PALMDALE

a place to call home

CITY COUNCIL
SUCCESSOR AGENCY
CITY COUNCIL CHAMBER
38300 SIERRA HIGHWAY
SUITE B
PALMDALE, CA 93550
TUESDAY, FEBRUARY 3, 2026
5:00 PM
www.cityofpalmdaleca.gov

WELCOME

LEGISLATIVE BODY

ERIC OHLSEN, MAYOR
AUSTIN BISHOP, MAYOR PRO TEM
RICHARD J. LOA, COUNCILMEMBER
LAURA BETTENCOURT, COUNCILMEMBER
ANDREA ALARCÓN, COUNCILMEMBER

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Translation QR Code.
Translation QR Code.pdf

Americans with Disabilities Act (ADA) Accommodations
In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to participate in this meeting, please contact the City Clerk's Office at (661) 267-5151 at least 48 hours prior to the meeting.

Public Comment Information
Members of the public may speak for up to **three (3) minutes** on the Consent Calendar, Public Hearings, Appointments, New Business, and Closed Session items. To address

the Legislative Body on any agendized item, please complete a speaker card for the City Clerk and indicate the item you wish to speak on. Speaker cards are available in the foyer of the Council Chambers.

Please follow these guidelines to ensure the meeting runs smoothly:

- All comments must be respectful and courteous.
- Comments that are personal, threatening, obscene, insulting, or that attack others or berate differing viewpoints will not be allowed.
- Individuals who violate these rules or disrupt the meeting will be ruled out of order by the Chair and must immediately stop speaking.
- Disruptive individuals may be asked to leave the meeting.

1. **CALL MEETING TO ORDER**

Note: All City Council memberships are reflected in their City Council titles.

2. **ROLL CALL**
   MAYOR OHLSEN, MAYOR PRO TEM BISHOP, COUNCILMEMBERS LOA, BETTENCOURT, ALARCÓN

3. **PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE**

4. **PRESENTATIONS**

   4.1 Commendation to Roxanne Faber and Linda Willis in honor of their retirement from the City of Palmdale.

   4.2 Planning / Building & Safety Divisions Update
   PPT Planning and B&S Divisions Update 2026.pdf

5. **CONSENT CALENDAR - Now is the time for public participation**

   All matters listed under the Consent Calendar will be enacted by one motion unless an item(s) is pulled by Council, in which case the item(s) will be removed from the Consent Calendar and will be considered separately following this portion of the Agenda.

   5.1 Waive full reading of the Resolution(s) and/or Ordinance(s) to be considered and voted on at this meeting. (This allows for reading the title only in lieu of reciting the entire text).

   5.2 Receive and file the Monthly and Quarterly Investment Activity Reports for December 2025.

SR Monthly Investment Reports December 2025.docx
Rpt. Monthly and Quarterly Reports December 2025.pdf

5.3 Adopt Resolution No. CC 2026-004, a Resolution of the City Council of the City of Palmdale, dissolving the Palmdale Civic Authority.
SR Reso. No. CC 2026-004.docx
Reso. No. CC 2026-004.docx

5.4 Receive and file the City Manager Recruitment Update.
SR City Manager Recruitment.docx

5.5 Approve Agreement with Onward Engineering for Construction Management and Observation Services for PN 869-A, Arterial Road Rehabilitation at Palmdale Boulevard Project, for a total not to exceed amount of $267,174 for a term of 150 working days from the date of the Notice to Proceed.
SR Agrmt No. A-9641 with Onward Engineering.docx
Agrmt No. A-9641 with Onward Engineering.pdf

5.6 Approve Agreement with Maestro Development, LLC, for Construction Management and Observation Services for PN 851, Melville J. Courson Park Revitalization Project for a total not to exceed amount of $456,500 for a term of 360 working days commencing from the date of the Notice to Proceed.
SR Agrmt No. A-9642 with Maestro Development, LLC.docx
Agrmt No. A-9642 with Maestro Development, LLC.pdf

5.7 Approve Agreement with Pacific Advanced Civil Engineering, Inc., for Professional Services for PN 788, Regional Basin Infrastructure Project, for a total not to exceed amount of $1,508,304 for a term of 36 months from the date of the Notice to Proceed.
SR Agrmt No. A-9657 with Pacific Advanced Civil Engineering, Inc.docx
Agrmt No. A-9657 with Pacific Advanced Civil Engineering, Inc.pdf
Project Map.pdf

5.8 Approve the minutes from the previous meeting.
Mins 01 13 2026.pdf

6. **PUBLIC HEARING - Now is the time for public participation. Each public hearing will have its own public testimony.**

6.1 Receive and file the Fiscal Year 2025-26 Annual Employee Vacancy Report in accordance with Assembly Bill 2561.
SR FY 2025-26 Annual Employee Vacancy Report.docx

7. **CITY MANAGER'S REPORT**

8. **NON-AGENDA PUBLIC COMMENTS - Now is the time for public participation.**

9. **COUNCIL REPORTS, ANNOUNCEMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS**

10. **CITY ATTORNEY'S REPORT**

    10.1 Legislative and litigation update regarding Federal Immigration Enforcement.
    SR Litigation and Legislation update.docx
    LASD Policy Update 20250711.pdf
    LASD SB 627 20251217.pdf

11. **CLOSED SESSION - Now is the time for public participation.**

    PRESENTATION BY CITY ATTORNEY

    11.1 PUBLIC EMPLOYEE PERFORMANCE EVALUATION
    Title: City Attorney
    This closed session is being held pursuant to the authority of California Government Code Section 54957.

    11.2 CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION
    Initiation of litigation: (2 cases)
    This closed session is being held pursuant to the authority of California Government Code Section 54956.9, paragraph (4) of subdivision (d).

    11.3 PUBLIC EMPLOYMENT
    Title: City Manager Recruitment
    This closed session is being held pursuant to the authority of California Government Code Section 54957.

    11.4 CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION
    Significant exposure to litigation: (1 potential case – facts and circumstances unknown to potential plaintiffs)
    This closed session is being held pursuant to the authority of California Government Code Section 54956.9, paragraph (2) of subdivision (d).

12. **ANNOUNCEMENT BY CITY ATTORNEY**

13. **ADJOURN** meeting to February 17, 2026, at 5:00 p.m. in the City Hall Council Chamber located at 38300 Sierra Highway, Suite B, Palmdale, California.



https://attend.wordly.ai/join/SLOR-7400

ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT

PLANNING / BUILDING & SAFETY DIVISIONS UPDATE

City Council Meeting

February 3, 2026

PLANNING DIVISION



Roles and Responsibilities

PROCESS PLANNING AND BUSINESS LICENSE APPLICATIONS

ENVIRONMENTAL REVIEW

PLAN REVIEW

DEVELOPMENT ADVISORY BOARD MEETINGS

PLANNING COMMISSION

Planning Division Statistics 2025

Inquiry Type	No.
Calls	9,081
Counter Visits	2,167
Emails	11,722

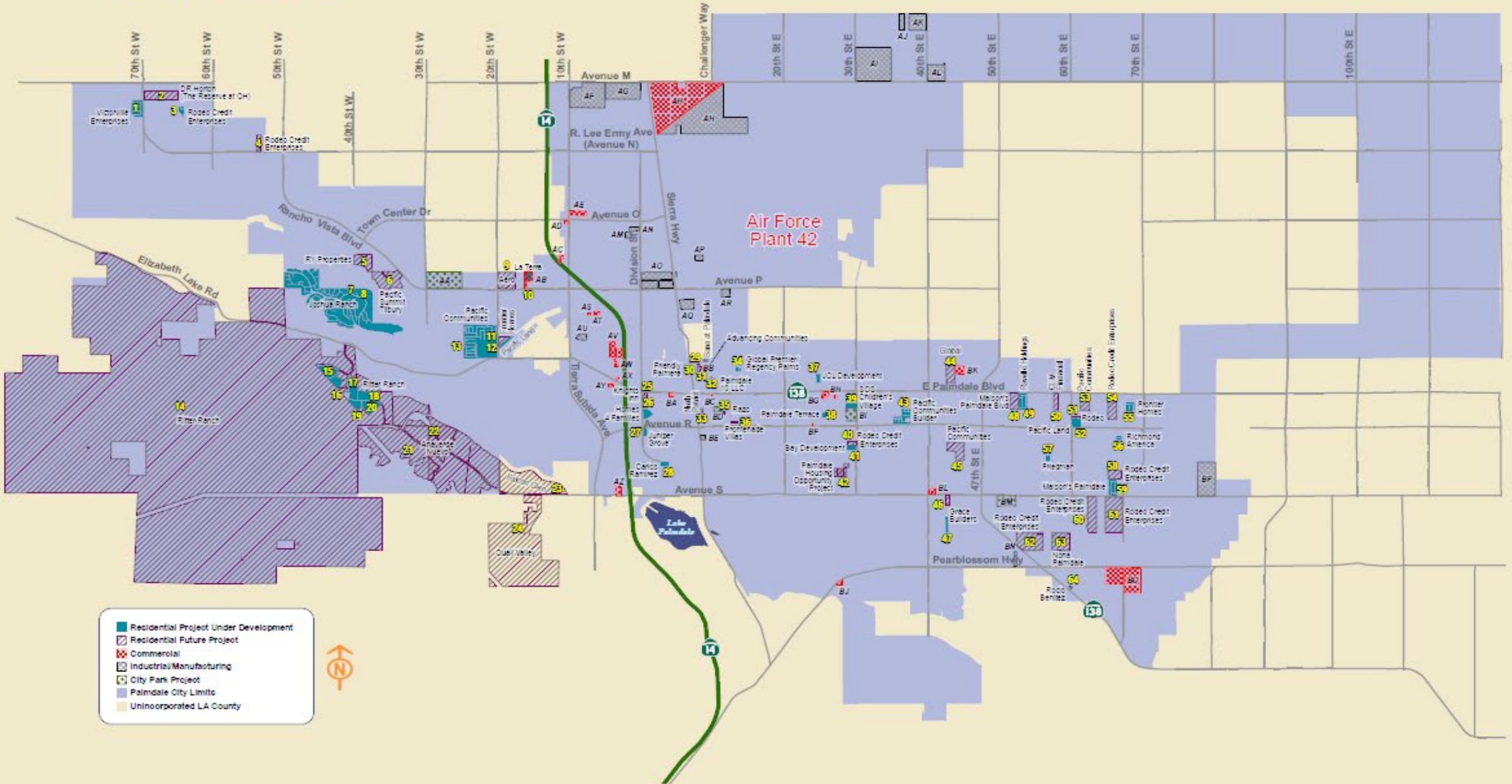
Application Type	No.
New Business License	1,862
Business License Renewal	7,288
New Business Permits	59
Business Permit Renewal	157

Statistics Continued

Application Type	No. Received / Square Feet
Total Applications	577
Pre-Applications	33
Zone Clearance	269
SFR under review	2,386 lots and 128 units
SFR entitled	260 units
Multi-Family under review	1,204 units
Multi-Family entitled	795 units
Commercial under review	106,170 square feet
Commercial entitled	199,915 square feet
Industrial under review	2,387,530 million square feet
Industrial entitled	3,512,487 square feet
EIRs under review	2 and 1 certified
Environmental Documents under review	20 and 12 adopted

CITY OF PALMDALE

CURRENT DEVELOPMENT





Single Family Residential Development

- 3 Projects Approved
- 10 Projects Under Review



Multi-family Residential Development

- 9 Projects Under Review
- 5 Projects Approved



Commercial Development

- 4 Projects Under Review
- 6 Projects Approved



Industrial Development

- 8 Project Under Review
- 8 Projects Approved

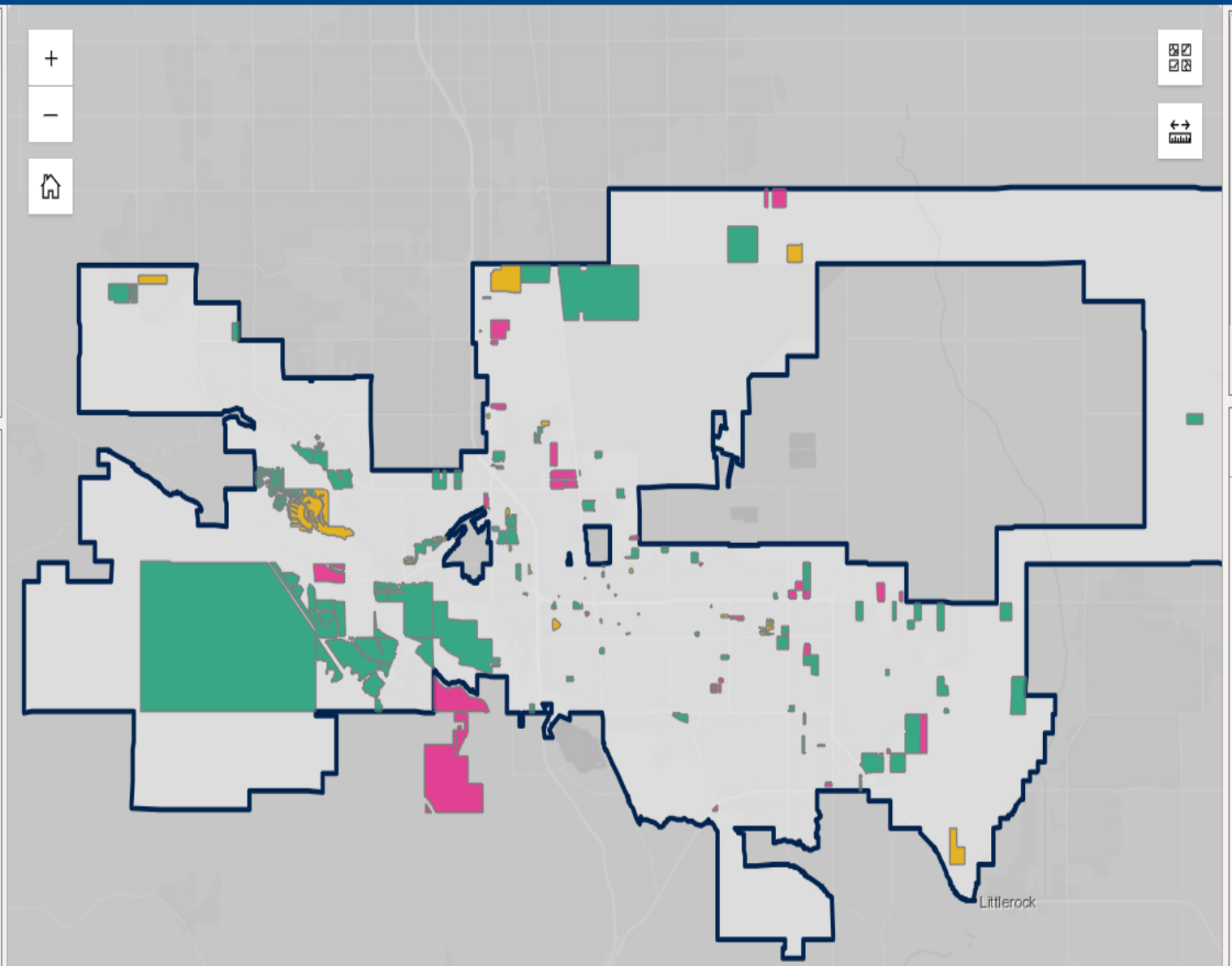
City of Palmdale - Current Development Projects

Legend | Layers

Current Development

Status

- Approved
- In Review
- Under Construction



Current Development Filters

Status is

0 Selected

Development Specification is

0 Selected

Council District is

1 of 138

- Housing - Residential Victorville Enterprises
- Housing - Residential Grace Builders
- Housing - Residential Friedman
- Housing - Residential TTM74967
- Housing - Residential TTM82364

Current Development: Victorville Enterprises

Development Type	Housing
Development Specification	Residential
Map Status	Approved
Project Name	Victorville Enterprises
Development Description	
Approval Date	5/16/19
Location	Northwest corner of Avenue M-8 and 70th Street West

Contact Information

Planning Division: 661/267-5200

planningdiv@cityofpalmdaleca.gov

Business License: 661/267-5434

businesslicense@cityofpalmdaleca.gov

BUILDING AND SAFETY DIVISION



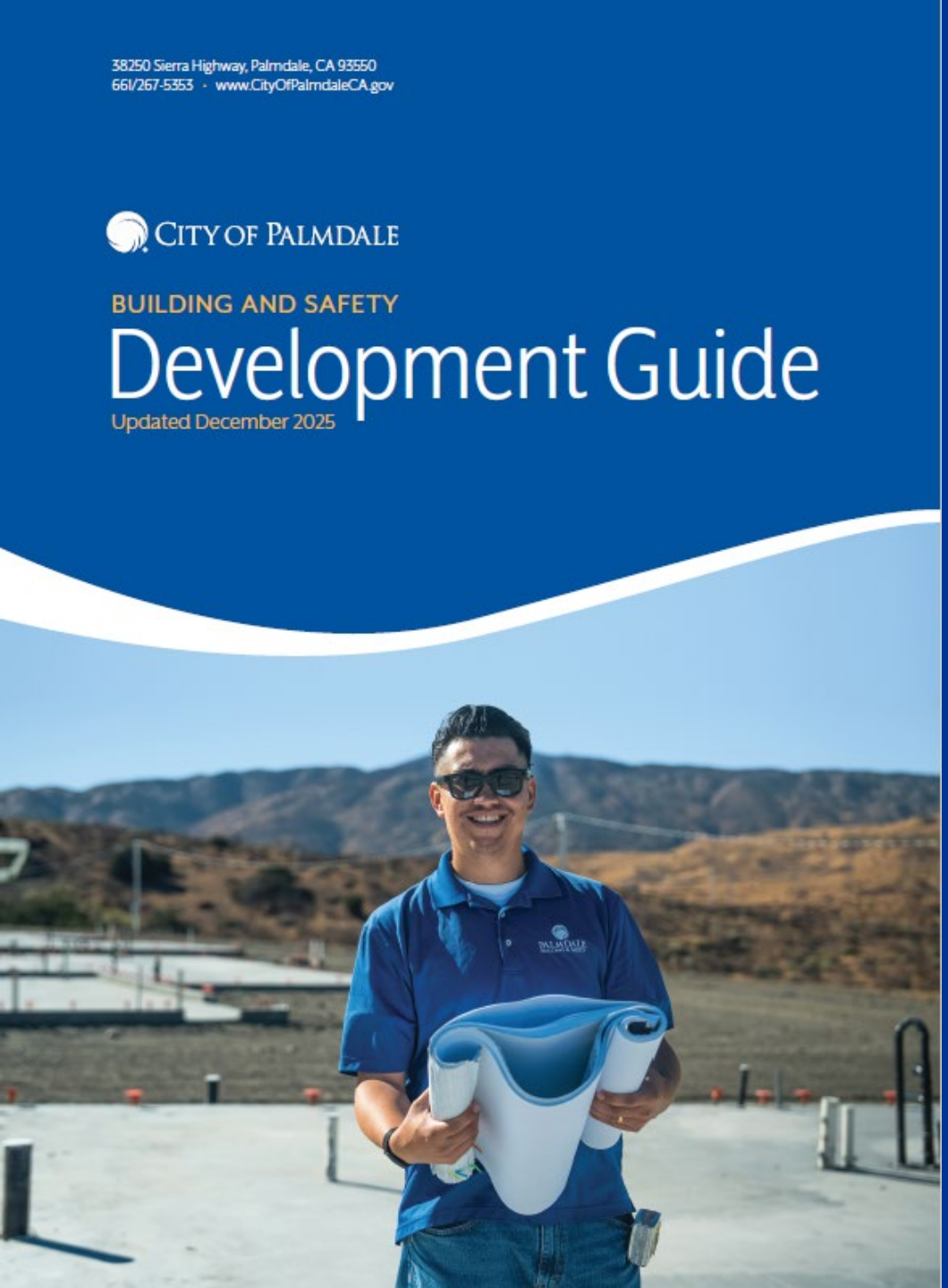
Roles and Responsibilities

- PROCESS BUILDING PERMIT APPLICATIONS AND PAYMENTS
- PLAN REVIEW
- BUILDING INSPECTIONS
- PARTICIPATE IN DEVELOPMENT ADVISORY BOARD MEETINGS
- COORDINATE WITH DEVELOPERS AND ASSIST CUSTOMERS OVER THE COUNTER
- MAINTAIN COMPLIANCE WITH FEDERAL AND STATE LEGISLATION

Building and Safety Statistics 2025

Applications Processed	Plan Reviews	Inspections Performed
6,382	10,315	17,961

Total Valuation (all permitted projects)	$134,004,220



Building and Safety Development Guide

Finalized and published the City's comprehensive Development Guide, consolidating development requirements, submittal standards, and permitting steps into a single accessible resource to:

- Streamline the process
- Enhance efficiency
- Providing essential resources
- Providing Fee Examples

Adopted 2025 California Building Code



- Ensured local regulations align with statewide code requirements
- Implemented amendments to the PMC to allow for permit extensions up to 36 months
- These changes reduce unnecessary reapplications and resubmittals, preserve completed City reviews, and streamline the path to permitting for projects

Permit Navigation Aid Updates



Permit Navigation Aid

Commercial Projects Section Online Navigation Aid on the City's Website:

- New Construction
- Additions & Tenant Improvements
- Cell Sites
- EV Chargers
- Industrial Waste

COMPLETED PROJECTS



Juniper Valley Townhomes
25th St East / Avenue Q


Mister Car Wash
18th St East / Palmdale Blvd
Mister
EXIT
Mister
ENTER

COMING IN 2026



Knights Inn Project Homekey Conversion
Division Street / Palmdale Blvd.

Saguaro Large Family Affordable Housing
15th St East / Avenue Q





Zenith on 25th Multifamily Affordable Housing Project
25th St East / Avenue Q

Bana at Palmdale Mixed Use Development
9th St E and Avenue Q




TOGETHER
CALIFORNIA
A VILLAGE FOR BROTHERS & SISTERS
Together California
30th St East / Avenue R



Round One Bowling & Arcade
Antelope Valley Mall

City Council Staff Report

DATE: **FEBRUARY 3, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **OPERATIONS DEPARTMENT**
FINANCE DIVISION

DISTRICT: **ALL**

SUBJECT: **RECEIVE AND FILE THE MONTHLY AND QUARTERLY INVESTMENT ACTIVITY REPORTS FOR DECEMBER 2025**

RECOMMENDATION

Staff recommend that the City Council:

1. Receive and file the December 2025 monthly and quarterly investment activity reports for the City of Palmdale and Successor Agency.

BACKGROUND

Pursuant to Section 16 of the City and Successor Agency Investment Policy, the City Treasurer shall prepare and present monthly and quarterly reports on investments to the City Manager/Executive Director and the City Council/Directors. The reports shall detail the type of investment, issuer's name, purchase date, maturity date, amount of deposit, and interest rate. This information shall be provided for all City and Successor Agency pooled investments and for Certificates of Participation, Revenue Bonds, Tax Allocation Bonds, Assessment Districts, and Community Facilities District accounts managed by outside Fiscal Agents.

The monthly and quarterly investment reports provide a synopsis of the City and Successor Agency's investment activity. They provide information on assets, allocations, average maturities, yields, and book valuations. The interest rates presented are the most current rates available as of the date of this report.

The market values presented for pooled City and Successor Agency investments are based on closing prices for the related investment as of the date of this report. This information was obtained from the Wall Street Journal, Bloomberg Financial Markets, Capital Market Finances, or other reliable sources of market prices.

DISCUSSION

Compliance with Investment Policy

For December, the City's invested portfolio totaled $304,112,309, an increase of $9,337,049 from the previous month and $8,332,493 decrease from prior year. The monthly increase was due to a transfer of excess funds from property taxes from General Fund to the Local Agency Investment Fund (LAIF).

As of December, the par value of the Successor Agency's portfolio was $8,935,771. This represents a decrease of $340,672 from the previous month, resulting from the required transfer of ROPS funds to the General Fund for ERAF and SERAF obligations.

All investments meet criteria appropriate to Section 8 of the Investment Policy. The portfolios are based on a combination of various investments, including CDs, Corporate Notes, US Treasury Securities, and Government Agency Paper, each adhering to portfolio percentage limitations.

The Finance Division is the custodian for the City and Successor Agency's investment portfolio and follows the three main principles of both entities' investment policies: 1) Investment in financial instruments that mitigate the risk of monetary losses stemming from market fluctuations; 2) Establish and maintain a portfolio that has sufficient liquidity to allow the City and Successor Agency to meet all anticipated cash requirements; and, 3) Seek out investment instruments that provide a competitive market rate of return.

Liquidity

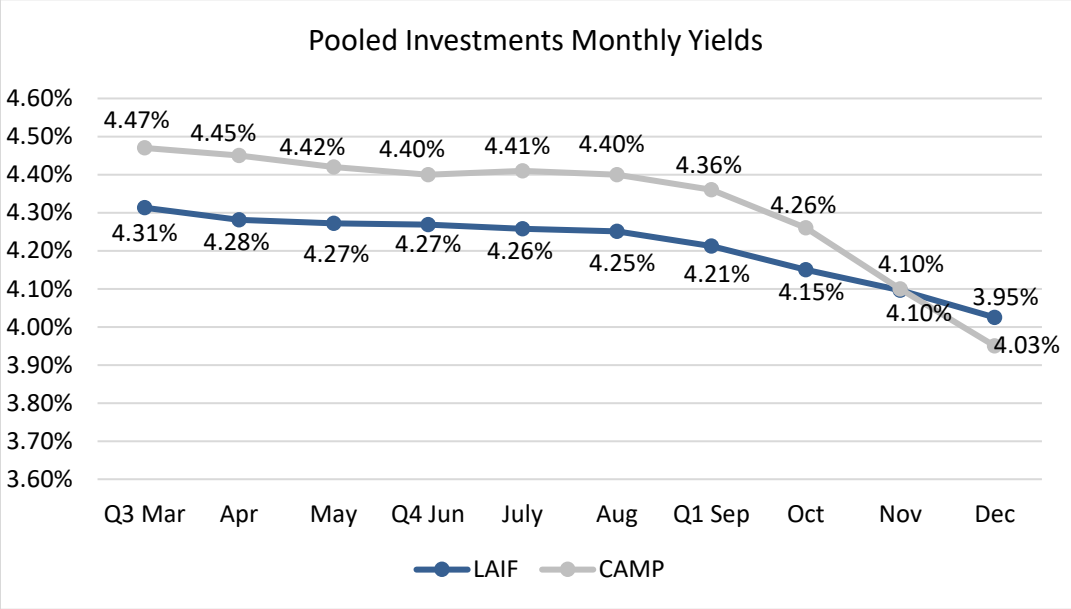
One core approach the Finance Division focuses on is providing liquidity to meet the City and Successor Agency's operational requirements. Thus, the City invests in two pooled funds, the Local Agency Investment Fund (LAIF) and the California Asset Management Program (CAMP). These are intended for daily operational activities and can be used during economic uncertainties for ongoing operating and maintenance needs. The pooled funds provide a higher liquidity ratio, ensuring the City and Successor Agency meet their cash flow requirements.

The City's LAIF balance at the end of December was $115,815,128, an increase of $12,000,000 due to the transfer of funds from the General Fund to LAIF.

The Successor Agency's LAIF balance at the end of December was $3,985,613, no changes from the prior month.

The City's CAMP balance at the end of December was $54,090,7455 compared to $53,910,080 in November. The increase is due to interest earned.

The interest rates presented are the most current rates available as of the date of this report. As of December 31, 2025, the interest rates for LAIF and CAMP investments were 4.025 percent and 3.95 percent, respectively. By comparison, the LAIF and CAMP interest rates at the end of November were 4.096 percent and 4.10 percent. This time last year, LAIF and CAMP rates were at 4.434 percent and 4.73, respectively.



The chart above shows the LAIF and CAMP average monthly yields from March 2025 through December 2025. The difference between the two funds' performance is primarily due to their varying pool characteristics. CAMP's portfolio composition is more prone to market volatility, resulting in performance variations.

Diversity

The Finance Division aims to diversify investment portfolios to avoid incurring unreasonable and avoidable risks associated with specific security types or individual financial institutions.

The City and Successor Agency's investment portfolios remain strongly diversified. The monthly and quarterly reports include all investments held by both entities and current book values as of December 31, 2025.

The City and Successor Agency are expected to have sufficient funds to meet their expenditure requirements for the next six months. The Finance Division will continue to monitor current economic conditions and the impact on interest rates.

Attached are summaries of the investments in the City and Successor Agency's books as of December 31, 2025.

FISCAL IMPACT

$0; There is no fiscal impact associated with the recommended action for this report.

