforming use within ~~in~~ and/or in conjunction with a conforming structure may be continued and maintained except as otherwise provided in this subchapter, and further provided:

SECTION 37. Code Amendment. Section 26-177(b) of Division 5 of Article V (Nonconforming Uses) of Chapter 26 shall be amended with subsections (1) through (4) remaining the same with no changes to read as follows:

Any nonconforming use ~~situated~~ within and/or in conjunction with a nonconforming structure may be continued and maintained, so long as it complies with the provisions

of subsection A of this section, and as otherwise provided in this subsection, and further provided:

SECTION 38. Code Amendment. Section 26-187 of Division 1 of Article VI (Nonconforming Uses) of Chapter 26 shall be amended to read as follows:

26-187 Notices

(a) Notices of public hearing stating the type of application or nature of proposal, general description of property under consideration, and the time and place at which the public hearing is to be held shall be given in the following manner:

~~(a)~~ (1) ~~For a~~ A reclassification of property from one zone to another, redesignation of a property from one ~~(1)~~ General Plan land use designation to another, amendments to the Development Code, amendments to the General Plan text, or a Development Agreement shall require~~for a variance (except minor modifications), conditional use permit, precise plan or special exception (Downtown Plan)~~:

~~(1) At least thirty (30) days prior to the date of the hearing, a public notice shall be posted at the project site per subsection (e) below.~~

~~(2)~~ (i) Mailing Radius. A notice of public hearing shall be mailed to the applicant or his/her agent, the owner of the property and owners of all property within a radius of five hundred (500) feet from the property lines of the site under consideration, using for this purpose the name and address of such owners as shown upon the latest available assessment rolls of the county assessor. The notices shall be mailed at least ~~ten (10)~~twenty (20) days prior to the date of the public hearing. If the number of owners to whom the notices would be mailed is greater than 1,000, or is a Citywide project involving text amendments to the Development Code and/or General plan, in lieu of a mailed notice, the hearing notice shall be posted at City Hall and published at least twenty (20) days prior to the date of the public hearing on the following locations:~~; and~~

a) The City's website.

b) Newspaper of general circulation. The advertisement shall be at least one-eighth (1/8) page.

~~(3)~~ (ii) Agency Notification. Notice of the hearing shall be mailed or delivered at least ~~ten (10)~~twenty (20) days prior to the hearing to each local agency expected to provide water, sewage, streets, roads, schools, or other essential facilities or services to the project, whose ability to provide those facilities and services may be significantly affected.

(iii) Postings. If the project is applicant driven, at least thirty (30) days prior to the date of the hearing, a public notice shall be posted at the project site per Section 26-187(b), and at two other public places where public meeting agendas are posted. Citywide applications and/or projects, and City initiated zone changes and/or General Plan land use designation changes are exempt from onsite posting requirements. Citywide applications involve Development Code and General Plan text amendments.

~~(b) For amendments, supplements or changes to the Development Code that do not reclassify any property from one (1) zone to another but do impose, change, or remove any new regulation on the use or development of property and for amendments to the General Plan text:~~

~~(1) At least ten (10) days prior to the date of the hearing, a public notice shall be published in a newspaper having general circulation in the City.~~

~~(c)Public Utility Facilities, including Wireless Telecommunications facilities, that require approval by the Planning Commission shall require:~~

~~(1) At least thirty (30) days prior to the date of the hearing, a public notice shall be posted at the project site per subsection (f) below.~~

~~(2) A notice of public hearing for public utility facilities shall be mailed to the applicant or his/her agent, the owner of the property and owners of all property within a radius of one thousand (1,000) feet from the subject site's property lines, using for this purpose the name and address of such owners as shown upon the latest available assessment rolls of the county assessor. The notices shall be mailed at least ten (10) days prior to the date of the public hearing.~~

~~(d)~~(2) Entitlement applications for Public Utility Facilities, including Wireless Telecommunications facilities, that require approval by the Planning Commission and/or City Council shall require:

~~(1)~~(i) Onsite and Public Postings. At least thirty (30) days prior to the date of the hearing, a public notice shall be posted at the project site per ~~subsection (f) below~~ Section 26-187(b), and at two other public places where public meeting agendas are posted.

~~(2)~~(ii) Mailing Radius. A notice of public hearing ~~for public utility facilities~~ shall be mailed to the applicant or his/her agent, the owner of the property and owners of all property within a radius of one thousand (1,000) feet from the subject site's property lines, using for this purpose the name and address of such owners as shown upon the latest available assessment rolls of the county assessor. The notices shall be mailed at least ten (10) days prior to the date of the public hearing.

(iii) City Website. The notice shall be posted on the City's website at least ten (10) days prior to the date of the public hearing.

(iv) Agency Notification. Notice of the hearing shall be mailed or delivered at least ten (10) days prior to the hearing to each local agency expected to provide water, sewage, streets, roads, schools, or other essential facilities or services to the project, whose ability to provide those facilities and services may be significantly affected.

~~(e)~~(3) For administrative permits (if public notification and public hearing is required per use or by request):

~~(1)~~(i) Mailing. A notice that describes the proposed project and indicates the length of the public review period (including the last date that a request for a public hearing may be given to the planning department) shall be mailed to owners of surrounding property as indicated below. The public review period shall extend for ten (10) days from the date that the initial notice was mailed. If a request for a hearing is received during the specified time, a notice shall be mailed a minimum of ten (10) days prior to the date of the hearing, indicating the date, time, and location of the scheduled public hearing.

a) Notification Radius.

~~(2)~~1) Five-hundred-foot noticing radius: Notices shall be mailed to the property owners of the subject site and owners all properties within a radius of five hundred (500) feet from the property lines of the site under consideration unless otherwise provided for in the sections below.

~~(3)~~2) For secondary driveways, notices shall be mailed to the property owners and occupants of the subject site and to the two (2) properties on both sides of the subject site.

~~(4)~~3) For sign exception review, outdoor uses within the outdoor uses overlay zone, and canopy structures notices shall be mailed to the property owners and occupants of the subject site and all properties within a radius of one hundred (100) feet from the property lines of the site under consideration.

~~(5)~~4) For animal keeping approvals as described in Section 26-111 shall require notices to be mailed to all property owners of the subject site and all property owners or occupants of properties within the overlay zone and any property owners or occupants of properties that are adjacent to the subject site and share a property line for improvements in the lower pad area (the portion of land at the rear of the properties that is at approximately the same elevation as the rear property line and is relatively level).

~~(6)~~5) Public notification is not required for the following applications:

i) Shopping Cart Containment Review

ii) Trash Enclosure District Review

iii) Accessory ~~Massage~~ Uses

iv) Incidental Beer and Wine Service for a Restaurant (Bona Fide Eating Place)

v) Garage/Storage Shed height increase

vi) Small Wireless Facilities in the Public Right-of-Way

vii) Minor non-residential building façade changes and/or minor changes to the site plan/site layout

viii) Minor multi-family residential building façade changes and/or minor changes to the site plan/site layout

(4) For Non-Public Utility Conditional Use Permits, Precise Plans requiring Planning Commission and/or City Council review, Variances, or Tentative Tract Maps requiring Planning Commission and/or City Council review, including amendments:

(i) Mailing Radius. A notice of public hearing shall be mailed to the applicant or his/her agent, the owner of the property (including mineral rights owner for Tentative Tract Maps) and owners of all property within a radius of five hundred (500) feet from the property lines of the site under consideration, using for this purpose the name and address of such owners as shown upon the latest available assessment rolls of the county assessor. The notices shall be mailed at least ten (10) days prior to the date of the public hearing. If the number of owners to whom the notices would be mailed is greater than 1,000, in lieu of a mailed notice, the hearing notice shall be posted at City Hall and published at least ten (10) days prior to the date of the public hearing on the following locations:

a) The City's website.

b) Newspaper of general circulation. The advertisement shall be at least one-eighth (1/8) page.

(ii) Postings. Unless otherwise required by Section 26-187(a)(4)(iii), at least ten (10) days prior to the public hearing, a printed notice shall be posted at the project site and at two other public places where public meeting agendas are posted. The minimum size of the onsite notice shall be 11-inches by 17-inches written with heading text that is no smaller than 28-point Arial font in red and body text no smaller than 16-point Arial font

in black. The required public hearing notice shall be placed/posted in an area readily visible and accessible by the public such as near/at the building entrance. The location of the posting shall be determined by the Community Development Director.

~~(f) On-site public notice standards(1)~~

(iii) Onsite Posting for Large Projects. The following projects require an onsite posting that meet the requirements of Section 26-187(b)~~(f) (2) through (5)~~:

~~(i)~~ a) Commercial properties - new developments and where the addition of new square footage is equal to or exceeds 10,000 square feet, or greater than 50-percent of the existing building, which ever is less. ~~new square footage is added (Projects with additions of under 10,000 square feet will be at the discretion of the Community Development Director.~~

~~(ii)~~ b) Residential properties for developments with five (5) or more units requiring Planning Commission and/or City Council review

~~(iii)~~ c) Freestanding Wireless facilities - any new freestanding wireless towers proposed.

~~(iv)~~ d)Tentative Tract Maps requiring Planning Commission and/or City Council review.

(iv) Public Area Posting. At least ten (10) days prior to the public hearing, the required public hearing notice shall be placed/posted at two other public places where public meeting agendas are posted.

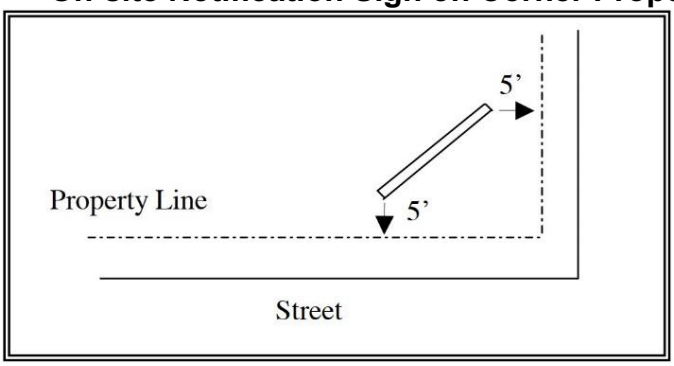
(v) Agency Notification. Notice of the hearing shall be mailed or delivered at least ten (10) days prior to the hearing to each local agency expected to provide water, sewage, streets, roads, schools, or other essential facilities or services to the project, whose ability to provide those facilities and services may be significantly affected.

~~(2) At least thirty (30) days prior to the date of the hearing, a public notice shall be posted at the project site, at the direction of the Planning Department. No public hearing will be scheduled until the notice has been posted on the property. The sign must meet the following standards:~~

(b) Onsite Public Hearing Notice Board Installation Standards

~~(3)~~(1) The sign shall be installed within five (5) feet of the property line. If on a corner, the sign should be posted at an angle so long as the sign is five feet from the property line of both streets.

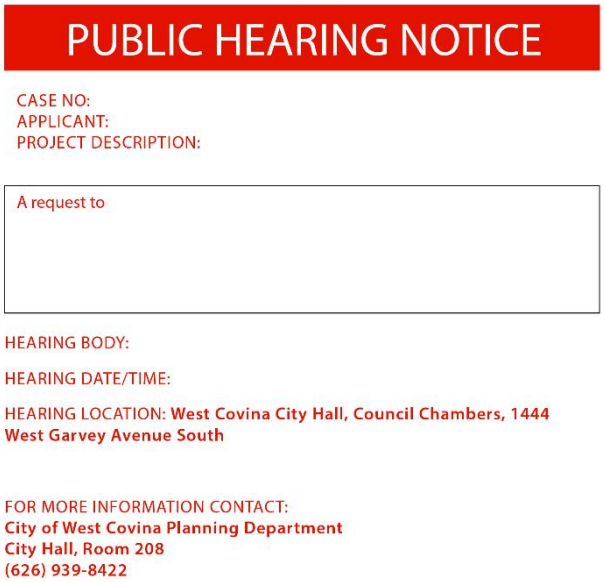
Figure 6-1 On-site Notification Sign on Corner Property



~~(4)~~(2) The sign shall be a minimum of 3 feet in width by 5 feet in height and may be double sided if installed perpendicular to the street. The sign shall be mounted on 4-inch by 4-inch posts. The bottom of the sign shall be at least 2 feet, but no more than 3 feet above the ground level. The required text and format are shown below. The "Public Hearing Notice" text shall be at least 3.5-inches and the remaining text shall be at least 1.25-inches in height.

~~(5)~~(3) The banner area at the top of the Notice shall be in red (with letters in white) and all other text shall be printed in red.

Figure 6-2 On-site Notification Sign Example



~~(6)~~(4) The sign must contain a general explanation of the proposed project, the applicant's identification and contact information as provided on the application submitted to the City, and contact information for the approval authority.

(c) Whenever a hearing is held regarding a permit for a drive-through facility, or modification of an existing drive-through facility permit, the local agency shall incorporate, where necessary, notice procedures to the blind, aged, and

disabled communities in order to facilitate their participation in any hearing on, or appeal of the denial of, a drive-through facility permit.

SECTION 39. Code Amendment. Section 26-212(b) of Division 3 of Article VI (Nonconforming Uses) of Chapter 26 shall be amended to read as follows:

For eligible SB35 projects and/or multi-family residential projects providing a minimum of 20-percent of the total dwelling units reserved for lower income households subject to deed restriction, the Community Development Director shall approve or deny the ministerial Precise Plan based on the West Covina Multi-Family Objective Design Standards (2022) adopted by the City. Within 30 days of such action, the Community Development Director shall prepare a report to the Planning Commission, providing a description of the project and the nature of the approval. Any such Precise Plan approved under SB35 shall be valid for a period of three (3) years, with one (1) additional extension of time in a one-year increment. The Community Development Director or their designee may approve a one-year extension if the project proponent provides documentation that there has been significant progress toward getting the development construction ready, such as, but not limited to, the filing of a building permit application.

SECTION 40. Code Amendment. Section 26-270 of Division 12 (Revocation Procedures) of Article VI of Chapter 26 shall be amended to read as follows:

(a) Notice of a revocation hearing for a conditional use permit or variance shall be given as follows:
~~(a)At least ten (10) days prior to the date of the hearing, a public notice shall be posted on-site of subject property; and~~

(1) Notice of the hearing shall be mailed or delivered at least ten (10) days prior to the hearing to each local agency expected to provide water, sewage, streets, roads, schools, or other essential facilities or services to the project, whose ability to provide those facilities and services may be significantly affected.

(2) A notice of public hearing shall be mailed to the permittee or his/her agent, the owner of the property and owners of all property within a radius of five hundred (500) feet of the exterior boundaries of the property under consideration, using for this purpose the name and address of such owners as shown upon the latest available assessment rolls of the county assessor. A 1,000 feet notification radius is required for revocation of public utility entitlements. The notices shall be mailed at least ten (10) days prior to the date of the public hearing.

(3) A public hearing notice shall be posted on the City's website at least ten (10) days prior to the public hearing.

(4) A public hearing notice shall be published in a newspaper of general circulation at least ten (10) days prior to the public hearing. The advertisement shall be at least one-eighth (1/8) page.

(5) The cost of noticing shall be paid by the City.

(6) In addition to the required notification above, a public notice shall be posted on site of the subject property.

(c) Notice of a revocation hearing for an administrative review shall be given as follows:

(1) A notice of public hearing shall be mailed to the permittee or his/her agent, the owner of the property and owners of all property within a radius of five hundred (500) feet of the exterior boundaries of the property under consideration, using for this purpose the name and address of such owners as shown upon the latest available assessment rolls of the county assessor. The notices shall be mailed at least ten (10) days prior to the date of the public hearing.

(2) The cost of noticing shall be paid by the City.

(d) Notice of a revocation hearing for an administrative permit shall be given as follows:

(1) Notices shall be mailed to the permittee, property owners of the subject site, and all owners of properties within a radius of five hundred (500) feet of the exterior boundaries of the subject site. The notices shall be mailed at least ten (10) days prior to the date of the public hearing.

(2) The cost of noticing shall be paid by the City.

SECTION 41. Code Amendment. Section 26-287(b) of Division 1 of Article VII of Chapter 26 shall be amended to read as follows:

(b) Amendments, supplements, or changes to this chapter other than the change of property from one zone to another may be initiated by:

(1) Applicant.

(2) Resolution of the City Council.

(3) Resolution of the Planning Commission.

(4) Community Development Director.

(5) City Attorney.

SECTION 42. Code Amendment. Section 26-291(a) of Division 1 of Article VII of Chapter 26 shall be amended to read as follows:

(a) After receiving the report from the Planning Commission or a written request from an interested party pursuant to Article VI Division 1, the City Council shall hold a duly-noticed public hearing. ~~At least 10 days before the date of the public hearing, the~~ The Planning Division shall provide notice consistent with ~~Article VI Division 1~~Section 26-187. The notice shall include a summary of the Planning Commission recommendation.

SECTION 43. Code Amendment. Section 26-298 of Division 2 of Article VIII (Subdivision Regulations) of Chapter 26 shall be amended to read as follows:

Whenever any parcel of land is of such size, design, or shape, or subject to such title limitations of records, or is subject to such topographical conditions or such dominating drainage problems that it is impossible, or impractical in the particular case to conform fully to the provisions of this chapter, the city engineer may recommend such deviation as may be necessary or expedient to the proper development of the subject property as allowed by state law. In each case of deviation, the city engineer shall transmit to the Community Development Director or designee with the parcel map and to the Planning Commission with the tentative tract map a written report setting forth each deviation recommended and the reasons therefor.

SECTION 44. Code Amendment. Section 26-303 of Division 2 of Article VIII (Subdivision Regulations) of Chapter 26 shall be amended to read as follows:

No map shall be disapproved when the failure of the map is solely a result of a technical and inadvertent error which, in the determination of the Community Development Director or designee for tentative parcel maps, Planning Commission for tentative tract maps, and the City Council for final maps, does not materially affect the validity of the map. Upon such a finding, disapproval of the map shall be waived.