STRATEGIC PLAN

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

B. Manage resources, costs, and liabilities to ensure the City's long-term fiscal health.

C. Involve and expand engagement to enhance public oversight and transparency.

Prepared by:	Janelle Samson, Director of Operations
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Salvador Mendez, Interim City Manager
Approved as to form:	Alexandra Severino, City Attorney

ATTACHMENTS

Rpt. Monthly and Quarterly Investment Reports December 2025

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
DECEMBER 31, 2025

CITY OF PALMDALE INVESTMENTS

PURCHASE DATE	MATURITY DATE	FUND	ACCOUNT/ INSTITUTION	INTEREST RATE	PAR AMOUNT	PURCHASE AMOUNT	INVESTED AMOUNT
U.S. TREASURY SECURITIES				Yield			
05-11-21	02-28-26	CITY	9128286F2 U.S. Treasury Note	0.66	3,000,000.00	3,261,331.50	2,966,940.00
03-08-23	03-31-26	CITY	9128286L9 U.S. Treasury Note	2.25	3,200,000.00	3,029,330.80	3,156,832.00
01-03-24	12-31-26	CITY	912828YX2 U.S. Treasury Note	0.04	5,000,000.00	4,696,880.23	4,848,850.00
01-03-24	06-30-27	CITY	91282CEW7 U.S. Treasury Note	0.04	5,000,000.00	4,897,630.28	4,954,900.00
01-03-24	09-30-27	CITY	91282CFM8 U.S. Treasury Note	0.04	2,500,000.00	2,523,771.66	2,522,450.00
01-08-24	02-15-26	CITY	91282CGL9 U.S. Treasury Note	0.04	5,000,000.00	4,987,205.23	4,993,400.00
01-08-24	06-15-26	CITY	91282CHH7 U.S. Treasury Note	0.04	5,000,000.00	5,001,760.94	5,006,000.00
12-18-24	09-30-29	CITY	91282CFL0 U.S. Treasury Note	0.39	5,000,000.00	4,977,094.45	5,022,250.00
12-18-24	10-31-29	CITY	91282CFT3 U.S. Treasury Note	0.40	5,000,000.00	4,988,321.47	5,047,050.00
12-18-24	11-30-29	CITY	91282CFY2 U.S. Treasury Note	0.39	5,000,000.00	4,942,086.29	5,021,300.00
01-02-25	12-31-29	CITY	91282CGB1 U.S. Treasury Note	0.39	3,000,000.00	2,949,835.02	3,012,300.00
11-17-25	09-30-30	CITY	91282CPA3 U.S. Treasury Note	3.63	3,000,000.00	3,015,470.91	3,001,130.25
			TOTAL U.S. TREASURY SECURITIES		$ 49,700,000.00	$ 49,270,718.78	$ 49,553,402.25
GOVERNMENT AGENCY PAPER							
07-29-21	04-29-26	CITY	3130AN5C0 Federal Home Loan Note	1.05	4,000,000.00	4,010,455.13	3,899,120.00
12-21-21	12-22-26	CITY	3133ENJC5 Federal Farm Credit	1.29	5,000,000.00	5,000,000.00	4,814,666.55
06-24-22	02-26-27	CITY	3130AL5A8 Federal Home Loan Note	3.33	5,000,000.00	4,479,000.00	4,758,477.85
08-17-22	10-27-26	CITY	3134GW4C7 Freddie Mac	0.80	5,000,000.00	4,539,500.00	4,800,207.95
01-06-23	02-25-27	CITY	3130AQRH8 Federal Home Loan Note	4.38	5,000,000.00	4,590,638.89	4,843,987.40
01-06-23	04-19-27	CITY	3130ARHJ3 Federal Home Loan Note	4.38	5,000,000.00	4,801,354.86	4,925,508.20
05-03-24	05-01-28	CITY	3133ERCX7 Federal Farm Credit	5.17	5,000,000.00	5,000,000.00	5,022,317.60
08-08-24	08-14-29	CITY	3134HADY6 Freddie Mac Domestic	4.00	4,000,000.00	3,946,000.00	3,971,348.28
12-03-24	12-04-29	CITY	3130B3XP3 Federal Home Loan	4.50	1,000,000.00	1,000,000.00	998,973.31
12-04-24	12-02-27	CITY	3133ERE23 Federal Farm Credit	4.32	1,000,000.00	1,000,000.00	1,003,072.14
01-27-25	07-27-27	CITY	3130B4RC7 Federal Home Loan Bank	4.50	3,000,000.00	3,000,000.00	3,019,381.53
01-28-25	07-21-27	CITY	3130B4QA27 Federal Home Loan Bank	4.55	3,000,000.00	3,000,000.00	3,003,732.24
06-13-25	10-30-28	CITY	3130B62E5 Federal Home Loan Bank	4.25	3,000,000.00	3,000,000.00	3,000,982.74
06-27-25	04-30-29	CITY	3136GAGW3 Fannie Mae	4.75	5,000,000.00	5,000,000.00	4,993,056.90
07-07-25	07-07-28	CITY	3134HBWS6 Freddie Mac Domestic	4.00	2,000,000.00	1,995,000.00	1,995,000.00
08-29-25	02-25-30	CITY	3133ETUN5 Federal Farm Credit	4.45	5,000,000.00	5,000,000.00	5,000,000.00
09-17-25	09-15-28	CITY	3133ETXV4 Federal Farm Credit Bond	3.83	1,400,000.00	1,402,403.14	1,400,000.00
11-17-25	11-06-30	CITY	3130B8BF8 Federal Home Loan	3.95	830,000.00	833,082.01	832,080.25
			TOTAL GOVERNMENT AGENCY PAPER		$ 63,230,000.00	$ 61,597,434.03	$ 62,281,912.94
CERTIFICATES OF DEPOSIT							
01-04-24	06-15-26	CITY	05580A4Y7 BMW Bank of NA	4.03	240,000.00	243,434.40	241,276.80
01-04-24	12-28-28	CITY	09582YAV4 Blue Ridge Bank	4.09	240,000.00	240,948.00	241,135.20
06-11-24	06-11-26	CITY	38150VUZ0 Goldman Sachs Bank	5.05	245,000.00	245,033.90	247,179.52
06-13-24	06-13-29	CITY	89235MPP0 Toyota Financial SGS	4.65	245,000.00	245,000.00	250,250.86
06-14-24	06-15-26	CITY	34520LBC6 Forbright Bank	5.05	245,000.00	245,000.00	247,279.55
06-14-24	06-14-28	CITY	307811KA6 Farmers & Merchs Bank	5.00	245,000.00	245,000.00	246,517.02
06-17-24	06-17-26	CITY	8562855V9 State Bank of India	5.10	245,000.00	245,000.00	247,345.31
06-20-24	06-22-26	CITY	06051XER9 Bank of America NA	5.05	245,000.00	245,000.00	247,339.38
06-21-24	06-22-26	CITY	35634MAE1 Freedom Bank/Maywood NJ	5.05	245,000.00	245,000.00	247,339.60
			TOTAL CERTIFICATES OF DEPOSIT		$ 2,195,000.00	$ 2,199,416.30	$ 2,215,663.24

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
DECEMBER 31, 2025

PURCHASE DATE	MATURITY DATE	FUND	ACCOUNT/ INSTITUTION	INTEREST RATE	PAR AMOUNT	PURCHASE AMOUNT	INVESTED AMOUNT
05-17-23	03-01-26	CITY	30231GAT9 Exxon Mobile Corporation	3.04	1,000,000.00	982,084.11	992,306.58
05-17-23	03-02-26	CITY	194162AQ6 Colgate-Palmolive	4.80	1,000,000.00	1,035,553.33	1,004,192.41
05-17-23	01-26-26	CITY	742718FY0 Procter & Gamble	4.10	1,000,000.00	1,018,471.67	998,946.40
01-04-24	07-27-26	CITY	61761J3R8 Morgan Stanley	4.70	500,000.00	481,185.25	493,730.00
01-04-24	06-15-26	CITY	46625HRS1 JPMorgan Chase & CO	4.52	500,000.00	484,840.25	495,185.00
01-04-24	03-02-28	CITY	718172CE7 Philip Morris Intl Inc	4.49	500,000.00	474,395.25	487,000.00
01-04-24	04-01-27	CITY	808513BW4 Charles Schaw Corp	4.68	500,000.00	479,390.25	492,985.00
01-09-24	06-02-26	CITY	11271LAA0 Brookfield Fin Inc	5.13	500,000.00	490,115.25	498,735.00
01-09-24	11-28-28	CITY	05565QDH8 BP Capital Markets PLC	4.48	500,000.00	483,460.25	491,630.00
01-09-24	01-28-26	CITY	06406RAQ0 Bank OF NY Mellon Corp	4.52	500,000.00	463,355.25	489,620.00
01-09-24	07-09-27	CITY	22550L2K6 Crdit Suisse New York	4.92	500,000.00	500,910.25	507,650.00
01-09-24	08-15-28	CITY	797440CE2 San Diego G & E	4.49	500,000.00	509,340.25	510,425.00
01-09-24	07-01-27	CITY	75973QAA5 Reneissance Financial	5.01	500,000.00	475,470.25	492,385.00
01-09-24	01-27-26	CITY	780082AD5 Royal Bank of Canada	4.97	500,000.00	496,930.25	499,835.00
08-27-24	02-01-29	CITY	06406RBN6 Bank of NY Mellon Corp	4.20	656,000.00	663,116.29	660,965.92
08-27-25	07-26-29	CITY	06406RBK2 Bank of Melon Corp	4.09	1,000,000.00	1,021,952.92	1,021,952.92
08-27-25	08-09-29	CITY	89236TMK8 Toyota Motor Crdt Corp	4.03	500,000.00	510,587.75	510,587.75
08-27-25	05-13-30	CITY	91324PDX7 United Health Group Inc	4.15	1,000,000.00	914,211.92	914,211.92
			TOTAL CORPORATE BONDS		$11,656,000	$11,485,371	$ 11,562,343.90
STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND							
09-01-84	n/a	CITY	98-19-620	0.78	61,231,271.14	61,231,271.14	61,231,271.14
9-19-2024	n/a	PFA	40-19-078		36,500,000.00	36,500,000.00	40,178,315.84
9-28-2021	n/a	ARPA	19-19-004	0.78	14,405,541.45	14,405,541.45	14,405,541.45
			TOTAL LAIF ACCOUNTS		$ 112,136,812.59	$ 112,136,812.59	$ 115,815,128.43
CAMP- CALIFORNIA ASSET MANAGEMENT PROGRAM							
6080-01	n/a	CITY	6080-01	0.30	54,090,744.99	54,090,744.99	54,090,744.99
			TOTAL CAMP ACCOUNTS		$ 54,090,744.99	$ 54,090,744.99	$ 54,090,744.99
UBS FINANCIAL SERVICES							
n/a	n/a	CITY		0.00	8,593,112.91	8,593,112.91	8,593,112.91
			TOTAL UBS FINANCIAL SERVICES ACCOUNTS		$ 8,593,112.91	$ 8,593,112.91	$ 8,593,112.91
			TOTAL CITY INVESTMENTS		$ 301,601,670.49	$ 299,373,610.34	$ 304,112,308.66

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
DECEMBER 31, 2025

PURCHASE DATE	MATURITY DATE	FUND	ACCOUNT/ INSTITUTION	INTEREST RATE	PAR AMOUNT	PURCHASE AMOUNT	INVESTED AMOUNT
			LIBRARY INVESTMENTS				
STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND							
11-20-84	n/a	LIBRARY	16-19-012	0.78			14,079.76
			TOTAL LIBRARY INVESTMENTS				$ 14,079.76
			FISCAL AGENT CASH				
SIERRA GATEWAY COMMUNITY FACILITIES DISTRICT 91-1							
Fiscal Agent: U.S. Bank National Association (fka First Trust)							
05-10-95	n/a	BOND	95421220	0.35			122.92
05-10-95	n/a	IMPROVEMENT	95421222	0.10			178,632.72
			TOTAL SIERRA GATEWAY COMMUNITY FACILITIES DISTRICT 91-1				$ 178,755.64
BOND PROCEEDS							
RITTER RANCH COMMUNITY FACILITIES DISTRICT 93-1							
Fiscal Agent: U.S. Bank National Association (fka First Trust)							
04-06-95	n/a	RESERVE-SEN	95420880	n/a			14.17
04-06-95	n/a	IMPV-ACQUI	95420884	0.01			2,973,349.35
04-06-95	n/a	BOND	95420887	0.15			0.15
			TOTAL RITTER RANCH COMMUNITY FACILITIES DISTRICT 93-1				$ 2,973,363.67
BOND PROCEEDS							
ANAVERDE COMMUNITY FACILITIES DISTRICT 2003-1							
Fiscal Agent: U.S. Bank National Association (fka First Trust)							
08-01-19	n/a	SP TAX - B BOND	242969000	0.00			93.58
08-01-19	n/a	RESERVE	242969003	0.00			722,959.99
08-01-19	n/a	SP TAX - REFNDING BOND	242969004	0.01			15,151.97
			TOTAL ANAVERDE COMMUNITY FACILITIES DISTRICT 2003-1				$ 738,205.54
BOND PROCEEDS							
2005 $7.2M COMMUNITY FACILITIES DISTRICT 05-1 (TRADE AND COMMERCE CENTER) REFUNDED 2021							
Fiscal Agent: U.S. Bank National Association (fka First Trust)							
	n/a	SPEC TRB SER A/B	251009000	0.01			14,797.16
	n/a	RESERVE FUND	251009001	0.01			646,809.30
			TOTAL 2005 $7.2M COMMUNITY FACILITIES DISTRICT 05-1 (TRADE AND COMMERCE CENTER) REFUNDED 2021				$ 661,606.46

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
DECEMBER 31, 2025

PURCHASE DATE	MATURITY DATE	FUND	ACCOUNT/ INSTITUTION	INTEREST RATE	PAR AMOUNT	PURCHASE AMOUNT	INVESTED AMOUNT
BOND PROCEEDS							
2006-1 GODDE HILL ESTATE SEWER IMPROVEMENTS LOIB							
Fiscal Agent: U.S. Bank National Association (fka First Trust)							
11-08-06	n/a	REDEMPTION FUND	106844000	0.01			29,664.75
11-08-06	n/a	ADM EXP	106844002	0.01			1,838.16
11-08-06	n/a	RESERVE FUND	106844003	0.01			87,079.24
			TOTAL 2006-1 GODDE HILL ESTATE SEWER IMPROVEMENTS LOIB				$ 118,582.15
2015 HA DEBT SERVICE RESERVE							
Fiscal Agent: Bank of America							
11-19-15	n/a	DEBT SVC RESERVE	1257964992	0.08			41,103.25
			TOTAL 2015 HA DEBT SERVICE RESERVE				$ 41,103.25
PARS RESTRICTED CASH FOR PENSION STABILIZATION TRUST FUND							
05-23-18	n/a	CITY	104790895775 Pub. Agency Retirement Svcs.	2.60			12,404,669.77
			TOTAL PARS PENSION TRUST FUND				$ 12,404,669.77
BOND PROCEEDS							
2015 HA $4.3M MULTIFAMILY HOUSING REVENUE BONDS							
Fiscal Agent: U.S. Bank National Association (fka First Trust)							
09-03-15	n/a	BOND FUND	277067000	0.00			84,755.79
09-03-15	n/a	INTEREST ACCT	277067001	0.01			14.01
09-03-15	n/a	BOND RESERVE	277067003	0.00			281,016.16
09-03-15	n/a	REPAIR & REPLACE FUND	277067004	0.00			1,435,073.00
							1,435,073.57
			TOTAL 2015 HA $4.3M MULTIFAMILY HOUSING REVENUE BONDS				$ 3,235,932.53
BOND PROCEEDS							
2017 PFA $17.4M LEASE REVENUE BONDS							
Fiscal Agent: U.S. Bank National Association (fka First Trust)							
04-05-17	n/a	REVENUE FUND	271128000	0.00			0.50
04-05-17	n/a	REVENUE REFUNDING BOND	271128001	n/a			0.07
04-05-17	n/a	REVENUE REFUNDING BOND	271128002				0.31
			TOTAL 2017 PFA $17.4M LEASE REVENUE BONDS				$ 0.88
BOND PROCEEDS							
2023 A&B SERIES ACQUISITION & CONSTRUCTION REVENUE BOND							
Fiscal Agent: U.S. Bank National Association (fka First Trust)							
			248041000				9.57
11-30-23	n/a	INTEREST	248041001				452,094.16
11-30-23	n/a	PRINCIPAL	248041002				0.51
11-30-23	n/a	REVENUE FUND	248041004				13.54
11-30-23	n/a	INTEREST	248041007				-
11-30-23	n/a	REVENUE FUND	248041008				4,800,421.09
			TOTAL 2023 A&B SERIES B ACQUISITION & CONSTRUCTION REV BOND				$ 5,252,538.87

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
DECEMBER 31, 2025

PURCHASE DATE	MATURITY DATE	FUND	ACCOUNT/ INSTITUTION	INTEREST RATE	PAR AMOUNT	PURCHASE AMOUNT	INVESTED AMOUNT
		GRAND TOTAL - FISCAL AGENT CASH					$ 25,604,758.76

SUMMARY OF CASH AND INVESTMENTS
Page 1 of 1

Cash on Hand			$ 6,159,599
Pooled Cash Investments			
City:	$	301,154,965	
Insur Fund:	$	2,957,344	$ 304,112,309
Library Investments			$ 14,080
Subtotal			$ 310,285,988
City/AD/CFD/PCA/PFA/HA Fiscal Agent Cash			$ 25,604,759
Grand total			$ 335,890,747

The interest rate quoted on LAIF, AIM, and Fiscal Agent/Trustee accounts is the most current rate available.
LAIF & AIM interest Rates are as of December, 2025

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
DECEMBER 31, 2025

POOLED CASH - LOCAL AGENCY INVESTMENT FUND (LAIF), CALIFORNIA ASSET MANAGEMENT PROGRAM (CAMP), & UBS FINANCIAL SERVICES

TRANSACTION DATE	DEPOSIT	WITHDRAWAL	INTEREST RECEIVED	BALANCE
LAIF - CITY ACCOUNT 98-19-620				
Beginning Balance				$ 49,231,271.14
12-31-25	$ 12,000,000.00			
Subtotal	$ 12,000,000.00	$ -	$ -	$ 61,231,271.14
LAIF - PFA ACCOUNT 40-19-078				
Beginning Balance				$ 40,178,315.84
Subtotal	$ -	$ -	$ -	$ 40,178,315.84
LAIF - LIBRARY ACCOUNT 16-19-012				
Beginning Balance				$ 14,079.76
Subtotal	$ -	$ -	$ -	$ 14,079.76
LAIF - ARPA ACCOUNT 19-19-004				
Beginning Balance				$ 14,405,541.45
Subtotal	$ -	$ -	$ -	$ 14,405,541.45
CAMP				
Beginning Balance				$ 53,910,079.79
12-31-25			$ 180,665.20	
Subtotal	$ -	$ -	$ 180,665.20	$ 54,090,744.99
UBS Financial Services				
Beginning Balance				$ 304,963.72
12-31-25			$ 517,423.29	
12-31-25	$ 8,000,000.00			
12-31-25		$ (229,274.10)		
Subtotal	$ 8,000,000.00	$ (229,274.10)	$ 517,423.29	$ 8,593,112.91
Total	$ 20,000,000.00	$ (229,274.10)	$ 698,088.49	$ 178,513,066.09

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
DECEMBER 31, 2025

POOLED CASH - INVESTMENTS MATURED OR CALLED

TN = US Treasury
FP = Federal Paper
CD = Certificate of Deposit

C = Call
M = Maturity
CB = Corporate Bond

ISSUER	PURCHASE DATE	MATURITY DATE		FACE VALUE REDEEMED	INTEREST RECEIVED	NET FUNDS	INVESTED AMOUNT	GAIN/ (LOSS)
								-
9128285T3 U.S. Treasury Note	03-19-21	12-31-25	TN	$ 8,000,000.00	$ 105,000.00	$ 8,105,000.00	7,937,600.00	62,400.00
3130AMRQ7 Federal Home Loan Note	06-30-21	12-30-25	FP	$ 3,000,000.00	$ 13,125.00	$ 3,013,125.00	2,949,049.86	50,950.14
229083AA8 Evangeline Bank & Trust	06-18-24	12-18-25	CD	$ 245,000.00	$ 1,077.33	$ 246,077.33	245,115.79	(115.79)
						$ -		-
						$ -		-
				$ 11,245,000.00	$ 119,202.33	$ 11,364,202.33	$ 11,131,765.65	$ 113,234.35

Total Number of Transactions:

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
DECEMBER 31, 2025

POOLED CASH - INVESTMENTS PURCHASED

TN = US Treasury
FP = Federal Paper
CD = Certificate of Deposit
CN = Corporate Notes

ISSUER	PURCHASE DATE	MATURITY DATE	FACE VALUE	PREMIUM / (DISCOUNT)	PURCHASE PRICE	ACCRUED INTEREST PURCHASED	NET PURCHASE	Yield
				-			-	
				-			-	
				-			-	
				-			-	
				-			-	
				-			-	
			$ -	$ -	$ -	$ -	$ -	

Total Number of Transactions:

SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
December 31, 2025

PURCHASE DATE	MATURITY DATE	FUND	ACCOUNT/ INSTITUTION	INTEREST RATE	INVESTED AMOUNT	TOTAL
LAIF - SA ACCOUNT 65-19-035						
09-01-84	n/a	SA Account	65-19-035	0.78	3,985,613.24	
						$ 3,985,613.24

FISCAL AGENT CASH

BOND PROCEEDS						
CRA - 2002 Sub Lien Tax Allocation Bonds $5.3M ($5,329,748.25)						
Fiscal Agent: U.S. Bank National Association						
08-20-02	n/a	Reserve Fund	94460700	2.54	529,321.86	
08-20-02	n/a	Interest Acct	94460701	0.04	21,683.04	
08-20-02	n/a	Principal Acct	94460702	0.04	81.96	
TOTAL CRA - 2002 Sub Lien Tax Allocation Bonds $5.3M ($5,329,748.25)						$ 551,086.86
BOND PROCEEDS						
2016 SA $31.5M Tax Allocation Refunding Bonds Series A						
Fiscal Agent: U.S. Bank National Association (fka First Trust)						
04-26-16	n/a	Debt Service	245113000	0.00	12.37	
04-26-16	n/a	Interest Acc	245113001	N/A	0.00	
TOTAL 2016 SA $31.5M Tax Allocation Refunding Bonds Series A						$ 12.37
GRAND TOTAL - FISCAL AGENT CASH						

SUMMARY OF CASH AND INVESTMENTS

Cash on Hand	$	4,950,158
Pooled Cash Investments	$	3,985,613
Successor Agency Fiscal Agent Cash	$	-
Grand total	$	8,935,771

* The interest rate quoted on LAIF and Fiscal Agent/Trustee accounts is the most current rate available. LAIF interest rates are as of December 31, 2025.

SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
December 31, 2025

POOLED CASH - STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND (LAIF)

TRANSACTION DATE	DEPOSIT	WITHDRAWAL	INTEREST RECEIVED	BALANCE
LAIF - SA ACCOUNT 65-19-035				
Beginning Balance				3,985,613.24
Subtotal	$ -	$ -	$ -	$ 3,985,613.24

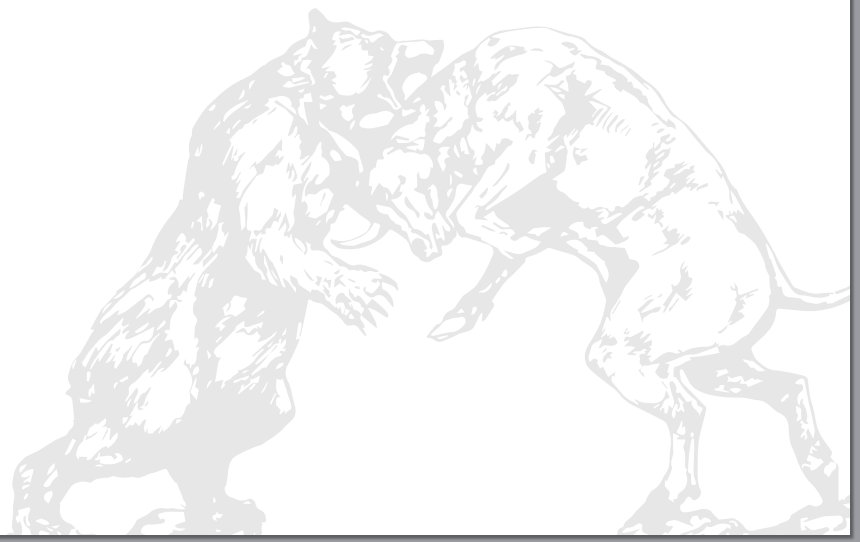
STIFEL

Performance Profile

City of Palmdale

Palmdale, CA

December 2025



Stifel.com

Performance Profile

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Executive Summary

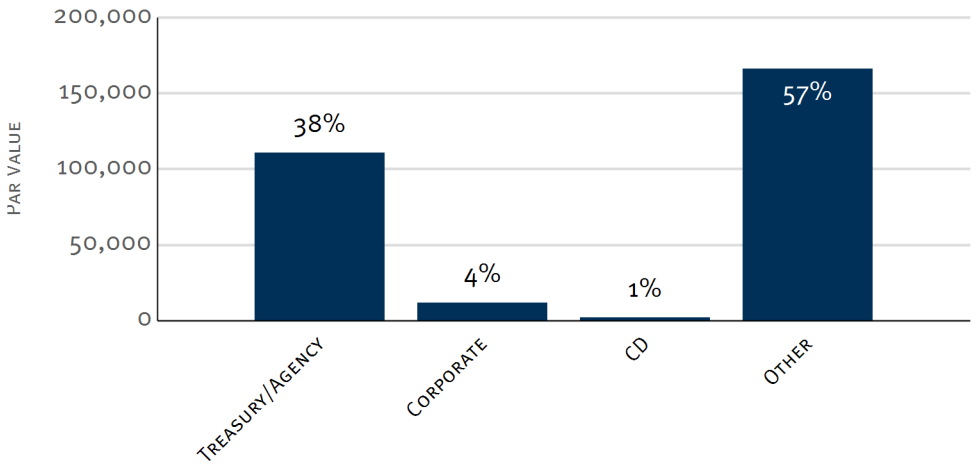
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Executive Summary

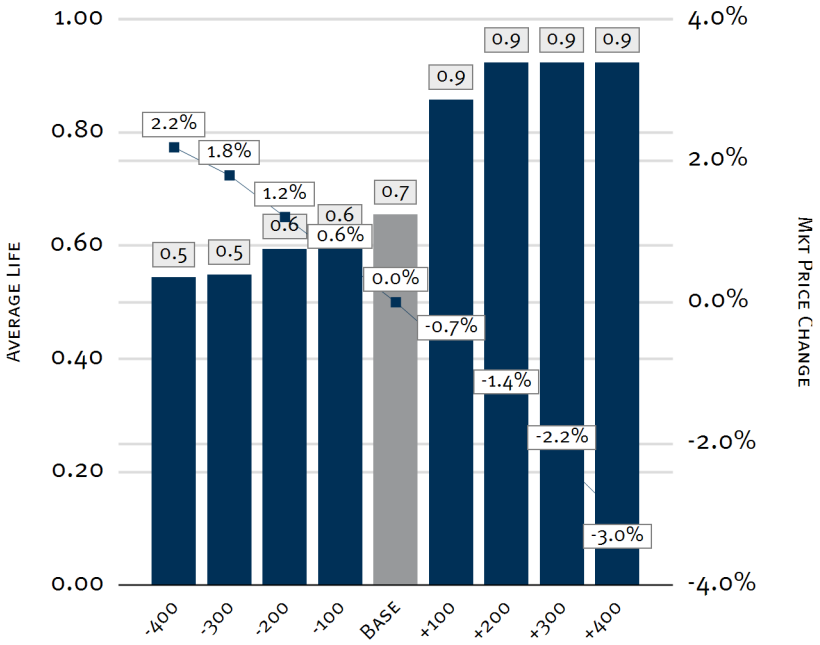
Portfolio Snapshot

Book Value	**288,785,800**
# Securities	57
Average Size (Book)	5,066,418
Yield @ Book Price	4.37
Internal Rate of Return	4.89
Yield @ Book Price +100bps	4.34
Yield @ Book Price -100bps	4.46
Market Yield	3.82
$ Gain Loss	1,831,090
% Gain Loss	0.6%
Average Life	0.7
Average Life +300bps	0.9
% Price Change +100bps	-0.7
% Price Change +300bps	-2.2
Effective Duration	0.6
Effective Convexity	-0.1
AFS / HTM %	100% / 0%
Fixed / Floating	100% / 0%
ESG / Green Par (000's)	$500 / $500

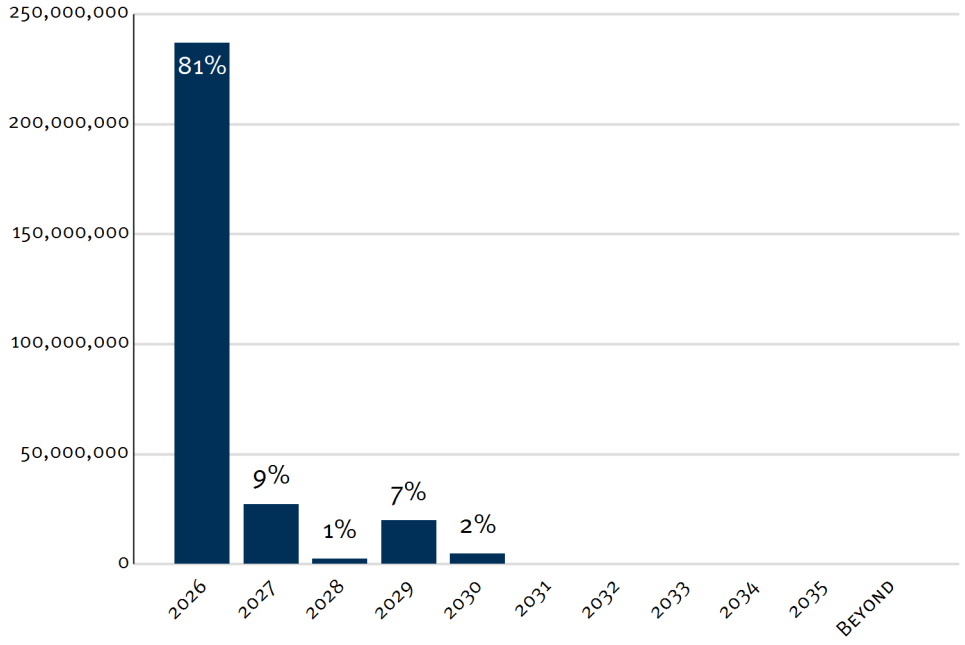
Sector Allocation



Average Life vs Price Sensitivity



Projected Principal Cash Flows



Executive Summary

Historical Portfolio Overview

	12/31/2025	09/30/2025		
Book Value	288,785,800	300,695,871		
Yield @ Book Price	4.37	3.54		
Yield @ Book Price (+100)	4.34	3.52		
Yield @ Book Price (+300)	4.34	3.52		
Yield @ Book Price (-100)	4.46	3.97		
WAL	0.7	0.7		
WAL (+100)	0.9	1.0		
WAL (+300)	0.9	1.1		
WAL (-100)	0.6	0.7		
% Price Change (+100)	-0.7%	-0.8%		
% Price Change (+300)	-2.2%	-2.4%		
% Price Change (-100)	0.6%	0.7%		
Effective Duration	0.6	0.7		
Effective Convexity	-0.1	-0.1		
$ Gain/Loss	1,831,090	826,088		
% Gain/Loss	0.6%	0.3%		
$ Gain/Loss (+300)	-4,663,745	-6,558,308		
Principal Cash Flow 2 yrs out	91%	91%		
Principal Cash Flow 2 yrs out (+100)	83%	83%		
Principal Cash Flow 2 yrs out (+300)	80%	79%		
Principal Cash Flow 2 yrs out (-100)	91%	91%		

Executive Summary

Portfolio Sector Summary

Sector	Portfolio Curr Par %	Par Value	Cpn	Maturity	Book Value	Yld @ Book	Market Value	Market Yield	% Price Change -100	% Price Change +100	% Price Change +300	Gain/(Loss) $	Gain/(Loss) %	WAL	Effective Dur	Effective Cvx	AFS %
Treasury (12)	17.1%	49,700,000	3.46	2.1	49,270,990	4.79	49,788,918	3.63	2.0	-1.9	-5.6	517,928	1.1%	2.1	2.0	0.1	100%
Callable Agency (17)	21.0%	61,230,000	3.05	2.1	59,602,351	5.70	60,789,735	3.74	0.7	-1.2	-4.5	1,187,384	2.0%	0.8	0.9	-0.4	100%
Treasury/Agency (29)	38.1%	110,930,000	3.24	2.1	108,873,341	5.32	110,578,653	3.69	1.3	-1.5	-5.0	1,705,312	1.6%	1.4	1.4	-0.2	100%
Finance (12)	2.3%	6,656,000	3.84	1.9	6,551,335	7.32	6,680,351	4.02	1.5	-1.5	-4.5	129,016	2.0%	1.7	1.5	0.0	100%
Industrial (4)	1.2%	3,500,000	3.86	0.4	3,510,600	-5.71	3,491,485	3.93	0.4	-0.4	-1.2	(19,115)	-0.5%	0.4	0.4	0.0	100%
Services (1)	0.3%	1,000,000	2.00	4.4	914,200	4.17	912,071	4.22	4.2	-4.0	-11.5	(2,129)	-0.2%	4.4	4.1	0.2	100%
Utility (1)	0.2%	500,000	4.95	2.6	509,350	4.17	512,107	3.94	2.4	-2.4	-7.0	2,757	0.5%	2.5	2.4	0.1	100%
Corporate (18)	4.0%	11,656,000	3.74	1.7	11,485,485	2.76	11,596,013	4.01	1.4	-1.4	-4.2	110,529	1.0%	1.6	1.4	0.0	100%
NCD (9)	0.8%	2,195,000	4.87	1.2	2,199,417	4.49	2,214,666	3.85	0.9	-0.9	-3.0	15,249	0.7%	1.2	0.9	0.0	100%
CD (9)	0.8%	2,195,000	4.87	1.2	2,199,417	4.49	2,214,666	3.85	0.9	-0.9	-3.0	15,249	0.7%	1.2	0.9	0.0	100%
Cash & Other (1)	57.1%	166,227,558	3.93	0.1	166,227,558	3.90	166,227,558	3.90	0.1	-0.1	-0.3	0	0.0%	0.1	0.1	0.0	100%
Other (1)	57.1%	166,227,558	3.93	0.1	166,227,558	3.90	166,227,558	3.90	0.1	-0.1	-0.3	0	0.0%	0.1	0.1	0.0	100%
Total (57)	100.0%	291,008,558	3.66	0.9	288,785,800	4.37	290,616,890	3.82	0.6	-0.7	-2.2	1,831,090	0.6%	0.7	0.6	-0.1	100%

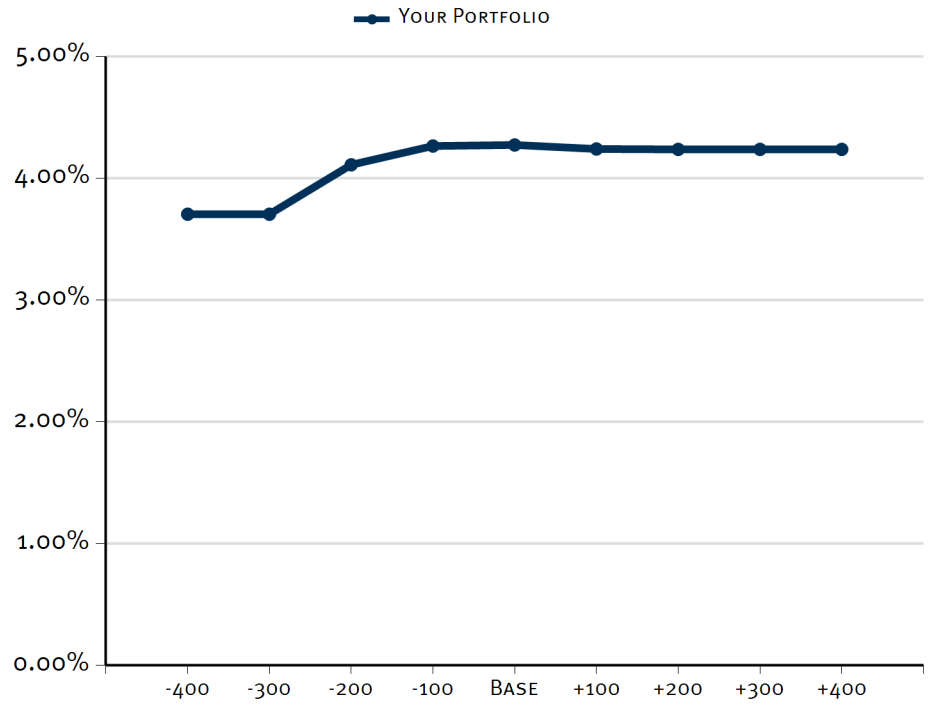
Executive Summary

Portfolio Analysis - Interest Rate Shock

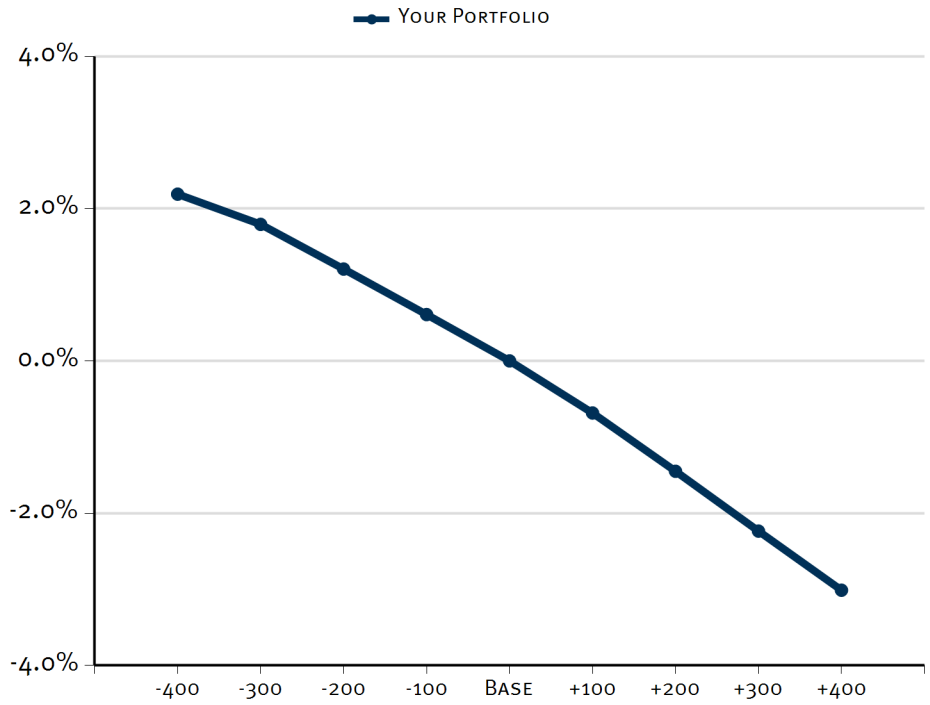
Total Portfolio

	-400	-300	-200	-100	Base	+100	+200	+300	+400
Number Bonds	57	57	57	57	**57**	57	57	57	57
Current Face	291,008,558	291,008,558	291,008,558	291,008,558	**291,008,558**	291,008,558	291,008,558	291,008,558	291,008,558
Book Value	288,785,800	288,785,800	288,785,800	288,785,800	**288,785,800**	288,785,800	288,785,800	288,785,800	288,785,800
Book Price	99.24	99.24	99.24	99.24	**99.24**	99.24	99.24	99.24	99.24
Projected Yield At Book Price	4.07%	4.07%	4.37%	4.46%	**4.37%**	4.34%	4.34%	4.34%	4.34%
Market Value	296,979,746	295,826,820	294,122,151	292,385,314	**290,616,890**	288,628,098	286,405,708	284,122,056	281,865,996
Market Price	102.05	101.66	101.07	100.47	**99.87**	99.18	98.42	97.63	96.86
Market Yield	-0.06%	0.81%	1.80%	2.81%	**3.82%**	4.83%	5.81%	6.81%	7.82%
% Price Change	2.2%	1.8%	1.2%	0.6%	**0.0%**	-0.7%	-1.4%	-2.2%	-3.0%
Book Gain/Loss	8,193,946	7,041,020	5,336,351	3,599,513	**1,831,090**	-157,703	-2,380,092	-4,663,745	-6,919,804
Gain/Loss %	2.8%	2.4%	1.8%	1.2%	**0.6%**	-0.1%	-0.8%	-1.6%	-2.4%
Average Life	0.5	0.5	0.6	0.6	**0.7**	0.9	0.9	0.9	0.9
Effective Duration	0.3	0.5	0.6	0.6	**0.6**	0.7	0.8	0.8	0.8
Effective Convexity	-0.2	-0.2	0.0	0.0	**-0.1**	-0.1	0.0	0.0	0.0

Projected Portfolio Yield at Book



Total Portfolio Price Volatility

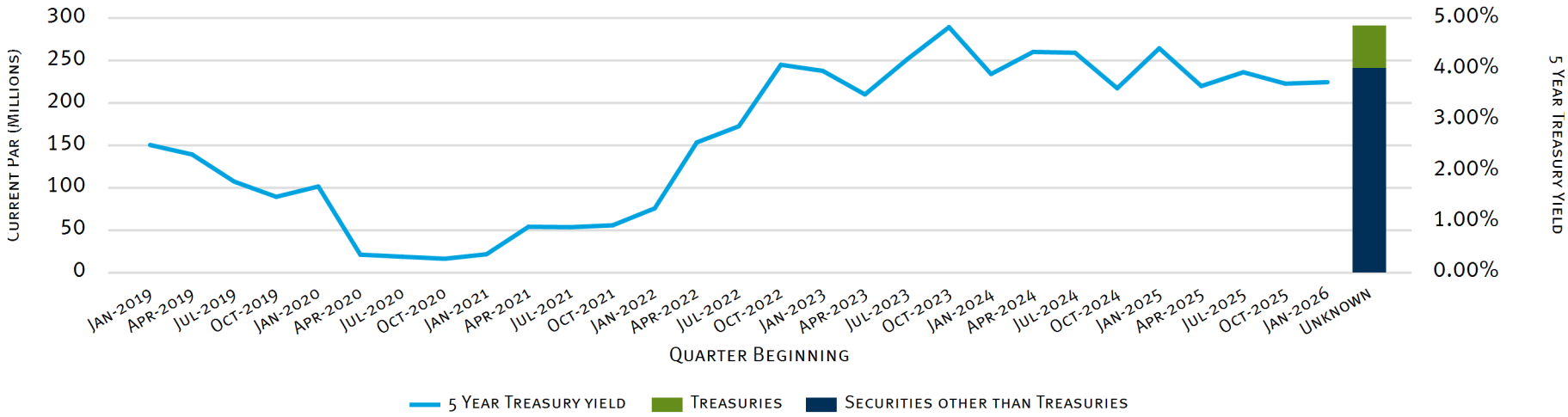


[1]Stifel Portfolio Median refers to the median portfolio value for other institutions analyzed by Stifel within the past three months.

Executive Summary

Market Timing Analysis

Historical Purchases vs 5 Year Treasury Yield



5 Year Treasury Average: 2.61% / Median 2.72%

Securities Purchased by Rate Environment



The highest quartile is composed of the seven quarters over the past seven years in which rates were the highest, the second quartile is the next seven highest quarters, and so on.

Executive Summary

Key Market Rates

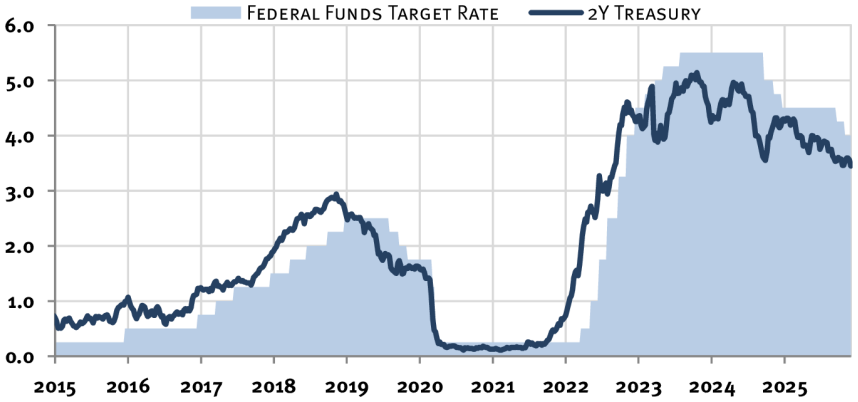
KEY MARKET RATES

Treasury Yields	11/30/2025	11/30/2024	YOY Δ
3M Treasury Bill	3.80	4.49	(0.69)
6M Treasury Bill	3.77	4.45	(0.68)
2Y Treasury Note	3.49	4.15	(0.66)
3Y Treasury Note	3.49	4.09	(0.60)
5Y Treasury Note	3.60	4.05	(0.45)
10Y Treasury Note	4.01	4.17	(0.16)
30Y Treasury Bond	4.66	4.36	0.30
10Y TIPS	1.76	1.91	(0.14)

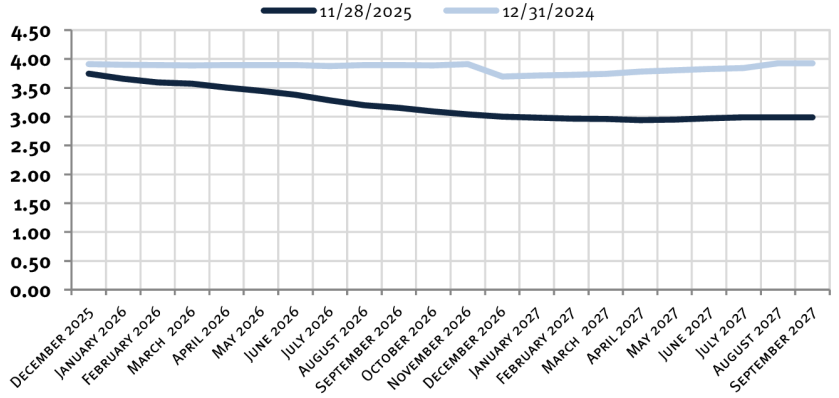
Other Key Interest Rates	11/30/2025	11/30/2024	YOY Δ
Fed Funds Target Rate	4.00	4.75	(0.75)
Fed Funds Effective Rate	4.09	4.64	(0.55)
Interest on Reserves	3.90	4.65	(0.75)
SOFR	4.12	4.59	(0.47)
SOFR 30-Day Average	4.01	4.67	(0.66)
Discount Rate	4.00	4.75	(0.75)
Prime	7.00	7.75	(0.75)
FNMA 30Y Mortgage Rate	6.23	6.81	(0.58)

Stocks and Commodities	11/30/2025	11/30/2024	YOY Δ
Dollar Index	99.46	105.74	-5.9%
CRB Commodity Index	533.83	535.74	-0.4%
Brent Crude Oil	63.20	72.94	-13.4%
Gold	4,239	2,643	60.4%
DJIA	47,716	44,911	6.2%
S&P 500	6,849	6,032	13.5%
Russell 2000	2,500	2,435	2.7%
NASDAQ	23,366	19,218	21.6%

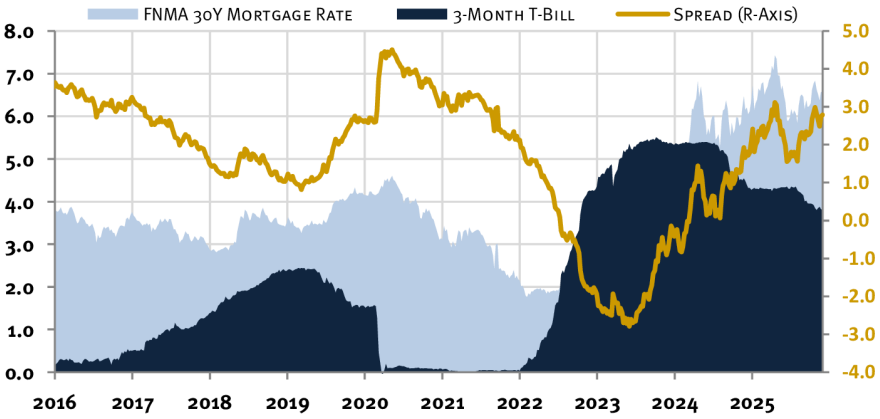
FEDERAL FUNDS TARGET RATE AND 2-YEAR TREASURY YIELD



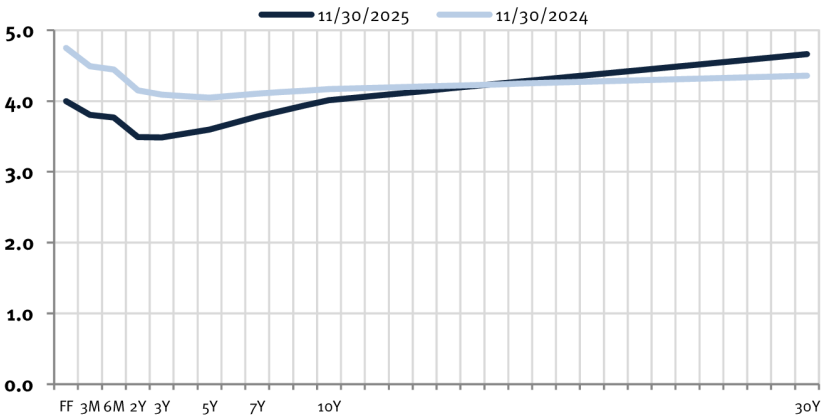
FED FUNDS FUTURES



FUNDING COSTS vs. FNMA 30Y MORTGAGE RATES



CURRENT TREASURY YIELD CURVE vs. ONE YEAR AGO



KEY ECONOMIC DATA

Gross Domestic Product (Chain-Weighted)	Jun-25	Mar-25	Dec-24	Sep-24	Jun-24	Mar-24	Dec-23	Sep-23	Jun-23	Mar-23	Dec-22	Sep-22	Jun-22
GDP *(S Billions)*	**23,771**	23,548	23,587	23,479	23,287	23,082	23,034	22,841	22,581	22,440	22,278	22,126	21,967
GDP *(QoQ, SAAR)*	**3.8%**	-0.6%	1.9%	3.3%	3.6%	0.8%	3.4%	4.7%	2.5%	2.9%	2.8%	2.9%	0.6%
Personal Consumption ($ Billions)	**16,446**	16,346	16,321	16,166	16,010	15,858	15,790	15,672	15,554	15,496	15,326	15,296	15,224
Personal Consumption (QoQ, SAAR)	**2.5%**	0.6%	3.9%	4.0%	3.9%	1.7%	3.0%	3.1%	1.5%	4.5%	0.8%	1.9%	3.3%
Real Disposable Personal Income ($ Billions)	**18,082**	17,943	17,843	17,755	17,701	17,596	17,417	17,269	17,183	17,002	16,519	16,354	16,097
Real Disposable personal Income (QoQ, SAAR)	**3.1%**	2.3%	2.0%	1.2%	2.4%	4.2%	3.5%	2.0%	4.3%	12.2%	4.1%	6.5%	-2.0%
Private Investment ($ Billions)	**4,383**	4,548	4,316	4,392	4,382	4,296	4,313	4,276	4,181	4,109	4,185	4,105	4,177
Private Investment (QoQ, SAAR)	**-13.7%**	23.3%	-6.8%	0.9%	8.2%	-1.6%	3.6%	9.4%	7.2%	-7.1%	8.0%	-6.7%	-8.6%
Business Fixed Investment ($ Billions)	**4,381**	4,334	4,260	4,281	4,265	4,250	4,219	4,171	4,132	4,040	3,992	3,997	4,020
Business Fixed Investment (QoQ, SAAR)	**4.4%**	7.1%	-1.9%	1.5%	1.4%	3.0%	4.6%	3.8%	9.5%	4.9%	-0.5%	-2.2%	1.9%
Residential Fixed Investment ($ Billions)	**779**	789	791	783	792	796	781	778	757	749	762	809	864
Residential Fixed Investment (QoQ, SAAR)	**-5.1%**	-1.0%	4.3%	-4.8%	-2.0%	8.2%	1.5%	11.5%	4.2%	-6.6%	-21.3%	-23.0%	-11.1%
Change in Business Inventories ($ Billions)	**(190)**	155	(52)	(6)	63	(49)	(6)	50	(26)	(117)	81	(35)	(113)
Government Spending ($ Billions)	**3,993**	3,994	4,004	3,971	3,919	3,887	3,865	3,821	3,774	3,743	3,705	3,668	3,652
Government Spending (QoQ, SAAR)	**-0.1%**	-1.0%	3.3%	5.4%	3.3%	2.3%	4.7%	5.2%	3.3%	4.1%	4.1%	1.7%	-1.4%
Federal Government Spending ($ Billions)	**1,517**	1,537	1,560	1,543	1,512	1,496	1,493	1,480	1,456	1,456	1,442	1,411	1,415
Federal Government Spending ($ Billions)	**-5.3%**	-5.6%	4.4%	8.6%	4.3%	0.8%	3.4%	6.8%	-0.1%	4.1%	9.1%	-1.3%	-3.7%
State and Local Government Spending ($ Billions)	**2,475**	2,456	2,445	2,429	2,407	2,391	2,372	2,341	2,317	2,287	2,264	2,256	2,237
State and Local Government Spending (QoQ, SAAR)	**3.1%**	1.9%	2.7%	3.6%	2.8%	3.2%	5.4%	4.2%	5.4%	4.1%	1.4%	3.5%	-0.1%
Net External Trade ($ Billions)	**(1,058)**	(1,381)	(1,069)	(1,065)	(1,032)	(964)	(934)	(926)	(928)	(912)	(945)	(953)	(1,093)
Net External Trade (QoQ, SAAR)	**65.5%**	-178.3%	-1.5%	-13.3%	-31.4%	-13.5%	-3.5%	0.8%	-7.2%	13.0%	3.6%	42.2%	4.9%
Exports ($ Billions)	**2,647**	2,660	2,659	2,664	2,608	2,604	2,575	2,537	2,509	2,544	2,520	2,539	2,452
Exports (QoQ, SAAR)	**-1.8%**	0.2%	-0.9%	8.9%	0.7%	4.6%	6.1%	4.4%	-5.3%	3.8%	-2.9%	15.0%	13.1%
Imports ($ Billions)	**3,705**	4,040	3,727	3,729	3,640	3,568	3,509	3,463	3,437	3,456	3,465	3,492	3,545
Imports (QoQ, SAAR)	**-29.3%**	38.0%	-0.2%	10.1%	8.4%	6.9%	5.4%	3.0%	-2.1%	-1.0%	-3.1%	-5.8%	7.1%

Labor	Sep-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25	Mar-25	Feb-25	Jan-25	Dec-24	Nov-24	Oct-24	Sep-24
Unemployment Rate	4.4%	4.3%	4.2%	4.1%	4.2%	4.2%	4.2%	4.1%	4.0%	4.1%	4.2%	4.1%	4.1%
Monthly Change in Nonfarm Payrolls (000s)	119	-4	72	-13	19	158	120	102	111	323	261	44	240
Average Weekly Hours Worked Nonfarm	34.2	34.2	34.3	34.2	34.3	34.3	34.3	34.2	34.1	34.2	34.3	34.3	34.2
Average Hourly Earnings Nonfarm (YoY)	3.8%	3.8%	3.9%	3.7%	3.8%	3.8%	3.9%	3.9%	3.9%	4.0%	4.2%	4.1%	3.9%

Inflation	Sep-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25	Mar-25	Feb-25	Jan-25	Dec-24	Nov-24	Oct-24	Sep-24
Consumer Price Index (YoY)	3.0%	2.9%	2.7%	2.7%	2.4%	2.3%	2.4%	2.8%	3.0%	2.9%	2.7%	2.6%	2.4%
Core Consumer Price Index (YoY)	3.0%	3.1%	3.1%	2.9%	2.8%	2.8%	2.8%	3.1%	3.3%	3.2%	3.3%	3.3%	3.3%
Core Personal Consumption Expenditure (YoY)		2.9%	2.9%	2.8%	2.8%	2.6%	2.7%	3.0%	2.8%	3.0%	3.0%	3.0%	2.8%

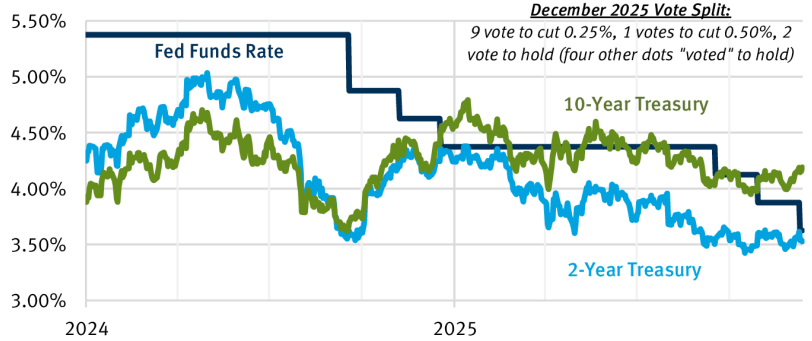
Housing	Oct-25	Sep-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25	Mar-25	Feb-25	Jan-25	Dec-24	Nov-24	Oct-24
New Home Sales (000s, Annualized)			800	664	676	627	706	660	642	662	718	675	621
Existing Home Sales (Millions, Annualized)	4.10	4.05	4.00	4.01	3.93	4.04	4.00	4.02	4.27	4.09	4.29	4.17	4.03
Homebuilder Confidence Index	37	32	32	33	32	34	40	39	42	47	46	46	43
Housing Starts (000s, Annualized)			1307	1429	1382	1282	1398	1355	1490	1358	1514	1295	1352
Building Permits (000s, Annualized)			1330	1362	1393	1394	1422	1481	1454	1460	1480	1508	1428

Other	Oct-25	Sep-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25	Mar-25	Feb-25	Jan-25	Dec-24	Nov-24	Oct-24
Industrial Production (YoY Change in Output)			0.8%	1.4%	0.7%	0.3%	1.0%	0.6%	0.8%	0.9%	-2.2%	-3.5%	-3.0%
ISM Manufacturing Index	48.7	49.1	48.7	48.0	49.0	48.5	48.7	49.0	50.3	50.9	49.2	48.4	46.9
ISM Non-Manufacturing Index	52.4	50.0	52.0	50.1	50.8	49.9	51.6	50.8	53.5	52.8	54.0	52.5	55.8
ISM Economy-Weighted Composite index	52.1	49.9	51.7	49.9	50.6	49.8	51.3	50.6	53.2	52.6	53.5	52.1	54.9
Auto Sales (Millions, Annualized)	15.32	16.39	16.07	16.41	15.34	15.65	17.27	17.77	16.00	15.60	16.80	16.50	16.04
Consumer Confidence (U of M)	53.6	55.1	58.2	61.7	60.7	52.2	52.2	57.0	64.7	71.7	74.0	71.8	70.5

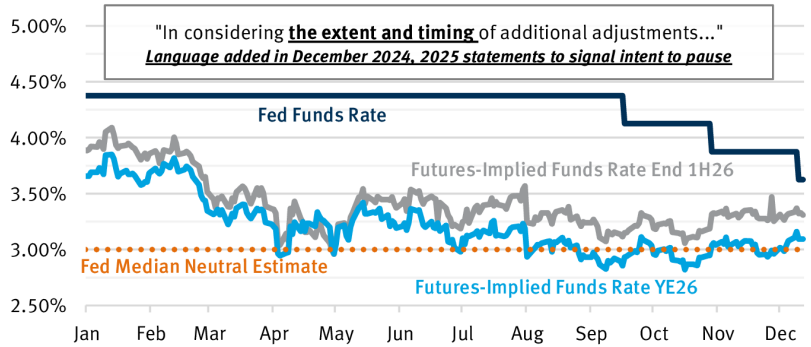
Executive Summary

Key Market Rates

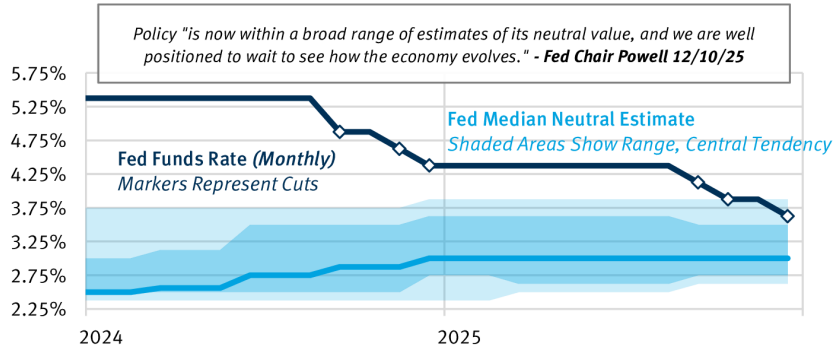
A DIVIDED FED CUT RATES AT A THIRD CONSECUTIVE MEETING IN DECEMBER



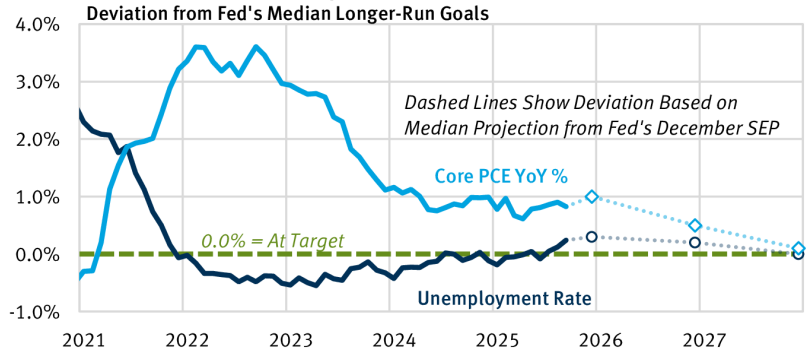
BUT SIGNALED A HIGHER BAR FOR ADDITIONAL EASING FROM HERE



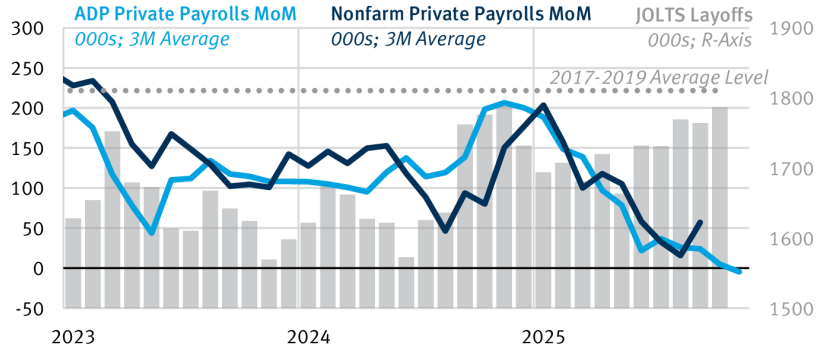
POLICY IS BACK "WITHIN A RANGE OF PLAUSIBLE ESTIMATES OF NEUTRAL"



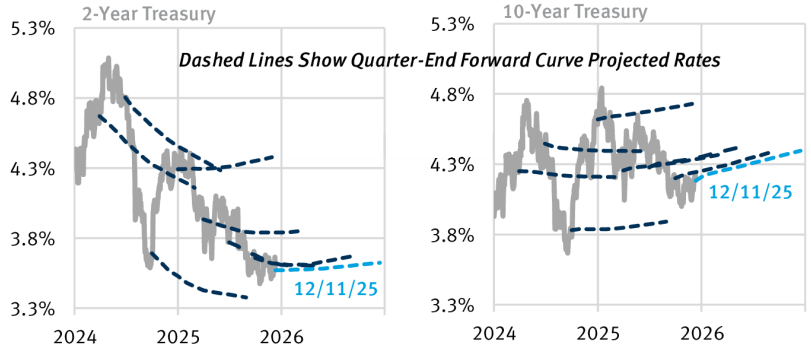
WITH INFLATION STILL CLOSER TO 3% THAN 2% AFTER A PROLONGED OVERSHOOT



MORE PRONOUNCED LABOR RISKS MAY BE NEEDED TO SPUR ANOTHER CUT



AND SHIFT INVESTORS' CURRENT EXPECTATIONS FOR RATES TO REMAIN ELEVATED



Sources: Bureau of Labor Statistics, Bureau of Economic Analysis, ADP, Federal Reserve, Bloomberg Finance L.P., Stifel

Sector Analysis

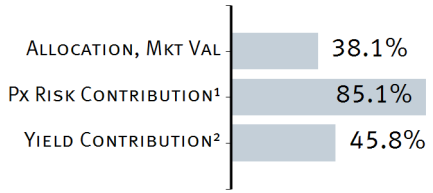
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Sector Analysis