SECTION 45. Code Amendment. Section 26-304 of Division 2 of Article VIII (Subdivision Regulations) of Chapter 26 shall be amended to read as follows:

26-304 Assignment of Responsibilities upon ~~to Advisory Agency~~Review

(a) Community Development Director Action on Tentative Parcel Maps and Urban Lot Splits. The Community Development Director or their designee shall have the following responsibilities in addition to those otherwise assigned responsibilities:

(1) Review and approve tentative parcel maps and urban lot splits in accordance with the provisions of the Subdivision Map Act and this chapter.

(2) Make findings that tentative parcel maps, together with the provisions for their design and improvement, are consistent with the General Plan and/or any specific plans of the City.

(3) Make findings justifying approval or denial of parcel maps as such findings are specified in this chapter.

(4) Make findings for parcel maps relating to the waste discharge from proposed subdivisions and the requirements prescribed by a California regional water quality control board as such findings are specified in this chapter.

(b) City Engineer Action on Lot Line Adjustments, Lot Mergers, and Certificates of Compliance. The City Engineer shall have the following responsibilities in addition to those otherwise assigned responsibilities:

(1) Review and approve lot line adjustments, lot mergers, and certificates of compliance in accordance with the provisions of the Subdivision Map Act and this chapter.

(2) Make findings justifying approval or denial of a certificate of compliance in accordance with the provisions of this chapter.

(3) Impose conditions through a conditional certificate of compliance in accordance with the provisions of this chapter.

(c) Planning Commission Action on Tentative Tract Maps and Appeals. The Planning Commission shall have the following responsibilities in addition to those otherwise assigned responsibilities:

(1) Make findings that tentative tract maps, together with the provisions for their design and improvement, are consistent with the General Plan and/or any specific plans of the City.

(2) Make findings justifying approval or denial of tentative maps as such findings are specified in this chapter and the Subdivision Map Act.

(3) Make findings for tentative tract maps relating to the waste discharge from proposed subdivisions and the requirements prescribed by a California regional water quality control board as such findings are specified in this chapter and the Subdivision Map Act.

(4) Appeals of the Community Development Director actions on tentative parcel maps.

(d) City Council Action on Final Maps and Appeals. The City Council shall have the following responsibilities in addition to those otherwise assigned responsibilities:

(1) Make findings justifying approval or denial of final maps, in accordance with the provisions of the Subdivision Map Act and this chapter.

(2) Grant or deny appeals of actions of the Planning Commission on tentative parcel maps, tentative tract maps, and vesting tentative maps.

Table 8-1 Assignment of Responsibilities Upon Review

Type of Application	Assignment of Responsibilities			
	Community Development Director	City Engineer	Planning Commission	City Council
Lot Line Adjustments	Review	Approve		
Lot Mergers	Review	Approve		
Urban Lot Splits (SB9)	Approve	Review		
Parcel Map	Approve	Review	Appeal	Appeal
Tentative Tract Map	Review	Review	Approve	Appeal
Vesting Tentative Map	Review	Review	Approve	Appeal
Final Map		Review		Approve
Certificates of Compliance		Approve		

SECTION 46. Code Amendment. Section 26-305 of Division 2 of Article VIII (Subdivision Regulations) of Chapter 26 shall be amended to read as follows:

Appeal of Findings ~~of Advisory Agency~~by Reviewing Authorities

Any interested person can appeal the findings specified in this Section ~~section 26-305 (Assignment of Responsibilities to Advisory Agency)~~ to the Planning Commission or City Council in the manner prescribed in the Subdivision Map Act. Appeals shall be accompanied by the fee as set from time to time by resolution of the City Council.

SECTION 47. Code Amendment. Section 26-310 of Division 2 of Article VIII (Subdivision Regulations) of Chapter 26 shall be amended with subsections (a) through (m) remaining the same with no changes to read as follows:

The Planning Commission, concurrent with its approval or conditional approval of the tentative tract map, or the Community Development Director concurrent with the approval or conditional approval of the tentative parcel map, shall require the following improvements constructed to the satisfaction of the city engineer unless specific findings are made that construction of said improvements are unnecessary and impractical:

SECTION 48. Code Amendment. Section 26-311 of Division 2 of Article VIII (Subdivision Regulations) of Chapter 26 shall be amended to read as follows:

The Planning Commission concurrent with its approval or conditional approval of the tentative tract map and the Community Development Director concurrent with the approval or conditional approval of a tentative parcel map shall require the payment of fees or the submittal of an agreement with approved security for planned drainage facilities as shown on the City's side drainage report, master plan of drainage, or other drainage study as it finds necessary and practical. Such fees or agreements shall be applied and administered in accordance with the provisions of the Subdivision Map Act.

The Planning Commission or Community Development Director ~~also~~ shall also require that any required improvements shall contain supplemental size, capacity or number for the benefit of property not within the subdivision as the Planning Commission finds necessary and practical. Such improvements shall be required to be dedicated to the public as ~~the Planning Commission~~ shall be determined.

SECTION 49. Code Amendment. Section 26-317 of Division 2 of Article VIII (Subdivision Regulations) of Chapter 26 shall be amended to read as follows:

When a subdivision is of a portion of any previously existing lot or lots, the remaining portion or portions of the previously existing lot or lots are remainder parcels and shall be subject to required improvements and dedications as determined by the ~~Planning Commission~~ Review Authority in accordance to Section 26-304 in the same manner as if the remainder parcels were included in the subdivision, including the provisions in this chapter for agreements and security.

SECTION 50. Code Amendment. Section 26-318 of Division 2 of Article VIII (Subdivision Regulations) of Chapter 26 shall be amended to read as follows:

~~Parcel maps and final maps~~Maps which have been approved ~~by the City Council~~ shall not be affected by the adoption of this chapter or amendments thereto.~~ Tentative maps which have been approved or conditionally approved by the~~

~~advisory agency or appeal board shall not be affected by the adoption of this chapter or amendments thereto~~ except as follows:

(a) The ~~parcel maps and final~~ maps for approved or conditionally approved tentative maps shall conform to the current requirements for parcel maps, tract maps, and final maps at the time of ~~City Council~~ approval.

(b) At the time of consideration ~~by the advisory agency~~ of a request to extend the expiration time for a tentative map, such tentative map shall conform to the current requirements for tentative maps; and the ~~advisory agency~~Community Development Director, Planning Commission, or City Council may revise or add conditions of approval in accordance with the current requirements for tentative maps.

SECTION 51. Code Amendment. Section 26-343 of Division 6 of Article VIII (Subdivision Regulations – Tentative Parcel Maps) of Chapter 26 shall be amended to read as follows:

The procedure for processing, approval, conditional approval or disapproval and filing of tentative parcel maps and modifications thereof shall be as provided in this chapter and the Subdivision Map Act for processing, approval, conditional approval, or disapproval and filing of tentative maps and final maps and modifications thereof. The Community Development Director shall review and deny, approve, or conditionally approve the filing of tentative parcel maps and modification.

SECTION 52. CEQA. Pursuant to the California Environmental Quality Act (CEQA) Guidelines, the City Council finds and determines that the Ordinance is statutorily exempt from CEQA under Section 15061(b)(3) of the CEQA Guidelines, which provides that CEQA only applies to projects that have the potential for causing a significant effect on the environment. The Ordinance would not result in direct or indirect physical changes in the environment and does not involve any construction or additions to any existing structures.

SECTION 53. Severability. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council of the City of West Covina hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions be declared invalid or unconstitutional.

SECTION 54. Certification. The City Clerk shall certify passage of this Ordinance and shall cause the same to be published as required by law.

SECTION 55. Effective Date. This Ordinance shall take effect and be in force on the 31st day after the date of its passage.

PASSED, APPROVED AND ADOPTED this ___ day of _____, 2025.

_____
Tony Wu
Mayor

APPROVED AS TO FORM

_____
Thomas P. Duarte
City Attorney

ATTEST

_____
Lisa Sherrick
Assistant City Clerk

I, LISA SHERRICK, ASSISTANT CITY CLERK of the City of West Covina, California, do hereby certify that the foregoing Ordinance No. 2525 was introduced at a regular meeting of the City Council held on the 18th day of February, 2025, and adopted at a regular meeting of the City Council held on the ___ day of February, 2025 by the following vote of the City Council:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Lisa Sherrick
Assistant City Clerk

ATTACHMENT NO. 2

PLANNING COMMISSION

RESOLUTION NO. 24-6157

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF WEST COVINA, CALIFORNIA, RECOMMENDING TO THE CITY COUNCIL APPROVAL OF CODE AMENDMENT NO. 24-01, THE DEVELOPMENT CODE UPDATE CLEAN UP, AMENDING CHAPTER 26 (ZONING) OF THE WEST COVINA MUNICIPAL CODE, AND AMENDING THE COMMERCIAL PORTION OF PLANNED COMMUNITY DEVELOPMENT NO. 1 (PCD-1) FOR THE WEST COVINA PORTION OF WOODSIDE VILLAGE

WHEREAS, on February 20, 2024, the City Council approved Code Amendment No. 23-01, adopting Ordinance No. 2519, known as "Development Code Update" which amended the City of West Covina Municipal Code including the combination of the Subdivision Code (Chapter 20) and the Zoning Code (Chapter 26) into one Development Code (Chapter 26); and

WHEREAS, it is necessary to amend Chapter 26 (Zoning) of the West Covina Municipal Code in order to make corrections and to incorporated updates required by State law; and

WHEREAS, it is necessary to amend the "Commercial" portion of the Planned Community Development No. 1 (PCD-1) for the West Covina Portion of Woodside Village to make development within the PCD-1 zoning consistent with the current zoning; and

WHEREAS, on December 10, 2024, the Planning Commission conducted duly noticed public hearings as prescribed by law to consider in part Code Amendment No. 24-01 (Development Code Update Clean up), gave all persons interested therein an opportunity to be heard, and voted to recommend the City Council's approval and adoption of the Development Code Update Clean up; and

WHEREAS, based on review of the State California Environmental Quality Act (CEQA) Guidelines, the Planning Commission finds and determines that the ordinance is statutorily exempt from CEQA under Section 15061(b)(3) of the CEQA Guidelines, which provides that CEQA only applies to projects that have the potential for causing a significant effect on the environment. The ordinance would not result in physical change in the environment and does not involve any construction or additions to any existing structures; and

WHEREAS, the Planning Commission has duly considered all information presented to it, including written staff reports and any testimony provided at the public hearing, with all testimony received being made a part of the public record.

NOW, THEREFORE, THE PLANNING COMMISSION OF THE CITY OF WEST COVINA, CALIFORNIA DOES HEREBY RESOLVE AS FOLLOWS:

SECTION NO. 1: The above recitals are true and correct and are incorporated herein as if set forth herein in full.

SECTION NO. 2: Based on the evidence presented and the findings set forth, Code Amendment No. 24-01 is hereby found to be consistent with the West Covina General Plan and the implementation thereof, and that the public necessity, convenience, general welfare, and good zoning practices require Code Amendment No. 24-01.

SECTION NO. 3: Based on the evidence presented and the following findings, the Planning Commission of the City of West Covina hereby recommends to the City Council of the City of West Covina that it approves Code Amendment No. 24-01 as shown on EXHIBIT "A," but not Sections 14, 21, 27, 29, 41, 43, 44, 45, 46, 47, 48, 49, 50, and 51. Should the City Council adopt the Ordinance as recommended, the Planning Commission desires to review those Sections not recommended for approval at a subsequent meeting.

Findings

(1) The proposed amendment ensures and maintains internal consistency with the goals, policies, and strategies of all elements of the General Plan, and, in the case of a Zoning Code amendment, will not create any inconsistencies with this Chapter.

The purpose of the proposed Development Code amendment is to fix errors made in the Development Code Update adoption and to make the Development Code consistent with State law. Therefore, Code Amendment No. 24-01 maintains internal consistency with the goals, policies, and strategies of all elements in the General Plan and will not create any inconsistencies within Chapter 26.

(2) The proposed amendment would not be detrimental to the public interest, health, safety, convenience or welfare of the City.

The proposed amendment will not be detrimental to the public interest, health, safety, convenience or welfare of the City. The Code Amendment No. 24-01 is designed to improve the welfare of the City by fixing errors made in the Development Code Update adoption and making the revisions necessary to comply with State law.

(3) The proposed amendment is in compliance with the provisions of the California Environmental Quality Act (CEQA).

Code Amendment No. 24-01 is statutorily exempt from CEQA under Section 15061(b)(3) of the CEQA Guidelines, which provides that CEQA only applies to projects that have the potential for causing a significant effect on the environment. The Code Amendment would

not result in direct or indirect physical change in the environment and does not involve any construction or additions to any existing structures.

SECTION NO. 4. CEQA. Pursuant to the State California Environmental Quality Act (CEQA) Guidelines, the Planning Commission finds and determines that the ordinance is statutorily exempt from CEQA under Section 15061(b)(3) of the CEQA Guidelines, which provides that CEQA only applies to projects that have the potential for causing a significant effect on the environment. The ordinance would not result in direct or indirect physical change in the environment and does not involve any construction or additions to any existing structures.

SECTION NO. 5: The Secretary is instructed to forward a copy of this Resolution to the City Council for their attention in the manner as prescribed by law and this Resolution shall go into force and effect upon its adoption.

SECTION NO. 6: Based on all the documents and other evidence presented in connection with this proceeding and in this Resolution, the Planning Commission recommends that the City Council approve Code Amendment No. 24-01.

I HEREBY CERTIFY, that the foregoing Resolution was adopted by the Planning Commission of the City of West Covina, at a regular meeting held on the 10th day of December 2024, by the following vote.

AYES: Becerra, Heng, Lewis

NOES: None

ABSTAIN: None

ABSENT: None

Sheena Heng, Chairperson
Planning Commission

Jo-Anne Burns, Secretary
Planning Commission

EXHIBIT A

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, APPROVING CODE AMENDMENT NO. 24-01, THE DEVELOPMENT CODE UPDATE CLEAN UP, AMENDING CHAPTER 26 (ZONING) OF THE WEST COVINA MUNICIPAL CODE, AND AMENDING THE COMMERCIAL PORTION OF PLANNED COMMUNITY DEVELOPMENT NO. 1 (PCD-1) FOR THE WEST COVINA PORTION OF WOODSIDE VILLAGE

WHEREAS, on February 20, 2024, the City Council approved Code Amendment No. 23-01, adopting Ordinance No. 2519, known as "Development Code Update" which amended the City of West Covina Municipal Code including the combination of the Subdivision Code (Chapter 20) and the Zoning Code (Chapter 26) into one Development Code (Chapter 26); and

WHEREAS, it is necessary to amend Chapter 26 (Zoning) of the West Covina Municipal Code in order to make corrections and to incorporated updates required by State law; and

WHEREAS, it is necessary to amend the "Commercial" portion of the Planned Community Development No. 1 (PCD-1) for the West Covina Portion of Woodside Village to make development within the PCD-1 zoning consistent with the current zoning; and

WHEREAS, on December 10, 2024, the Planning Commission conducted duly noticed public hearings as prescribed by law to consider in part Code Amendment No. 24-01 (Development Code Update Clean up), gave all persons interested therein an opportunity to be heard, and voted to recommend the City Council's approval and adoption of the Development Code Update Clean up; and

WHEREAS, on _____, 2025, the City Council upon giving the required notice, conducted a duly advertised public hearing as prescribed by law in part on this Ordinance; and

WHEREAS, based on review of the State California Environmental Quality Act (CEQA) Guidelines, the City Council finds and determines that the ordinance is statutorily exempt from CEQA under Section 15061(b)(3) of the CEQA Guidelines, which provides that CEQA only applies to projects that have the potential for causing a significant effect on the environment. The ordinance would not result in direct or indirect

physical change in the environment and does not involve any construction or additions to any existing structures; and

WHEREAS, the City Council has duly considered all information presented to it, including written staff reports and any testimony provided at the public hearing, with all testimony received being made a part of the public record.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Recitals. The City Council finds that all of the facts set forth in the recitals to this Ordinance are true and correct and incorporated herein as findings.

SECTION 2. Record. The findings made in this Ordinance are based upon the information and evidence that has been presented at the hearings and in the record of the proceedings.

SECTION 3. Notice and Opportunity to Comment. The City Council finds that agencies and interested members of the public have been afforded ample notice and opportunity to comment on Code Amendment No. 24-01.

SECTION 4. General Plan Consistency. Based on the evidence presented, Code Amendment No. 24-01 is found to be consistent with the City's General Plan.

SECTION 5. Findings. The City Council shall make the following findings prior to approval of Code Amendment No. 24-01:

(1) The proposed amendment ensures and maintains internal consistency with the goals, policies, and strategies of all elements of the General Plan, and, in the case of a Zoning Code amendment, will not create any inconsistencies with this Chapter.

The purpose of the proposed Development Code amendment is to fix errors made in the Development Code Update adoption and to make the Development Code consistent with State law. Therefore, Code Amendment No. 24-01 maintains internal consistency with the goals, policies, and strategies of all elements in the General Plan and will not create any inconsistencies within Chapter 26.

(2) The proposed amendment would not be detrimental to the public interest, health, safety, convenience or welfare of the City.

The proposed amendment will not be detrimental to the public interest, health, safety, convenience or welfare of the City. The Code Amendment No. 24-01 is designed to improve the welfare of the City by fixing errors made in the

Development Code Update adoption and making the revisions necessary to comply with State law.

(3) The proposed amendment is in compliance with the provisions of the California Environmental Quality Act (CEQA).

Code Amendment No. 24-01 is statutorily exempt from CEQA under Section 15061(b)(3) of the CEQA Guidelines, which provides that CEQA only applies to projects that have the potential for causing a significant effect on the environment. The Code Amendment would not result in direct or indirect physical change in the environment and does not involve any construction or additions to any existing structures.

SECTION 6. Code Amendment. Amend Subsection E (Commercial) of Section VII (Site Development Standards) of the Planned Community Development No. 1 (PCD-1) for the West Covina Portion of Woodside Village to read as follows:

E. Commercial

The site development ~~S~~standards of the West Covina ~~N-C (Neighborhood Commercial)~~ Neighborhood Commercial Mixed Use (NMU) zone shall be used. In addition to the site development standards of the ~~Neighborhood Commercial (N-C)~~ NMU zone, the following shall apply: to auto supply stores that include "installation" and "minor services":

1. Auto supply stores that include "installation" and "minor services"
2. Not less than 40% of structures shall be devoted to retail use.
3. No service bays shall open onto a public right-of-way.
4. Landscaping shall conform to the landscaping requirements of the Master Plan.
5. Exterior of the structures must blend with the surrounding development.

A waiver of one or more of the development ~~S~~standards above for a specific Development Plan may be granted by the Planning Commission, if it finds that there are exceptional physical circumstances applied on the property which substantiate the requested waiver, and that the granting of such waiver will not be materially detrimental to the proposed development or to the surrounding developments. A request for waiver, and the justification, therefore, shall be filed in writing at the time that the application for the specific Development Plan is filed.

SECTION 7. Code Amendment. All references to "community development director" within Chapter 26 shall be changed to "Community Development Director."

SECTION 8. Code Amendment. All references to "city engineer" within Chapter 26 shall be changed to "City Engineer."

SECTION 9. Code Amendment. All references to "planning commission" within Chapter 26 shall be changed to "Planning Commission."

SECTION 10. Code Amendment. All references to "city council" within Chapter 26 shall be changed to "City Council."

SECTION 11. Code Amendment. The following definitions shall be added to Section 26-38 of Division 4 of Article I of Chapter 26 and shall be arranged in alphabetical order along with the existing definitions:

New Structure. Any building or structure built where no existing buildings are present, or any construction involving the alteration, addition, remodeling, repairing, or renovation of an existing building when fifty percent or more of the exterior wall and roof structures are removed/demolished.

Unclassified Use Permit (UUP). An Unclassified Use Permit shall be considered the same as a Conditional Use Permit (CUP).

SECTION 12. Code Amendment. Section 26-45 of Division 1 of Article II of Chapter 26 shall be amended to add new subsection (b) to read as follows:

Any additions or accessory buildings shall maintain architectural consistency with the primary structure in regard to roof profile and pitch, materials, colors, roofing, scale, exterior treatment and details.

SECTION 13. Code Amendment. Table 2-3 (Minimum Lot Dimensions and Lot Area for R-A and R-1 Zones) within Section 26-46 of Division 1 of Article II of Chapter 26 shall be amended to read as follows:

Zone	Minimum Lot Width (ft.)	Minimum Lot Depth (ft.)	Minimum Lot Area (sq. ft.)
R-A	–	–	6,000
R-A/R-1-6,000	50	95	6,000
R-A/R-1-7,500	60	105	7,500
R-A/R-1-9,450	70	110	9,450
R-A/R-1-14,400	90	125	14,400
R-A/R-1-20,000	110	–	20,000
R-A/R-1-40,000	130	–	40,000

~~**SECTION 14.** Code Amendment. Section 26-46 (d) of Division 1 of Article II of Chapter 26 shall be amended to read as follows:~~

~~(d) Single-Family Building Height.~~

~~(1) No building or structure shall have more than two (2) stories or be more than twenty-five (25) feet above finished grade.~~

~~(i) Hillside areas step massing. A maximum overall height of thirty-five (35) feet may be allowed for buildings which in stepping down the slope diminish bulk provided that no point around the perimeter exceeds twenty-five (25) feet and the natural slope is no less than fifteen (15) percent, subject to the approval of an administrative permit. A building is considered to step down the slope if the line connecting its corresponding components is no steeper than the average of the natural slope adjacent to the entire structure. A topographical survey prepared by a licensed surveyor shall be required as part of the administrative permit submittal. Projects that utilize more than two (2) terracing retaining walls and/or retaining walls greater than four (4) feet in height to create a flat building pad do not qualify for the allowable step massing height increase.~~

~~(2) Chimneys, vents and other such incidental appurtenances shall conform to the standards set forth in 26-65.~~

~~(3) Subterranean garages shall not be included in the measurement of height nor counted as a story.~~

~~(4) Buildings on lots in excess of twenty thousand (20,000) square feet may exceed the maximum height limit stated in subsection (a) by one (1) foot for every five hundred (500) square feet of floor area in excess of twenty-five hundred (2,500) square feet. Such increase in height shall increase the yard requirements on a foot-to-foot ratio, i.e., one (1) foot of additional height requires eleven-foot side yards and twenty-six-foot front and rear yards, five (5) feet of additional height requires fifteen-foot side yards and thirty-foot front and rear yards, however no structure shall exceed two (2) stories and thirty-two (32) feet maximum height.~~

SECTION 15. Code Amendment. Section 26-46 (h) of Division 1 of Article II of Chapter 26 shall be amended to read as follows:

(h) Second-story setbacks regulations for R-A and R-1 Zones.

(1) *Front Yard:* When the first story of an existing or proposed single-family structure is built within thirty (30) feet or less of the front property line, the front yard setback of any future second story ~~addition~~ or second-floor expansion shall be a minimum of thirty (30) feet, except for lots less than 7,500 square feet in area, where the second story shall be set back a minimum of twenty-five (25) feet.

(2) Side Yard: When the first story of an existing or proposed single-family structure is built within ten (10) feet or less of the side property line, the side yard of any future second story ~~addition~~ or second-floor expansion shall be a minimum of ten (10) feet. The following exception may be allowed, subject to community development director (or their designee) review and the approval of an Administrative Permit, in cases where an existing second-story has a second-story setback that is less than ten (10) feet on an elevation:

(i) Said side yard second story setbacks may be the same as the existing second story setback if no portion of a building or structure (existing or proposed) encroaches through a daylight plane that is projected above each setback line and sloping inwards at a forty-five (45) degree angle measured at a point ten (10) feet above the finished grade level along the side property line toward the opposing side property line.

(ii) Said side yard second story setback shall not be required along any side yard which abuts property zoned for or developed with a nonresidential use (e.g. schools and parks) or a public right-of-way, flood control channel, or utility easement upon which no residential structures may be developed.

(iii) As used in this section, second story setback shall also apply to any portion of the first story under a sloped roof with a ridge height greater than sixteen (16) feet and/or an exterior wall height greater than twelve (12) feet above the finished adjacent grade. The gable end of a sloped roof shall not be included in the exterior wall height calculation.

(iv) The second story setbacks stated in subsections (1) and (2) above on lots of 20,000 square feet or more shall ~~not be required~~ be increased accordingly for developments which utilize the additional height provisions pursuant to section 26-46(d)(4).

(v) Rooftop decks and/or balconies attached to the primary structure with direct access from the second-floor or stairs leading thereto shall comply with two story setback requirements.

SECTION 16. Code Amendment. Table 2-5 within Section 26-48 of Division 1 of Article II of Chapter 26 shall be amended to read as follows:

	MF-8	MF-15	MF-20	MF-45
Minimum Site Size	~~2 acres~~20,000 sq. ft.	~~1 acre~~ 20,000 sq. ft.	~~1 acre~~ 20,000 sq. ft.	20,000 sq. ft.
Minimum Width (feet)	150′	150′	150′	100′*
Minimum Average Depth	–	–	–	150′
*At the street line				

SECTION 17. Code Amendment. Section 26-49 (a)(2) of Division 1 of Article II of Chapter 26 shall be amended to read as follows:

> The review and approval process for an eligible Senate Bill 35 (SB35) housing project shall adhere to CGC Section 65913.4, as amended. For eligible SB35 projects, and/or multi-family residential projects providing a minimum of 20-percent of the total dwelling units reserved for lower income households subject to deed restriction, the community development director shall approve or deny the ministerial Precise Plan based on the West Covina Multi-Family Objective Design Standards (2022) adopted by the City. Within 30 days of such action, the community development director shall prepare a report to the Planning Commission, providing a description of the project and the nature of the approval. Any such Precise Plan approved under SB35 shall be valid for a period of three (3) years, with one (1) additional extension of time in a one-year increment. The Community Development Director or their designee may approve a one-year extension if the project proponent provides documentation that there has been significant progress toward getting the development construction ready, such as, but not limited to, the filing of a building permit application that is kept active.

SECTION 18. Code Amendment. The "Emergency shelters (Homeless), up to 30 occupants within City" in the "Residential Uses" category of Table 2-12 of Division 2 of Article II of Chapter 26 shall be amended as follows ("X" designation means the use is allowed "by right":

Uses and Permit Requirements for Mixed-Use Zones	Zones					
Use Types	OPMU	NMU	RMU	SMU	M-1	Special Regulations
Emergency shelters (Homeless), up to 30 occupants within City	CUP	CUP	X	CUP	X	Section 26-118

SECTION 19. Code Amendment. Section 26-71 of Division 2 (Accessory Structures) of Article III of Chapter 26 shall be amended to read as follows:

26-71 Permit Requirements and Exemptions

(a) ~~Accessory~~ Certain accessory structures located in single-family zones referenced within this Section (Division 2 - Accessory Structures) and within Section 26-46 as requiring an Administrative Permit, and all accessory structures located in multi-family, mixed-use, commercial and industrial zones shall require an Administrative Permit, pursuant to the procedures and findings outlined in Article VI, division 6.

(b) The following structures located in the single-family and multi-family zones are exempt from planning entitlements provided they comply with the requirements listed below and standards set forth in section 26-72. Exempt

accessory structures may require building permits to maintain conformance with the California Building Code adopted by the City.

(1) Accessory structures that are less than 120 square feet in size and no portion of the structure is seven (7) feet or greater in height, provided that no more than two (2) of such structures are located within the same lot or site.

(2) A detached structure typically used for decorative or landscape design purposes such as a fountain, water wall, bird bath and similar features that are less than 120 square feet in size and no portion of the feature is six (6) feet in height or greater.

(3) Accessory dwelling units and junior accessory dwelling units pursuant to Article IV, Division 2 (Accessory Dwelling Units and Junior Accessory Dwelling Units).

~~(4) Urban Dwelling Units pursuant to Article IV, Division 4 (Urban Dwelling Units).~~

SECTION 20. Code Amendment. Table 3-1 within Division 2 (Accessory Structures) of Article III of Chapter 26 shall be amended to read as follows:

Type of Accessory Structure	Minimum Setback Requirements				~~Maximum Lot Coverage~~	Maximum Height
	Front	Rear	Side	Street Side		
Pools and spas,	Not Permitted*	5 feet	5 feet	Not permitted	~~n/a~~	n/a
Pool/spa equipment	Not Permitted*	5 feet	5 feet	Not permitted	~~n/a~~	5ft
Detached accessory structures with open or solid roofing.	Not Permitted	4 feet	4 feet	Not permitted	~~Standard building coverage per Table 2-4 of Section 26-46~~	16 ft
Temporary, portable shade structures	Not Permitted	4 feet	4 feet	Not permitted	~~30% of required rear yard area, Standard building coverage per Table 2-4 of Section 26-46~~	10 ft.
Decks/elevated structures greater than 30" in height and/or greater than 30 square feet in area	Not Permitted	1.5 times standard building setback of the underlying	1.5 times standard building setback of the underlying	1.5 times standard building setback of the underlying	~~n/a~~	8 ft

		zone ~~per Section 26-46(e)~~	zone ~~per Section 26-46(e)~~	zone ~~per Section 26-46(e)~~		
Attached patios, chimneys and fireplaces, and similar structures	Same as required for primary structure					
* May be permitted through an Administrative Permit process per Section 26-68 (R-A/R-1 zones only)						

~~**SECTION 21.** Code Amendment. Section 26-73 of Division 2 of Article III of Chapter 26 shall be amended to read as follows:~~

~~26-73 Solar Energy Systems~~

~~(a) The purpose of this section is to allow for timely and cost-effective installations of solar energy systems that shall:~~

~~(1) Provide for the installation of small to medium solar energy systems to enable the generation of electricity from the sun, for on- and off-site uses.~~

~~(2) To minimize potential adverse impacts associated with solar energy systems.~~

~~(b) Development Standards~~

~~*(1) Ground-mounted solar energy collectors.* Ground-mounted solar energy collectors shall be installed and maintained in accordance with the following requirements:~~

~~*(i) Location.* Ground-mounted solar energy collectors are permitted in all zoning districts. In residential zoning districts, solar energy collectors and their mounting framework shall not be located within the front setback and shall not be visible from the public right-of-way adjacent to the front, or side property line. In nonresidential zoning districts, solar energy collectors may be visible from the public right-of-way with approval of an Administrative Permit.~~

~~*(ii) Height.* In residential zoning districts, the height of a ground-mounted solar energy collector system shall not exceed twelve (12) feet. The maximum height shall be twenty-five (25) feet when located on a non-residential property not abutting a residential zone. The maximum height of a ground-mounted solar energy collector system shall be fifteen (15) feet when located on a non-residential property abutting a residential zone.~~

~~*(iii) Setbacks.* Installations of less than six (6) feet in height may project up to two (2) feet into a required setback. Installations of six (6) feet or more in height shall comply with building setback requirements for patio covers.~~

~~(c)(2) *Roof-mounted solar energy collectors.*~~

~~(1) (i) *Location.* It is preferred that photovoltaic solar energy systems in the single-family residential zone on roofs are designed in a way that is flush-mounted and/or are not installed on the portion of the roof that faces the street, and/or are screened from the public right-of-way. If the photovoltaic solar energy systems on roofs are not flush-mounted and/or installed on the portion of the roof that faces the street, and/or is visible from the street, applicant submittal of additional documentation to the Planning Division is required prior to the first Building Division inspection to receive inspector sign-off. The required documentation shall be a written analysis prepared by a licensed engineer indicating that all options to redesign the photovoltaic system with a flush-mounted design and/or without utilizing the street facing roof will:~~

~~(i)a) Increase the installation cost by more than $1,000; AND~~

~~(ii)b) Will cause a drop in energy production by more than 10 percent (10%).~~

~~(2)(ii) *Height.* Photovoltaic solar energy systems on the roof may extend up to five (5) feet above the height limit in the district in which it is located or the roof surface on which they are installed, provided that the height extension is necessary to be within the installation cost and/or energy production thresholds mandated by State law.~~

~~(3)(iii) Solar water or swimming pool heating systems may extend up to seven (7) feet above the height limit in the district in which it is located or the roof surface on which they are installed.~~

~~(d) (3) Solar energy collector on carports.~~

~~(1)(i) Photovoltaic equipment, as defined by section 26-36, "Solar Energy Systems," may be installed on the roof of carports for the purpose of collecting, storing, or transferring solar energy as part of a larger solar energy system installed in structure(s) on the same building site without additional discretionary permit.~~

~~(2)(ii) The maximum height of solar energy collector equipment on carport roofs shall not exceed the maximum height of the underlying district.~~

~~(c) Reflection Angles and Glare. Reflection angles for solar collectors shall be oriented such that they do not project glare onto adjacent properties. Solar collectors shall be designed such that concentrated solar glare does not project onto nearby structures, roadways, or the public right-of-way. Installation of anti-glare panels and/or anti-glare film is preferred. The property owner shall be responsible for mitigating any glare issues discovered after installation.~~

SECTION 22. Code Amendment. Section 26-85 (j) of Division 5 of Article III of Chapter 26 shall be amended with subsections (1) through (9) remaining the same with no changes to read as follows:

Synthetic Turf. Synthetic turf may be used as a substitute for natural ~~turn~~turf for the purposes of water conservation. The use of synthetic turf on properties zoned for multi-family residential or non-residential uses shall require an administrative permit, pursuant to Article VI, Division 6. The following standards shall apply to the use and maintenance of synthetic turf.

SECTION 23. Code Amendment. Section 26-89 (a)(4) of Division 6 of Article III of Chapter 26 shall be amended to read as follows:

(4) Parking of recreational vehicles, recreational equipment and trailers, and utility trailers in the front yard or unscreened street side yard.

(i) Under no circumstance may utility trailers be parked in the front yard or unscreened street side yard.

(ii) Campers and camper shells placed on the ground or otherwise not properly mounted on a pickup or other truck may not be stored in the front yard or unscreened street side yard.

(iii) Vehicles must be registered to the permanent resident of the property and registered to the property address.

(iv) Vehicles shall be maintained in proper condition. Vehicles stored or maintained in one (1) or more of the following conditions shall be deemed to be in violation of this standard:

a) Vehicles with damaged or broken windows or doors, or damaged or torn screens or shades.

b) Vehicles that are covered with tarps or other covers which are deteriorating or torn.

c) Vehicles with damaged or broken parts, including, but not limited to, tow bars, mirrors, light shields, bumpers, tanks, ladders, soft top cover for popups, luggage compartment doors, air handling units, and luggage racks.

d) Vehicles with any peeling, blistering, rusting, or otherwise deteriorating exterior surface.

e) Vehicles with open awnings, open slide-outs, and/or open popups.

(v) In addition to other applicable standards, vehicles may not be parked closer than a distance of five (5) feet from the curb face or the edge of the street pavement, if no curb exists.

(vi) In no case shall the parking of a motor home, accessory recreational vehicle, or recreational equipment and trailer occupy greater than fifty percent (50%) of the width of the primary driveway and/or block access or use of the primary driveway by other vehicles. ~~be in a location other than the~~

~~primary driveway block the use of the primary driveway or access to the garage or carport by other vehicles.~~

(vii) One (1) motor home or accessory recreational vehicle may be parked on the side pad, circular drive, or ~~other allowed parking areas that are not part of the~~ primary driveway ~~leading directly to a garage or carport~~ without the approval of an administrative permit.