Treasury/Agency Sector Portfolio

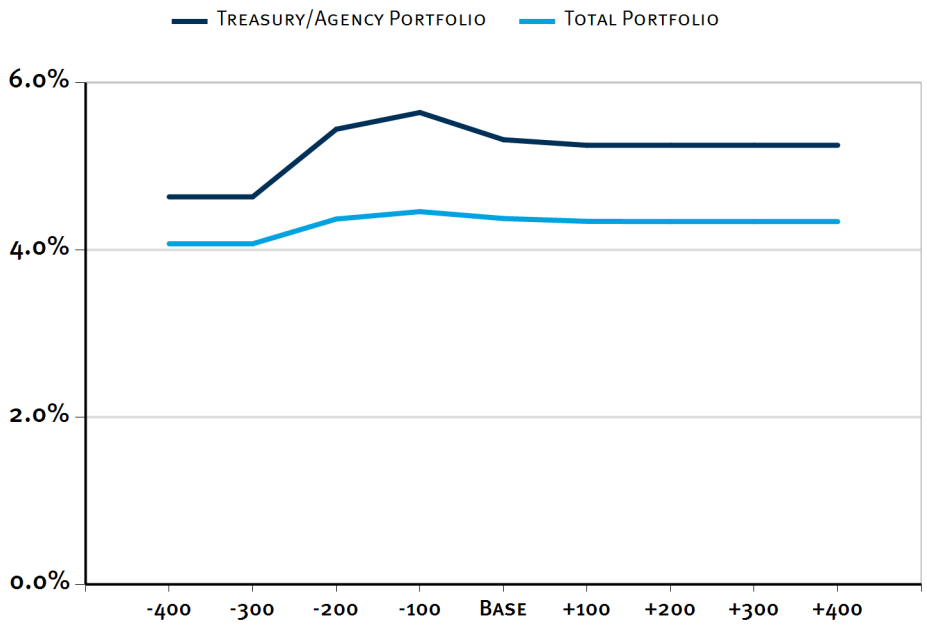
	-400	-300	-200	-100	Base	+100	+200	+300	+400
Number Bonds	29	29	29	29	29	29	29	29	29
Current Face	110,930,000	110,930,000	110,930,000	110,930,000	110,930,000	110,930,000	110,930,000	110,930,000	110,930,000
Book Value	108,873,341	108,873,341	108,873,341	108,873,341	108,873,341	108,873,341	108,873,341	108,873,341	108,873,341
Book Price	98.15	98.15	98.15	98.15	98.15	98.15	98.15	98.15	98.15
Proj. Yld. At Book Px.	4.63%	4.63%	5.44%	5.64%	5.32%	5.25%	5.25%	5.25%	5.25%
Market Value	115,685,877	114,791,112	113,424,151	112,018,810	110,578,653	108,914,922	107,014,847	105,048,681	103,104,593
Market Price	104.29	103.48	102.25	100.98	99.68	98.18	96.47	94.70	92.95
Market Yield	-0.16%	0.67%	1.65%	2.65%	3.69%	4.69%	5.61%	6.59%	7.59%
% Price Change	4.6%	3.8%	2.6%	1.3%	0.0%	-1.5%	-3.2%	-5.0%	-6.8%
Book Gain/Loss	6,812,536	5,917,771	4,550,810	3,145,469	1,705,312	41,581	-1,858,494	-3,824,660	-5,768,748
Gain/Loss %	6.26%	5.44%	4.18%	2.89%	1.57%	0.04%	-1.71%	-3.51%	-5.30%
Average Life	1.1	1.1	1.3	1.3	1.4	1.9	2.1	2.1	2.1
Effective Duration	0.6	0.9	1.2	1.3	1.4	1.6	1.8	1.9	1.9
Effective Convexity	-0.3	-0.4	0.0	0.0	-0.2	-0.2	-0.1	0.0	0.0

Treasury/Agency Contribution to Total Portfolio Measures

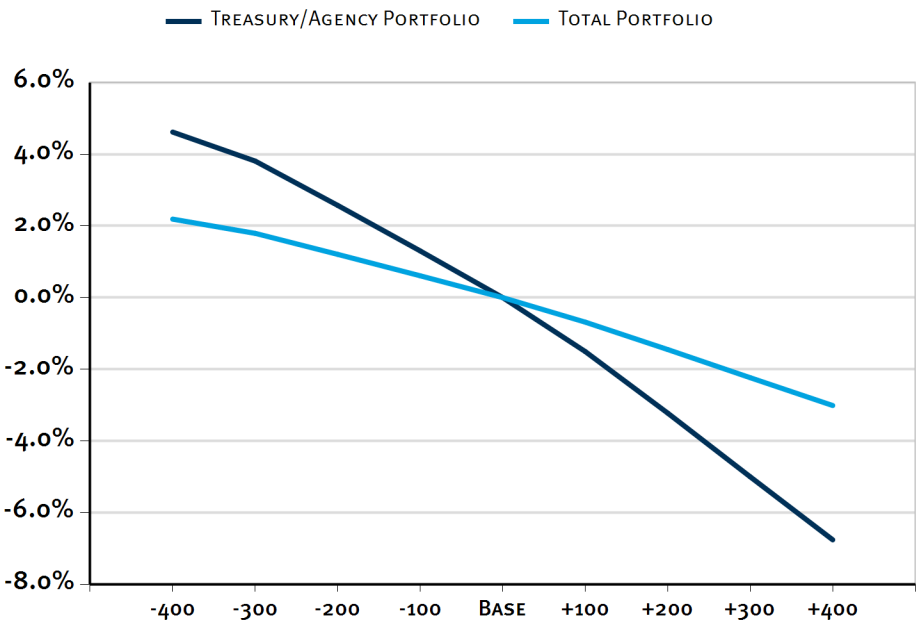


¹ Risk - Sector px. vol. +300 as % of total port. px. vol
² Yield - Sector yield as a % of total port. yield.

Treasury/Agency Sector Yield @ Book vs Total Portfolio



Treasury/Agency Sector Price Volatility vs Total Portfolio

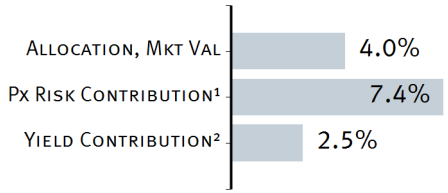


Sector Analysis

Corporate Sector Portfolio

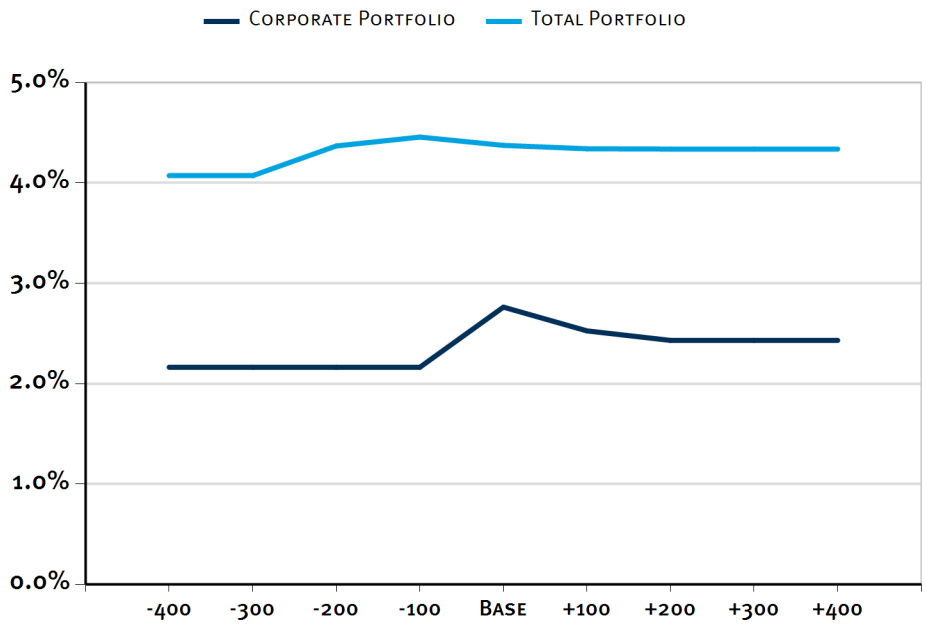
	-400	-300	-200	-100	Base	+100	+200	+300	+400
Number Bonds	18	18	18	18	18	18	18	18	18
Current Face	11,656,000	11,656,000	11,656,000	11,656,000	11,656,000	11,656,000	11,656,000	11,656,000	11,656,000
Book Value	11,485,485	11,485,485	11,485,485	11,485,485	11,485,485	11,485,485	11,485,485	11,485,485	11,485,485
Book Price	98.54	98.54	98.54	98.54	98.54	98.54	98.54	98.54	98.54
Proj. Yld. At Book Px.	2.16%	2.16%	2.16%	2.16%	2.76%	2.53%	2.43%	2.43%	2.43%
Market Value	12,225,064	12,109,312	11,934,011	11,763,896	11,596,013	11,431,034	11,269,864	11,113,494	10,962,019
Market Price	104.88	103.89	102.39	100.93	99.49	98.07	96.69	95.35	94.05
Market Yield	0.25%	1.00%	2.00%	3.02%	4.01%	5.02%	6.04%	7.06%	8.08%
% Price Change	5.4%	4.4%	2.9%	1.4%	0.0%	-1.4%	-2.8%	-4.2%	-5.5%
Book Gain/Loss	739,579	623,827	448,526	278,411	110,529	-54,451	-215,620	-371,991	-523,466
Gain/Loss %	6.44%	5.43%	3.91%	2.42%	0.96%	-0.47%	-1.88%	-3.24%	-4.56%
Average Life	1.5	1.5	1.5	1.5	1.6	1.6	1.6	1.6	1.6
Effective Duration	0.7	1.2	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Effective Convexity	-0.5	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Corporate Contribution to Total Portfolio Measures

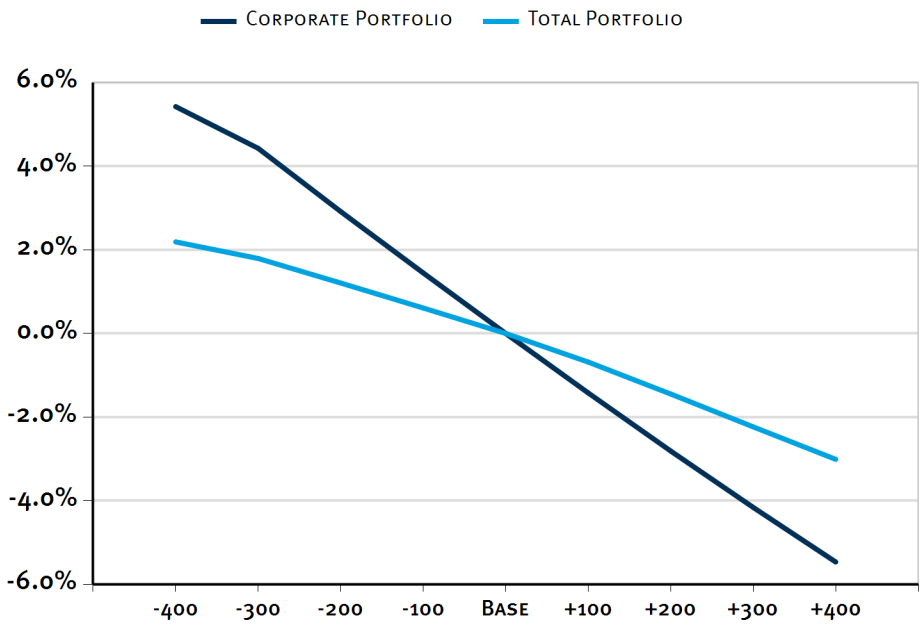


¹ Risk - Sector px. vol. +300 as % of total port. px. vol
² Yield - Sector yield as a % of total port. yield.

Corporate Sector Yield @ Book vs Total Portfolio



Corporate Sector Price Volatility vs Total Portfolio

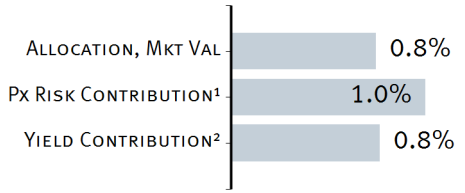


Sector Analysis

CD Sector Portfolio

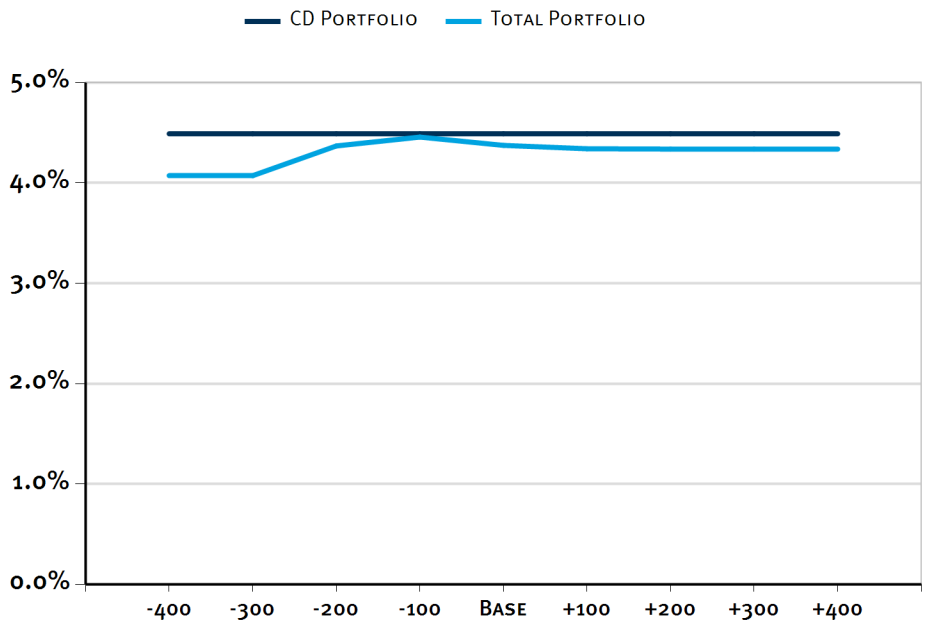
	-400	-300	-200	-100	Base	+100	+200	+300	+400
Number Bonds	9	9	9	9	9	9	9	9	9
Current Face	2,195,000	2,195,000	2,195,000	2,195,000	2,195,000	2,195,000	2,195,000	2,195,000	2,195,000
Book Value	2,199,418	2,199,418	2,199,418	2,199,418	2,199,418	2,199,418	2,199,418	2,199,418	2,199,418
Book Price	100.20	100.20	100.20	100.20	100.20	100.20	100.20	100.20	100.20
Proj. Yld. At Book Px.	4.49%	4.49%	4.49%	4.49%	4.49%	4.49%	4.49%	4.49%	4.49%
Market Value	2,293,859	2,278,448	2,256,670	2,235,419	2,214,666	2,193,716	2,171,371	2,148,556	2,125,863
Market Price	104.50	103.80	102.81	101.84	100.90	99.94	98.92	97.88	96.85
Market Yield	0.37%	1.09%	2.01%	2.93%	3.85%	4.78%	5.75%	6.74%	7.74%
% Price Change	3.6%	2.9%	1.9%	0.9%	0.0%	-0.9%	-2.0%	-3.0%	-4.0%
Book Gain/Loss	94,443	79,032	57,254	36,002	15,249	-5,700	-28,046	-50,860	-73,554
Gain/Loss %	4.29%	3.59%	2.60%	1.64%	0.69%	-0.26%	-1.28%	-2.31%	-3.34%
Average Life	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Effective Duration	0.5	0.8	0.9	0.9	0.9	1.0	1.1	1.1	1.1
Effective Convexity	-0.3	-0.3	0.0	0.0	0.0	-0.1	0.0	0.0	0.0

CD Contribution to Total Portfolio Measures

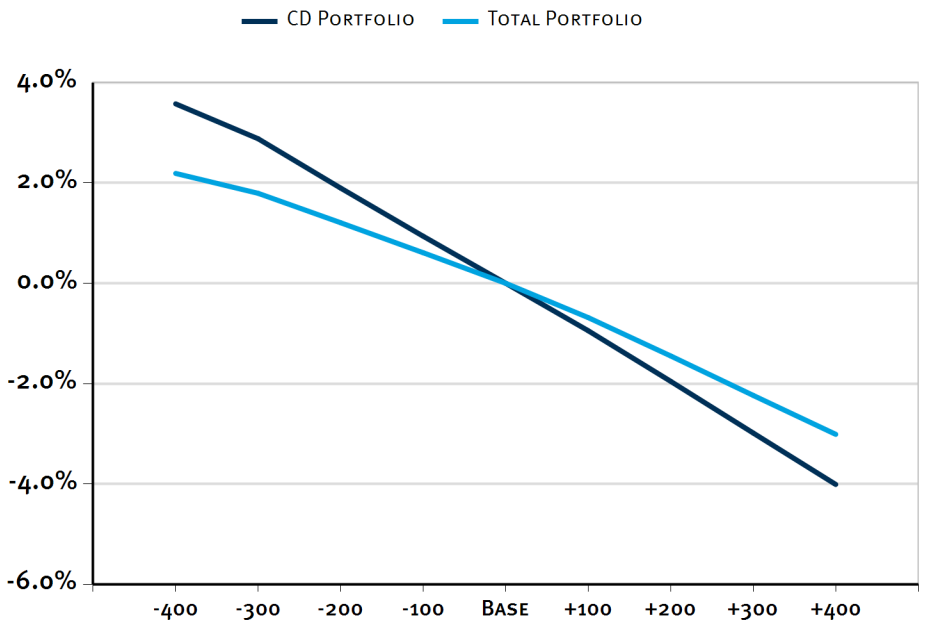


¹ Risk - Sector px. vol. +300 as % of total port. px. vol
² Yield - Sector yield as a % of total port. yield.

CD Sector Yield @ Book vs Total Portfolio



CD Sector Price Volatility vs Total Portfolio

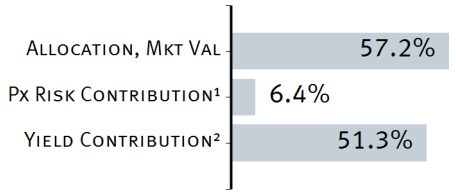


Sector Analysis

Other Sector Portfolio

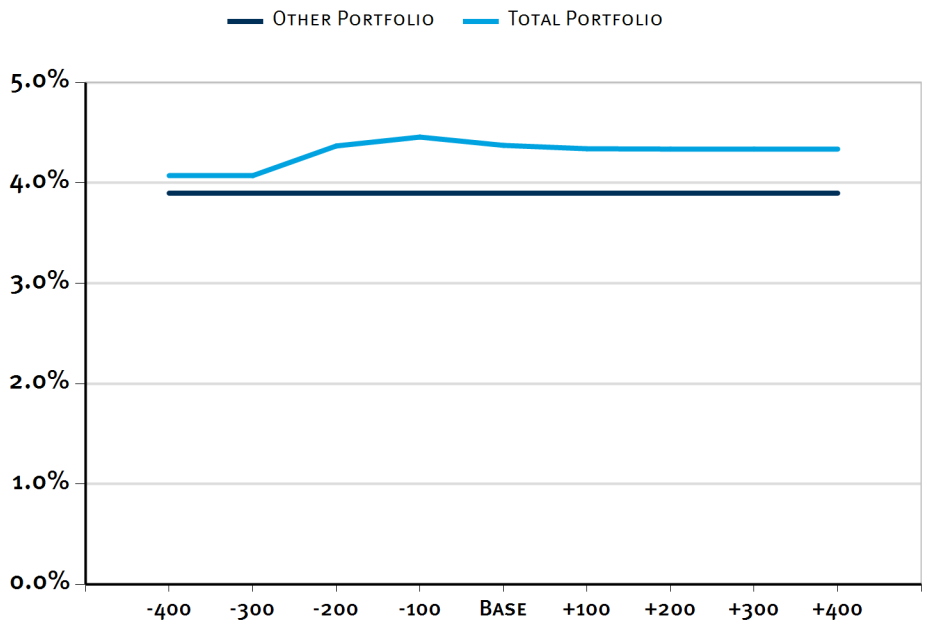
	-400	-300	-200	-100	Base	+100	+200	+300	+400
Number Bonds	1	1	1	1	1	1	1	1	1
Current Face	166,227,558	166,227,558	166,227,558	166,227,558	166,227,558	166,227,558	166,227,558	166,227,558	166,227,558
Book Value	166,227,558	166,227,558	166,227,558	166,227,558	166,227,558	166,227,558	166,227,558	166,227,558	166,227,558
Book Price	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Proj. Yld. At Book Px.	3.90%	3.90%	3.90%	3.90%	3.90%	3.90%	3.90%	3.90%	3.90%
Market Value	166,774,945	166,647,947	166,507,319	166,367,189	166,227,558	166,088,426	165,949,626	165,811,324	165,673,522
Market Price	100.33	100.25	100.17	100.08	100.00	99.92	99.83	99.75	99.67
Market Yield	-0.02%	0.88%	1.88%	2.89%	3.90%	4.91%	5.92%	6.94%	7.96%
% Price Change	0.3%	0.3%	0.2%	0.1%	0.0%	-0.1%	-0.2%	-0.3%	-0.3%
Book Gain/Loss	547,387	420,389	279,761	139,631	0	-139,132	-277,932	-416,234	-554,036
Gain/Loss %	0.33%	0.25%	0.17%	0.08%	0.00%	-0.08%	-0.17%	-0.25%	-0.33%
Average Life	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Effective Duration	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Effective Convexity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Other Contribution to Total Portfolio Measures

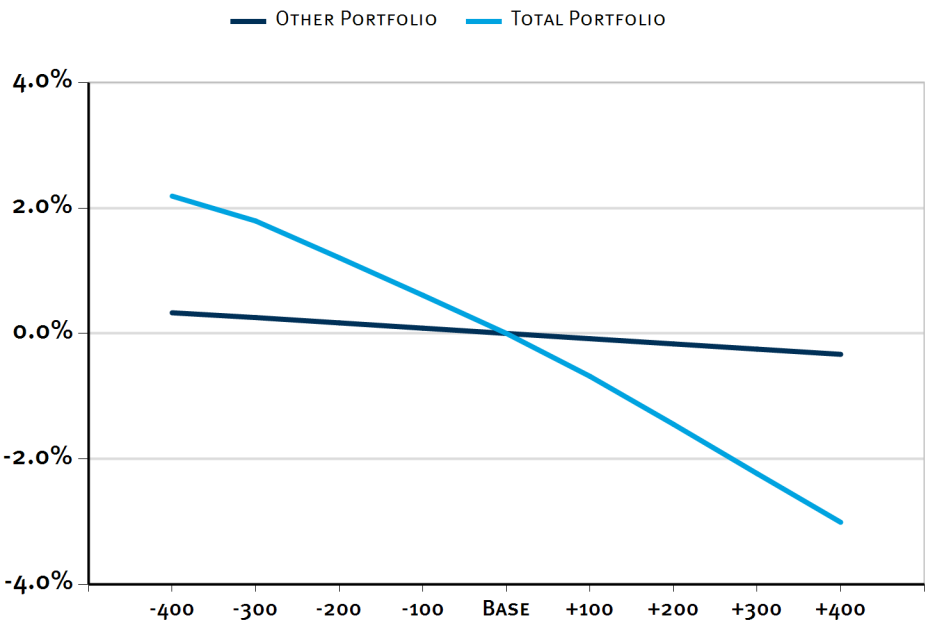


¹ Risk - Sector px. vol. +300 as % of total port. px. vol
² Yield - Sector yield as a % of total port. yield.

Other Sector Yield @ Book vs Total Portfolio



Other Sector Price Volatility vs Total Portfolio



Cashflow Analysis

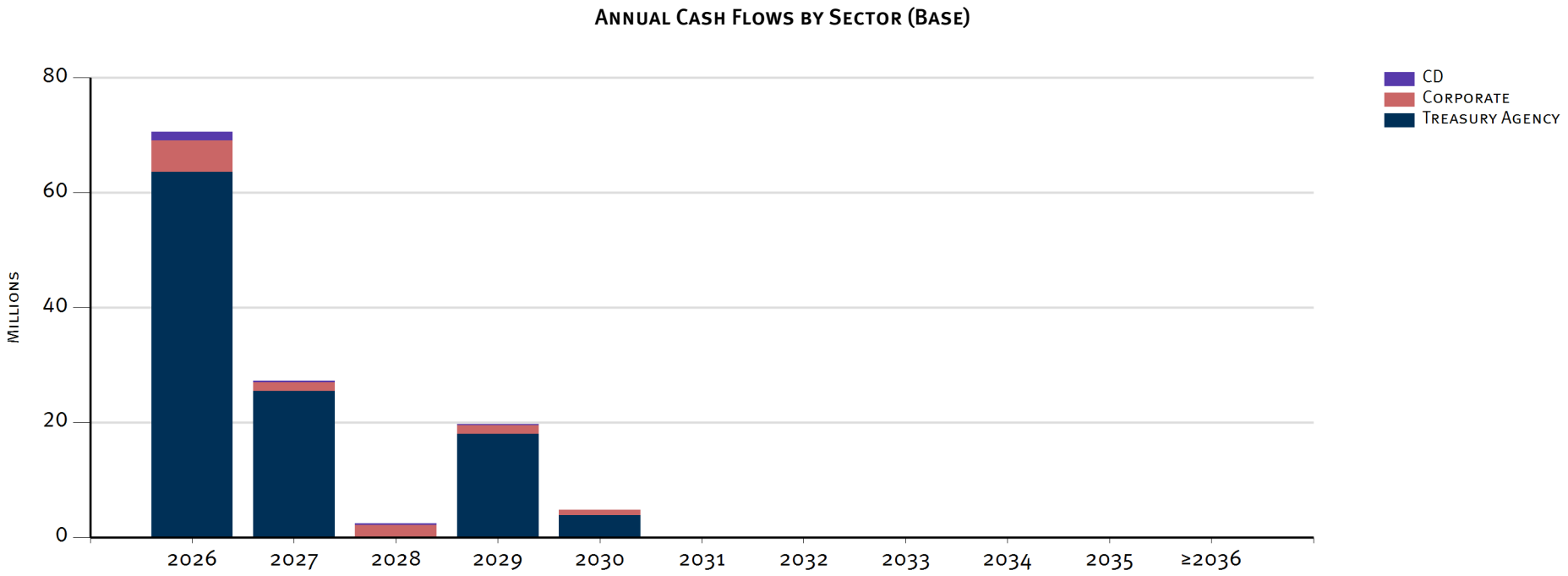
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Cash Flow Analysis

Annual Base

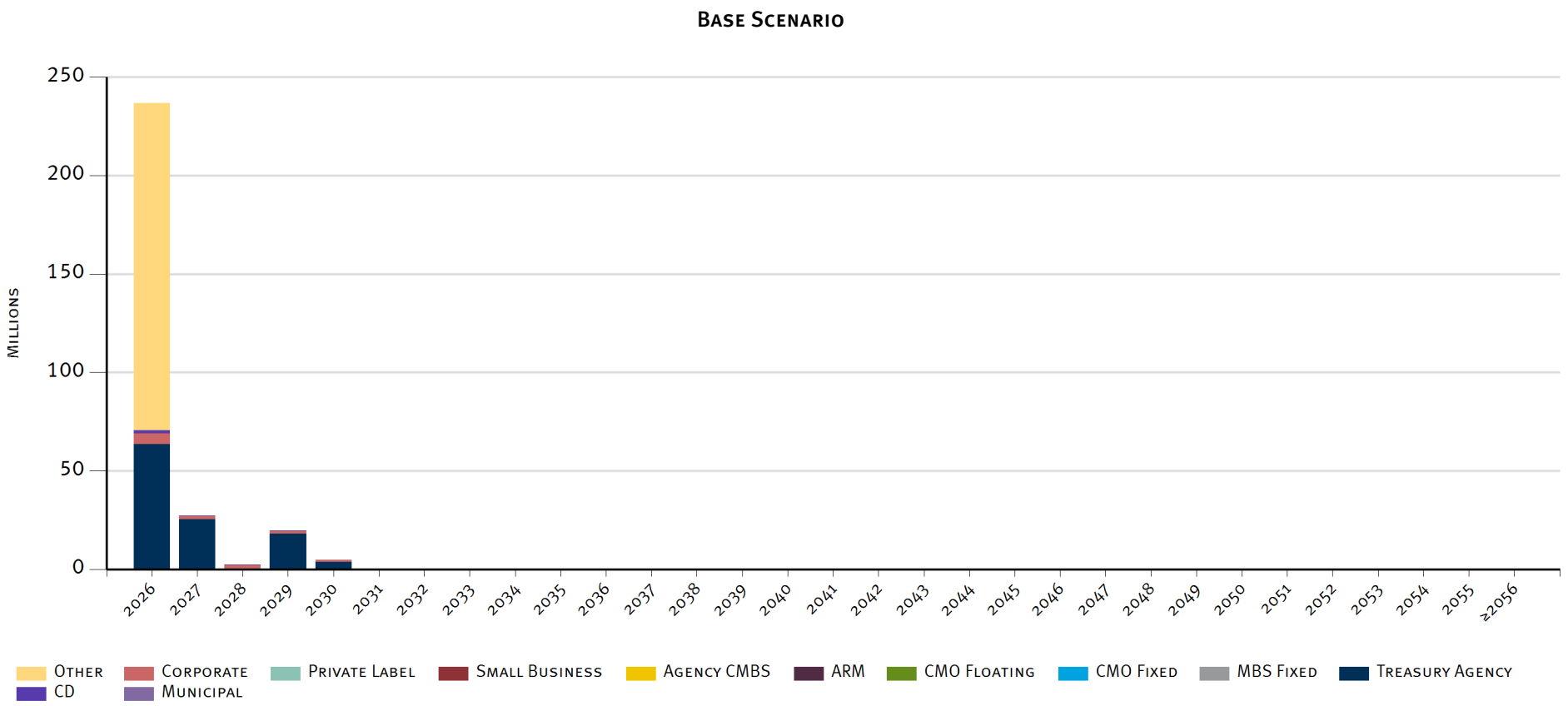
Annual Cash Flows by Sector (Base)

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	≥2036
Treasury/Agency	63,600,000	25,500,000	0	18,000,000	3,830,000	0	0	0	0	0	0
MBS Fixed	0	0	0	0	0	0	0	0	0	0	0
ARM	0	0	0	0	0	0	0	0	0	0	0
CMO Fixed	0	0	0	0	0	0	0	0	0	0	0
CMO Floating	0	0	0	0	0	0	0	0	0	0	0
Agency CMBS	0	0	0	0	0	0	0	0	0	0	0
Small Business	0	0	0	0	0	0	0	0	0	0	0
Private Label	0	0	0	0	0	0	0	0	0	0	0
Municipal	0	0	0	0	0	0	0	0	0	0	0
Corporate	5,500,000	1,500,000	2,156,000	1,500,000	1,000,000	0	0	0	0	0	0
CD	1,465,000	240,000	245,000	245,000	0	0	0	0	0	0	0
Other	166,227,558	0	0	0	0	0	0	0	0	0	0
Total	**236,792,558**	**27,240,000**	**2,401,000**	**19,745,000**	**4,830,000**	**0**	**0**	**0**	**0**	**0**	**0**
% of Total Portfolio	81.4%	9.4%	0.8%	6.8%	1.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%



Cash Flow Analysis

Cash Flows By Sector - Next 30 Years



Cash Flow Analysis

Annual Shocked

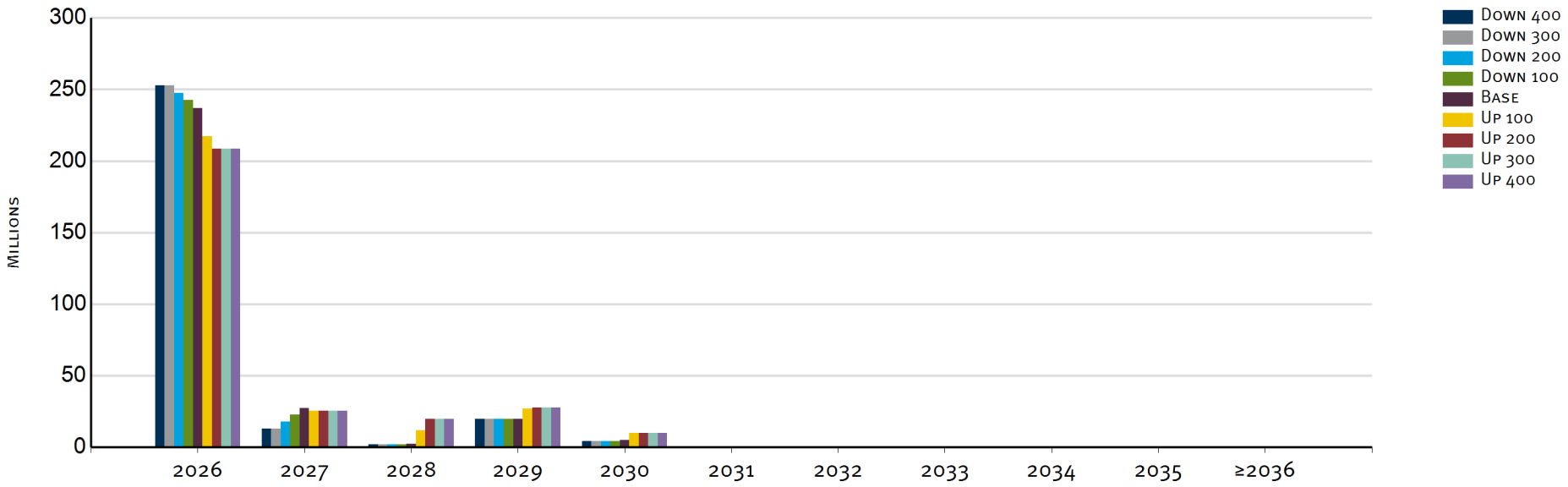
Shocked Annual Portfolio Cash Flows

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	≥ 2036
Down 400	252,622,558	12,740,000	1,901,000	19,745,000	4,000,000	0	0	0	0	0	0
Down 300	252,622,558	12,740,000	1,901,000	19,745,000	4,000,000	0	0	0	0	0	0
Down 200	247,622,558	17,740,000	1,901,000	19,745,000	4,000,000	0	0	0	0	0	0
Down 100	242,622,558	22,740,000	1,901,000	19,745,000	4,000,000	0	0	0	0	0	0
Base	**236,792,558**	**27,240,000**	**2,401,000**	**19,745,000**	**4,830,000**	**0**	**0**	**0**	**0**	**0**	**0**
Up 100	217,392,558	25,240,000	11,801,000	26,745,000	9,830,000	0	0	0	0	0	0
Up 200	208,392,558	25,240,000	19,801,000	27,745,000	9,830,000	0	0	0	0	0	0
Up 300	208,392,558	25,240,000	19,801,000	27,745,000	9,830,000	0	0	0	0	0	0
Up 400	208,392,558	25,240,000	19,801,000	27,745,000	9,830,000	0	0	0	0	0	0

Change in Shocked Annual Portfolio Cash Flows from Base

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	≥ 2036
Down 400	15,830,000	(14,500,000)	(500,000)	0	(830,000)	0	0	0	0	0	0
Down 300	15,830,000	(14,500,000)	(500,000)	0	(830,000)	0	0	0	0	0	0
Down 200	10,830,000	(9,500,000)	(500,000)	0	(830,000)	0	0	0	0	0	0
Down 100	5,830,000	(4,500,000)	(500,000)	0	(830,000)	0	0	0	0	0	0
Up 100	(19,400,000)	(2,000,000)	9,400,000	7,000,000	5,000,000	0	0	0	0	0	0
Up 200	(28,400,000)	(2,000,000)	17,400,000	8,000,000	5,000,000	0	0	0	0	0	0
Up 300	(28,400,000)	(2,000,000)	17,400,000	8,000,000	5,000,000	0	0	0	0	0	0
Up 400	(28,400,000)	(2,000,000)	17,400,000	8,000,000	5,000,000	0	0	0	0	0	0

Shocked Annual Portfolio Cash Flows

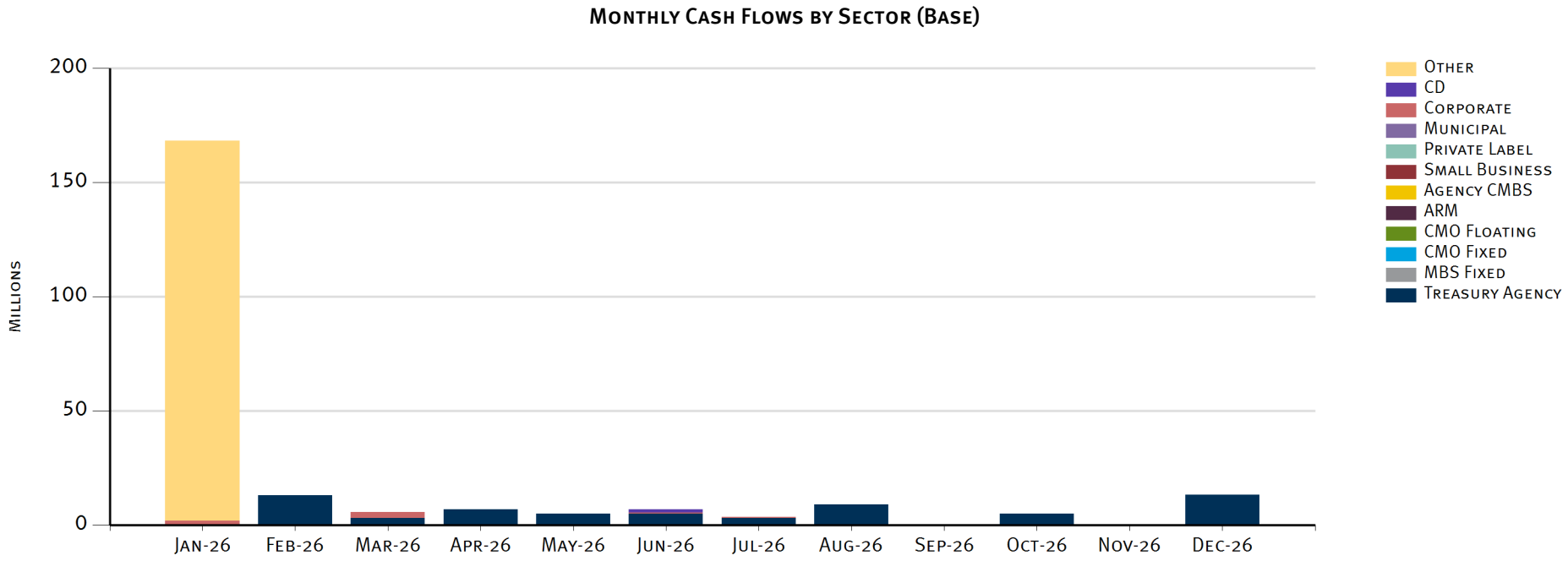


Cash Flow Analysis

Monthly Base

Monthly Cash Flows by Sector (Base)

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Total	% of Total Portfolio
Treasury/Agency	0	13,000,000	3,200,000	7,000,000	5,000,000	5,000,000	3,000,000	9,000,000	0	5,000,000	0	13,400,000	63,600,000	21.9%
MBS Fixed	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
ARM	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
CMO Fixed	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
CMO Floating	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Agency CMBS	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Small Business	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Private Label	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Municipal	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Corporate	2,000,000	0	2,500,000	0	0	500,000	500,000	0	0	0	0	0	5,500,000	1.9%
CD	0	0	0	0	0	1,465,000	0	0	0	0	0	0	1,465,000	0.5%
Other	166,227,558	0	0	0	0	0	0	0	0	0	0	0	166,227,558	57.1%
Total	**168,227,558**	**13,000,000**	**5,700,000**	**7,000,000**	**5,000,000**	**6,965,000**	**3,500,000**	**9,000,000**	**0**	**5,000,000**	**0**	**13,400,000**	**236,792,558**	**81.4%**
% of Total Portfolio	57.8%	4.5%	2.0%	2.4%	1.7%	2.4%	1.2%	3.1%	0.0%	1.7%	0.0%	4.6%	81.4%	



Cash Flow Analysis

Monthly Shocked

Shocked Monthly Portfolio Cash Flows (Year 1)

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Total
Down 400	188,227,558	27,000,000	5,200,000	3,000,000	5,000,000	6,465,000	3,500,000	5,000,000	1,400,000	0	830,000	7,000,000	252,622,558
Down 300	183,227,558	27,000,000	5,200,000	8,000,000	5,000,000	6,465,000	3,500,000	5,000,000	1,400,000	0	830,000	7,000,000	252,622,558
Down 200	174,227,558	22,000,000	5,200,000	7,000,000	5,000,000	6,465,000	3,500,000	5,000,000	1,400,000	5,000,000	830,000	12,000,000	247,622,558
Down 100	174,227,558	17,000,000	5,200,000	7,000,000	5,000,000	6,465,000	3,500,000	5,000,000	1,400,000	5,000,000	830,000	12,000,000	242,622,558
Base	**168,227,558**	**13,000,000**	**5,700,000**	**7,000,000**	**5,000,000**	**6,965,000**	**3,500,000**	**9,000,000**	**0**	**5,000,000**	**0**	**13,400,000**	**236,792,558**
Up 100	168,227,558	8,000,000	5,200,000	4,500,000	5,000,000	6,965,000	3,500,000	0	0	5,000,000	0	11,000,000	217,392,558
Up 200	168,227,558	8,000,000	5,200,000	4,000,000	0	7,465,000	500,000	0	0	5,000,000	0	10,000,000	208,392,558
Up 300	168,227,558	8,000,000	5,200,000	4,000,000	0	7,465,000	500,000	0	0	5,000,000	0	10,000,000	208,392,558
Up 400	168,227,558	8,000,000	5,200,000	4,000,000	0	7,465,000	500,000	0	0	5,000,000	0	10,000,000	208,392,558

Change in Monthly Cash Flows from Base (Year 1)

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Total
Down 400	20,000,000	14,000,000	(500,000)	(4,000,000)	0	(500,000)	0	(4,000,000)	1,400,000	(5,000,000)	830,000	(6,400,000)	15,830,000
Down 300	15,000,000	14,000,000	(500,000)	1,000,000	0	(500,000)	0	(4,000,000)	1,400,000	(5,000,000)	830,000	(6,400,000)	15,830,000
Down 200	6,000,000	9,000,000	(500,000)	0	0	(500,000)	0	(4,000,000)	1,400,000	0	830,000	(1,400,000)	10,830,000
Down 100	6,000,000	4,000,000	(500,000)	0	0	(500,000)	0	(4,000,000)	1,400,000	0	830,000	(1,400,000)	5,830,000
Up 100	0	(5,000,000)	(500,000)	(2,500,000)	0	0	0	(9,000,000)	0	0	0	(2,400,000)	(19,400,000)
Up 200	0	(5,000,000)	(500,000)	(3,000,000)	(5,000,000)	500,000	(3,000,000)	(9,000,000)	0	0	0	(3,400,000)	(28,400,000)
Up 300	0	(5,000,000)	(500,000)	(3,000,000)	(5,000,000)	500,000	(3,000,000)	(9,000,000)	0	0	0	(3,400,000)	(28,400,000)
Up 400	0	(5,000,000)	(500,000)	(3,000,000)	(5,000,000)	500,000	(3,000,000)	(9,000,000)	0	0	0	(3,400,000)	(28,400,000)

Shocked Monthly Portfolio Cash Flows (Year 2)

	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27	Total
Down 400	500,000	0	0	500,000	0	5,000,000	3,500,000	0	2,500,000	0	0	740,000	12,740,000
Down 300	500,000	0	0	500,000	0	5,000,000	3,500,000	0	2,500,000	0	0	740,000	12,740,000
Down 200	500,000	5,000,000	0	500,000	0	5,000,000	3,500,000	0	2,500,000	0	0	740,000	17,740,000
Down 100	500,000	10,000,000	0	500,000	0	5,000,000	3,500,000	0	2,500,000	0	0	740,000	22,740,000
Base	**0**	**10,000,000**	**0**	**5,500,000**	**0**	**5,000,000**	**4,000,000**	**0**	**2,500,000**	**0**	**0**	**240,000**	**27,240,000**
Up 100	0	10,000,000	0	5,500,000	0	5,000,000	1,000,000	0	2,500,000	0	0	1,240,000	25,240,000
Up 200	0	10,000,000	0	5,500,000	0	5,000,000	1,000,000	0	2,500,000	0	0	1,240,000	25,240,000
Up 300	0	10,000,000	0	5,500,000	0	5,000,000	1,000,000	0	2,500,000	0	0	1,240,000	25,240,000
Up 400	0	10,000,000	0	5,500,000	0	5,000,000	1,000,000	0	2,500,000	0	0	1,240,000	25,240,000

Change in Monthly Cash Flows from Base (Year 2)

	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27	Total
Down 400	500,000	(10,000,000)	0	(5,000,000)	0	0	(500,000)	0	0	0	0	500,000	(14,500,000)
Down 300	500,000	(10,000,000)	0	(5,000,000)	0	0	(500,000)	0	0	0	0	500,000	(14,500,000)
Down 200	500,000	(5,000,000)	0	(5,000,000)	0	0	(500,000)	0	0	0	0	500,000	(9,500,000)
Down 100	500,000	0	0	(5,000,000)	0	0	(500,000)	0	0	0	0	500,000	(4,500,000)
Up 100	0	0	0	0	0	0	(3,000,000)	0	0	0	0	1,000,000	(2,000,000)
Up 200	0	0	0	0	0	0	(3,000,000)	0	0	0	0	1,000,000	(2,000,000)
Up 300	0	0	0	0	0	0	(3,000,000)	0	0	0	0	1,000,000	(2,000,000)
Up 400	0	0	0	0	0	0	(3,000,000)	0	0	0	0	1,000,000	(2,000,000)

Cash Flow Analysis

Yield Forecaster

	Down 100 (3.22% Assumed Reinvestment Rate)[1]					Base Case (4.22% Assumed Reinvestment Rate)[1]					Up 100 (5.22% Assumed Reinvestment Rate)[1]				
	Principal Cash Flow	Cuml. Pay Down	Rolloff Yield	Rem. Port. Yield	Reinvest Port. Yield	Principal Cash Flow	Cuml. Pay Down	Rolloff Yield	Rem. Port. Yield	Reinvest Port. Yield	Principal Cash Flow	Cuml. Pay Down	Rolloff Yield	Rem. Port. Yield	Reinvest Port. Yield
Jan-26	174,227,558	59.4%	3.64	5.21	4.06	168,227,558	57.4%	3.77	4.98	4.58	168,227,558	57.4%	3.77	4.90	5.13
Feb-26	17,000,000	65.2%	6.70	4.94	3.85	13,000,000	61.8%	4.01	5.09	4.59	8,000,000	60.1%	3.76	4.97	5.16
Mar-26	5,200,000	67.0%	0.36	5.17	3.90	5,700,000	63.7%	1.18	5.29	4.64	5,200,000	61.9%	-0.32	5.21	5.26
Apr-26	7,000,000	69.4%	1.96	5.42	3.93	7,000,000	66.1%	1.96	5.52	4.70	4,500,000	63.4%	1.46	5.37	5.32
May-26	5,000,000	71.1%	5.15	5.44	3.89	5,000,000	67.8%	5.15	5.54	4.68	5,000,000	65.1%	5.15	5.38	5.32
Jun-26	6,465,000	73.3%	4.13	5.55	3.87	6,965,000	70.2%	4.55	5.62	4.67	6,965,000	67.5%	4.55	5.44	5.33
Jul-26	3,500,000	74.5%	5.31	5.56	3.85	3,500,000	71.4%	5.31	5.63	4.66	3,500,000	68.7%	5.31	5.44	5.33
Aug-26	5,000,000	76.2%	4.09	5.66	3.83	9,000,000	74.5%	5.04	5.70	4.64	0	68.7%	0.00	5.44	5.33
Sep-26	1,400,000	76.7%	3.58	5.70	3.83	0	74.5%	0.00	5.70	4.64	0	68.7%	0.00	5.44	5.33
Oct-26	5,000,000	78.4%	12.96	5.13	3.66	5,000,000	76.2%	12.96	5.18	4.48	5,000,000	70.4%	12.96	5.01	5.20
Nov-26	830,000	78.6%	3.50	5.15	3.66	0	76.2%	0.00	5.18	4.48	0	70.4%	0.00	5.01	5.20
Dec-26	12,000,000	82.7%	4.59	5.26	3.60	13,400,000	80.7%	4.49	5.33	4.47	11,000,000	74.1%	4.62	5.05	5.22
Jan-27	500,000	82.9%	7.66	5.24	3.59	0	80.7%	0.00	5.33	4.47	0	74.1%	0.00	5.05	5.22
Feb-27	10,000,000	86.3%	10.21	4.00	3.35	10,000,000	84.2%	10.21	4.27	4.26	10,000,000	77.5%	10.21	4.27	5.05
Mar-27	0	86.3%	0.00	4.00	3.35	0	84.2%	0.00	4.27	4.26	0	77.5%	0.00	4.27	5.05
Apr-27	500,000	86.5%	7.65	3.95	3.35	5,500,000	86.0%	6.44	3.98	4.22	5,500,000	79.4%	6.44	4.07	5.02
May-27	0	86.5%	0.00	3.95	3.35	0	86.0%	0.00	3.98	4.22	0	79.4%	0.00	4.07	5.02
Jun-27	5,000,000	88.2%	4.68	3.85	3.32	5,000,000	87.7%	4.68	3.89	4.21	5,000,000	81.1%	4.68	4.02	5.03
Jul-27	3,500,000	89.4%	4.55	3.77	3.31	4,000,000	89.1%	4.84	3.76	4.20	1,000,000	81.5%	5.89	3.98	5.03
Aug-27	0	89.4%	0.00	3.77	3.31	0	89.1%	0.00	3.76	4.20	0	81.5%	0.00	3.98	5.03
Sep-27	2,500,000	90.2%	3.55	3.79	3.30	2,500,000	90.0%	3.55	3.78	4.21	2,500,000	82.3%	3.55	4.00	5.05
Oct-27	0	90.2%	0.00	3.79	3.30	0	90.0%	0.00	3.78	4.21	0	82.3%	0.00	4.00	5.05
Nov-27	0	90.2%	0.00	3.79	3.30	0	90.0%	0.00	3.78	4.21	0	82.3%	0.00	4.00	5.05
Dec-27	740,000	90.5%	5.31	3.75	3.30	240,000	90.0%	3.99	3.78	4.21	1,240,000	82.7%	4.25	4.00	5.05
Jan-28	0	90.5%	0.00	3.75	3.30	0	90.0%	0.00	3.78	4.21	0	82.7%	0.00	4.00	5.05
Feb-28	656,000	90.7%	4.00	3.74	3.30	656,000	90.3%	4.00	3.78	4.21	656,000	83.0%	4.00	4.00	5.05
Mar-28	0	90.7%	0.00	3.74	3.30	500,000	90.4%	5.66	3.74	4.21	500,000	83.1%	5.66	3.98	5.05
Apr-28	0	90.7%	0.00	3.74	3.30	0	90.4%	0.00	3.74	4.21	0	83.1%	0.00	3.98	5.05
May-28	0	90.7%	0.00	3.74	3.30	0	90.4%	0.00	3.74	4.21	0	83.1%	0.00	3.98	5.05
Jun-28	245,000	90.8%	5.06	3.73	3.29	245,000	90.5%	5.06	3.73	4.21	245,000	83.2%	5.06	3.98	5.05
Jul-28	500,000	91.0%	4.17	3.72	3.29	500,000	90.7%	4.17	3.72	4.21	0	83.2%	0.00	3.98	5.05
Aug-28	500,000	91.1%	5.07	3.69	3.29	0	90.7%	0.00	3.72	4.21	5,500,000	85.1%	4.11	3.96	5.07
Sep-28	0	91.1%	0.00	3.69	3.29	0	90.7%	0.00	3.72	4.21	1,400,000	85.6%	3.76	3.97	5.08
Oct-28	0	91.1%	0.00	3.69	3.29	0	90.7%	0.00	3.72	4.21	3,000,000	86.6%	4.25	3.94	5.09
Nov-28	0	91.1%	0.00	3.69	3.29	500,000	90.9%	4.96	3.70	4.21	500,000	86.8%	4.96	3.93	5.09
Dec-28	0	91.1%	0.00	3.69	3.29	0	90.9%	0.00	3.70	4.21	0	86.8%	0.00	3.93	5.09

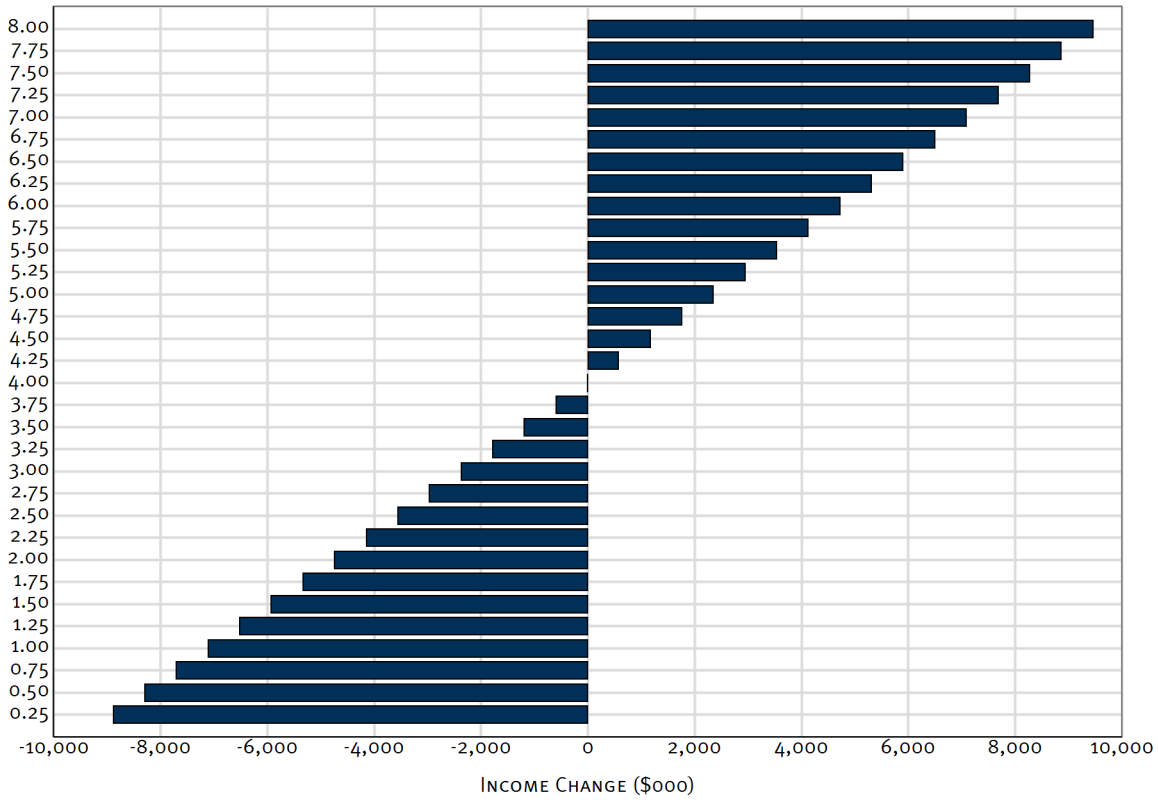
[1] Base reinvestment set at 5 Year Treasury rate +50 basis points

Cash Flow Analysis

Gap Analysis - Potential Income Impact of Principal Reinvestment

Principal Maturing (12 Mo Horizon)	236,793
Current Book Yield of Principal Maturing	4.01%
Estimated Annual Income at Current Book Yield	$9,485

Estimated Impact on Income at Various Reinvestment Yields



Assumed Reinvestment Yield	Estimated Annualized Income	Income Difference From Current Book	Resulting Book Yield
0.25	592	-8,893	1.32
0.50	1,184	-8,301	1.52
0.75	1,776	-7,709	1.73
1.00	2,368	-7,117	1.93
1.25	2,960	-6,525	2.13
1.50	3,552	-5,933	2.34
1.75	4,144	-5,341	2.54
2.00	4,736	-4,749	2.74
2.25	5,328	-4,157	2.95
2.50	5,920	-3,565	3.15
2.75	6,512	-2,973	3.35
3.00	7,104	-2,381	3.56
3.25	7,696	-1,789	3.76
3.50	8,288	-1,197	3.96
3.75	8,880	-605	4.17
4.00	9,472	-13	4.37
4.25	10,064	579	4.57
4.50	10,656	1,171	4.78
4.75	11,248	1,763	4.98
5.00	11,840	2,355	5.18
5.25	12,432	2,947	5.39
5.50	13,024	3,539	5.59
5.75	13,616	4,131	5.79
6.00	14,208	4,723	6.00
6.25	14,800	5,315	6.20
6.50	15,392	5,907	6.40
6.75	15,983	6,499	6.61
7.00	16,575	7,091	6.81
7.25	17,167	7,683	7.01
7.50	17,759	8,275	7.22
7.75	18,351	8,867	7.42
8.00	18,943	9,459	7.62

Cash Flow Analysis

Projected Call and Maturity Report

Projected Call and Maturity Dates by Rate Scenario (Next 12 Months)

Description	CUSIP	Maturity	Next Call Date	Coupon	Current Face	Book Gain/Loss	Yld @ Book	Projected Call / Maturity Date								
								-400	-300	-200	-100	Base	+100	+200	+300	+400
PG 4.1 01/26/26	742718FY0	1/26/26		4.10%	1,000,000	(18,373)	-20.76%	1/26/26	1/26/26	1/26/26	1/26/26	1/26/26	1/26/26	1/26/26	1/26/26	1/26/26
RY 4.65 01/27/26	780082AD5	1/27/26		4.65%	500,000	3,046	13.28%	1/27/26	1/27/26	1/27/26	1/27/26	1/27/26	1/27/26	1/27/26	1/27/26	1/27/26
BK 0.75 01/28/26	06406RAQ0	1/28/26	1/15/26	0.75%	500,000	35,222		1/7/26	1/28/26	1/28/26	1/28/26	1/28/26	1/28/26	1/28/26	1/28/26	1/28/26
USTN 4 02/15/26	91282CGL9	2/15/26		4.00%	5,000,000	13,195	6.21%	2/15/26	2/15/26	2/15/26	2/15/26	2/15/26	2/15/26	2/15/26	2/15/26	2/15/26
FFCB 4.45 02/25/30	3133ETUN5	2/25/30	2/25/26	4.45%	5,000,000	5,050	4.42%	2/25/26	2/25/26	2/25/26	2/25/26	2/25/26	2/25/30	2/25/30	2/25/30	2/25/30
USTN 2.5 02/28/26	9128286F2	2/28/26		2.50%	3,000,000	(267,511)		2/28/26	2/28/26	2/28/26	2/28/26	2/28/26	2/28/26	2/28/26	2/28/26	2/28/26
XOM 3.043 03/01/26	30231GAT9	3/1/26	1/20/26	3.04%	1,000,000	16,405	14.21%	1/12/26	1/12/26	1/12/26	1/12/26	3/1/26	3/1/26	3/1/26	3/1/26	3/1/26
BN 4.25 06/02/26	11271LAA0	6/2/26	3/2/26	4.25%	500,000	10,615	16.64%	3/2/26	3/2/26	3/2/26	3/2/26	3/2/26	4/17/26	6/2/26	6/2/26	6/2/26
CL 4.8 03/02/26	194162AQ6	3/2/26		4.80%	1,000,000	(34,282)	-15.03%	3/2/26	3/2/26	3/2/26	3/2/26	3/2/26	3/2/26	3/2/26	3/2/26	3/2/26
USTN 2.25 03/31/26	9128286L9	3/31/26		2.25%	3,200,000	159,810		3/31/26	3/31/26	3/31/26	3/31/26	3/31/26	3/31/26	3/31/26	3/31/26	3/31/26
FHLB 1.05 04/29/26	3130AN5C0	4/29/26	1/29/26	1.05%	4,000,000	(44,928)	0.26%	1/29/26	1/29/26	4/29/26	4/29/26	4/29/26	4/29/26	4/29/26	4/29/26	4/29/26
FHLB 4.25 10/30/28	3130B62E5	10/30/28	4/30/26	4.25%	3,000,000	3,720	4.23%	4/30/26	4/30/26	4/30/26	4/30/26	4/30/26	10/30/28	10/30/28	10/30/28	10/30/28
FFCB 5.17 05/01/28	3133ERCX7	5/1/28	5/1/26	5.17%	5,000,000	24,405	5.15%	5/1/26	5/1/26	5/1/26	5/1/26	5/1/26	5/1/26	5/1/28	5/1/28	5/1/28
GS 5.05 06/11/26	38150VUZ0	6/11/26		5.05%	245,000	1,383	5.01%	6/11/26	6/11/26	6/11/26	6/11/26	6/11/26	6/11/26	6/11/26	6/11/26	6/11/26
FOBRI 5.05 06/15/26	34520LBC6	6/15/26		5.05%	245,000	1,447	5.04%	6/15/26	6/15/26	6/15/26	6/15/26	6/15/26	6/15/26	6/15/26	6/15/26	6/15/26
USTN 4.125 06/15/26	91282CHH7	6/15/26		4.13%	5,000,000	11,281	4.04%	6/15/26	6/15/26	6/15/26	6/15/26	6/15/26	6/15/26	6/15/26	6/15/26	6/15/26
BMWG 4.65 06/15/26	05580A4Y7	6/15/26		4.65%	240,000	(2,628)	1.48%	6/15/26	6/15/26	6/15/26	6/15/26	6/15/26	6/15/26	6/15/26	6/15/26	6/15/26
JPM 3.2 06/15/26	46625HRS1	6/15/26	3/15/26	3.20%	500,000	13,886	10.17%	3/15/26	3/15/26	3/15/26	3/15/26	6/15/26	6/15/26	6/15/26	6/15/26	6/15/26
SBI 5.1 06/17/26	8562855V9	6/17/26		5.10%	245,000	1,520	5.09%	6/17/26	6/17/26	6/17/26	6/17/26	6/17/26	6/17/26	6/17/26	6/17/26	6/17/26
BAC 5.05 06/22/26	06051XER9	6/22/26		5.05%	245,000	1,517	5.03%	6/22/26	6/22/26	6/22/26	6/22/26	6/22/26	6/22/26	6/22/26	6/22/26	6/22/26
FRDOM 5.05 06/22/26	35634MAE1	6/22/26		5.05%	245,000	1,517	5.04%	6/22/26	6/22/26	6/22/26	6/22/26	6/22/26	6/22/26	6/22/26	6/22/26	6/22/26
FHLB 4.55 07/21/28	3130B4QA2	7/21/28	7/21/26	4.55%	3,000,000	14,691	4.55%	7/21/26	7/21/26	7/21/26	7/21/26	7/21/26	7/21/26	7/21/28	7/21/28	7/21/28
MS 3.125 07/27/26	61761J3R8	7/27/26		3.13%	500,000	16,305	10.04%	7/27/26	7/27/26	7/27/26	7/27/26	7/27/26	7/27/26	7/27/26	7/27/26	7/27/26
FNMA 4.1 08/10/28	3136GAGW3	8/10/28	8/10/26	4.10%	5,000,000	9,175	4.09%	8/10/26	8/10/26	8/10/26	8/10/26	8/10/26	8/10/28	8/10/28	8/10/28	8/10/28
FHLMC 4 08/14/29	3134HADY6	8/14/29	2/14/26	4.00%	4,000,000	47,308	6.25%	2/14/26	2/14/26	2/14/26	2/14/26	8/14/26	8/14/29	8/14/29	8/14/29	8/14/29
FHLMC 0.8 10/27/26	3134GW4C7	10/27/26	1/27/26	0.80%	5,000,000	345,245	12.96%	1/27/26	4/27/26	10/27/26	10/27/26	10/27/26	10/27/26	10/27/26	10/27/26	10/27/26
FFCB 4.32 12/02/27	3133ERE23	12/2/27	12/2/26	4.32%	1,000,000	6,206	4.32%	12/2/26	12/2/26	12/2/26	12/2/26	12/2/26	12/2/27	12/2/27	12/2/27	12/2/27
FHLB 4.5 12/04/29	3130B3XP3	12/4/29	12/4/26	4.50%	1,000,000	7,154	4.50%	12/4/26	12/4/26	12/4/26	12/4/26	12/4/26	12/4/26	12/4/29	12/4/29	12/4/29
FFCB 3.83 09/15/28	3133ETXV4	9/15/28	9/15/26	3.83%	1,400,000	(5,321)	3.65%	9/15/26	9/15/26	9/15/26	9/15/26	12/15/26	9/15/28	9/15/28	9/15/28	9/15/28
FFCB 1.29 12/22/26	3133ENJC5	12/22/26	1/16/26	1.29%	5,000,000	(111,285)	1.29%	1/7/26	1/7/26	12/22/26	12/22/26	12/22/26	12/22/26	12/22/26	12/22/26	12/22/26
USTN 1.75 12/31/26	912828YX2	12/31/26		1.75%	5,000,000	216,672	8.18%	12/31/26	12/31/26	12/31/26	12/31/26	12/31/26	12/31/26	12/31/26	12/31/26	12/31/26