(viii) Motor homes, accessory recreational vehicles, and recreational equipment and trailer, up to an overall total of two (2) such vehicles, may be parked in any allowed parking area, subject to the approval of an administrative permit pursuant to the provisions of section Article VI, Division 6, and further pursuant to the provisions of subsection (e) below. A first motor home or accessory recreational vehicle permitted to be parked pursuant to subsections ~~(8~~(vi) and (vii)~~)~~ above shall be included in the total of two (2) vehicles.

SECTION 24. Code Amendment. Table 3-2 of Section 26-90 of Division 6 of Article III of Chapter 26 shall be amended to read as follows:

Land Use Type	Vehicle
General Business	
All business financial and professional service uses, except uses listed below.	1 space for each 250 sf of gfa of leasable area or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Automobile, boat, trailer sales or rental; retail nurseries, lumber yards, other open uses	1 space for each 1,000 sf of gfa devoted to display or as required by CUP.
Automobile service stations	1 space for each two employees (minimum of 2 spaces), plus 1 space for each service bay or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Adult day care services	1 space per employee and 1 additional space per 10 clients or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Automated teller machines	2 spaces for each machine or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Bars, taverns, and similar uses	1 space for each 50 sf of gfa seating and waiting areas or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Billiard parlors	1 space for each billiard table, plus 1 space for each employee or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Boarding house	1 space for each unit.
Bowling alley	5 spaces for each alley or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council

Land Use Type	Vehicle
Business, general retail, personal service	1 space for each 250 sf of gfa or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Clubs, fraternal organizations, etc.	1 space for each 2 beds, plus 1 space for each 40 sf of assembly area or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Convalescent homes	1 space for each 2 beds or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Construction and heavy equipment sales, including equipment rental	1 space for each 300 sf of gfa of display area and an additional space for each 1,000 square feet of outdoor display area.
Furniture, appliance / equipment sales.	1 space for each 300 sf of gfa of display area or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Gasoline sales	1 space for each gasoline pump, plus 1 space per employees plus additional parking requirements for each ancillary use.
Hospitals and sanitariums	1.5 spaces for each .75 beds (2 spaces per bed).
Medical and Dental Office	1 space for each 250 sf of gfa, or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Motels and hotels, including B&B inns	1 space for each room or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Mortuaries, funeral home	1 space for each 4 seats in assembly area and 1 space per employee or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Office	1 space for each 300 sf of gfa for buildings under 20,000 sf or 350 sf of gfa for buildings 20,000 sf or more.
Orphanage and rest home	1 space for each 3 beds or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Recreational vehicle, boat, or motor-home sales	1 space per 450 sf of gfa of building area or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Restaurant, greater than 2,500 square feet (permanent seating, drive-in, drive-through) and cocktail lounges	1 space for every 100 square feet of GFA, plus 1 space per 150 square feet of gfa of outdoor customer dining area in excess of 500 square feet. For outdoor customer dining area, no parking spaces are required for the first 500 square feet or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Restaurant, 2,500 square feet or less (permanent seating,) and cocktail lounges[1]	1 space for each 250 sf of gfa of leasable area or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Shopping centers	1 space for each 250 sf of gfa of gross leasable area or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Theaters, skating rinks, other	1 space for every 3 seats, plus 1 space for every 40 sf of

Land Use Type	Vehicle
places of public assembly	assembly area not occupied by seats or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council.
Veterinary clinics, including animal boarding and kennels.	1 space for each 350 sf of gfa and 1 additional space for each 1,250 sf of gfa of boarding area or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Warehouse	1 space for each 400 sf of gfa or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council

Land Use Type	Vehicle
Industrial, Manufacturing and Processing, Wholesale	
Brewery, distillery with or without tasting or tap rooms	1.55 spaces per 1,000 sf of gfa which may include a maximum of 10% office space, plus if the percentages of office space exceed 10% of the gfa, 4 spaces per 1,000 sf of gfa in excess of 10%. Tasting or taprooms and outside patios: 17 spaces per 1,000 sf of gfa.
Computer game/internet access center	1 space for each 5 machines, plus 1 space for each 5 spaces in waiting area or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Industrial, manufacturing / Processing, wholesale uses less than 50,000 sf.	1 space for each 350 sf of gfa, or as determined by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council. Gross floor area may include any ancillary uses including offices ~~or as required by CUP~~.
Industrial, manufacturing / Processing, wholesale uses greater than 50,000 sf.	1 space for each 700 sf of gfa, or as determined by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council. Gross floor area may include any ancillary uses including offices.
Laboratory, research and development	1 space for each 300 sf of gfa. plus 1 space for each company vehicle.
Recycling facility	1 space for each 1,000 sf of gfa, or as determined by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council. The gfa may include ancillary uses including office space ~~or as required by CUP~~.
Self-storage facilities	A minimum of 5 parking spaces for customers and 2 additional spaces for on-site management or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council.
Wholesale and warehouse distribution.	1 space for each 1,000 sf of gfa or as determined by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council. The gfa may include ancillary uses including office space ~~or as required by CUP~~.
Adult entertainment	1 space for each 250 sf of gfa, or as determined by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council
Commercial recreation facility	1 space for each 250 sf of gfa or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council.
Conference, convention facility	1 space for each 4 seats or 1 space for every 50 sf of gfa. of assembly area or meeting rooms, whichever is greater or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council.
Fitness facility or health club	1 space for each 250 sf of gfa, not including areas devoted to courts, plus 2 spaces for athletic courts or as required by ~~CUP~~ the precise plan, CUP, AP, or other entitlement as approved by the Planning Commission or City Council
Library, museum	1 space for each 300 sf of gfa and 1 space for associated vehicles or as required by ~~CUP~~ the precise plan, CUP, or other

Land Use Type	Vehicle
	entitlement as approved by the Planning Commission or City Council.
Schools	
Elementary schools	1 space for each employee or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council.
Junior high	1 space for each employee, plus 1 space for each 20-50 students or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council.
High school	1 space for each employee, plus 1 space for each 5 students or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council.
Colleges, business schools, trade schools, and similar uses	1 space for each 2 employees, plus 1 for each 2 students or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council.
Sports and entertainment assembly facilities	1 space for each 4 seats or 1 space for every 50 sf of gfa. of assembly area or meeting rooms, whichever is greater or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council..
Studios including art, dance, martial arts, music, educational, etc.	1 space per 200 sf of gfa or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council.
Theatre, auditorium, religious facilities	1 space for each 4 seats or 1 space for every 50 sf of gfa of assembly area or meeting room, whichever is greater or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council.
Residential Uses	
Child day care centers	1 space per employee, plus 1 additional space per 10 children or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council.
Child day care; large family day care homes.	Same as single-family or multi-family dwelling, or as required by State license or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council.
Child day care – small day care home	Same as single-family or multi-family dwelling, or as required by State license or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council.
~~Condominiums~~	~~2 spaces for each unit, plus 1 guest space for each 4 units or as required by CUP.~~
Emergency shelters	~~1 space per four beds and/or .5 per bedroom, plus 1 parking space per staff member or as required by CUP.~~ 1 space per staff member
Fraternity, Sorority, dormitory	1 space per bed.
Live/work units	2 spaces, plus 1 guest space for each 2 units.
~~Multi-family dwelling (non condominium)~~	~~2 spaces for each unit, plus 1 guest space for each 4 units.~~

Land Use Type	Vehicle
Multi-family ~~mixed use~~	One (1) covered parking space per studio unit; One and a half (1.5) covered spaces per 1-bedroom unit; Two (2) spaces covered per 2-bedroom or larger unit; and 1 guest space for each 4 units.
Group home / facilities, and other special group residences	**Six or fewer residents:** See single-family dwelling parking. **Seven or more residents:** 1 space for each 2 residential units and an additional 1 space for guests and employees.
Single-family dwelling	Four or fewer bedrooms: 4 spaces, 2 of which shall be enclosed within a garage; Greater than four bedrooms: one additional garage space shall be required for every two additional bedrooms exceeding the fourth bedroom.
Senior housing	(A) 0 to 1 bedroom: 1 onsite parking space. (B) 2 to 3 bedrooms: 1.5 parking spaces. (C) 4 bedrooms or more: 2.5 parking spaces. (D) or as required by ~~CUP~~ the precise plan, CUP, or other entitlement as approved by the Planning Commission or City Council.
Notes: [1] Restaurants less than 2,500 square feet in gfa and located within a multi-tenant parking center may provide parking at the general retain parking rate. *gfa* refers to gross floor area.	

SECTION 25. Code Amendment. Section 26-90(b)(2) of Division 6 of Article III of Chapter 26 shall be amended to read as follows:

Off-street parking standards for multi-family residential zones (Mf-8, MF-15, MF-20, and MF-45)

(i) Condominiums:

a) Carports shall not be permitted.

b) ~~There shall be two (2) parking spaces provided for each dwelling at a minimum size of ten (10) by twenty (20) feet per space.~~ The required parking shall be provided in a garage or garages. The location of parking spaces shall be within sixty (60) feet of the dwelling unit.

c) Guest parking ~~shall be provided one (1) space for every four (4) dwelling units. The spaces need~~ does not need to be enclosed. The guest parking shall be located within one hundred fifty (150) feet of the units and dispersed throughout the development.

(ii) In Multi-Family dwellings (non-condominium)

~~a) There shall be two (2) parking spaces provided for each dwelling unit, at least one (1) of which shall be enclosed on three (3) sides and roofed. An additional ten (10) percent of the required parking spaces shall be provided for guest parking, shall be labeled "Guest Parking Only," and shall be dispersed throughout the development. Covered and uncovered~~

~~spaces shall be permanently maintained for required parking and guest parking spaces shall not be used for storage of boats, campers, or recreation vehicles.~~

a) Multi-family dwellings shall provide parking as indicated in Article III, Division 6. At least one (1) parking space per unit shall be enclosed on three (3) sides and roofed. Guest parking shall be labeled "Guest Parking Only," and shall be dispersed throughout the development.

b) Each covered parking space shall be at least ten (10) feet wide by twenty (20) feet long except individual garages shall be at least eleven (11) feet wide and twenty (20) feet long. Garage doors shall be at least ten (10) feet wide.

c) Parking areas shall be evenly distributed throughout the development and no dwelling unit shall be located more than two hundred (200) feet from its assigned parking area.

d) All covered spaces shall be enclosed on three (3) sides. However, if the spaces are built in combinations of two (2) or more, only the rear and the two (2) ends need be enclosed. Design and material shall be architecturally compatible with the main structures.

(iii) In Multi-Family dwellings (including condominiums):

a) Each uncovered space shall be at least nine (9) feet wide and twenty (20) feet long.

b) Covered or uncovered spaces, when adjacent to walls shall be at least eleven (11) feet wide, twelve (12) feet where the wall extends beyond the space. Three-car garages are exempt from this requirement.

c) No off-street parking shall be permitted within any front or side yard setback area when adjacent to a street.

d) Garages or carports (carports prohibited in MF-8 zone) may be located within the side or rear yard setbacks except when side or rear yards abut a public street. In no case, however, may a garage or carport be constructed within twenty (20) feet of any side or rear street or twenty-five (25) feet of any front street in MF-8, MF-15 or MF-20 zones and fifteen (15) feet from any street in MF-45 zone.

e) No carport or garage shall open directly upon a public street.

f) Required parking and guest parking shall be maintained permanently.

g) All parking areas shall conform to Planning Commission Resolution No. 2513.

SECTION 26. Code Amendment. Section 26-99 (d)(1) of Division 8 of Article III of Chapter 26 shall be amended to read as follows:

The proposed signs do not exceed the standards set forth in sections Article III, Division 8, and are of the minimum size and height necessary to identify the site

from a sufficient distance for the purposes of conveniently and ~~safety~~ safely accessing the site;

~~**SECTION 27.** Code Amendment. Subsection (a) of Section 26-100 (Exempt Signs) of Division 8 of Article III of Chapter 26 shall be amended to read as follows:~~

~~One (1) temporary~~ Temporary ~~noncommercial signs~~ no larger than thirty-two (32) square feet in area and no longer than eight (8) feet in any dimension, on private residential zoned properties, properties used for residential, and/or institutional uses; review exempt signs must be free from tears, rips, rust, deterioration, or similar condition described within West Covina Municipal Code Section 15-200. No such sign shall be placed on the roof of any structure, City-protected trees, or on the public right-of-way. ~~per parcel not exceeding seven (7) square feet in area, and not posted for longer than thirty (30) days within a one (1) year period.~~

SECTION 28. Code Amendment. Subsection (c) of Section 26-100 (Exempt Signs) of Division 8 of Article III of Chapter 26 shall be amended to read as follows:

Directional, warning, or information signs required or authorized~~, or~~ by federal, state, county, or local government agencies including, but not limited to, traffic control signs, highway route identification signs and construction zone signs.

~~**SECTION 29.** Code Amendment. Subsection (f) of Section 26-100 (Exempt Signs) of Division 8 of Article III of Chapter 26 shall be amended to read as follows:~~

~~Election season signs and posters subject to the following conditions:~~

~~(1) No sign shall be erected earlier than sixty (60)~~ ninety (90) ~~days prior to the start of the closest future election date and each sign shall be removed within ten (10) days after that election.~~

~~(2) No such sign shall be more than sixteen (16) square feet in area. There shall be no more than four (4) signs per parcel and property owner permission shall be obtained prior to the installation of said signs.~~

~~(3) Freestanding signs shall be no more than six (6) feet in height.~~

~~(4)~~ (2) ~~No sign shall be placed within the public right-of-way or on public property.~~

~~(3) No such sign shall be placed on private property without the property owner's permission and/or approval.~~

~~(5)~~(4) ~~No such sign shall be placed on the roof of any structure.~~

SECTION 30. Code Amendment. Section 26-105 (c) of Division 8 of Article III of Chapter 26 shall be amended with subsections (1), (2), and (3) remaining the same with no changes to read as follows:

Public nuisance ~~*decaled*~~ *declared by the City Council.* The director may ask the council to declare a sign a public nuisance under the following conditions:

SECTION 31. Code Amendment. Section 26-117 of Division 1 of Article IV of Chapter 26 shall be amended to read as follows:

26-117 Electric Vehicle Charging Stations and Solar Carports

This Division sets forth design and development standards for Commercial Electric Vehicle Charging Stations and Solar Carports located within parking lots.

(a) Electric Vehicle Charging Stations. This section shall provide additional development standards in addition to the standards adopted in Article XVIII-Permit Process for Electric Vehicle Charging Stations.

(1) Electric vehicle charging stations may only provide required signage for compliance with accessibility requirements and U.S Department of Transportation Federal Highway Administration's Manual on Uniform Traffic Controls.

(2) Per State law, electric vehicle charging stations and related equipment are required to be counted towards the City's parking standards/ratio. As such, signage preventing non-electric vehicles from being parked on electric vehicle charging station spaces shall be prohibited.

(b) Solar Carports. This section shall provide development standards for Solar Panel Canopies located within parking lots.

(1) Solar carports shall not be located within any required building setback.

(2) Solar carports shall not be located within 100 feet of the front facing portion of buildings.

(3) Solar carports shall not result in a net loss of any required parking.

~~(4) Solar carport shall not result in a net loss of any required parking.~~

~~(5)~~(4) No signage shall be permitted on the solar carports other than signage required for ADA and identification purposes.

~~(6) No offsite advertising.~~

(c) Electric vehicle charging stations and/or solar carports shall not include any offsite advertisement.

SECTION 32. Code Amendment. Section 26-118(a)(5) of Division 1 of Article IV of Chapter 26 shall be amended to read as follows:

~~Bike rack parking~~ Parking shall be provided at the facility as indicated in Section 26-91.~~at a rate of one space for every four (4) beds.~~

SECTION 33. Code Amendment. Section 26-140 (b) of Division 2 (Accessory Dwelling Units and Junior Accessory Dwelling Units) of Article IV of Chapter 26 shall be amended to read as follows:

(b) For single family dwelling lots in residential zones, either:

(1) One (1) accessory dwelling unit and one (1) junior accessory dwelling unit per lot may be constructed. Each accessory dwelling unit and junior accessory dwelling unit must have exterior access and side and rear setbacks sufficient for fire safety and comply with all other setback requirements. If the unit is a junior accessory dwelling unit, it must also comply with the requirements of Section 26-139(a)(3); ~~or~~and

(2) One (1) detached, new construction, accessory dwelling unit with setbacks of at least four (4) feet from side and rear setbacks, no more than eight hundred (800) square feet floor area with an existing or proposed single-family dwelling.

SECTION 34. Code Amendment. Section 26-140 (c) of Division 2 (Accessory Dwelling Units and Junior Accessory Dwelling Units) of Article IV of Chapter 26 shall be amended to read as follows:

(c) On a lot with an existing multi-family residential use:

(1) Accessory dwelling units may be constructed in areas that are not used as livable space within an existing multi-family dwelling structure (e.g., storage rooms, boiler rooms, passageways, attics, basements, or garages), provided the spaces meet state building standards for dwellings. The number of interior accessory dwelling units permitted on the lot shall not exceed twenty-five (25) percent of the current number of units of the multi-family complex on the lot and at least one (1) such unit shall be allowed; and

(2) Up to ~~two (2)~~ eight (8) detached accessory dwelling units or one (1) per primary unit, which ever is less, may be constructed, provided they are no taller than sixteen (16) feet, and they have at least four (4) feet of side and rear yard setbacks. Detached accessory dwelling units constructed pursuant to this subsection (b) shall not exceed one thousand (1,000) square feet in floor area per unit.

SECTION 35. Code Amendment. Section 26-162(a) of Division 4 of Article IV of Chapter 26 shall be amended to read as follows:

(a) Number of units: There shall be no more than two (2) ~~urban dwelling~~primary dwelling units per lot where an urban dwelling unit is constructed or proposed.

~~Accessory dwelling units (ADUs), junior accessory dwelling units (JADUs), and an~~ The existing primary residential unit and existing/proposed urban dwelling unit will be counted toward the maximum number of units. Each primary unit may have no more than one (1) accessory dwelling unit (ADU) and/or junior accessory dwelling (JADU) unit for a total of four (4) units per lot. When an urban dwelling unit is constructed on a lot, the maximum size new construction detached ADU shall be 800 square feet and/or the maximum size JADU shall be 500 square feet. All other standards within Division 2 of Article IV of Chapter 26 shall be complied with.

(1) When an urban lot split/subdivision is proposed, no more than two (2) units per lot shall be allowed. The existing primary dwelling unit and existing ADU/JADU shall be counted toward the maximum number of units. Construction on lots created through the urban lot split process shall be limited to urban dwelling units.

SECTION 36. Code Amendment. Section 26-177 (a) of Division 5 of Article V (Nonconforming Uses) of Chapter 26 shall be amended with subsections (1) through (7) remaining the same with no changes to read as follows:

Any nonconforming use within ~~in~~ and/or in conjunction with a conforming structure may be continued and maintained except as otherwise provided in this subchapter, and further provided:

SECTION 37. Code Amendment. Section 26-177 (b) of Division 5 of Article V (Nonconforming Uses) of Chapter 26 shall be amended with subsections (1) through (4) remaining the same with no changes to read as follows:

Any nonconforming use ~~situated~~ within and/or in conjunction with a nonconforming structure may be continued and maintained, so long as it complies with the provisions of subsection A of this section, and as otherwise provided in this subsection, and further provided:

SECTION 38. Code Amendment. Section 26-187 of Division 1 of Article VI (Nonconforming Uses) of Chapter 26 shall be amended to read as follows:

26-187 Notices

(a) Notices of public hearing stating the type of application or nature of proposal, general description of property under consideration, and the time and place at which the public hearing is to be held shall be given in the following manner:

~~(a)~~ (1) ~~For a~~ A reclassification of property from one zone to another, redesignation of a property from one ~~(1)~~ General Plan land use designation to another, amendments to the Development Code, amendments to the General Plan text, or a Development Agreement shall require~~for a variance (except~~

~~minor modifications), conditional use permit, precise plan or special exception (Downtown Plan)~~:

~~(1) At least thirty (30) days prior to the date of the hearing, a public notice shall be posted at the project site per subsection (e) below.~~

~~(2)~~ (i) Mailing Radius. A notice of public hearing shall be mailed to the applicant or his/her agent, the owner of the property and owners of all property within a radius of five hundred (500) feet from the property lines of the site under consideration, using for this purpose the name and address of such owners as shown upon the latest available assessment rolls of the county assessor. The notices shall be mailed at least ~~ten (10)~~twenty (20) days prior to the date of the public hearing. If the number of owners to whom the notices would be mailed is greater than 1,000, or is a Citywide project involving text amendments to the Development Code and/or General plan, in lieu of a mailed notice, the hearing notice shall be posted at City Hall and published at least twenty (20) days prior to the date of the public hearing on the following locations:~~; and~~

a) The City's website.

b) Newspaper of general circulation. The advertisement shall be at least one-eighth (1/8) page.

~~(3)~~ (ii) Agency Notification. Notice of the hearing shall be mailed or delivered at least ~~ten (10)~~twenty (20) days prior to the hearing to each local agency expected to provide water, sewage, streets, roads, schools, or other essential facilities or services to the project, whose ability to provide those facilities and services may be significantly affected.

(iii) Postings. If the project is applicant driven, at least thirty (30) days prior to the date of the hearing, a public notice shall be posted at the project site per Section 26-187(b), and at two other public places where public meeting agendas are posted. Citywide applications and/or projects, and City initiated zone changes and/or General Plan land use designation changes are exempt from onsite posting requirements. Citywide applications involve Development Code and General Plan text amendments.

~~(b) For amendments, supplements or changes to the Development Code that do not reclassify any property from one (1) zone to another but do impose, change, or remove any new regulation on the use or development of property and for amendments to the General Plan text:~~

~~(1) At least ten (10) days prior to the date of the hearing, a public notice shall be published in a newspaper having general circulation in the City.~~

~~(c)Public Utility Facilities, including Wireless Telecommunications facilities, that require approval by the Planning Commission shall require:~~

~~(1) At least thirty (30) days prior to the date of the hearing, a public notice shall be posted at the project site per subsection (f) below.~~

~~(2) A notice of public hearing for public utility facilities shall be mailed to the applicant or his/her agent, the owner of the property and owners of all property within a radius of one thousand (1,000) feet from the subject site's property lines, using for this purpose the name and address of such owners as shown upon the latest available assessment rolls of the county assessor. The notices shall be mailed at least ten (10) days prior to the date of the public hearing.~~

~~(d)~~(2) Entitlement applications for Public Utility Facilities, including Wireless Telecommunications facilities, that require approval by the Planning Commission and/or City Council shall require:

~~(1)~~(i) Onsite and Public Postings. At least thirty (30) days prior to the date of the hearing, a public notice shall be posted at the project site per ~~subsection (f) below~~ Section 26-187(b), and at two other public places where public meeting agendas are posted.

~~(2)~~(ii) Mailing Radius. A notice of public hearing ~~for public utility facilities~~ shall be mailed to the applicant or his/her agent, the owner of the property and owners of all property within a radius of one thousand (1,000) feet from the subject site's property lines, using for this purpose the name and address of such owners as shown upon the latest available assessment rolls of the county assessor. The notices shall be mailed at least ten (10) days prior to the date of the public hearing.

(iii) City Website. The notice shall be posted on the City's website at least ten (10) days prior to the date of the public hearing.

(iv) Agency Notification. Notice of the hearing shall be mailed or delivered at least ten (10) days prior to the hearing to each local agency expected to provide water, sewage, streets, roads, schools, or other essential facilities or services to the project, whose ability to provide those facilities and services may be significantly affected.

~~(e)~~(3) For administrative permits (if public notification and public hearing is required per use or by request):

~~(1)~~(i) Mailing. A notice that describes the proposed project and indicates the length of the public review period (including the last date that a request for a public hearing may be given to the planning department) shall be mailed to owners of surrounding property as indicated below. The public review period shall extend for ten (10) days from the date that the initial notice was mailed. If a request for a hearing is received during the specified time, a notice shall be mailed a minimum of

ten (10) days prior to the date of the hearing, indicating the date, time, and location of the scheduled public hearing.

a) Notification Radius.

~~(2)~~1) Five-hundred-foot noticing radius: Notices shall be mailed to the property owners of the subject site and owners all properties within a radius of five hundred (500) feet from the property lines of the site under consideration unless otherwise provided for in the sections below.

~~(3)~~2) For secondary driveways, notices shall be mailed to the property owners and occupants of the subject site and to the two (2) properties on both sides of the subject site.

~~(4)~~3) For sign exception review, outdoor uses within the outdoor uses overlay zone, and canopy structures notices shall be mailed to the property owners and occupants of the subject site and all properties within a radius of one hundred (100) feet from the property lines of the site under consideration.

~~(5)~~4) For animal keeping approvals as described in Section 26-111 shall require notices to be mailed to all property owners of the subject site and all property owners or occupants of properties within the overlay zone and any property owners or occupants of properties that are adjacent to the subject site and share a property line for improvements in the lower pad area (the portion of land at the rear of the properties that is at approximately the same elevation as the rear property line and is relatively level).

~~(6)~~5) Public notification is not required for the following applications:

i) Shopping Cart Containment Review
ii) Trash Enclosure District Review
iii) Accessory ~~Massage~~ Uses
iv) Incidental Beer and Wine Service for a Restaurant (Bona Fide Eating Place)
v) Garage/Storage Shed height increase
vi) Small Wireless Facilities in the Public Right-of-Way
vii) Minor non-residential building façade changes and/or minor changes to the site plan/site layout
viii) Minor multi-family residential building façade changes and/or minor changes to the site plan/site layout

(4) For Non-Public Utility Conditional Use Permits, Precise Plans requiring Planning Commission and/or City Council review, Variances, or Tentative Tract Maps requiring Planning Commission and/or City Council review, including amendments:

(i) Mailing Radius. A notice of public hearing shall be mailed to the applicant or his/her agent, the owner of the property (including mineral rights owner for Tentative Tract Maps) and owners of all property within a radius of five hundred (500) feet from the property lines of the site under consideration, using for this purpose the name and address of such owners as shown upon the latest available assessment rolls of the county assessor. The notices shall be mailed at least ten (10) days prior to the date of the public hearing. If the number of owners to whom the notices would be mailed is greater than 1,000, in lieu of a mailed notice, the hearing notice shall be posted at City Hall and published at least ten (10) days prior to the date of the public hearing on the following locations:

a) The City's website.

b) Newspaper of general circulation. The advertisement shall be at least one-eighth (1/8) page.

(ii) Postings. Unless otherwise required by Section 26-187(a)(4)(iii), at least ten (10) days prior to the public hearing, a printed notice shall be posted at the project site and at two other public places where public meeting agendas are posted. The minimum size of the onsite notice shall be 11-inches by 17-inches written with heading text that is no smaller than 28-point Arial font in red and body text no smaller than 16-point Arial font in black. The required public hearing notice shall be placed/posted in an area readily visible and accessible by the public such as near/at the building entrance. The location of the posting shall be determined by the Community Development Director.

~~(f) On-site public notice standards(1)~~

(iii) Onsite Posting for Large Projects. The following projects require an onsite posting that meet the requirements of Section 26-187(b)~~(f) (2) through (5)~~:

~~(i)~~ a) Commercial properties - new developments and where the addition of new square footage is equal to or exceeds 10,000 square feet, or greater than 50-percent of the existing building, which ever is less. ~~new square footage is added (Projects with additions of under 10,000 square feet will be at the discretion of the Community Development Director.~~

~~(ii)~~ b) Residential properties for developments with five (5) or more units requiring Planning Commission and/or City Council review

~~(iii)~~ c) Freestanding Wireless facilities - any new freestanding wireless towers proposed.

~~(iv)~~ d) Tentative Tract Maps requiring Planning Commission and/or City Council review.

(iv) Public Area Posting. At least ten (10) days prior to the public hearing, the required public hearing notice shall be placed/posted at two other public places where public meeting agendas are posted.

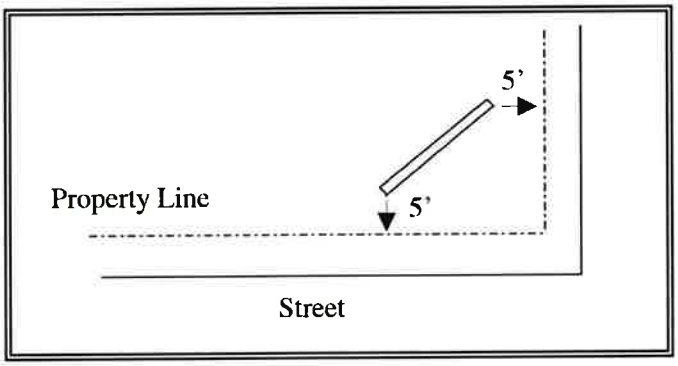
(v) Agency Notification. Notice of the hearing shall be mailed or delivered at least ten (10) days prior to the hearing to each local agency expected to provide water, sewage, streets, roads, schools, or other essential facilities or services to the project, whose ability to provide those facilities and services may be significantly affected.

~~(2) At least thirty (30) days prior to the date of the hearing, a public notice shall be posted at the project site, at the direction of the Planning Department. No public hearing will be scheduled until the notice has been posted on the property. The sign must meet the following standards:~~

(b) Onsite Public Hearing Notice Board Installation Standards

~~(3)~~(1) The sign shall be installed within five (5) feet of the property line. If on a corner, the sign should be posted at an angle so long as the sign is five feet from the property line of both streets.

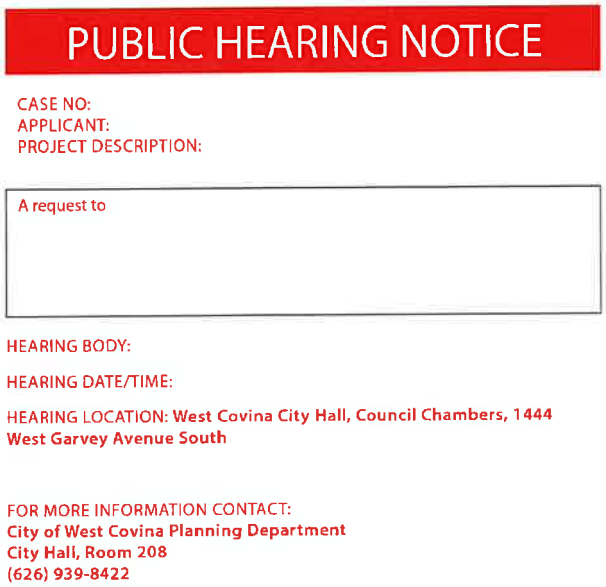
Figure 6-1 On-site Notification Sign on Corner Property



~~(4)~~(2) The sign shall be a minimum of 3 feet in width by 5 feet in height and may be double sided if installed perpendicular to the street. The sign shall be mounted on 4-inch by 4-inch posts. The bottom of the sign shall be at least 2 feet, but no more than 3 feet above the ground level. The required text and format are shown below. The "Public Hearing Notice" text shall be at least 3.5-inches and the remaining text shall be at least 1.25-inches in height.

~~(5)~~(3) The banner area at the top of the Notice shall be in red (with letters in white) and all other text shall be printed in red.

Figure 6-2 **On-site Notification Sign Example**



~~(6)~~(4) The sign must contain a general explanation of the proposed project, the applicant's identification and contact information as provided on the application submitted to the City, and contact information for the approval authority.

(c) Whenever a hearing is held regarding a permit for a drive-through facility, or modification of an existing drive-through facility permit, the local agency shall incorporate, where necessary, notice procedures to the blind, aged, and disabled communities in order to facilitate their participation in any hearing on, or appeal of the denial of, a drive-through facility permit.

SECTION 39. Code Amendment. Section 26-212 (b) of Division 3 of Article VI (Nonconforming Uses) of Chapter 26 shall be amended to read as follows:

For eligible SB35 projects and/or multi-family residential projects providing a minimum of 20-percent of the total dwelling units reserved for lower income households subject to deed restriction, the Community Development Director shall approve or deny the ministerial Precise Plan based on the West Covina Multi-Family Objective Design Standards (2022) adopted by the City. Within 30 days of such action, the Community Development Director shall prepare a report to the Planning Commission, providing a description of the project and the nature of the approval. Any such Precise Plan approved under SB35 shall be valid for a period of three (3) years, with one (1) additional extension of time in a one-year increment. The Community Development Director or their designee may approve a one-year extension if the project proponent provides documentation that there has been significant progress toward getting the development construction ready, such as, but not limited to, the filing of a building permit application.

SECTION 40. Code Amendment. Section 26-270 of Division 12 (Revocation Procedures) of Article VI of Chapter 26 shall be amended to read as follows:

(a) Notice of a revocation hearing for a conditional use permit or variance shall be given as follows:

~~(a)At least ten (10) days prior to the date of the hearing, a public notice shall be posted on site of subject property; and~~

(1) Notice of the hearing shall be mailed or delivered at least ten (10) days prior to the hearing to each local agency expected to provide water, sewage, streets, roads, schools, or other essential facilities or services to the project, whose ability to provide those facilities and services may be significantly affected.

(2) A notice of public hearing shall be mailed to the permittee or his/her agent, the owner of the property and owners of all property within a radius of five hundred (500) feet of the exterior boundaries of the property under consideration, using for this purpose the name and address of such owners as shown upon the latest available assessment rolls of the county assessor. A 1,000 feet notification radius is required for revocation of public utility entitlements. The notices shall be mailed at least ten (10) days prior to the date of the public hearing.

(3) A public hearing notice shall be posted on the City's website at least ten (10) days prior to the public hearing.

(4) A public hearing notice shall be published in a newspaper of general circulation at least ten (10) days prior to the public hearing. The advertisement shall be at least one-eighth (1/8) page.

(5) The cost of noticing shall be paid by the City.

(6) In addition to the required notification above, a public notice shall be posted on site of the subject property.

(c) Notice of a revocation hearing for an administrative review shall be given as follows:

(1) A notice of public hearing shall be mailed to the permittee or his/her agent, the owner of the property and owners of all property within a radius of five hundred (500) feet of the exterior boundaries of the property under consideration, using for this purpose the name and address of such owners as shown upon the latest available assessment rolls of the county assessor. The notices shall be mailed at least ten (10) days prior to the date of the public hearing.

(2) The cost of noticing shall be paid by the City.

(d) Notice of a revocation hearing for an administrative permit shall be given as follows:

(1) Notices shall be mailed to the permittee, property owners of the subject site, and all owners of properties within a radius of five hundred (500) feet of the exterior

boundaries of the subject site. The notices shall be mailed at least ten (10) days prior to the date of the public hearing.

(2) The cost of noticing shall be paid by the City.

~~**SECTION 41.** Code Amendment. Section 26-287(b) of Division 1 of Article VII of Chapter 26 shall be amended to read as follows:~~

~~(b) Amendments, supplements, or changes to this chapter other than the change of property from one zone to another may be initiated by:~~

~~(1) Applicant.~~

~~(2) Resolution of the City Council.~~

~~(3) Resolution of the Planning Commission.~~

~~(4) Community Development Director.~~

~~(5) City Attorney.~~

SECTION 42. Code Amendment. Section 26-291(a) of Division 1 of Article VII of Chapter 26 shall be amended to read as follows:

(a) After receiving the report from the Planning Commission or a written request from an interested party pursuant to Article VI Division 1, the City Council shall hold a duly-noticed public hearing. ~~At least 10 days before the date of the public hearing, the~~ The Planning Division shall provide notice consistent with ~~Article VI Division 1~~Section 26-187. The notice shall include a summary of the Planning Commission recommendation.