Supplemental Analysis

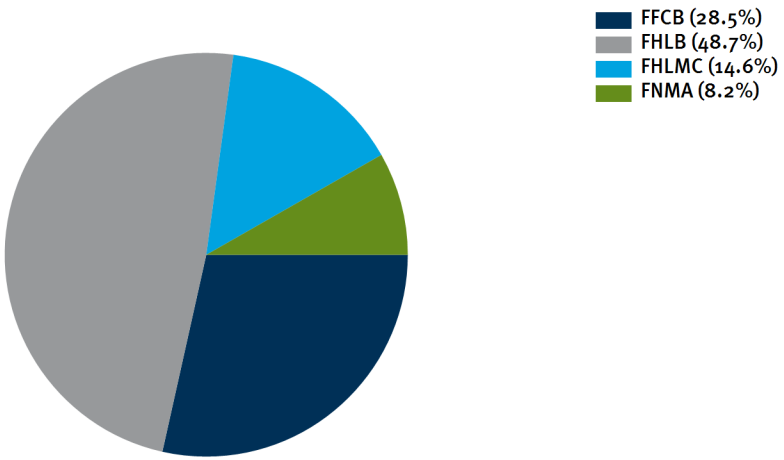
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Sector Supplemental Analysis

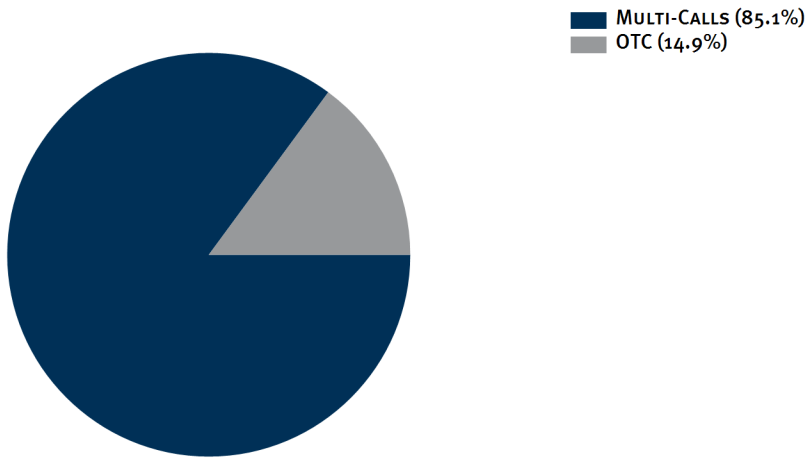
Agency Sector Call Analysis

Agency Structure	-400	-300	-200	-100	Base	+100	+200	+300	+400
Multi-Calls									
Market Value	52,651,229	52,555,916	52,357,496	52,079,186	**51,734,697**	51,182,025	50,426,075	49,588,689	48,738,664
Projected Yield At Book Price	4.53%	4.53%	6.38%	6.71%	**5.95%**	5.82%	5.82%	5.82%	5.82%
Average Life	0.2	0.2	0.5	0.6	**0.8**	1.6	1.9	1.9	1.9
Price Volatility	1.8%	1.6%	1.2%	0.7%	**0.0%**	-1.1%	-2.5%	-4.1%	-5.8%
One-Time Callables									
Market Value	9,388,767	9,327,269	9,238,418	9,150,428	**9,055,038**	8,907,156	8,690,940	8,456,333	8,224,213
Projected Yield At Book Price	4.27%	4.27%	4.27%	4.27%	**4.27%**	4.28%	4.28%	4.28%	4.28%
Average Life	1.0	1.0	1.0	1.0	**1.0**	2.7	3.1	3.1	3.1
Price Volatility	3.7%	3.0%	2.0%	1.1%	**0.0%**	-1.6%	-4.0%	-6.6%	-9.2%

Agency Portfolio Allocation by Issuer



Agency Portfolio Allocation by Structure



Sector Supplemental Analysis

MBS and CMO Collateral Analysis

Fixed Rate MBS and CMO Allocation by Collateral Type

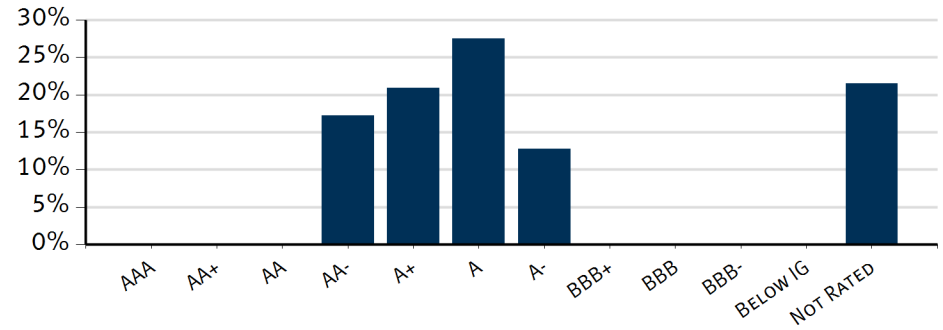
	MBS Portfolio								CMO Portfolio								CMO and MBS Combined							
	FNMA/FHLMC					GNMA			FNMA/FHLMC					GNMA			FNMA/FHLMC					GNMA		
	10YR	15YR	20YR	30YR	Other	15YR	30YR	Other	10YR	15YR	20YR	30YR	Other	15YR	30YR	Other	10YR	15YR	20YR	30YR	Other	15YR	30YR	Other
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7.0%+																								

Sector Supplemental Analysis

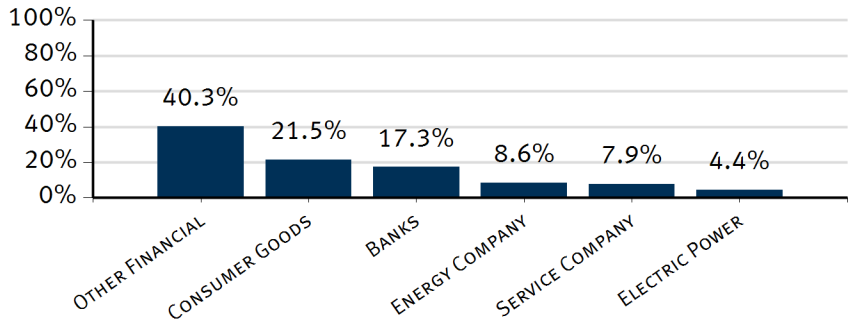
Corporate Portfolio - Analytics by S&P Rating

	Mkt %	Market Value	Projected Yield At Book									Average Life									% Change in Market Value							
			-400	-300	-200	-100	Base	+100	+200	+300	+400	-400	-300	-200	-100	Base	+100	+200	+300	+400	-400	-300	-200	-100	+100	+200	+300	+400
AA-	17.2%	1,998,632		-20.76	(20.76)	(20.76)	(3.59)	(3.59)	(3.59)	(3.59)	(3.59)		0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1		0.2	0.2	0.1	-0.1	-0.2	-0.4	-0.5
A+	20.9%	2,423,283		-3.80	(3.80)	(3.80)	(3.80)	(3.80)	(3.80)	(3.80)	(3.80)		2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1		6.2	4.0	2.0	-1.9	-3.7	-5.4	-7.1
A	27.5%	3,188,135		6.71	6.71	6.71	5.12	5.12	5.12	5.12	5.12		2.0	2.0	2.0	2.1	2.1	2.1	2.1	2.1		6.0	3.9	1.9	-1.9	-3.7	-5.5	-7.2
A-	12.8%	1,485,756		7.91	7.91	7.91	7.51	7.51	7.51	7.51	7.51		1.2	1.2	1.2	1.3	1.3	1.3	1.3	1.3		3.6	2.4	1.2	-1.2	-2.5	-3.7	-4.9
Not Rated	21.6%	2,500,208		9.30	9.30	9.30	9.14	8.07	7.65	7.65	7.65		1.6	1.6	1.6	1.7	1.7	1.7	1.7	1.7		4.7	3.1	1.5	-1.5	-3.0	-4.5	-5.9
Total	**100.0%**	**11,596,013**		**0.39**	**0.39**	**0.39**	**2.86**	**2.63**	**2.54**	**2.54**	**2.54**		**1.5**	**1.5**	**1.5**	**1.6**	**1.6**	**1.6**	**1.6**	**1.6**		**4.4**	**2.9**	**1.4**	**-1.4**	**-2.8**	**-4.2**	**-5.5**

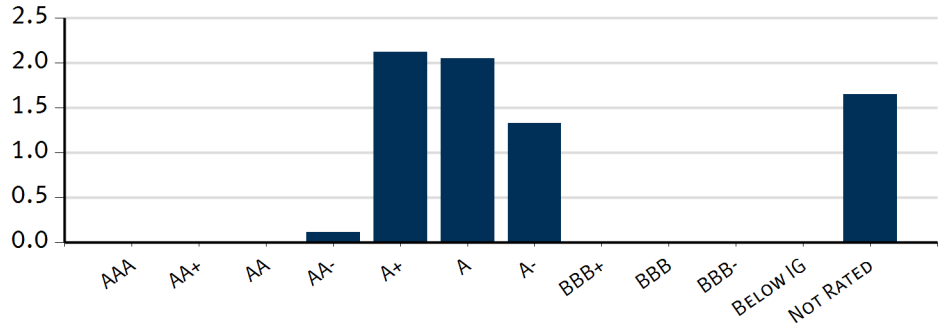
Corporate Sector - Allocation by S&P Rating



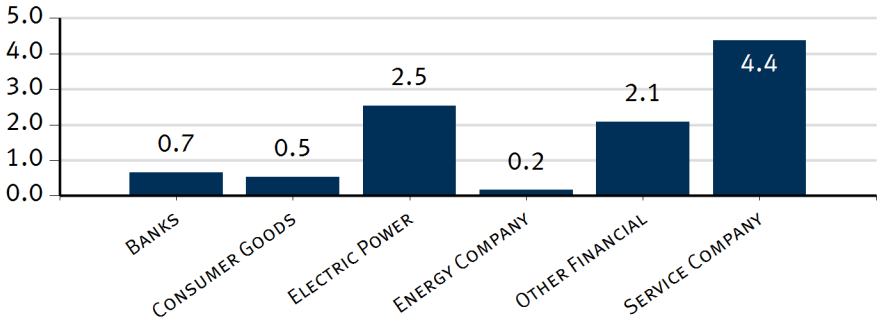
Corporate Sector - Allocation by Industry



Corporate Sector - Weighted Avg Life by S&P Rating



Corporate Sector - Weighted Avg Life by Industry

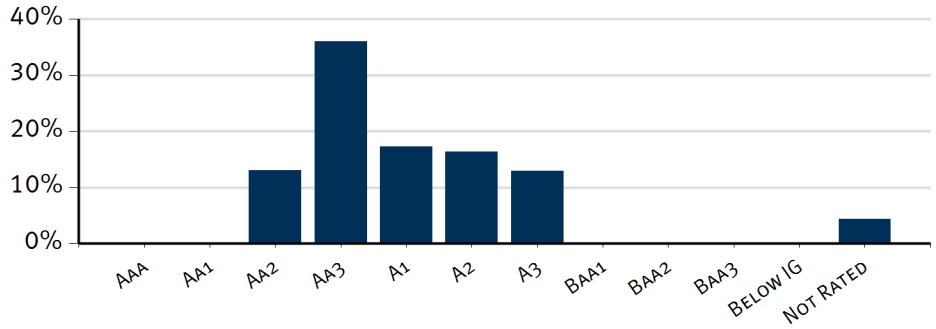


Sector Supplemental Analysis

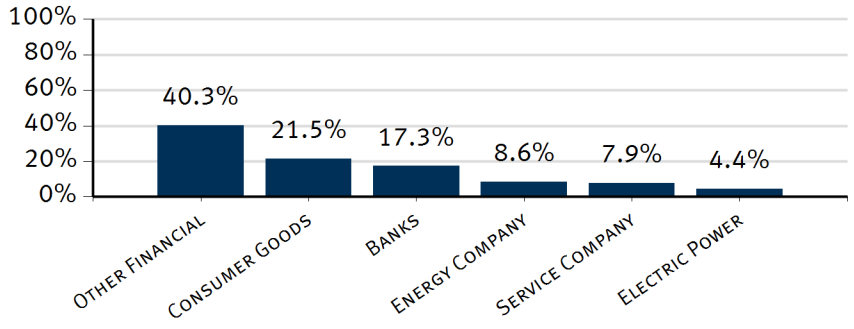
Corporate Portfolio - Analytics by Moody's Rating

			Projected Yield At Book									Average Life									% Change in Market Value							
	Mkt %	Market Value	-400	-300	-200	-100	Base	+100	+200	+300	+400	-400	-300	-200	-100	Base	+100	+200	+300	+400	-400	-300	-200	-100	+100	+200	+300	+400
Aa2	13.0%	1,508,399		4.87	4.87	4.87	11.06	11.06	11.06	11.06	11.06		0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6		1.7	1.1	0.6	-0.6	-1.2	-1.8	-2.4
Aa3	36.0%	4,178,738		-8.03	(8.03)	(8.03)	(8.03)	(8.03)	(8.03)	(8.03)	(8.03)		1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3		3.7	2.4	1.2	-1.2	-2.3	-3.4	-4.4
A1	17.3%	2,005,050		9.50	9.50	9.50	7.29	7.30	7.30	7.30	7.30		1.5	1.5	1.5	1.6	1.6	1.6	1.6	1.6		4.5	3.0	1.5	-1.5	-3.0	-4.4	-5.9
A2	16.4%	1,900,322		5.53	5.53	5.53	5.22	5.22	5.22	5.22	5.22		2.9	2.9	2.9	3.0	3.0	3.0	3.0	3.0		8.7	5.7	2.8	-2.8	-5.4	-8.0	-10.5
A3	12.9%	1,495,830		12.58	12.58	12.58	12.35	10.55	9.84	9.84	9.84		0.5	0.5	0.5	0.6	0.6	0.7	0.7	0.7		1.5	1.0	0.5	-0.6	-1.2	-1.8	-2.4
Not Rated	4.4%	507,676		3.91	3.91	3.91	3.91	3.91	3.91	3.91	3.91		3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6		10.5	6.9	3.4	-3.2	-6.4	-9.4	-12.2
Total	**100.0%**	**11,596,013**		**1.98**	**1.98**	**1.98**	**2.33**	**2.10**	**2.01**	**2.01**	**2.01**		**1.5**	**1.5**	**1.5**	**1.6**	**1.6**	**1.6**	**1.6**	**1.6**		**4.4**	**2.9**	**1.4**	**-1.4**	**-2.8**	**-4.2**	**-5.5**

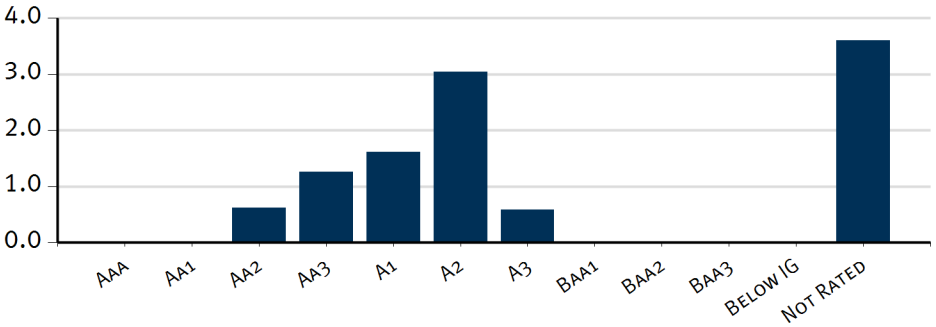
Corporate Sector - Allocation by Moody's Rating



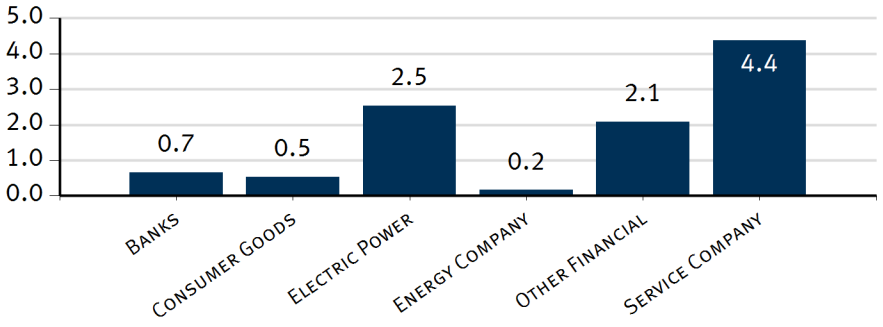
Corporate Sector - Allocation by Industry



Corporate Sector - Weighted Avg Life by Moody's Rating



Corporate Sector - Weighted Avg Life by Industry



Sector Supplemental Analysis

Key Portfolio Sorts

Top 10 Up 300 Market Value Changes (%)

CUSIP	Sector	Description	Cpn	Maturity	Par Value	Book Price	Mkt Price	G/L	Yld @ Book	WAL	% Px Δ +300	$ Amt Δ +300	G/L +300	Eff Dur	INT
91282CPA3	Treasury	USTN 3.625 09/30/30	3.63	09/30/30	3,000,000	100.52	99.66	-25,913	3.50	4.7	-12.1	-360,921	-386,834	4.3	AFS
91324PDX7	Services	UNH 2 05/15/30	2.00	05/15/30	1,000,000	91.42	91.21	-2,129	4.17	4.4	-11.5	-105,149	-107,278	4.1	AFS
91282CGB1	Treasury	USTN 3.875 12/31/29	3.88	12/31/29	3,000,000	98.33	100.88	76,350	4.33	4.0	-10.4	-313,504	-237,154	3.7	AFS
3130B8BF8	Callable Agency	FHLB 3.95 11/06/30	3.95	11/06/30	830,000	100.37	99.38	-8,234	3.86	4.8	-10.3	-84,912	-93,146	2.3	AFS
91282CFY2	Treasury	USTN 3.875 11/30/29	3.88	11/30/29	5,000,000	98.84	100.85	100,578	4.20	3.9	-10.2	-512,951	-412,373	3.6	AFS
91282CFT3	Treasury	USTN 4 10/31/29	4.00	10/31/29	5,000,000	99.77	101.34	78,297	4.06	3.8	-10.0	-505,003	-426,706	3.5	AFS
91282CFL0	Treasury	USTN 3.875 09/30/29	3.88	09/30/29	5,000,000	99.54	100.88	66,750	4.00	3.7	-9.8	-493,960	-427,210	3.5	AFS
89236TMK8	Finance	TOYOM 4.55 08/09/29	4.55	08/09/29	500,000	102.12	101.54	-2,924	3.91	3.6	-9.4	-47,499	-50,423	3.3	AFS
06406RBK2	Finance	BK 4.596 07/26/30	4.60	07/26/30	1,000,000	102.20	101.53	-6,747	3.93	3.6	-9.3	-94,066	-100,813	3.3	AFS
89235MPP0	NCD	TOYOM 4.65 06/13/29	4.65	06/13/29	245,000	100.00	103.11	7,618	4.65	3.4	-9.0	-22,759	-15,141	3.2	AFS
			3.85		24,575,000	99.28	100.43	283,646	4.04	4.0	-10.3	-2,540,724	-2,257,078	3.6	

Top 10 Up 300 Market Value Changes ($)

CUSIP	Sector	Description	Cpn	Maturity	Par Value	Book Price	Mkt Price	G/L	Yld @ Book	WAL	% Px Δ +300	$ Amt Δ +300	G/L +300	Eff Dur	INT
91282CFY2	Treasury	USTN 3.875 11/30/29	3.88	11/30/29	5,000,000	98.84	100.85	100,578	4.20	3.9	-10.2	-512,951	-412,373	3.6	AFS
91282CFT3	Treasury	USTN 4 10/31/29	4.00	10/31/29	5,000,000	99.77	101.34	78,297	4.06	3.8	-10.0	-505,003	-426,706	3.5	AFS
91282CFL0	Treasury	USTN 3.875 09/30/29	3.88	09/30/29	5,000,000	99.54	100.88	66,750	4.00	3.7	-9.8	-493,960	-427,210	3.5	AFS
COPLAIF01	Cash & Other	CASH	3.93	01/31/26	166,227,558	100.00	100.00		3.90	0.1	-0.3	-416,234	-416,234	0.1	AFS
91282CPA3	Treasury	USTN 3.625 09/30/30	3.63	09/30/30	3,000,000	100.52	99.66	-25,913	3.50	4.7	-12.1	-360,921	-386,834	4.3	AFS
3133ETUN5	Callable Agency	FFCB 4.45 02/25/30	4.45	02/25/30	5,000,000	100.00	100.10	5,050	4.42	0.2	-7.1	-353,802	-348,752	0.7	AFS
91282CGB1	Treasury	USTN 3.875 12/31/29	3.88	12/31/29	3,000,000	98.33	100.88	76,350	4.33	4.0	-10.4	-313,504	-237,154	3.7	AFS
3134HADY6	Callable Agency	FHLMC 4 08/14/29	4.00	08/14/29	4,000,000	98.65	99.83	47,308	6.25	0.6	-7.7	-306,522	-259,214	1.1	AFS
3136GAGW3	Callable Agency	FNMA 4.1 08/10/28	4.10	08/10/28	5,000,000	100.00	100.18	9,175	4.09	0.6	-5.8	-289,656	-280,481	1.0	AFS
3130B4RC7	Callable Agency	FHLB 4.5 07/27/29	4.50	07/27/29	3,000,000	100.00	101.29	38,709	4.50	1.6	-7.7	-232,771	-194,062	1.9	AFS
			3.95		204,227,558	99.91	100.11	396,304	3.98	0.5	-1.9	-3,785,324	-3,389,019	0.5	

Sector Supplemental Analysis

Key Portfolio Sorts

Top 10 Marked To Market Up 300 Loss Positions

CUSIP	Sector	Description	Cpn	Maturity	Par Value	Book Price	Mkt Price	G/L	Yld @ Book	WAL	% Px Δ +300	$ Amt Δ +300	G/L +300	Eff Dur	INT
91282CFL0	Treasury	USTN 3.875 09/30/29	3.88	09/30/29	5,000,000	99.54	100.88	66,750	4.00	3.7	-9.8	-493,960	-427,210	3.5	AFS
91282CFT3	Treasury	USTN 4 10/31/29	4.00	10/31/29	5,000,000	99.77	101.34	78,297	4.06	3.8	-10.0	-505,003	-426,706	3.5	AFS
COPLAIF01	Cash & Other	CASH	3.93	01/31/26	166,227,558	100.00	100.00		3.90	0.1	-0.3	-416,234	-416,234	0.1	AFS
91282CFY2	Treasury	USTN 3.875 11/30/29	3.88	11/30/29	5,000,000	98.84	100.85	100,578	4.20	3.9	-10.2	-512,951	-412,373	3.6	AFS
91282CPA3	Treasury	USTN 3.625 09/30/30	3.63	09/30/30	3,000,000	100.52	99.66	-25,913	3.50	4.7	-12.1	-360,921	-386,834	4.3	AFS
3133ETUN5	Callable Agency	FFCB 4.45 02/25/30	4.45	02/25/30	5,000,000	100.00	100.10	5,050	4.42	0.2	-7.1	-353,802	-348,752	0.7	AFS
9128286F2	Treasury	USTN 2.5 02/28/26	2.50	02/28/26	3,000,000	108.71	99.79	-267,511		0.2	-0.5	-14,538	-282,049	0.2	AFS
3136GAGW3	Callable Agency	FNMA 4.1 08/10/28	4.10	08/10/28	5,000,000	100.00	100.18	9,175	4.09	0.6	-5.8	-289,656	-280,481	1.0	AFS
3134HADY6	Callable Agency	FHLMC 4 08/14/29	4.00	08/14/29	4,000,000	98.65	99.83	47,308	6.25	0.6	-7.7	-306,522	-259,214	1.1	AFS
3133ENJC5	Callable Agency	FFCB 1.29 12/22/26	1.29	12/22/26	5,000,000	100.00	97.77	-111,285	1.29	1.0	-2.8	-137,373	-248,658	1.0	AFS
			3.86		206,227,558	100.06	100.02	-97,550	3.91	0.5	-1.6	-3,390,959	-3,488,509	0.5	

Top 10 Average Life Extension Up 300bps

CUSIP	Sector	Description	Cpn	Maturity	Par Value	Book Price	Mkt Price	G/L	Yld @ Book	% Px Δ +300	Eff Dur	WAL	WAL +300	Chg in WAL	INT
3133ETUN5	Callable Agency	FFCB 4.45 02/25/30	4.45	02/25/30	5,000,000	100.00	100.10	5,050	4.42	-7.1	0.7	0.2	4.2	4.0	AFS
3130B3XP3	Callable Agency	FHLB 4.5 12/04/29	4.50	12/04/29	1,000,000	100.00	100.72	7,154	4.50	-7.6	1.3	0.9	3.9	3.0	AFS
3134HADY6	Callable Agency	FHLMC 4 08/14/29	4.00	08/14/29	4,000,000	98.65	99.83	47,308	6.25	-7.7	1.1	0.6	3.6	3.0	AFS
3130B62E5	Callable Agency	FHLB 4.25 10/30/28	4.25	10/30/28	3,000,000	100.00	100.12	3,720	4.23	-5.7	0.8	0.3	2.8	2.5	AFS
3130B4QA2	Callable Agency	FHLB 4.55 07/21/28	4.55	07/21/28	3,000,000	100.00	100.49	14,691	4.55	-4.8	0.7	0.6	2.6	2.0	AFS
3130B4RC7	Callable Agency	FHLB 4.5 07/27/29	4.50	07/27/29	3,000,000	100.00	101.29	38,709	4.50	-7.7	1.9	1.6	3.6	2.0	AFS
3136GAGW3	Callable Agency	FNMA 4.1 08/10/28	4.10	08/10/28	5,000,000	100.00	100.18	9,175	4.09	-5.8	1.0	0.6	2.6	2.0	AFS
3133ERCX7	Callable Agency	FFCB 5.17 05/01/28	5.17	05/01/28	5,000,000	100.00	100.49	24,405	5.15	-3.2	0.4	0.3	2.3	2.0	AFS
3133ETXV4	Callable Agency	FFCB 3.83 09/15/28	3.83	09/15/28	1,400,000	100.17	99.79	-5,321	3.65	-6.3	1.4	1.0	2.7	1.8	AFS
3133ERE23	Callable Agency	FFCB 4.32 12/02/27	4.32	12/02/27	1,000,000	100.00	100.62	6,206	4.32	-4.4	1.1	0.9	1.9	1.0	AFS
			4.42		31,400,000	99.84	100.32	151,097	4.68	-5.9	0.9	0.6	3.1	2.5	