~~**SECTION 43.** Code Amendment. Section 26-298 of Division 2 of Article VIII (SUBDIVISION REGULATIONS) of Chapter 26 shall be amended to read as follows:~~

~~Whenever any parcel of land is of such size, design, or shape, or subject to such title limitations of records, or is subject to such topographical conditions or such dominating drainage problems that it is impossible, or impractical in the particular case to conform fully to the provisions of this chapter, the city engineer may recommend such deviation as may be necessary or expedient to the proper development of the subject property as allowed by state law. In each case of deviation, the city engineer shall transmit to the Community Development Director or designee with the parcel map and to the Planning Commission with the tentative tract map a written report setting forth each deviation recommended and the reasons therefor.~~

~~**SECTION 44.** Code Amendment. Section 26-303 of Division 2 of Article VIII (SUBDIVISION REGULATIONS) of Chapter 26 shall be amended to read as follows:~~

~~No map shall be disapproved when the failure of the map is solely a result of a technical and inadvertent error which, in the determination of the Community Development Director or designee for tentative parcel maps, Planning Commission for tentative tract maps, and the City Council for final maps, does~~

not materially affect the validity of the map. Upon such a finding, disapproval of the map shall be waived.

SECTION 45. Code Amendment. Section 26-304 of Division 2 of Article VIII (SUBDIVISION REGULATIONS) of Chapter 26 shall be amended to read as follows:

26-304 Assignment of Responsibilities upon to Advisory AgencyReview

(a) Community Development Director Action on Tentative Parcel Maps and Urban Lot Splits. The Community Development Director or their designee shall have the following responsibilities in addition to those otherwise assigned responsibilities:

(1) Review and approve tentative parcel maps and urban lot splits in accordance with the provisions of the Subdivision Map Act and this chapter.

(2) Make findings that tentative parcel maps, together with the provisions for their design and improvement, are consistent with the General Plan and/or any specific plans of the City.

(3) Make findings justifying approval or denial of parcel maps as such findings are specified in this chapter.

(4) Make findings for parcel maps relating to the waste discharge from proposed subdivisions and the requirements prescribed by a California regional water quality control board as such findings are specified in this chapter.

(b) City Engineer Action on Lot Line Adjustments, Lot Mergers, and Certificates of Compliance. The City Engineer shall have the following responsibilities in addition to those otherwise assigned responsibilities:

(1) Review and approve lot line adjustments, lot mergers, and certificates of compliance in accordance with the provisions of the Subdivision Map Act and this chapter.

(2) Make findings justifying approval or denial of a certificate of compliance in accordance with the provisions of this chapter.

(3) Impose conditions through a conditional certificate of compliance in accordance with the provisions of this chapter.

(c) Planning Commission Action on Tentative Tract Maps and Appeals. The Planning Commission shall have the following responsibilities in addition to those otherwise assigned responsibilities:

(1) Make findings that tentative tract maps, together with the provisions for their design and improvement, are consistent with the General Plan and/or any specific plans of the City.

(2) Make findings justifying approval or denial of tentative maps as such findings are specified in this chapter and the Subdivision Map Act.

(3) Make findings for tentative tract maps relating to the waste discharge from proposed subdivisions and the requirements prescribed by a California regional water quality control board as such findings are specified in this chapter and the Subdivision Map Act.

(4) Appeals of the Community Development Director actions on tentative parcel maps.

(d) City Council Action on Final Maps and Appeals. The City Council shall have the following responsibilities in addition to those otherwise assigned responsibilities:

(1) Make findings justifying approval or denial of final maps, in accordance with the provisions of the Subdivision Map Act and this chapter.

(2) Grant or deny appeals of actions of the Planning Commission on tentative parcel maps, tentative tract maps, and vesting tentative maps.

Table 8-1 Assignment of Responsibilities Upon Review

Type of Application	Assignment of Responsibilities			
	Community Development Director	City Engineer	Planning Commission	City Council
Lot Line Adjustments	Review	Approve		
Lot Mergers	Review	Approve		
Urban Lot Splits (SB9)	Approve	Review		
Parcel Map	Approve	Review	Appeal	Appeal
Tentative Tract Map	Review	Review	Approve	Appeal
Vesting Tentative Map	Review	Review	Approve	Appeal
Final Map		Review		Approve
Certificates of Compliance		Approve		

SECTION 46. Code Amendment. Section 26-305 of Division 2 of Article VIII (SUBDIVISION REGULATIONS) of Chapter 26 shall be amended to read as follows:

Appeal of Findings of Advisory Agencyby Reviewing Authorities

Any interested person can appeal the findings specified in this Section section 26-305 (Assignment of Responsibilities to Advisory Agency) to the Planning Commission or City Council in the manner prescribed in the Subdivision Map Act. Appeals shall be accompanied by the fee as set from time to time by resolution of the City Council.

SECTION 47. Code Amendment. Section 26-310 of Division 2 of Article VIII (SUBDIVISION REGULATIONS) of Chapter 26 shall be amended with subsections (a) through (m) remaining the same with no changes to read as follows:

The Planning Commission, concurrent with its approval or conditional approval of the tentative tract map, or the Community Development Director concurrent with the approval or conditional approval of the tentative parcel map, shall require the following improvements constructed to the satisfaction of the city engineer unless specific findings are made that construction of said improvements are unnecessary and impractical:

SECTION 48. Code Amendment. Section 26-311 of Division 2 of Article VIII (SUBDIVISION REGULATIONS) of Chapter 26 shall be amended to read as follows:

The Planning Commission concurrent with its approval or conditional approval of the tentative tract map and the Community Development Director concurrent with the approval or conditional approval of a tentative parcel map shall require the payment of fees or the submittal of an agreement with approved security for planned drainage facilities as shown on the City's side drainage report, master plan of drainage, or other drainage study as it finds necessary and practical. Such fees or agreements shall be applied and administered in accordance with the provisions of the Subdivision Map Act.

The Planning Commission or Community Development Director also shall also require that any required improvements shall contain supplemental size, capacity or number for the benefit of property not within the subdivision as the Planning Commission finds necessary and practical. Such improvements shall be required to be dedicated to the public as the Planning Commission shall be determined.

SECTION 49. Code Amendment. Section 26-317 of Division 2 of Article VIII (SUBDIVISION REGULATIONS) of Chapter 26 shall be amended to read as follows:

When a subdivision is of a portion of any previously existing lot or lots, the remaining portion or portions of the previously existing lot or lots are remainder parcels and shall be subject to required improvements and dedications as determined by the Planning Commission Review Authority in accordance to Section 26-304 in the same manner as if the remainder parcels were included in the subdivision, including the provisions in this chapter for agreements and security.

SECTION 50. Code Amendment. Section 26-318 of Division 2 of Article VIII (SUBDIVISION REGULATIONS) of Chapter 26 shall be amended to read as follows:

Parcel maps and final mapsMaps which have been approved by the City Council shall not be affected by the adoption of this chapter or amendments thereto,. Tentative maps which have been approved or conditionally approved by the advisory agency or appeal board shall not be affected by the adoption of this chapter or amendments thereto except as follows:

(a) The parcel maps and final maps for approved or conditionally approved tentative maps shall conform to the current requirements for parcel maps, tract maps, and final maps at the time of City Council approval.

(b) At the time of consideration by the advisory agency of a request to extend the expiration time for a tentative map, such tentative map shall conform to the current requirements for tentative maps; and the advisory agencyCommunity Development Director, Planning Commission, or City Council may revise or add conditions of approval in accordance with the current requirements for tentative maps.

SECTION 51. Code Amendment. Section 26-343 of Division 6 of Article VIII (SUBDIVISION REGULATIONS – Tentative Parcel Maps) of Chapter 26 shall be amended to read as follows:

The procedure for processing, approval, conditional approval or disapproval and filing of tentative parcel maps and modifications thereof shall be as provided in this chapter and the Subdivision Map Act for processing, approval, conditional approval, or disapproval and filing of tentative maps and final maps and modifications thereof. The Community Development Director shall review and deny, approve, or conditionally approve the filing of tentative parcel maps and modification.

SECTION 52. CEQA. Pursuant to the State California Environmental Quality Act (CEQA) Guidelines, the City Council finds and determines that the ordinance is statutorily exempt from CEQA under Section 15061(b)(3) of the CEQA Guidelines, which provides that CEQA only applies to projects that have the potential for causing a significant effect on the environment. The ordinance would not result in direct or indirect physical change in the environment and does not involve any construction or additions to any existing structures.

SECTION 53. Severability. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council of the City of West Covina hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase, or portion thereof, irrespective of the fact that any

one or more sections, subsections, sentences, clauses, phrases, or portions be declared invalid or unconstitutional.

SECTION 54. Certification. The City Clerk shall certify passage of this Ordinance and shall cause the same to be published as required by law.

SECTION 55. Effective Date. This Ordinance shall take effect and be in force on the 31st days after the date of its passage. Notwithstanding the effective date of this Ordinance, the increase parkland dedication shall not apply to any tentative map or parcel map until the Ordinance has been in effect for a period of 30 days in accordance with Government Code section 66477.

PASSED, APPROVED AND ADOPTED this ___ day of _____, 2025.

_____
Tony Wu
Mayor

APPROVED AS TO FORM

_____
Thomas P. Duarte
City Attorney

ATTEST

_____
Lisa Sherrick
Assistant City Clerk

I, LISA SHERRICK, ASSISTANT CITY CLERK of the City of West Covina, California, do hereby certify that the foregoing Ordinance No. ____ was introduced at a regular meeting of the City Council held on the ___ day of January, 2025, and adopted at a regular meeting of the City Council held on the ___ day of January, 2025 by the following vote of the City Council:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Lisa Sherrick

Assistant City Clerk

STATE OF CALIFORNIA - BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY GAVIN NEWSOM, *Governor*

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DIVISION OF HOUSING POLICY DEVELOPMENT
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Sacramento, CA 95811
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov

September 18, 2024

Paulina Morales, City Manager
City of West Covina
144 West Garvey Avenue South, Room 305
West Covina, CA 91790

Dear Paulina Morales:

RE: City of West Covina's 6th Cycle (2023-2031) Modifications to the Adopted Housing Element

Thank you for submitting modifications to the City of West Covina's (City) adopted housing element. Modifications were received on January 3, 2024 and August 13, 2024. All modifications were authorized by Resolution Number 2022-11 and posted and made available to the public for seven days prior to review. In addition, the California Department of Housing and Community Development (HCD) received minor edits on September 12, 2024. Pursuant to Government Code section 65585, HCD is reporting the results of its review.

The adopted housing element, with all modifications and edits, meets the statutory requirements of State Housing Element Law (Gov. Code, § 65580 et seq). The adopted element, including modification and edits, addresses the findings described in HCD's March 1, 2024 review. However, as noted in the prior review, the housing element cannot be found in substantial compliance until the City has completed necessary rezones (Program 5.1 – Ensure Adequate Sites to Accommodate the RHNA) that meet statutory requirements as described below.

Pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), a jurisdiction that did not adopt a compliant housing element within one year from the statutory deadline (October 15, 2021) cannot be found in compliance until rezones to make prior identified sites available are completed pursuant to Government Code section 65583.2, subdivision (c). As this year has passed and Program 5.1 (Ensure Adequate Sites to Accommodate the RHNA) has not been completed, the housing element will remain out of compliance until the rezoning has been completed to meet all statutory requirements.

However, HCD received draft zoning amendments that are intended to implement Program 5.1 (Ensure Adequate Sites to Accommodate the RHNA). After a preliminary review, these draft amendments comply with statutory requirements pursuant to Government Code section 65583.2, subdivision (c). Once the draft amendments have

been adopted, the City should submit the draft amendments and other pertinent approval documentation. HCD will review the documentation and issue correspondence identifying the updated status of the City's housing element compliance.

Additionally, the City must continue timely and effective implementation of all programs including but not limited to the following:

- Program 1.2 (Monitor and Preserve Affordable Housing)
- Program 2.1 (Acquisition and Rehabilitation)
- Program 2.2 (Support Production of Affordable Housing)
- Program 3.1 (Review and Update the Development Review Process)
- Program 3.2 (Accessory Dwelling Units)
- Program 4.2 (Housing for Persons with Special Needs)
- Program 4.3 (Homeless Assistance and Housing)
- Program 4.4 (Community and Economic Development)
- Program 5.1 (Ensure Adequate Sites to Accommodate the RHNA)
- Program 5.2 (Encourage Lot Consolidation and Infill)

The City must monitor and report on the results of these and other programs through the annual progress report, required pursuant to Government Code section 65400. Please be aware, Government Code section 65585, subdivision (i) grants HCD authority to review any action or failure to act by a local government that it determines is inconsistent with an adopted housing element or housing element law. This includes failure to implement program actions included in the housing element. HCD may revoke housing element compliance if the local government's actions do not comply with state law.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant, Affordable Housing and Sustainable Communities programs, Permanent Local Housing Allocation, and the Prohousing Incentive Program consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City will meet housing element requirements for these and other funding sources.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: https://www.opr.ca.gov/planning/general-plan/guidelines.html.

HCD appreciates the effort the City' housing element team provided throughout the housing element update and review. HCD looks forward to receiving and reviewing final documentation of the necessary zoning. If HCD can provide assistance in implementing the housing element, please contact Margaret Scarpa, of our staff, at Margaret.Scarpa@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager

AGENDA ITEM NO. 10

AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: February 18, 2025

TO: Mayor and City Council

FROM: Paulina Morales, City Manager

SUBJECT: **Health Department Update**

RECOMMENDATION:

It is recommended that the City Council receive and file the report.

BACKGROUND:

At the January 7, 2025, City Council meeting, Councilmember Gutierrez requested a presentation on the status of the Health Department.

DISCUSSION:

Attached please find the PowerPoint presentation.

OPTIONS:

Receive and file.

Prepared by: Paulina Morales, City Manager
Additional Approval: Dr. Basil Vassantachart

Attachments

Attachment No. 1 - Powerpoint Presentatoin

CITY COUNCIL MEETING
FEBRUARY 18, 2025

HEALTH DEPARTMENT/WEST COVINA HEALTH

West Covina Health

BACKGROUND

2021

City Council directed staff to establish a West Covina Health Department

20 Apr. 2021

Public Health Director/Officer added as an exempt position in the Municipal Code

4 May 2021

Fees and charges established for services provided by Health Department;

- City Manager authorized to negotiate and execute a professional services agreement for health services

18 May 2021

Health Department established in Municipal Code

May 2021

West Covina Health Department Overview & Summary submitted to the California Department of Public Health

BACKGROUND (CONT.)

The city continues to contract with the Los Angeles County Department of Public Health

The County will continue to serve West Covina in its current capacity until the city's health department is approved and established

Process of separating from the county will be a phased approach

Currently, the city's focus is continue pursuing state provisional approval for the health department

Since May 2021, staff has been meeting monthly with the CDPH in their development of the application, certification, and regulatory process.

DISCUSSION

During the last three and a half years, CDPH has been working towards updating the public health regulations pertaining to establishing a Health Department and other public health issues all at the same time.

Documents required before an initial application will include: a Community Health Needs Assessment (CHNA), Community Health Improvement Project (CHIP), Public Health Emergency Preparedness and Readiness Plan, Public Health Laboratory Service Agreement and possibly others.

In February, 2024, the City Council has approved the public health laboratory service contract with the City of Long Beach.

At present time, West Covina has completed a City Emergency Management Plan with a Public Health Emergency Preparedness and Readiness Plan. We are continue working in finalizing the CHNA and CHIP.

DISCUSSION

- West Covina Health Accomplishment During Past 3 years (*aside from collaborating with CDPH on the new health department*):
  - Organized 18 health fairs with over 2,000 participants
    - Offering screenings for asthma, cardiovascular risks, diabetes, hypertension, mental health, obesity, osteoporosis, and vision.
  - Collaborated with local hospitals to provide 22+ continuous medical education sessions for community and healthcare providers.
  - Secured COVID-19 and flu vaccinations and testing for the community.
  - Distributed 2,000-3,000 health education materials (CDC, CDPH, NIH, and specialty medical societies) to local churches, schools, and community organizations.
  - Conducted 3 health needs surveys with over 1,000 residents.
  - Gathered community health data, performed needs assessments, and developed improvement projects.
  - Built partnerships with local businesses, churches, clinics, hospitals, schools, and community organizations.
  - Developed and will roll out several health education programs this year.

DISCUSSION (CONT.)

- Regulation package has undergoing final review by the CDPH legal counsel before submitting it to the office of the Director of the CDPH and was approved.
- In the mid. part of 2024, following the Director's approval, it was submitted to:

  Secretary of California Health and Human Services and Governor Newsom simultaneous for their expedited approval and was approved.

  At present, the public health regulatory package update is at the Department of Finance for the analysis of the economy impact to the State of California and the funding for the local health department.
- CDPH has not provided any estimated timeframes as to when the Department of Finance will be able to finalize their analysis and funding of the local health department.
- Upon completion of the analysis by the Department of Finance, CDPH will be prepared for the opening of public comment to the updated public health regulation package.

BUDGET

- Contract Amount - $598,190

Budget	Expenditure	Remaining Balance
$598,190	$498,501.34	$99,688.66

BUDGET CONTINUED

- Invoices

*Most recent invoices are shown.

Invoices 2021- December 2023 totaled $98,391.22

Budget YEAR	INVOICE DATE	INVOICE AMOUNT
2025	10/31/2024	60,627.00
2025	09/26/2024	3,796.50
2025	09/04/2024	3,789.50
2024	07/15/2024	3,609.75
2024	07/01/2024	16,511.72
2024	05/22/2024	3,934.75
2024	04/16/2024	5,030.00
2024	04/01/2024	5,605.75
2024	03/15/2024	5,314.75
2024	02/14/2024	4,202.50
2024	12/29/2023	3,020.25
2024	12/15/2023	36,557.00
2024	11/15/2023	4,671.25
2024	10/18/2023	6,232.50
2024	09/27/2023	7,566.75
2024	07/31/2023	3,650.00
2023	06/30/2023	5,556.25
2023	06/21/2023	7,631.25
2023	05/09/2023	16,670.00
2023	04/07/2023	156,518.51
2023	02/10/2023	18,010.00
2023	01/11/2023	6,180.00
2023	12/14/2022	15,424.14
	TOTAL	**$400,110.12**
	TOTAL (Previous Information)	**$98,391.22**

NEXT STEPS

1. When the public comment period and amendments are completed, the public health regulation update package in the application, certification and regulatory process will be filed with the Secretary of State.

2. Upon filing with Secretary of State, CDPH will establish a new department to accept new application for new local health department.

3. Upon approval of the application of a new local department, CDPH may grant the local jurisdiction a "PROVISIONAL STATUS" with a two (2) years period to fully establish a full service that will meet the local communities need.

4. Upon granting the "PROVISIONAL STATUS" and recognized by the CDPH, the new local health department will probably be able to start receiving some funding from CDPH and apply for aids and grants to support the various function of the local health department.

5. The new local health department will be expected to eventually be accredited by the Public Health Accreditation Board.

FOR ORGANIZATIONS THAT WISH TO PARTNER WITH WEST COVINA HEALTH

PLEASE CONTACT THE CITY MANAGER'S OFFICE AT

(626) 939-8743



THANK YOU
&
QUESTIONS

AGENDA ITEM NO. 11

AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: February 18, 2025

TO: Mayor and City Council

FROM: Paulina Morales, City Manager

SUBJECT: **Presentation of the City of West Covina's current Emergency Operations Plan**

RECOMMENDATION:

It is recommended that the City Council receive and file the report.

BACKGROUND:

At the January 21, 2025 City Council meeting, Councilmember Gutierrez requested a presentation on the current Emergency Operations Plan of the City.

DISCUSSION:

Attached please find the PowerPoint presentation.

OPTIONS:

Receive and File.

Prepared by: Antonio Cortina, Chief of Police
Additional Approval: Mike Browne, Acting Fire Chief

Attachments

Attachment No. 1 - Emergency Operations Plan



ATTACHMENT NO. 1

EMERGENCY OPERATIONS
PLAN UPDATE 2022-2023

Presentation to the City Council

Presented by WCFD Chief Browne & WCPD Chief Cortina

Tuesday, February 18, 2025

Presentation Topics

- Why Update the Plan?
- The Planning Process
- External Agencies
- Plan Contents
- Future Plan Development
- Recent EOC Activation

Purpose

- The purpose of this presentation is to brief the City Council on the contents of the updated Emergency Operations Plan (2023)and briefly discuss the recent EOC activation.

Why Update the Plan?

- Previous plan updated over 5 years ago
- Incorporate new legislative requirements
- Incorporate best practices
- Ensure compliance with California Office of Emergency Services and U.S. Department of Homeland Security guidelines
- Consistency with plans of neighboring cities

Purpose of the EOP

- The purpose of the City of West Covina's Emergency Operations Plan is to provide the planning basis for a coordinated response to extraordinary emergency situations associated with natural, and human-caused emergencies or disasters within or affecting the city.

Who will Use the Plan?

- City management
- City first responders
- City support departments
- External organizations participating in response

Operational Goals

- Mitigate Hazards
- Meet basic human needs
- Address needs of people with Access and Functional Needs
- Restore essential services
- Support community and economic recovery

Operational Priorities

- Save Lives
- Protect Health and Safety
- Protect Property
- Preserve the environment

Plan Activation

- The City's Emergency Operations Plan may be activated by the City Manager, Assistant Director of Emergency Services, Fire Chief, Police Chief, or designated alternatives under any of the following circumstances:

Other Circumstances

- By order of the City Manager or designee for the West Covina Municipal Code Chapter 8, Section 8.7. (Emergency Powers)
- Upon proclamation by the Governor that a State of Emergency exists.
- Automatically on the proclamation of a State of War Emergency
- Upon delclaration by the President, of the existence of a National Emergency
- Automatically, on receipt of an attack warning or actual attack on the United States, or upon occurrence of a a catastrophic disaster that requires immediate government response.

Types of Emergency Proclamations in CA

- Local Emergency
- State of Emergency
- State of War Emergency

Local Emergency Proclamation

- Local Emergency must be issued within 10 days of the actual occurrence of a disaster.
- Must be ratified by the City Council with 7 days of the proclamation.
- City Council must review the need to continue every 30 days until the Local

The Planning Process

- Planning initiated in October 2022
- Plan Development guided by Planning Team of representatives from City departments
- Based on standard template developed by Disaster Management Areas C, D, & E
- Draft distributed to external stakeholders for review and comment

External Agencies

List of external agencies provided opportunity to review/comment:

- American Red Cross
- Athens Waste Services
- Emanate Health
- Foothill Transit
- SoCal Gas
- Southern California Edison
- Access Transit
- Disaster Management Area D Coordinator

EOP Plan Elements

- **Part 1** – Overall Framework for Emergency Response
- **Part 2** – Emergency Operations Center Operations
- **Annexes** – Additional Detail for Response to Specific Hazards
- **Appendices** – Supporting Information

EOP Part 1

- Situation and Assumptions
- Standardized Emergency Management System (SEMS)
- Concept of Operations
- Organization and Assignment of Responsibilities –
  - City Departments
  - External Agencies

EOP Part 2

- EOC Activation
- EOC Organization
- EOC Operations
- Training and Exercises

Annexes

- Severe Weather
- Earthquake
- Criminal/Terrorist Act
- Pandemic/Health Emergency
- Wildfire

Appendices

- Quick Start Guide
- Resource Request Guide
- Information Collection and Dissemination
- Glossary
- Authorities and References



2.

Future Plan Development

Future Emergency Planning

- Local Hazard Mitigation Plan
- Additional EOP Annexes –
  - Notification and Warning
  - Evacuation
  - Continuity of Government
  - Mass Care

Future Emergency Planning

- Local Hazard Mitigation Plan
- Additional EOP Annexes –
  - Notification and Warning
  - Evacuation
  - Continuity of Government
  - Mass Care

Local Emergency Proclamation Timeline

- January 7, 2025
  - 0900 – City Manager, Acting Fire Chief and Police Chief discussed the need to open the EOC. There wasn't a current increase in calls for service and decided to continue to monitor throughout the day.

Local Emergency Proclamation Timeline

- January 7, 2025 (cont.)
  - 1500 – Verdugo Dispatch (Fire's dispatch center) initiates Emergency Mode to Level B. Still no change to West Covina's situation.

Earthquake/Emergency Mode – Levels of Operation (Determined by the Verdugo Duty Chief)	
Level-A	Low volume of incidents/calls. Normal operating procedures apply with all units operating on radio standby. Verdugo continues dispatching normally.
Level-B	High volume of incidents/calls. All calls may be downgraded, regardless of nature/type of incident. Verdugo continues dispatching. EOC may be activated.
Level-C	Overwhelming volume - all responses are given by Verdugo to the B.C. and resources assigned are then determined by B.C. – i.e., Structural damage, collapse, victims trapped, etc. – EOC's are likely activated.
Level-D	Verdugo unable to communicate and/or receive calls – EOC activated – 1 Engine and 1 B.C. are to respond to the local PSAP Law Enforcement communications center to receive and subsequently dispatch calls.

Note: Verdugo may institute Automatic Dispatch Mode for Level B & C. Meaning, very limited or NO voice traffic will be heard – only data will be transmitted across the MCT as method of dispatch. Radio discipline (silence) applies; use voice radio sparingly and only as needed!

Local Emergency Proclamation Timeline

- January 7, 2025 (cont.)
  - 1818 – Eaton Fire starts
  - 1900 – Weather related calls begin to increase in WC

Local Emergency Proclamation Timeline

- January 7, 2025 (cont.)
  - 1915 – Verdugo Dispatch moves to Level C.

Earthquake/Emergency Mode – Levels of Operation (Determined by the Verdugo Duty Chief)	
Level-A	Low volume of incidents/calls. Normal operating procedures apply with all units operating on radio standby. Verdugo continues dispatching normally.
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Local Emergency Proclamation Timeline

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Local Emergency Proclamation Timeline

- Verdugo Level C
  - All West Covina Fire resources placed on radio standby.
  - Basic information is relayed to the Battalion Chief.
  - BC determines resources to be dispatched and track resources.
  - Augmented responses may occur due to limited resources.

Local Emergency Proclamation Timeline

- January 7, 2025 (cont.)
  - 1945 – City Manager, Fire Chief and Police Chief determine the need to open the EOC @ Level 3. (This is happening during Chief Cortina's swearing in ceremony at the Council Meeting).
  - Additional resources brought in by Fire, Code Enforcement, and Maintenance department.

California Office of Emergency Services EOC Activation Levels

Activation Level	Detail	Event or Situation	Minimum Staffing
Three	• Level Three is a minimum activation. This level may be used for situations which initially only require a few people. Level 3 activations may be virtual.	• Events with potential impacts on the health & safety of the public and/or environment • Weather Alerts • Incident involving 2+ City departments • Low risk planned event • Wind or rainstorm • Power outage and Stage 1 & 2 emergencies	1. EOC Director 2. Other Designees (Such as Section Coordinators,)
Two	• Level Two activation is normally achieved as an increase from Level Three or a decrease from Level One. This activation level is used for emergencies or planned events that would require more than a minimum staff but would not call for a full activation/staffing	• Two or more large incidents involving 2 or more departments • Major wind or rain • Major scheduled event • Large scale power outage and Stage 3 power emergencies • Hazardous Material Incident involving large scale or possible large-scale evacuations	1. EOC Director 2. Section Coordinators 3. Branches & Units as appropriate 4. Liaison/Agency Representatives as appropriate 5. Public Information Officer
One	• Level One activation involves a complete & full activation of all organizational elements & staffing. Level One would be the initial activation for any major emergency requiring acute State help.	• Major County/City or Regional emergency, multiple departments with heavy resource involvement	1. All EOC as appropriate

Local Emergency Proclamation Timeline

- January 8, 2025
  - Local Emergency Proclamation declared by CM
- January 14, 2025
  - Local Emergency Proclamation vatified by City Council
- February 4, 2025
  - Local Emergency Proclamation terminated by City Council

Other City EOC Activations
Eaton Fire

Higher Activation to West Covina (Approximately 18 Miles away)

- Glendale (Approximately 10 Miles away)
  - Moved to Level 1 Tuesday-Thursday, Level 2 on Friday and Level 3 Saturday.
- South Pasadena (Approximately 8.4 Miles away)
  - Level 2 shortly after the start of the Eaton Fire, and Sunday back to Level 3.
- Alhambra (Approximately 9.8 Miles away)
  - Level 2 shortly after the start of the Eaton Fire Tuesday-Thursday, Level 3 on Friday.

Other City EOC Activations
Eaton Fire

Similar Activation to West Covina (Approximately 18 Miles away)

- Monterey Park (Approximately 12 Miles away)
  - Level 3
- Burbank (Approximately 17 Miles away)
  - Level 3
- Arcadia (Approximately 12 Miles away)
  - Level 3
- La Verne (Approximately 24 Miles away)
  - Level 3



Questions



Thank you!

AGENDA ITEM NO. 12

AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: February 18, 2025

TO: Mayor and City Council

FROM: Paulina Morales, City Manager

SUBJECT: **City Hall CCTV & Metal Detector Implementation**

RECOMMENDATION:

It is recommended that the City Council receive and file the report.

BACKGROUND:

At the December 17, 2024 City Council meeting, Councilmember Gutierrez requested a presentation on metal detectors and CCTV cameras throughout City Hall and Council Chambers.

DISCUSSION:

Attached please find the PowerPoint presentation.

OPTIONS:

Receive and File.

Prepared by: Antonio Cortina, Chief of Police

Attachments

Attachment No. 1 - CCTV & Metal Detector Presentation

ATTACHMENT NO. 1

CITY HALL CCTV & Metal Detector Implementation

Presented by WCPD Chief Cortina

Tuesday, February 18, 2025

Estimate for Project Cost

- CCTV coverage of City Hall Exterior
- City Hall Parking Lot
- Interior of Council Chambers
- Council Chambers Access Control
- Replacing 2 outdated PD cameras
- Maintenance to PD exterior cameras

Labor:	$65,000
Materials:	$65,000
Total:	**$130,000**

Camera Types



PNM-C34404RQPZ

- 4K 4Ch PTRZ + 2MP 40x PTZ AI Camera
- Multi-sensor with 4 separate camera views, 1 controllable PTZ for a total of 5 cameras in one unit

Camera Types



PNM-C32083RVQ

- 4K x 4ch AI Camera
- Multi-sensor with 4 separate camera views

Camera Types



PNM-C12083RVD

- 6MP x 2CH AI Multi-directional Camera
- Multi-sensor camera with 2 views

Camera Types



QNV-C9083R

- 8MP IR Vandal Dome Camera
- 9 of these cameras will be installed

Camera Features



XNF-9010RV

- 12MP IR Fisheye Camera
- Camera that looks in a 360-degree pattern

Metal Detector Considerations

- Required Equipment:
  - Walk-thru Detector (approximately $6,000)
  - Hand-Held Detector (approximately $300)

Metal Detector Considerations

- Required Staffing:
  - 2 security personnel for entire meeting

    (estimated hourly rate: $80 dollars per hour per person)

  - 2 Council Meetings a month plus Planning Commission Meetings averaging at 4 hours per meeting = **$31,000/year minimum**

AGENDA ITEM NO. 13

AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: February 18, 2025

TO: Mayor and City Council

FROM: Paulina Morales, City Manager

SUBJECT: **PUBLIC WORKS OPERATIONS**

RECOMMENDATION:
It is recommended that the City Council receive and file the report.

BACKGROUND:
At the December 17, 2024, City Council meeting, Councilmember Gutierrez requested a presentation on the capabilities of the Public Works Department.

DISCUSSION:
Attached please find the PowerPoint presentation.

OPTIONS:
Receive and File.

Prepared by: Renee M. G. Chavez, Management Analyst 1

Attachments

Attachment No. 1 - Public Works Capabilities

CITY OF WEST COVINA

PUBLIC WORKS










PUBLIC WORKS

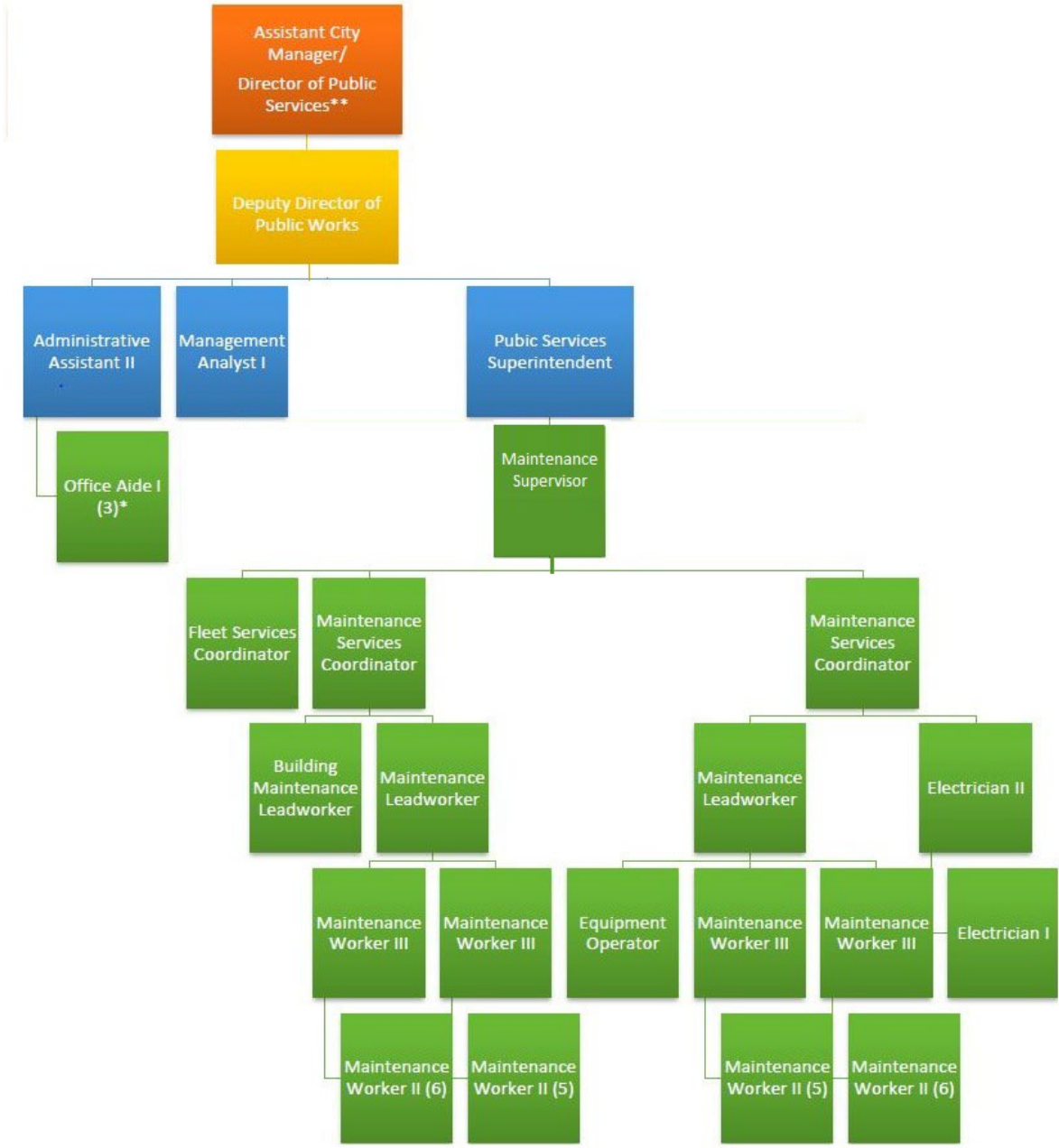
The Public Works Department's goal is to provide a wide range of maintenance and repair services to the community while providing excellent customer service.