CUSIP Details

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CUSIP Details

Security Details - Treasury/Agency Sector

					Coupon									% Price Change			
CUSIP	FAS	Description	Structure	Current	Type	Rate	Next Step	Maturity	Book Price	Yld @ Book	Mkt Price	Gain/Loss	G/L %	Avg Life	-100	+100	+300	Eff Dur
3130AL5A8	AFS	FHLB 0.9 02/26/27	Callable	5,000,000	Fixed	0.900		2/26/27	89.58	10.75	96.94	367,860	8.2%	1.2	1.1	-1.1	-3.3	1.1
3130AN5C0	AFS	FHLB 1.05 04/29/26	Callable	4,000,000	Fixed	1.050		4/29/26	100.26	0.26	99.14	(44,928)	-1.1%	0.3	0.3	-0.3	-1.0	0.3
3130AQRH8	AFS	FHLB 2 02/25/27	Callable	5,000,000	Fixed	2.000		2/25/27	91.81	9.69	98.19	318,970	6.9%	1.2	1.1	-1.1	-3.3	1.1
3130ARHJ3	AFS	FHLB 3.175 04/19/27	Callable	5,000,000	Fixed	3.180		4/19/27	96.03	6.40	99.40	168,660	3.5%	1.3	0.6	-1.1	-3.6	0.9
3130B3XP3	AFS	FHLB 4.5 12/04/29	Callable	1,000,000	Fixed	4.500		12/4/29	100.00	4.50	100.72	7,154	0.7%	0.9	1.0	-1.7	-7.6	1.4
3130B4QA2	AFS	FHLB 4.55 07/21/28	Callable	3,000,000	Fixed	4.550		7/21/28	100.00	4.55	100.49	14,691	0.5%	0.6	0.6	-0.9	-4.8	0.7
3130B4RC7	AFS	FHLB 4.5 07/27/29	Callable	3,000,000	Fixed	4.500		7/27/29	100.00	4.50	101.29	38,709	1.3%	1.6	1.7	-2.2	-7.7	1.9
3130B62E5	AFS	FHLB 4.25 10/30/28	Callable	3,000,000	Fixed	4.250		10/30/28	100.00	4.23	100.12	3,720	0.1%	0.3	0.4	-1.2	-5.7	0.8
3130B8BF8	AFS	FHLB 3.95 11/06/30	Callable	830,000	Fixed	3.950		11/6/30	100.37	3.86	99.38	(8,234)	-1.0%	4.9	1.7	-2.9	-10.3	2.3
3133ENJC5	AFS	FFCB 1.29 12/22/26	Callable	5,000,000	Fixed	1.290		12/22/26	100.00	1.29	97.77	(111,285)	-2.2%	1.0	1.0	-1.0	-2.8	1.0
3133ERCX7	AFS	FFCB 5.17 05/01/28	Callable	5,000,000	Fixed	5.170		5/1/28	100.00	5.15	100.49	24,405	0.5%	0.3	0.3	-0.4	-3.2	0.4
3133ERE23	AFS	FFCB 4.32 12/02/27	Callable	1,000,000	Fixed	4.320		12/2/27	100.00	4.32	100.62	6,206	0.6%	0.9	1.0	-1.2	-4.4	1.1
3133ETUN5	AFS	FFCB 4.45 02/25/30	Callable	5,000,000	Fixed	4.450		2/25/30	100.00	4.42	100.10	5,050	0.1%	0.2	0.2	-1.3	-7.1	0.7
3133ETXV4	AFS	FFCB 3.83 09/15/28	Callable	1,400,000	Fixed	3.830		9/15/28	100.17	3.65	99.79	(5,321)	-0.4%	1.0	1.0	-1.8	-6.3	1.4
3134GW4C7	AFS	FHLMC 0.8 10/27/26	Callable	5,000,000	Fixed	0.800		10/27/26	90.79	12.96	97.69	345,245	7.6%	0.8	0.8	-0.8	-2.4	0.8
3134HADY6	AFS	FHLMC 4 08/14/29	Callable	4,000,000	Fixed	4.000		8/14/29	98.65	6.25	99.83	47,308	1.2%	0.6	0.3	-2.0	-7.7	1.1
3136GAGW3	AFS	FNMA 4.1 08/10/28	Callable	5,000,000	Fixed	4.100		8/10/28	100.00	4.09	100.18	9,175	0.2%	0.6	0.7	-1.3	-5.8	1.0
9128286F2	AFS	USTN 2.5 02/28/26	Bullet	3,000,000	Fixed	2.500		2/28/26	108.71		99.79	(267,511)	-8.2%	0.2	0.2	-0.2	-0.5	0.2
9128286L9	AFS	USTN 2.25 03/31/26	Bullet	3,200,000	Fixed	2.250		3/31/26	94.67		99.66	159,810	5.3%	0.3	0.3	-0.2	-0.7	0.3
912828YX2	AFS	USTN 1.75 12/31/26	Bullet	5,000,000	Fixed	1.750		12/31/26	93.94	8.18	98.27	216,672	4.6%	1.0	1.0	-1.0	-2.9	1.0
91282CEW7	AFS	USTN 3.25 06/30/27	Bullet	5,000,000	Fixed	3.250		6/30/27	97.95	4.68	99.66	85,313	1.7%	1.5	1.5	-1.4	-4.2	1.5
91282CFL0	AFS	USTN 3.875 09/30/29	Bullet	5,000,000	Fixed	3.880		9/30/29	99.54	4.00	100.88	66,750	1.3%	3.8	3.5	-3.4	-9.8	3.5
91282CFM8	AFS	USTN 4.125 09/30/27	Bullet	2,500,000	Fixed	4.130		9/30/27	100.95	3.55	101.07	3,105	0.1%	1.8	1.7	-1.7	-4.9	1.7
91282CFT3	AFS	USTN 4 10/31/29	Bullet	5,000,000	Fixed	4.000		10/31/29	99.77	4.06	101.34	78,297	1.6%	3.8	3.6	-3.5	-10.0	3.5
91282CFY2	AFS	USTN 3.875 11/30/29	Bullet	5,000,000	Fixed	3.880		11/30/29	98.84	4.20	100.85	100,578	2.0%	3.9	3.7	-3.5	-10.2	3.6
91282CGB1	AFS	USTN 3.875 12/31/29	Bullet	3,000,000	Fixed	3.880		12/31/29	98.33	4.33	100.88	76,350	2.6%	4.0	3.8	-3.6	-10.4	3.7
91282CGL9	AFS	USTN 4 02/15/26	Bullet	5,000,000	Fixed	4.000		2/15/26	99.74	6.21	100.00	13,195	0.3%	0.1	0.1	-0.1	-0.4	0.1
91282CHH7	AFS	USTN 4.125 06/15/26	Bullet	5,000,000	Fixed	4.130		6/15/26	100.04	4.04	100.27	11,281	0.2%	0.5	0.5	-0.5	-1.3	0.5
91282CPA3	AFS	USTN 3.625 09/30/30	Bullet	3,000,000	Fixed	3.630		9/30/30	100.52	3.50	99.66	(25,913)	-0.9%	4.8	4.4	-4.2	-12.1	4.3
TOTAL		**TSY/AGENCY**		**110,930,000**		**3.235**		**2/7/28**	**98.15**		**99.68**	**1,705,310**	**1.6%**	**1.4**	**1.3**	**-1.5**	**-5.0**	**1.4**

CUSIP Details

Security Details - Corporate Sector

									Rating								% Price Change			
CUSIP	FAS	Ticker	Current	Cpn	Maturity	Industry	Call Date	Next Reset	S&P	Mdy	Book Price	Yld @ Book	Mkt Price	Gain/Loss	G/L %	Avg Life	-100	+100	+300	Eff Dur
05565QDH8	AFS	BP	500,000	3.720	11/28/28	Finance	8/28/28			A1	96.69	4.96	99.34	13,253	2.7%	2.9	2.7	-2.6	-7.7	2.7
06406RAQ0	AFS	BK	500,000	0.750	1/28/26	Finance	1/15/26		A	Aa3	92.67		99.71	35,222	7.6%	0.1	0.1	-0.1	-0.2	0.1
06406RBK2	AFS	BK	1,000,000	4.600	7/26/30	Finance	7/26/29		A	Aa3	102.20	3.93	101.53	(6,747)	-0.7%	3.6	3.3	-3.2	-9.3	3.3
06406RBN6	AFS	BK	656,000	4.540	2/1/29	Finance	2/1/28		A	Aa3	101.08	4.00	101.14	383	0.1%	2.1	2.0	-2.0	-5.7	2.0
11271LAA0	AFS	BN	500,000	4.250	6/2/26	Finance	3/2/26			A3	98.02	16.64	100.14	10,615	2.2%	0.2	0.2	-0.2	-1.0	0.2
194162AQ6	AFS	CL	1,000,000	4.800	3/2/26	Industrial			A+	Aa3	103.56	-15.03	100.13	(34,282)	-3.3%	0.2	0.2	-0.2	-0.5	0.2
22550L2K6	AFS	UBSG	500,000	5.000	7/9/27	Finance			A+	Aa2	100.18	4.87	101.98	8,994	1.8%	1.5	1.5	-1.4	-4.3	1.5
30231GAT9	AFS	XOM	1,000,000	3.040	3/1/26	Industrial	1/20/26		AA-	Aa2	98.21	14.21	99.85	16,405	1.7%	0.2	0.1	-0.2	-0.5	0.2
46625HRS1	AFS	JPM	500,000	3.200	6/15/26	Finance	3/15/26		A	A1	96.97	10.17	99.75	13,886	2.9%	0.5	0.3	-0.4	-1.3	0.4
61761J3R8	AFS	MS	500,000	3.130	7/27/26	Finance			A-	A1	96.24	10.04	99.50	16,305	3.4%	0.6	0.6	-0.6	-1.7	0.6
718172CE7	AFS	PM	500,000	3.130	3/2/28	Industrial	12/2/27		A-	A2	94.88	5.66	98.31	17,135	3.6%	2.2	2.0	-2.0	-6.0	2.0
742718FY0	AFS	PG	1,000,000	4.100	1/26/26	Industrial			AA-	Aa3	101.85	-20.76	100.01	(18,373)	-1.8%	0.1	0.1	-0.1	-0.2	0.1
75973QAA5	AFS	RNR	500,000	3.450	7/1/27	Finance	4/1/27			A3	95.09	6.95	99.02	19,669	4.1%	1.5	1.3	-1.4	-4.2	1.4
780082AD5	AFS	RY	500,000	4.650	1/27/26	Finance				A3	99.39	13.28	100.00	3,046	0.6%	0.1	0.1	-0.1	-0.2	0.1
797440CE2	AFS	SRE	500,000	4.950	8/15/28	Utility	7/15/28		A	A1	101.87	4.17	102.42	2,757	0.5%	2.5	2.4	-2.4	-7.0	2.4
808513BW4	AFS	SCHW	500,000	3.300	4/1/27	Finance	1/1/27		A-	A2	95.88	6.79	99.34	17,316	3.6%	1.3	1.1	-1.2	-3.5	1.1
89236TMK8	AFS	TOYOM	500,000	4.550	8/9/29	Finance					102.12	3.91	101.54	(2,924)	-0.6%	3.6	3.4	-3.2	-9.4	3.3
91324PDX7	AFS	UNH	1,000,000	2.000	5/15/30	Services			A+	A2	91.42	4.17	91.21	(2,129)	-0.2%	4.4	4.2	-4.0	-11.5	4.1
TOTAL		**CORPORAT**	**11,656,000**	**3.737**	**9/17/27**		**6/26/27**				**98.54**	**2.76**	**99.49**	**110,526**	**1.0%**	**1.6**	**1.5**	**-1.4**	**-4.2**	**1.4**

CUSIP Details

Security Details - CD Sector

CUSIP	FAS	Description	Current	Cpn	Maturity	Call Date	Book Price	Yld @ Book	Mkt Price	Gain/Loss	G/L %	Avg Life	% Price Change -100	% Price Change +100	% Price Change +300	Eff Dur
05580A4Y7	AFS	BMWG 4.65 06/15/26	240,000	4.650	6/15/26		101.43	1.48	100.33	(2,628)	-1.1%	0.5	0.5	-0.5	-1.3	0.5
06051XER9	AFS	BAC 5.05 06/22/26	245,000	5.050	6/22/26		100.00	5.03	100.62	1,517	0.6%	0.5	0.5	-0.5	-1.4	0.5
09582YAV4	AFS	BRBS 4.2 12/28/27	240,000	4.200	12/28/27		100.40	3.99	101.07	1,611	0.7%	2.0	1.9	-1.9	-5.5	1.9
307811KA6	AFS	KUJFM 5 06/14/28	245,000	5.000	6/14/28	6/14/26	100.00	5.06	100.52	1,266	0.5%	2.5	0.5	-0.7	-4.1	0.6
34520LBC6	AFS	FOBRI 5.05 06/15/26	245,000	5.050	6/15/26		100.00	5.04	100.59	1,447	0.6%	0.5	0.5	-0.5	-1.3	0.5
35634MAE1	AFS	FRDOM 5.05 06/22/26	245,000	5.050	6/22/26		100.00	5.04	100.62	1,517	0.6%	0.5	0.5	-0.5	-1.4	0.5
38150VUZ0	AFS	GS 5.05 06/11/26	245,000	5.050	6/11/26		100.01	5.01	100.57	1,383	0.6%	0.4	0.4	-0.4	-1.3	0.4
8562855V9	AFS	SBI 5.1 06/17/26	245,000	5.100	6/17/26		100.00	5.09	100.62	1,520	0.6%	0.5	0.5	-0.5	-1.4	0.5
89235MPP0	AFS	TOYOM 4.65 06/13/29	245,000	4.650	6/13/29		100.00	4.65	103.11	7,618	3.1%	3.5	3.2	-3.1	-9.0	3.2
TOTAL		**CD**	**2,195,000**	**4.869**	**3/8/27**	**6/14/26**	**100.20**	**4.49**	**100.90**	**15,245**	**0.7%**	**1.2**	**0.9**	**-1.0**	**-3.0**	**0.9**

CUSIP Details

Security Details - Other Sector

					Coupon										% Price Change			
CUSIP	FAS	Description	Structure	Current	Type	Rate	Next Step	Maturity	Book Price	Yld @ Book	Mkt Price	Gain/Loss	G/L %	Avg Life	-100	+100	+300	Eff Dur
COPLAIF01	AFS	CASH	Bullet	166,227,558		3.930		1/31/26	100.00	3.90	100.00	0	0.0%	0.1	0.1	-0.1	-0.3	0.1
TOTAL		**OTHER**		**166,227,558**		**3.930**		**1/31/26**	**100.00**		**100.00**	**0**	**0.0%**	**0.1**	**0.1**	**-0.1**	**-0.3**	**0.1**

Scenario Yield and Price Analysis

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Scenario Yield and Price Analysis

Interest Rate Risk / Reward - Treasury/Agency Sector

		Book			Projected Yield At Book Price									% Change in Market Price							
CUSIP	Description	Value	Price	Market Price	-400	-300	-200	-100	Base	+100	+200	+300	+400	-400	-300	-200	-100	+100	+200	+300	+400
3130AL5A8	FHLB 0.9 02/26/27	4,479,000	89.58	96.94	n.m.	n.m.	10.75	10.75	**10.75**	10.75	10.75	10.75	10.75	3.3	3.1	2.3	1.1	-1.1	-2.2	-3.3	-4.4
3130AN5C0	FHLB 1.05 04/29/26	4,010,400	100.26	99.14	-2.27	-2.27	0.26	0.26	**0.26**	0.26	0.26	0.26	0.26	1.0	0.9	0.7	0.3	-0.3	-0.7	-1.0	-1.3
3130AQRH8	FHLB 2 02/25/27	4,590,500	91.81	98.19	n.m.	n.m.	n.m.	9.69	**9.69**	9.69	9.69	9.69	9.69	2.2	2.0	1.9	1.1	-1.1	-2.2	-3.3	-4.4
3130ARHJ3	FHLB 3.175 04/19/27	4,801,500	96.03	99.40	n.m.	n.m.	n.m.	n.m.	**6.40**	6.40	6.40	6.40	6.40	0.8	0.7	0.7	0.6	-1.1	-2.4	-3.6	-4.8
3130B3XP3	FHLB 4.5 12/04/29	1,000,000	100.00	100.72	4.50	4.50	4.50	4.50	**4.50**	4.50	4.50	4.50	4.50	3.6	2.9	1.9	1.0	-1.7	-4.4	-7.6	-10.7
3130B4QA2	FHLB 4.55 07/21/28	3,000,000	100.00	100.49	4.55	4.55	4.55	4.55	**4.55**	4.55	4.55	4.55	4.55	2.2	1.7	1.1	0.6	-0.9	-2.7	-4.8	-7.0
3130B4RC7	FHLB 4.5 07/27/29	3,000,000	100.00	101.29	4.50	4.50	4.50	4.50	**4.50**	4.50	4.50	4.50	4.50	5.9	4.9	3.3	1.7	-2.2	-4.8	-7.7	-10.5
3130B62E5	FHLB 4.25 10/30/28	3,000,000	100.00	100.12	4.23	4.23	4.23	4.23	**4.23**	4.25	4.25	4.25	4.25	1.4	1.1	0.7	0.4	-1.2	-3.3	-5.7	-8.1
3130B8BF8	FHLB 3.95 11/06/30	833,071	100.37	99.38	3.50	3.50	3.50	3.50	**3.86**	3.86	3.86	3.86	3.86	4.1	3.5	2.6	1.7	-2.9	-6.5	-10.3	-14.0
3133ENJC5	FFCB 1.29 12/22/26	5,000,000	100.00	97.77	1.29	1.29	1.29	1.29	**1.29**	1.29	1.29	1.29	1.29	2.3	2.3	1.9	1.0	-1.0	-1.9	-2.8	-3.7
3133ERCX7	FFCB 5.17 05/01/28	5,000,000	100.00	100.49	5.15	5.15	5.15	5.15	**5.15**	5.15	5.17	5.17	5.17	1.3	1.0	0.7	0.3	-0.4	-1.5	-3.2	-5.1
3133ERE23	FFCB 4.32 12/02/27	1,000,000	100.00	100.62	4.32	4.32	4.32	4.32	**4.32**	4.32	4.32	4.32	4.32	3.5	2.8	1.9	1.0	-1.2	-2.7	-4.4	-6.1
3133ETUN5	FFCB 4.45 02/25/30	5,000,000	100.00	100.10	4.42	4.42	4.42	4.42	**4.42**	4.45	4.45	4.45	4.45	0.6	0.5	0.3	0.2	-1.3	-3.9	-7.1	-10.3
3133ETXV4	FFCB 3.83 09/15/28	1,402,380	100.17	99.79	3.58	3.58	3.58	3.58	**3.65**	3.76	3.76	3.76	3.76	3.0	2.4	1.7	1.0	-1.8	-4.0	-6.3	-8.6
3134GW4C7	FHLMC 0.8 10/27/26	4,539,500	90.79	97.69	n.m.	n.m.	12.96	12.96	**12.96**	12.96	12.96	12.96	12.96	2.4	2.3	1.6	0.8	-0.8	-1.6	-2.4	-3.2
3134HADY6	FHLMC 4 08/14/29	3,946,000	98.65	99.83	15.73	15.73	15.73	15.73	**6.25**	4.41	4.41	4.41	4.41	0.7	0.6	0.5	0.3	-2.0	-4.7	-7.7	-10.6
3136GAGW3	FNMA 4.1 08/10/28	5,000,000	100.00	100.18	4.09	4.09	4.09	4.09	**4.09**	4.10	4.10	4.10	4.10	2.4	1.9	1.3	0.7	-1.3	-3.5	-5.8	-8.0
9128286F2	USTN 2.5 02/28/26	3,261,300	108.71	99.79	n.m.	n.m.	n.m.	n.m.	**n.m.**	n.m.	n.m.	n.m.	n.m.	0.6	0.5	0.3	0.2	-0.2	-0.3	-0.5	-0.6
9128286L9	USTN 2.25 03/31/26	3,029,440	94.67	99.66	n.m.	n.m.	n.m.	n.m.	**n.m.**	n.m.	n.m.	n.m.	n.m.	1.0	0.8	0.5	0.3	-0.2	-0.5	-0.7	-1.0
912828YX2	USTN 1.75 12/31/26	4,697,000	93.94	98.27	8.18	8.18	8.18	8.18	**8.18**	8.18	8.18	8.18	8.18	3.7	3.0	2.0	1.0	-1.0	-1.9	-2.9	-3.8
91282CEW7	USTN 3.25 06/30/27	4,897,500	97.95	99.66	4.68	4.68	4.68	4.68	**4.68**	4.68	4.68	4.68	4.68	5.4	4.5	3.0	1.5	-1.4	-2.8	-4.2	-5.6
91282CFL0	USTN 3.875 09/30/29	4,977,000	99.54	100.88	4.00	4.00	4.00	4.00	**4.00**	4.00	4.00	4.00	4.00	13.6	11.1	7.2	3.5	-3.4	-6.7	-9.8	-12.8
91282CFM8	USTN 4.125 09/30/27	2,523,750	100.95	101.07	3.55	3.55	3.55	3.55	**3.55**	3.55	3.55	3.55	3.55	6.3	5.2	3.4	1.7	-1.7	-3.3	-4.9	-6.4
91282CFT3	USTN 4 10/31/29	4,988,500	99.77	101.34	4.06	4.06	4.06	4.06	**4.06**	4.06	4.06	4.06	4.06	13.9	11.3	7.4	3.6	-3.5	-6.8	-10.0	-13.0
91282CFY2	USTN 3.875 11/30/29	4,942,000	98.84	100.85	4.20	4.20	4.20	4.20	**4.20**	4.20	4.20	4.20	4.20	14.3	11.6	7.5	3.7	-3.5	-6.9	-10.2	-13.3
91282CGB1	USTN 3.875 12/31/29	2,949,900	98.33	100.88	4.33	4.33	4.33	4.33	**4.33**	4.33	4.33	4.33	4.33	14.6	11.8	7.7	3.8	-3.6	-7.1	-10.4	-13.5
91282CGL9	USTN 4 02/15/26	4,987,000	99.74	100.00	6.21	6.21	6.21	6.21	**6.21**	6.21	6.21	6.21	6.21	0.5	0.4	0.3	0.1	-0.1	-0.3	-0.4	-0.5
91282CHH7	USTN 4.125 06/15/26	5,002,000	100.04	100.27	4.04	4.04	4.04	4.04	**4.04**	4.04	4.04	4.04	4.04	1.8	1.4	0.9	0.5	-0.5	-0.9	-1.3	-1.8
91282CPA3	USTN 3.625 09/30/30	3,015,600	100.52	99.66	3.50	3.50	3.50	3.50	**3.50**	3.50	3.50	3.50	3.50	17.6	14.0	9.1	4.4	-4.2	-8.2	-12.1	-15.7
TOTAL	**TREASURY/AGENCY SECTOR**	**108,873,341**	**98.15**	**99.68**	**4.63**	**4.63**	**5.44**	**5.64**	**5.32**	**5.25**	**5.25**	**5.25**	**5.25**	**4.6**	**3.8**	**2.6**	**1.3**	**-1.5**	**-3.2**	**-5.0**	**-6.8**

* n.m.: Yield not meaningful

Scenario Yield and Price Analysis

Interest Rate Risk / Reward - Corporate Sector

		Book			Projected Yield At Book Price									% Change in Market Price							
CUSIP	Description	Value	Price	Market Price	-400	-300	-200	-100	Base	+100	+200	+300	+400	-400	-300	-200	-100	+100	+200	+300	+400
05565QDH8	BP 3.723 11/28/28	483,450	96.69	99.34	5.07	5.07	5.07	5.07	**4.96**	4.96	4.96	4.96	4.96	9.7	8.1	5.3	2.7	-2.6	-5.2	-7.7	-10.2
06406RAQ0	BK 0.75 01/28/26	463,350	92.67	99.71	n.m.	n.m.	n.m.	n.m.	**n.m.**	n.m.	n.m.	n.m.	n.m.	0.3	0.2	0.2	0.1	-0.1	-0.2	-0.2	-0.3
06406RBK2	BK 4.596 07/26/30	1,022,000	102.20	101.53	3.93	3.93	3.93	3.93	**3.93**	3.93	3.93	3.93	3.93	12.8	10.4	6.8	3.3	-3.2	-6.3	-9.3	-12.1
06406RBN6	BK 4.543 02/01/29	663,085	101.08	101.14	4.00	4.00	4.00	4.00	**4.00**	4.00	4.00	4.00	4.00	7.4	6.2	4.1	2.0	-2.0	-3.9	-5.7	-7.5
11271LAA0	BN 4.25 06/02/26	490,100	98.02	100.14	16.64	16.64	16.64	16.64	**16.64**	11.28	9.15	9.15	9.15	0.7	0.5	0.3	0.2	-0.2	-0.6	-1.0	-1.4
194162AQ6	CL 4.8 03/02/26	1,035,600	103.56	100.13	-15.03	-15.03	-15.03	-15.03	**-15.03**	-15.03	-15.03	-15.03	-15.03	0.7	0.5	0.3	0.2	-0.2	-0.3	-0.5	-0.7
22550L2K6	UBSG 5 07/09/27	500,900	100.18	101.98	4.87	4.87	4.87	4.87	**4.87**	4.87	4.87	4.87	4.87	5.5	4.5	3.0	1.5	-1.4	-2.9	-4.3	-5.6
30231GAT9	XOM 3.043 03/01/26	982,100	98.21	99.85	n.m.	n.m.	n.m.	n.m.	**14.21**	14.21	14.21	14.21	14.21	0.2	0.2	0.2	0.1	-0.2	-0.3	-0.5	-0.7
46625HRS1	JPM 3.2 06/15/26	484,850	96.97	99.75	18.98	18.98	18.98	18.98	**10.17**	10.17	10.17	10.17	10.17	0.9	0.8	0.5	0.3	-0.4	-0.9	-1.3	-1.8
61761J3R8	MS 3.125 07/27/26	481,200	96.24	99.50	10.04	10.04	10.04	10.04	**10.04**	10.04	10.04	10.04	10.04	2.2	1.7	1.1	0.6	-0.6	-1.1	-1.7	-2.2
718172CE7	PM 3.125 03/02/28	474,400	94.88	98.31	5.99	5.99	5.99	5.99	**5.66**	5.66	5.66	5.66	5.66	7.1	6.0	4.0	2.0	-2.0	-4.0	-6.0	-7.8
742718FY0	PG 4.1 01/26/26	1,018,500	101.85	100.01	-20.76	-20.76	-20.76	-20.76	**-20.76**	-20.76	-20.76	-20.76	-20.76	0.3	0.2	0.1	0.1	-0.1	-0.1	-0.2	-0.3
75973QAA5	RNR 3.45 07/01/27	475,450	95.09	99.02	7.65	7.65	7.65	7.65	**6.95**	6.95	6.95	6.95	6.95	4.7	3.9	2.6	1.3	-1.4	-2.8	-4.2	-5.5
780082AD5	RY 4.65 01/27/26	496,950	99.39	100.00	13.28	13.28	13.28	13.28	**13.28**	13.28	13.28	13.28	13.28	0.3	0.2	0.2	0.1	-0.1	-0.2	-0.2	-0.3
797440CE2	SRE 4.95 08/15/28	509,350	101.87	102.42	4.17	4.17	4.17	4.17	**4.17**	4.19	4.19	4.19	4.19	9.0	7.5	4.9	2.4	-2.4	-4.7	-7.0	-9.2
808513BW4	SCHW 3.3 04/01/27	479,400	95.88	99.34	7.66	7.66	7.66	7.66	**6.79**	6.79	6.79	6.79	6.79	3.8	3.1	2.1	1.1	-1.2	-2.3	-3.5	-4.7
89236TMK8	TOYOM 4.55 08/09/29	510,600	102.12	101.54	3.91	3.91	3.91	3.91	**3.91**	3.91	3.91	3.91	3.91	12.9	10.5	6.9	3.4	-3.2	-6.4	-9.4	-12.2
91324PDX7	UNH 2 05/15/30	914,200	91.42	91.21	4.17	4.17	4.17	4.17	**4.17**	4.17	4.17	4.17	4.17	16.6	13.3	8.6	4.2	-4.0	-7.9	-11.5	-15.0
TOTAL	**CORPORATE SECTOR**	**11,485,485**	**98.54**	**99.49**	**2.16**	**2.16**	**2.16**	**2.16**	**2.76**	**2.53**	**2.43**	**2.43**	**2.43**	**5.4**	**4.4**	**2.9**	**1.4**	**-1.4**	**-2.8**	**-4.2**	**-5.5**

* n.m.: Yield not meaningful

Scenario Yield and Price Analysis

Interest Rate Risk / Reward - CD Sector

		Book			Projected Yield At Book Price									% Change in Market Price							
CUSIP	Description	Value	Price	Market Price	-400	-300	-200	-100	Base	+100	+200	+300	+400	-400	-300	-200	-100	+100	+200	+300	+400
05580A4Y7	BMWG 4.65 06/15/26	243,432	101.43	100.33	1.48	1.48	1.48	1.48	**1.48**	1.48	1.48	1.48	1.48	1.8	1.4	0.9	0.5	-0.5	-0.9	-1.3	-1.8
06051XER9	BAC 5.05 06/22/26	245,000	100.00	100.62	5.03	5.03	5.03	5.03	**5.03**	5.03	5.03	5.03	5.03	1.8	1.4	1.0	0.5	-0.5	-0.9	-1.4	-1.9
09582YAV4	BRBS 4.2 12/28/27	240,960	100.40	101.07	3.99	3.99	3.99	3.99	**3.99**	3.99	3.99	3.99	3.99	7.1	5.9	3.9	1.9	-1.9	-3.7	-5.5	-7.2
307811KA6	KUJFM 5 06/14/28	245,000	100.00	100.52	5.06	5.06	5.06	5.06	**5.06**	5.06	5.06	5.06	5.06	1.8	1.4	0.9	0.5	-0.7	-2.2	-4.1	-6.0
34520LBC6	FOBRI 5.05 06/15/26	245,000	100.00	100.59	5.04	5.04	5.04	5.04	**5.04**	5.04	5.04	5.04	5.04	1.8	1.4	0.9	0.5	-0.5	-0.9	-1.3	-1.8
35634MAE1	FRDOM 5.05 06/22/26	245,000	100.00	100.62	5.04	5.04	5.04	5.04	**5.04**	5.04	5.04	5.04	5.04	1.8	1.4	1.0	0.5	-0.5	-0.9	-1.4	-1.9
38150VUZ0	GS 5.05 06/11/26	245,025	100.01	100.57	5.01	5.01	5.01	5.01	**5.01**	5.01	5.01	5.01	5.01	1.7	1.3	0.9	0.4	-0.4	-0.9	-1.3	-1.7
8562855V9	SBI 5.1 06/17/26	245,000	100.00	100.62	5.09	5.09	5.09	5.09	**5.09**	5.09	5.09	5.09	5.09	1.8	1.4	0.9	0.5	-0.5	-0.9	-1.4	-1.8
89235MPP0	TOYOM 4.65 06/13/29	245,000	100.00	103.11	4.65	4.65	4.65	4.65	**4.65**	4.65	4.65	4.65	4.65	12.4	10.1	6.6	3.2	-3.1	-6.1	-9.0	-11.8
TOTAL	**CD SECTOR**	**2,199,417**	**100.20**	**100.90**	**4.49**	**4.49**	**4.49**	**4.49**	**4.49**	**4.49**	**4.49**	**4.49**	**4.49**	**3.6**	**2.9**	**1.9**	**0.9**	**-0.9**	**-2.0**	**-3.0**	**-4.0**

* n.m.: Yield not meaningful

Scenario Yield and Price Analysis

Interest Rate Risk / Reward - Other Sector

		Book			Projected Yield At Book Price									% Change in Market Price							
CUSIP	Description	Value	Price	Market Price	-400	-300	-200	-100	Base	+100	+200	+300	+400	-400	-300	-200	-100	+100	+200	+300	+400
COPLAIF01	CASH	166,227,558	100.00	100.00	3.90	3.90	3.90	3.90	**3.90**	3.90	3.90	3.90	3.90	0.3	0.3	0.2	0.1	-0.1	-0.2	-0.3	-0.3
TOTAL	**OTHER SECTOR**	**166,227,558**	**100.00**	**100.00**	**3.90**	**3.90**	**3.90**	**3.90**	**3.90**	**3.90**	**3.90**	**3.90**	**3.90**	**0.3**	**0.3**	**0.2**	**0.1**	**-0.1**	**-0.2**	**-0.3**	**-0.3**

* n.m.: Yield not meaningful

Addendum

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Addendum

Portfolio Exceptions

Portfolio Exceptions

	Exception Description	CUSIP	Sector	Sub Sector	Sub Sub Sector	Security Description	Current Par	Book Price	Market Price
1	Analytics do not exist	229083AA8	CD	NCD	NCD	EVLBK 5.35 06/18/29	245,000	100.00	
2	Analytics do not exist	3134HBWS6	Treasury/Agency	Callable Agency	Berm Call	FHLMC 4 07/07/28	2,000,000	99.75	

Portfolio Exceptions Summary

Total Current Par	Excluded Current Par	Included Current Par	Excluded Pct	Total Count	Excluded Count	Included Count	Excluded Pct
293,253,558	2,245,000	291,008,558	0.77%	59	2	57	3.39%

Addendum

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	Applied	Notes
Date Requested	01/09/2026	The Performance Profile was requested on this date
Book Date	12/31/2025	The portfolio's book (holding) price is as of this date
As-Of Date	12/31/2025	Market pricing for this portfolio is as of this date.
Call Report	n.a.	Most recent institution call report available on Date Requested
Risk Manager	n.a.	The most recent Risk Manager information as of Date Requested
Tax Rate Applied	21.00%	Adjustable, defaults to 21.00% C-Corp Bank, 29.60% S-Corp Bank, 0.00% Credit Union
Cost of Funds	1.0%	Used to calculate Tax-Equivalent Yields where appropriate for depositories
TEFRA	Tax-Free Munis	C-Corp Bank (20% BQ, 100% GM); S-Corp Bank (0% BQ, 100% GM); all else n.a.
Portfolio Statistics	01/09/2026	The most recent Stifel portfolio summary statistics as of Date Requested