The Department consists of:

- **Administration:**
  Deputy Director of Public Works, Public Works Superintendent, Management Analyst I, Administrative Assistant II, Office Aide I (1)
- **Buildings and Facilities Maintenance:**
  Building Maintenance Leadworker
- **Parks Maintenance**:
  Maintenance Services Coordinator
- **Street Maintenance:**
  Maintenance Services Coordinator, Maintenance Leadworkers (1 M-Th) and (1 T-F), 1 Operator, 2 Electricians, 2 Maintenance Workers III and 9 Maintenance Workers II (assigned as needed)
- **Graffiti Abatement:**
  2 Maintenance Worker II (M-F)
- **Sewer and Storm Water Systems: (Staffing from Street Maintenance)**
  Maintenance Leadworker (T-Th), 1 Maintenance Worker III, 2 Maintenance Worker II
- **Fleet Services:**
  Maintenance Services Coordinator, Fleet Services
- **Sportsplex:**
  2 Maintenance Worker II (M-Th) 3 Maintenance Worker II (T-F) – Usually scheduled 7 days/week

ORG CHART

	Open	Filled
Full Time:		
❖ Administrative Staff	0	4
❖ Maintenance Supervisor	1	0
❖ Maintenance Services Coordinators	0	3
❖ Maintenance Leadworker	0	3
❖ Electrician I/II	0	2
❖ Maintenance Worker III	1	3
❖ Maintenance Worker II (1 - Maintenance Worker II is out on IOD)	4	18
❖ Equipment Operator	1	0
Part Time:		
❖ 1Office Aide I (1 Office Aide I is out on Maternity Leave)	1	2



PUBLIC WORKS AT WORK

- Cement



- Asphalt

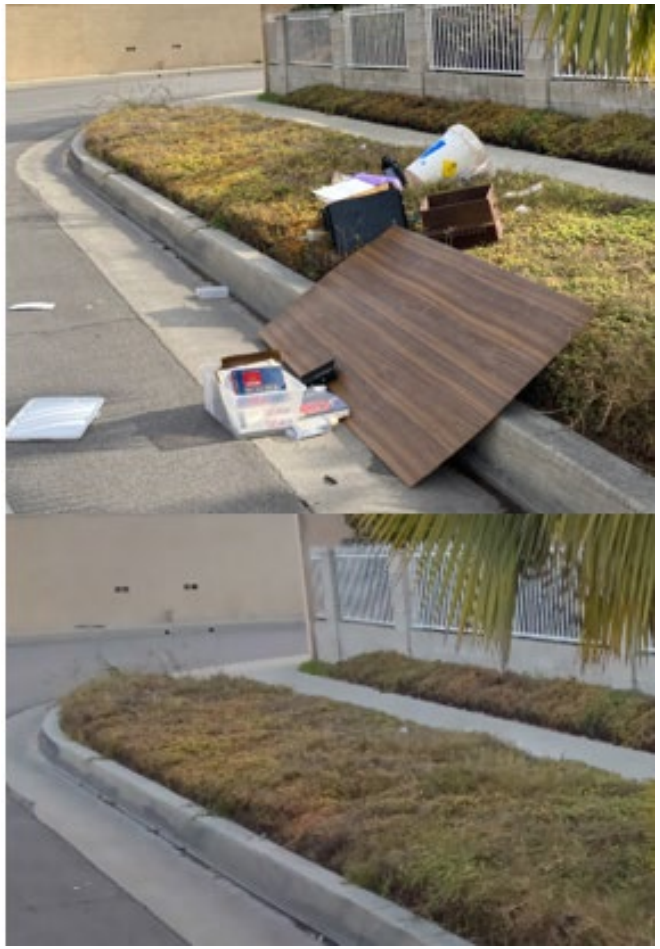


PUBLIC WORKS AT WORK

- Pot Hole Repair



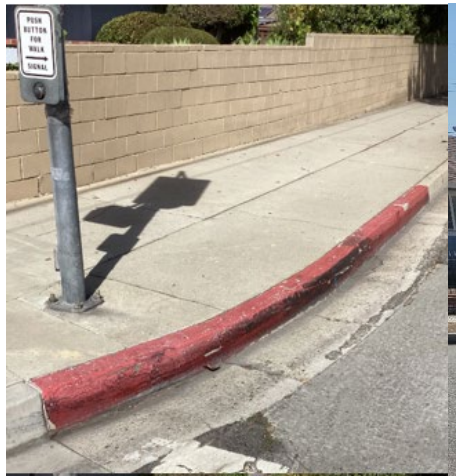
- Graffiti and Illegal Dumping Removal

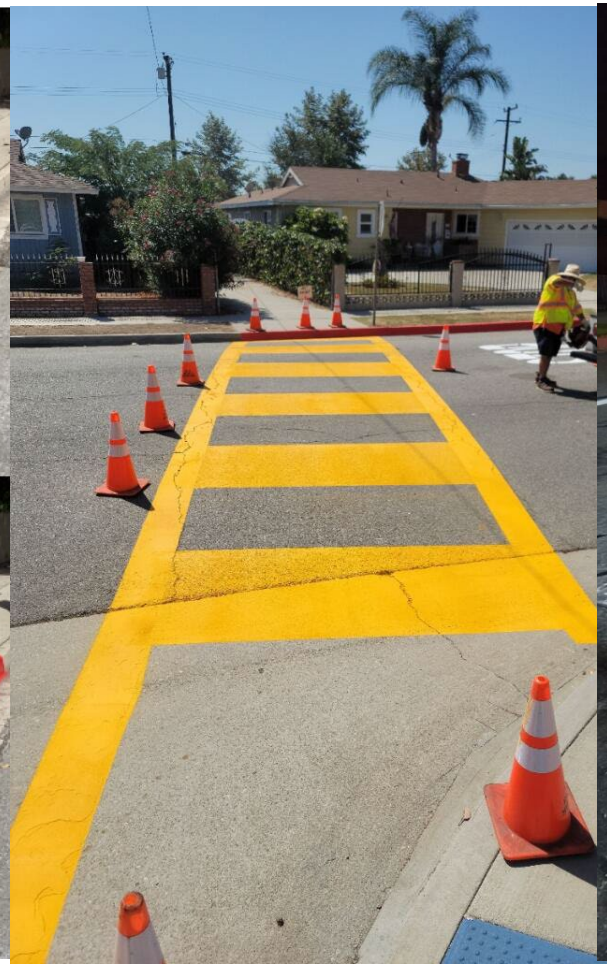




PUBLIC WORKS AT WORK

- Red Curb, Crosswalk, Street and Other Painting





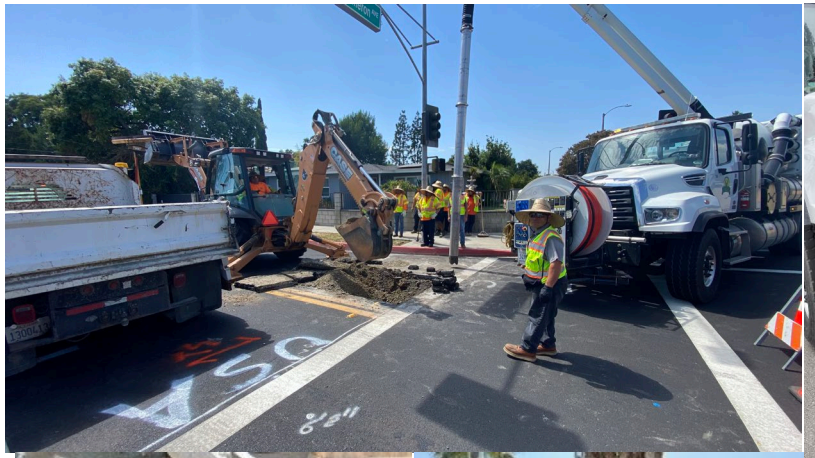


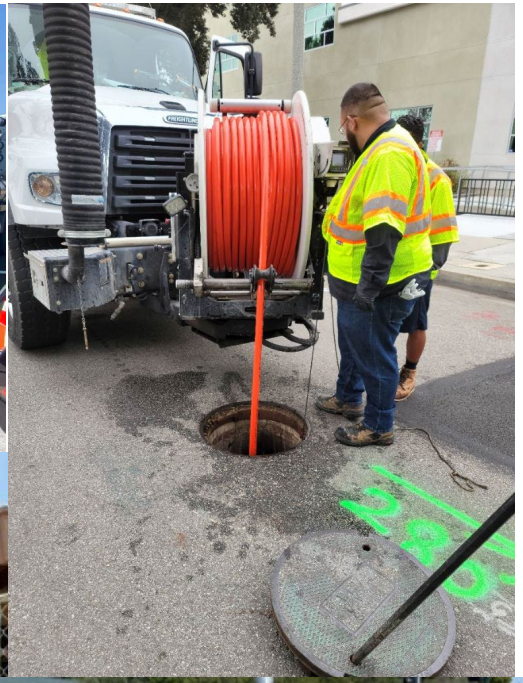
PUBLIC WORKS AT WORK

- Traffic Signal and Facility Lighting Repair



- Sewer and Lift Station Repair











CONTRACT ADMINISTRATION

The Public Works Department's manages the following contracts:

- Arborist for preventive tree care and maintenance of the City's urban
- Landscape maintenance for the Civic Center and City Parks
- Landscape maintenance for 6 landscape maintenance districts
- Landscape and maintenance of Citywide medians, right-of-ways, commercial zones, sidewalks, tree wells and other areas.
- Los Angeles County Agreement for catch basins Citywide
- City's sidewalk inspection and maintenance agreement
- Janitorial Services
- Elevator Maintenance
- HVAC Maintenance and Repair
- Security and Fire Alarm Monitoring, Maintenance and Repair
- Vehicle, Heavy Equipment, Fire Aparatus and Equipment Repair
- Auto body & Paint

Provides support for:

- CalTrans
- Refuse collection
- Street sweeping

STAFF CAPABILITIES

- Concrete Work
- Masonry
- Electrical Work
- Traffic Signal Maintenance
- Heavy Equipment Operation
- Street Asphalt Repair
- Trenching
- Landscaping/Groundskeeping
- Athletic Field Renovation and Maintenance
- Painting – interior, exterior, street, curbs
- Welding and Fabrication
- Sewer Maintenance – Camera, Jetting, Line Repair
- Lift Station Repairs
- Plumbing
- Splash Pad Maintenance
- Drywall, Framing

WEST COVINA
PUBLIC WORKS

DEPARTMENT CAPACITY

Current Field Maintenance Staff	9
Vacancies	6
Dedicated Crews:	
• *Electricians*	*2*
• *Building Maintenance Lead*	*1*
• *Graffiti Abatement*	*2*
• *Right-of Way Crew*	*2*
• *Sportsplex Staff*	*5*

Impacts to Capacity:

- Workforce Availability
- Routine Maintenance
- Limited Class A Drivers
- Unforeseen Emergencies
- Aging infrastructure
- Deferred Maintenance
- Special Projects

MAINTENANCE

Scheduled	Deferred	Special Projects
Sewer Hot Spots – Weekly	Camera Sewer Lines	As Directed by City Manager
Monitor Pump and Lift Stations – Daily	Playground Inspections	Events – Major Events 18
Cross/Slot Gutters – Weekly	Run Line – Sewers	Homeless Encampments – 2 per month
Culverts – Quarterly	Engineering Requests	
2700 Lift Station – Bimonthly	Building Repairs	
Traffic Signal Maintenance – Daily	Irrigation Repairs in LMDs	
Paseo Park Lighting – As Available	Athletic Field Renovation	
Building Electrical – As Available	Traffic Signals	
Seasonal Timers – Quarterly	Street Signs	
Generator Maintenance	Street Stripping/Paint	
Elevator		
Roof Drain Clearing and Maintenance		

* Work is assigned in the order submitted to the GoGov system. Emergencies and safety hazards take priority.

QUESTIONS?

THANK YOU

AGENDA ITEM NO. 14

AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: February 18, 2025

TO: Mayor and City Council

FROM: Paulina Morales, City Manager

SUBJECT: **MEDIAN BEAUTIFICATION**

RECOMMENDATION:

It is recommended that the City Council receive and file the report.

BACKGROUND:

At the December 17, 2024, City Council meeting, Councilmember Gutierrez requested a presentation on the capabilities of the Public Works Department.

DISCUSSION:

Attached please find the PowerPoint presentation.

OPTIONS:

Receive and File.

Prepared by: Renee M. G. Chavez, Management Analyst 1

Attachments

Attachement No. 1 - PowerPoint Presentation

ATTACHMENT 1



WEST COVINA MEDIAN BEAUTIFICATION

2021-2022 AZUSA, GLENDORA AND VINCENT

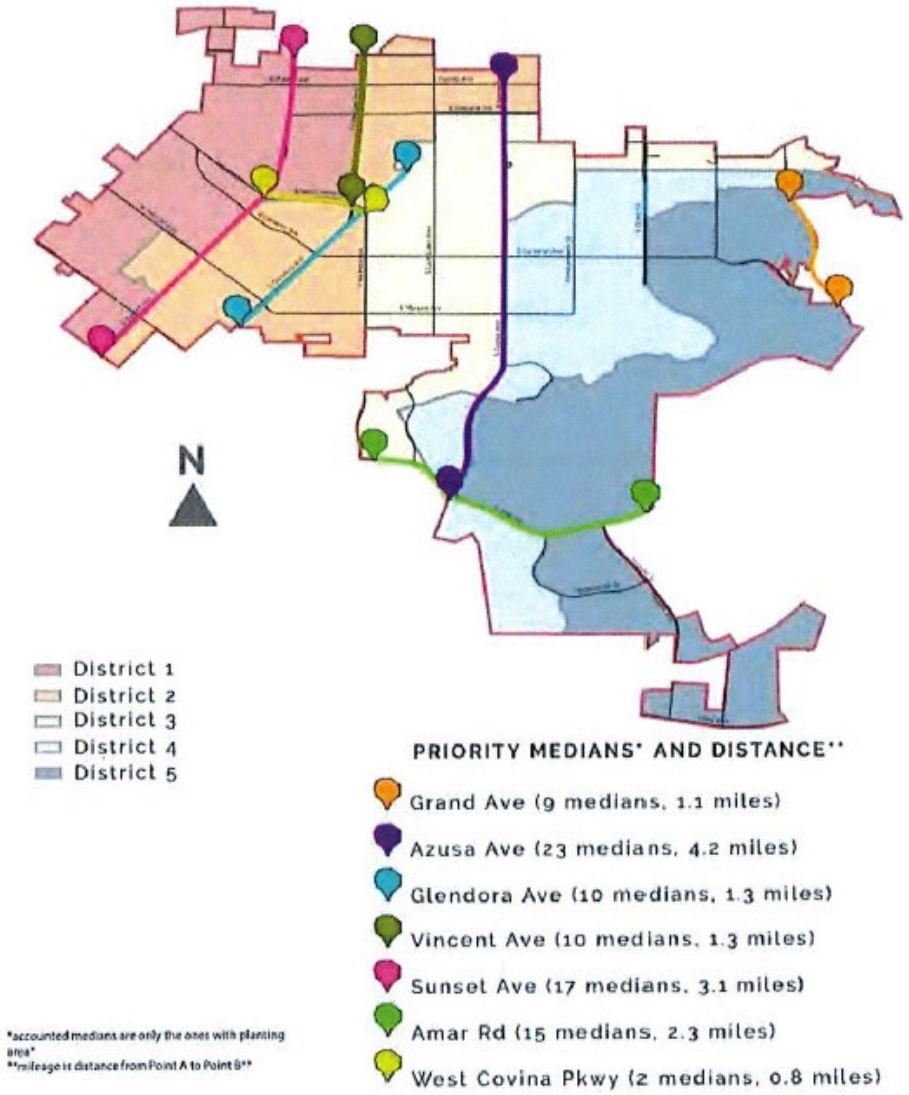
San Gabriel Valley Conservation Corps

The City of West Covina entered into a cooperative agreement with the San Gabriel Valley Conservation Corps (SGVCC), a 501(c)(3) non-profit organization, that provides work-based experiences for Corpsmembers through is job training specialization in the field of landscape design and construction.

The 7 Priority Medians with a total of 86 planting areas were identified by the City for Beautification utilizing the City's budgeted funds in its Fiscal Year 2021-2022 Capital Improvement Program budget for jobs training utilizing the Coronavirus Local Fiscal Recover fund established under the American Rescue Plan Act.

Under the agreement , SGVCC produced construction documents, supervised and trained male and female Corpsmembers ages 18-26 to work in crews to design, plant, build, establish and maintain sustainable public landscapes across West Covina.

IDENTIFIED MEDIANS FOR IMPROVEMENT



COMPARISON

Contract Amount	$1,275,941.81

Maintenance Worker II	Base with Benefits
$45,571	$65,659.50

Anticipated Employees	Months
6-8	3-4 month

*Please note this contract was paid for by ARPA funds; APRA funds would not have covered the project had it been done by City Staff

IDENTIFIED AREA FOR IMMEDIATE IMPROVEMENT

Amar Median

The City is working with the Contractor for Median Landscape and Maintenance, Brightview Landscape Services to plant fill the median on Amar, West of Azusa to Brentwood Avenue. This project will commence March 2025 as it is the optimal time of year for planting.

The plants to be used are Box Crape Myrtle, Lantana and Daylily.





OPPORTUNITIES FOR IMPROVEMENT

The City will continue to identify and renovate the remaining medians on the following thoroughfares:

- **Grand Avenue**
- **Azusa Avenue**
- **Glendora Avenue**
- **Vincent Avenue**
- **Sunset Avenue**
- **Amar Road**
- **West Parkway**

QUESTIONS?

THANK YOU