Addendum

Key Terms and Definitions

Term	Definition
Adjustment Frequency	For adjustable-rate mortgages (ARMs), the number of months between the loan's or security's coupon adjustment dates. GNMA ARMs adjust annually in one of the following months: January, April, July, or October; FNMA and FHLMC issues also usually have annual reset dates although the adjustment dates occur at any time during the year.
Book Yield	Usually provided from Bond Accounting reports and represents the Annualized yield to maturity (or call) based on the book value of a bond and projected cash flows. Similar to "Projected Yield at Book" except 3mo Historical Speeds are commonly employed in calculating Book Yield for amortizing securities rather than a forward looking estimate.
Collateral	Assets that are used to secure payment of certain bonds, for example, real estate is a source of collateral for mortgage backed securities.
Coupon	The stated interest rate on a bond that is used to calculate interest payments that are payable to bond holders. A coupon rate of interest can be fixed over the life of the bond or a variable rate of interest that is calculated using a formula described in the offering documents. Floating coupon rates are generally a simple spread (or margin) relative to a stated index (such as LIBOR). Many bonds include caps and floors on the coupon interest rate and some contain more complex formulas.
Convexity	An incremental measure (along with the linear measure of duration) to capture the curvature of a bond's price/yield relationship. Practically, negative convexity indicates the upside price of a bond is limited if rates fall due to embedded options (mortgage prepayments or an issuers ability to call the bond).
Current Face (Par Amount)	Computed by multiplying the original face by the current factor, represents principal remaining for an investor to receive.
Current Index	The level of the index at a specified moment in time that is used in conjunction with the margin to establish the security's coupon.
Effective Duration	Or "option-adjusted duration" measures interest rate risk of a security considering the impact of optionality and possible changes in future interest rates. It is calculated by averaging the percentage changes in the security's value under the higher and lower rate environments, while 25bp, 50bp or other sized yield shifts are commonly used, the rate of change is restated as a 100bp equivalent by simple multiplication.
Enhanced Credit Rating	A rating that reflects the underlying issue's standalone credit quality as well as any credit support provided by a state credit enhancement program.
Factor	Relevant for bonds that pay amortizing principal to bond holders. The factor equals the percentage of the original face that is outstanding.
Floor	For adjustable-rate securities, it is the lowest level to which a coupon can fall over the life of the security
Forward Curve	The forward curve is a graph that defines the prices (yields) at which a contract for future delivery or payment can be concluded today, it represents a term structure of forward rates.
Gross WAC	The weighted-average mortgage rate of all the loans in a pool.
Initial Reset Date	The date on which an adjustable-rate mortgage (ARM) or underlying mortgage in an ARM pool can reset for the first time.
Internal Rate of Return	A sector or portfolio yield to expected maturity based on the portfolio's expected cash flows, treated as a single instrument. The reflects the overall yield to expected maturity of the portfolio, not a monthly earnings rate. On a single bond, IRR is the same as yield.
Lifetime Cap	For adjustable-rate securities, it is the highest level that a coupon may attain over the life of the security.
Margin	The amount added to the index of a floating rate loan or security (such as an adjustment rate mortgage security) in order to calculate a coupon rate of interest.
Market Yield	The yield of a bond at current market price. For a bond you own, an indication of what yield the market will pay you today for the bond.
Months to Roll (MTR)	Months remaining until a bond's coupon will next reset
Pay Window	For CMO's, the expected date range to receive principal payments.
Prepay Speeds	Prepayments occur when a servicer receives principal payments above the scheduled amount. The velocity of the prepayments is measured using prepayment speeds, typically measured using conditional prepayment rate (CPR) or prepayment speed assumption (PSA).
Price Volatility	The percentage change in price for a given a change in interest rates. Price volatility is generally calculated using a parallel, instantaneous shock in a benchmark yield curve assuming constant spreads relative to the benchmark curve.
Projected Call	The date at which a callable bond is projected to be redeemed at a given level of interest rates. All things equal, higher rates should extend the date and lower rates should accelerate the redemption date.
Projected Yield at Book	Annualized yield to maturity (or call) based on the book value of a bond and projected cash flows given the market conditions at the time of the analysis.
Roll Date	The date (or weighted average date) that a bond's coupon can reset
Static Cash Flow Gap Estimate	In the absence of more robust Earnings at Risk simulations, an estimate of how sensitive a depository's margin is to movements in interest rates by comparing the amount and sensitivity of repricing Assets and Liabilities. A positive gap indicates more assets repricing than liabilities (asset sensitive) and a negative gap indicates more liabilities repricing than assets (liability sensitive).
Tranche	Class of debt securities issued as part of a bond instrument, each part (tranche) characterized by a unique set of features such as maturity, interest (coupon) rate, interest payment date, to suit the needs of different investors.
Underlying Credit Rating	A rating issued by an agency assessing the ability of an issuer to repay its debt. The assessment of creditworthiness is based solely on the obligor and does not include enhancements from a third party.
Weighted Average Life (WAL)	The weighted-average time in years that the principal of a security is expected to be outstanding. For mortgage securities and callable bonds, average life varies with prepayment speeds and yield curve assumptions.
Weighted Average Loan Age (WALA)	The average age of all mortgages in a pool, weighted by current balance.
Weighted Average Maturity (WAM)	The average remaining maturity of the underlying mortgages in a pool, weighted by current balance.
Yield at Book Price	On a sector or portfolio summary level, this is a book value-weighted average yield. It reflects expected earnings in the current month. Over time, relatively low (or high) yields may mature, increasing (or decreasing) subsequent months' expected earnings versus the initial weighted average.
Yield Contribution	For a given a sectors weight, how much yield does it contribute to the overall portfolio.

Addendum

Key Terms and Definitions

Yield to Maturity (YTM)	The single yield that makes the present value of the cash flows to maturity equal to the price plus accrued interest.
Yield to Call (YTC)	The single yield that makes the present value of the cash flows to the call date equal to the price plus accrued interest.
Yield to Worst (YTW)	The lower of the yield to maturity and the yield to call.

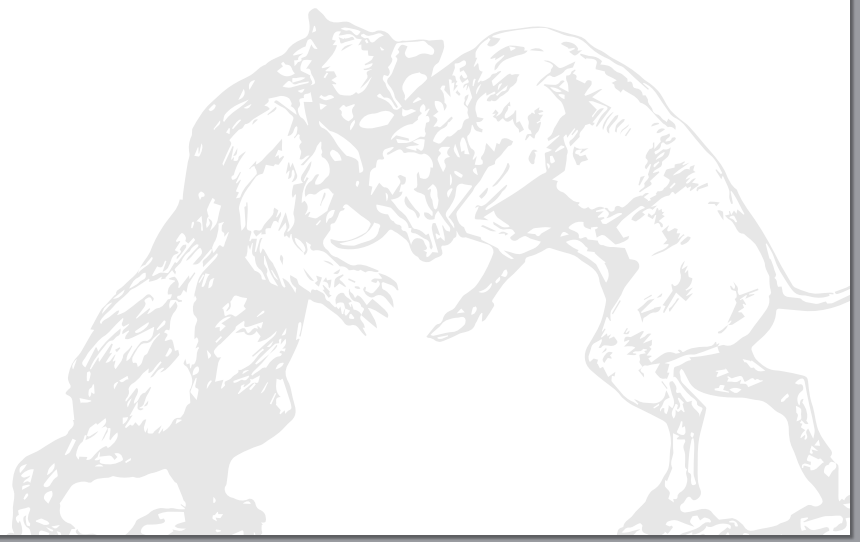
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Performance Profile

City of Palmdale - Successor Agency

Palmdale, CA

December 2025



Stifel.com

Performance Profile

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Executive Summary

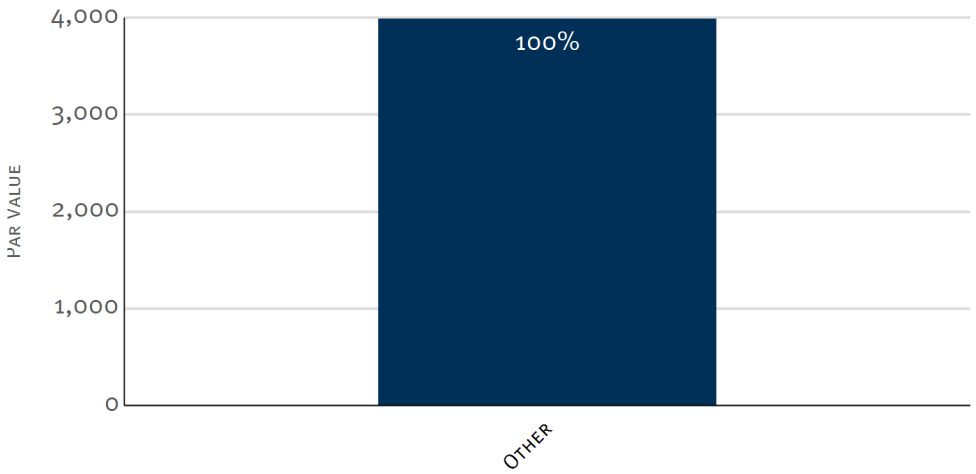
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Executive Summary

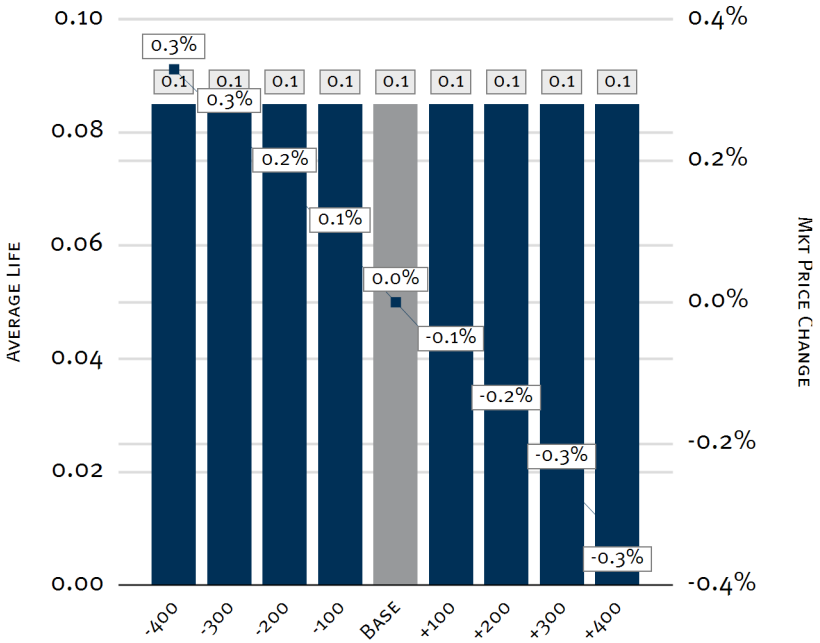
Portfolio Snapshot

Book Value	**3,985,613**
# Securities	1
Average Size (Book)	3,985,613
Yield @ Book Price	4.02
Internal Rate of Return	3.98
Yield @ Book Price +100bps	4.02
Yield @ Book Price -100bps	4.02
Market Yield	4.02
$ Gain Loss	
% Gain Loss	0.0%
Average Life	0.1
Average Life +300bps	0.1
% Price Change +100bps	-0.1
% Price Change +300bps	-0.3
Effective Duration	0.1
Effective Convexity	0.0
AFS / HTM %	100% / 0%
Fixed / Floating	100% / 0%
ESG / Green Par (000's)	$0 / $0

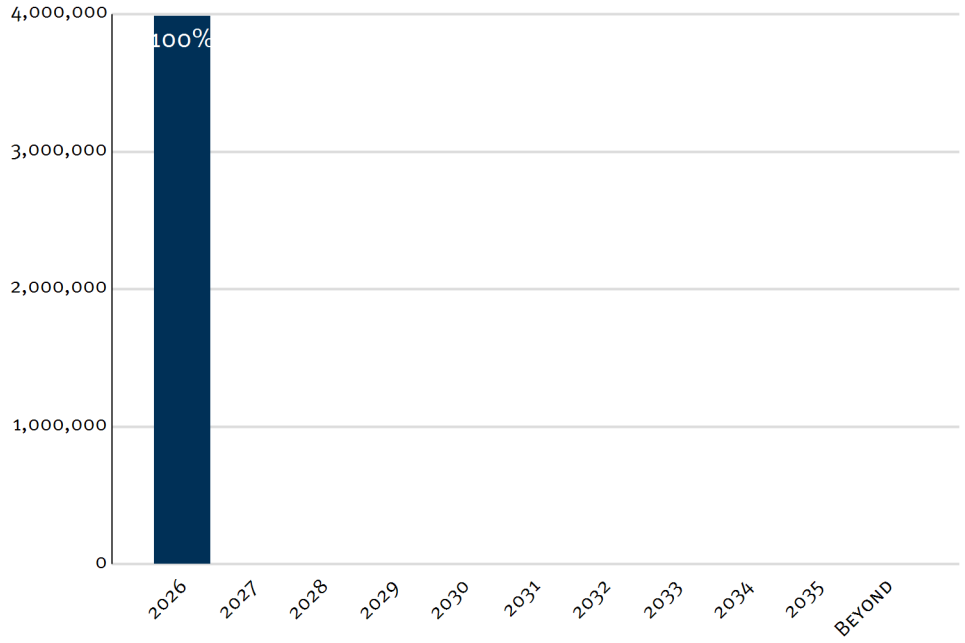
Sector Allocation



Average Life vs Price Sensitivity



Projected Principal Cash Flows



Executive Summary

Historical Portfolio Overview

	12/31/2025	09/30/2025		
Book Value	3,985,613	3,942,546		
Yield @ Book Price	4.02	0.78		
Yield @ Book Price (+100)	4.02	0.78		
Yield @ Book Price (+300)	4.02	0.78		
Yield @ Book Price (-100)	4.02	0.78		
WAL	0.1	0.1		
WAL (+100)	0.1	0.1		
WAL (+300)	0.1	0.1		
WAL (-100)	0.1	0.1		
% Price Change (+100)	-0.1%	-0.1%		
% Price Change (+300)	-0.3%	-0.3%		
% Price Change (-100)	0.1%	0.1%		
Effective Duration	0.1	0.1		
Effective Convexity	0.0	0.0		
$ Gain/Loss	0	0		
% Gain/Loss	0.0%	0.0%		
$ Gain/Loss (+300)	-9,980	-10,014		
Principal Cash Flow 2 yrs out	100%	100%		
Principal Cash Flow 2 yrs out (+100)	100%	100%		
Principal Cash Flow 2 yrs out (+300)	100%	100%		
Principal Cash Flow 2 yrs out (-100)	100%	100%		

Executive Summary

Portfolio Sector Summary

Sector	Portfolio Curr Par %	Par Value	Cpn	Maturity	Book Value	Yld @ Book	Market Value	Market Yield	% Price Change -100	% Price Change +100	% Price Change +300	Gain/(Loss) $	Gain/(Loss) %	WAL	Effective Dur	Effective Cvx	AFS %
Cash & Other (1)	100.0%	3,985,613	4.05	0.1	3,985,613	4.02	3,985,613	4.02	0.1	-0.1	-0.3	0	0.0%	0.1	0.1	0.0	100%
Other (1)	100.0%	3,985,613	4.05	0.1	3,985,613	4.02	3,985,613	4.02	0.1	-0.1	-0.3	0	0.0%	0.1	0.1	0.0	100%
Total (1)	100.0%	3,985,613	4.05	0.1	3,985,613	4.02	3,985,613	4.02	0.1	-0.1	-0.3	0	0.0%	0.1	0.1	0.0	100%

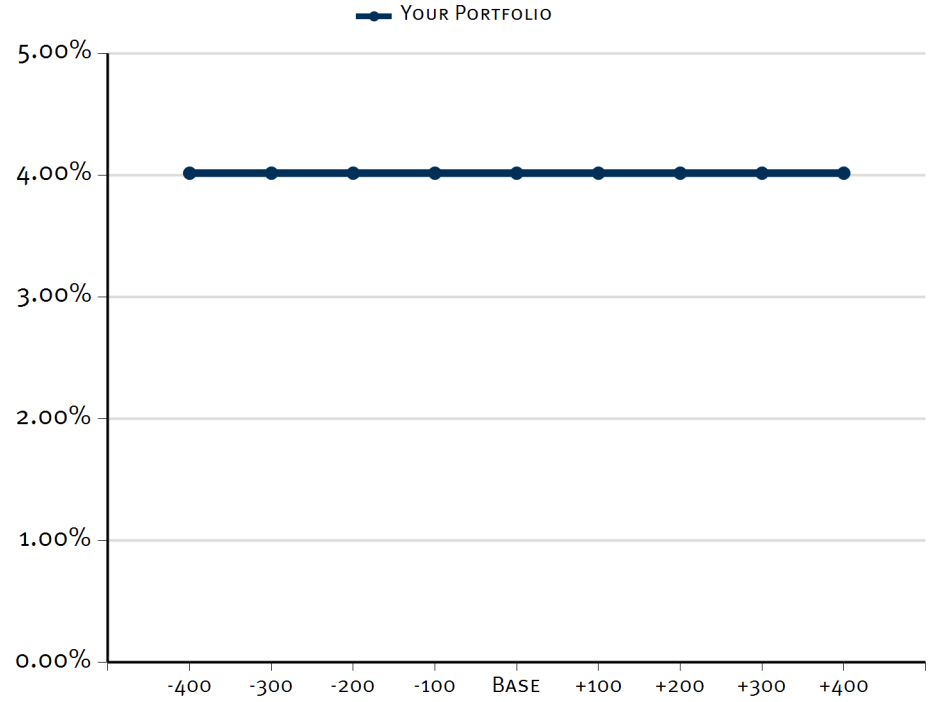
Executive Summary

Portfolio Analysis - Interest Rate Shock

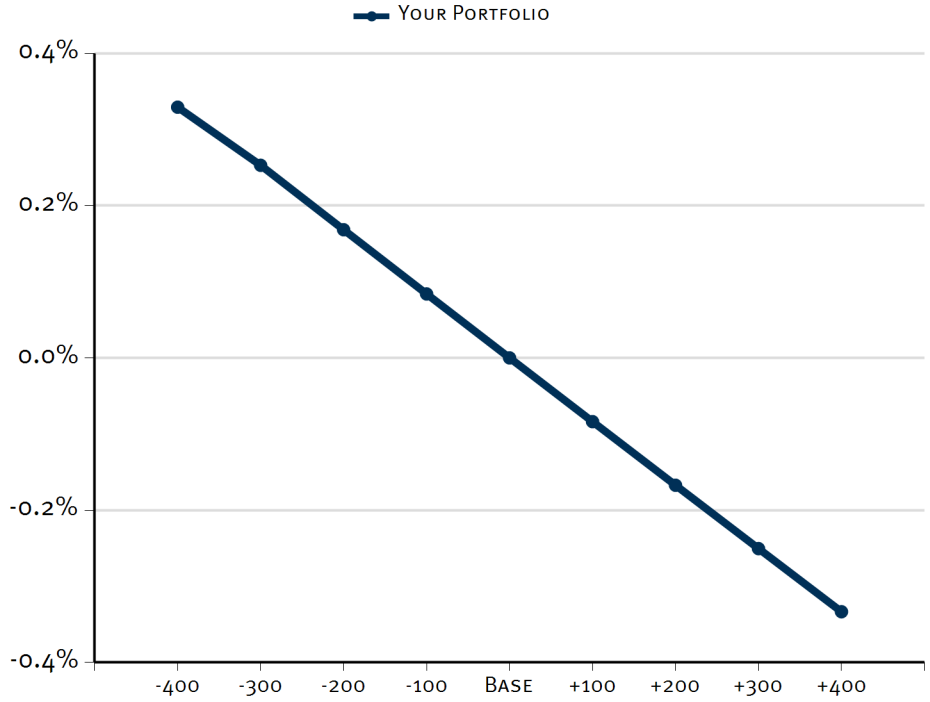
Total Portfolio

	-400	-300	-200	-100	Base	+100	+200	+300	+400
Number Bonds	1	1	1	1	**1**	1	1	1	1
Current Face	3,985,613	3,985,613	3,985,613	3,985,613	**3,985,613**	3,985,613	3,985,613	3,985,613	3,985,613
Book Value	3,985,613	3,985,613	3,985,613	3,985,613	**3,985,613**	3,985,613	3,985,613	3,985,613	3,985,613
Book Price	100.00	100.00	100.00	100.00	**100.00**	100.00	100.00	100.00	100.00
Projected Yield At Book Price	4.02%	4.02%	4.02%	4.02%	**4.02%**	4.02%	4.02%	4.02%	4.02%
Market Value	3,998,734	3,995,693	3,992,321	3,988,961	**3,985,613**	3,982,277	3,978,949	3,975,633	3,972,329
Market Price	100.33	100.25	100.17	100.08	**100.00**	99.92	99.83	99.75	99.67
Market Yield	0.10%	1.00%	2.00%	3.01%	**4.02%**	5.03%	6.04%	7.06%	8.07%
% Price Change	0.3%	0.3%	0.2%	0.1%	**0.0%**	-0.1%	-0.2%	-0.3%	-0.3%
Book Gain/Loss	13,121	10,080	6,708	3,348	**0**	-3,336	-6,664	-9,980	-13,284
Gain/Loss %	0.3%	0.3%	0.2%	0.1%	**0.0%**	-0.1%	-0.2%	-0.3%	-0.3%
Average Life	0.1	0.1	0.1	0.1	**0.1**	0.1	0.1	0.1	0.1
Effective Duration	0.1	0.1	0.1	0.1	**0.1**	0.1	0.1	0.1	0.1
Effective Convexity	0.0	0.0	0.0	0.0	**0.0**	0.0	0.0	0.0	0.0

Projected Portfolio Yield at Book



Total Portfolio Price Volatility

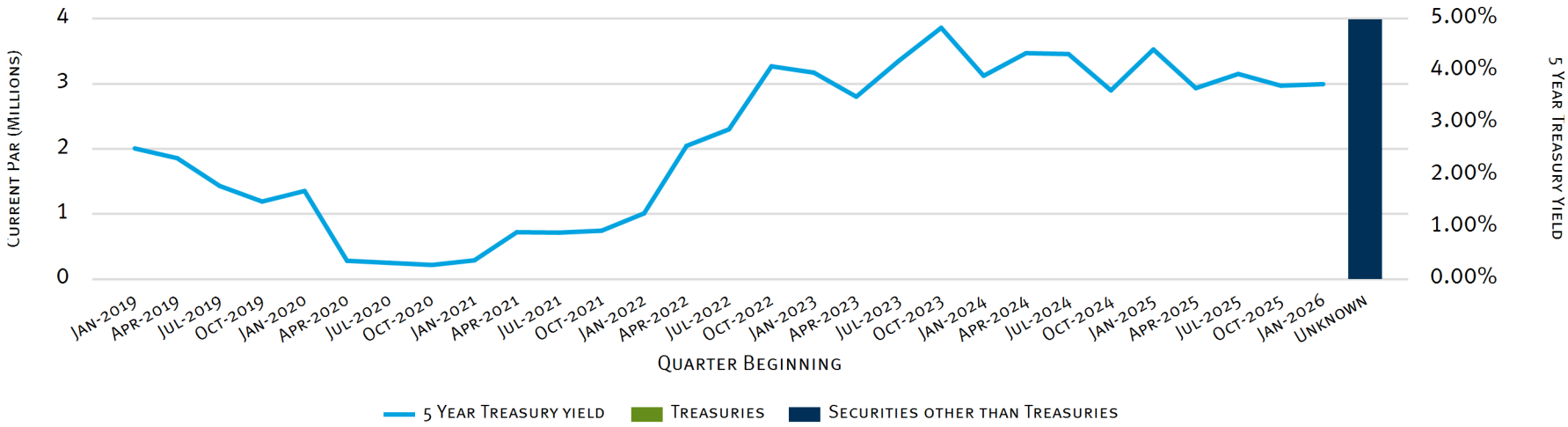


[1]Stifel Portfolio Median refers to the median portfolio value for other institutions analyzed by Stifel within the past three months.

Executive Summary

Market Timing Analysis

Historical Purchases vs 5 Year Treasury Yield



5 Year Treasury Average: 2.61% / Median 2.72%

Securities Purchased by Rate Environment



The highest quartile is composed of the seven quarters over the past seven years in which rates were the highest, the second quartile is the next seven highest quarters, and so on.

Executive Summary

Key Market Rates

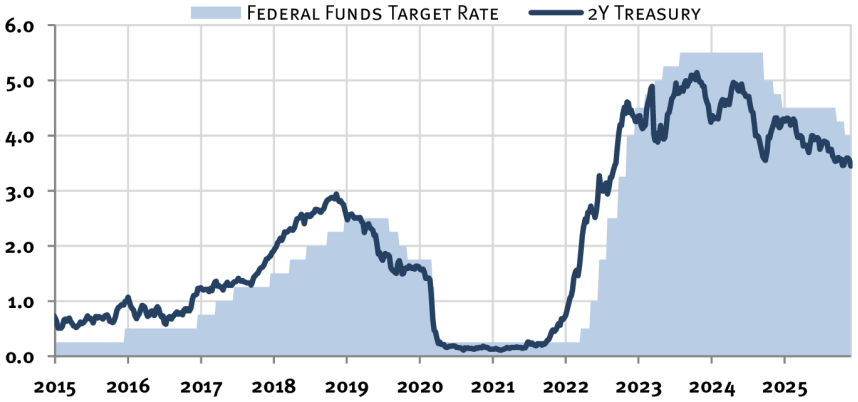
KEY MARKET RATES

Treasury Yields	11/30/2025	11/30/2024	YOY Δ
3M Treasury Bill	3.80	4.49	(0.69)
6M Treasury Bill	3.77	4.45	(0.68)
2Y Treasury Note	3.49	4.15	(0.66)
3Y Treasury Note	3.49	4.09	(0.60)
5Y Treasury Note	3.60	4.05	(0.45)
10Y Treasury Note	4.01	4.17	(0.16)
30Y Treasury Bond	4.66	4.36	0.30
10Y TIPS	1.76	1.91	(0.14)

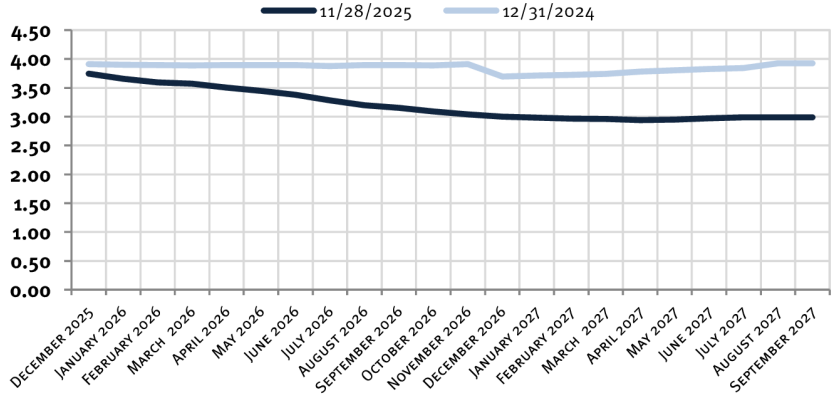
Other Key Interest Rates	11/30/2025	11/30/2024	YOY Δ
Fed Funds Target Rate	4.00	4.75	(0.75)
Fed Funds Effective Rate	4.09	4.64	(0.55)
Interest on Reserves	3.90	4.65	(0.75)
SOFR	4.12	4.59	(0.47)
SOFR 30-Day Average	4.01	4.67	(0.66)
Discount Rate	4.00	4.75	(0.75)
Prime	7.00	7.75	(0.75)
FNMA 30Y Mortgage Rate	6.23	6.81	(0.58)

Stocks and Commodities	11/30/2025	11/30/2024	YOY Δ
Dollar Index	99.46	105.74	-5.9%
CRB Commodity Index	533.83	535.74	-0.4%
Brent Crude Oil	63.20	72.94	-13.4%
Gold	4,239	2,643	60.4%
DJIA	47,716	44,911	6.2%
S&P 500	6,849	6,032	13.5%
Russell 2000	2,500	2,435	2.7%
NASDAQ	23,366	19,218	21.6%

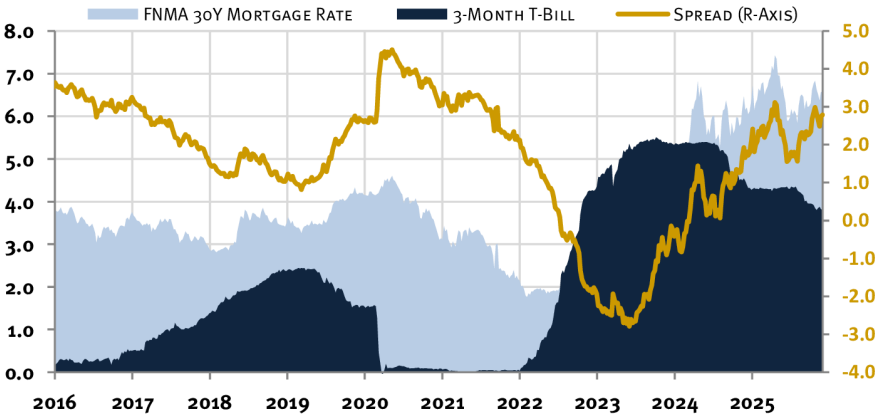
FEDERAL FUNDS TARGET RATE AND 2-YEAR TREASURY YIELD



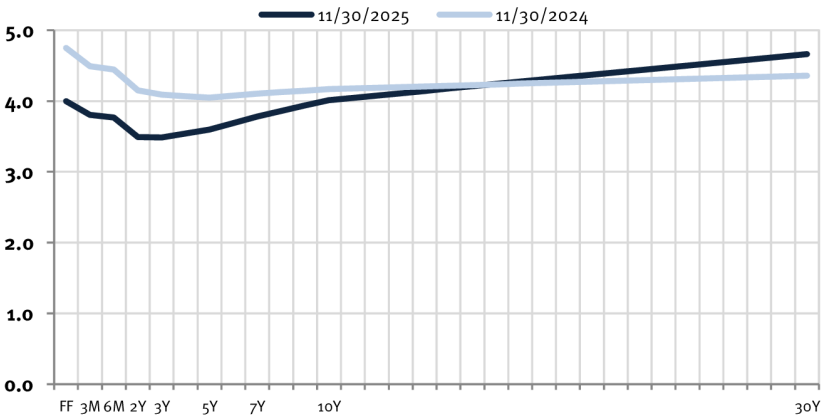
FED FUNDS FUTURES



FUNDING COSTS vs. FNMA 30Y MORTGAGE RATES



CURRENT TREASURY YIELD CURVE vs. ONE YEAR AGO



KEY ECONOMIC DATA

Gross Domestic Product (Chain-Weighted)	Jun-25	Mar-25	Dec-24	Sep-24	Jun-24	Mar-24	Dec-23	Sep-23	Jun-23	Mar-23	Dec-22	Sep-22	Jun-22
GDP *(S Billions)*	**23,771**	23,548	23,587	23,479	23,287	23,082	23,034	22,841	22,581	22,440	22,278	22,126	21,967
GDP *(QoQ, SAAR)*	**3.8%**	-0.6%	1.9%	3.3%	3.6%	0.8%	3.4%	4.7%	2.5%	2.9%	2.8%	2.9%	0.6%
Personal Consumption ($ Billions)	**16,446**	16,346	16,321	16,166	16,010	15,858	15,790	15,672	15,554	15,496	15,326	15,296	15,224
Personal Consumption (QoQ, SAAR)	**2.5%**	0.6%	3.9%	4.0%	3.9%	1.7%	3.0%	3.1%	1.5%	4.5%	0.8%	1.9%	3.3%
Real Disposable Personal Income ($ Billions)	**18,082**	17,943	17,843	17,755	17,701	17,596	17,417	17,269	17,183	17,002	16,519	16,354	16,097
Real Disposable personal Income (QoQ, SAAR)	**3.1%**	2.3%	2.0%	1.2%	2.4%	4.2%	3.5%	2.0%	4.3%	12.2%	4.1%	6.5%	-2.0%
Private Investment ($ Billions)	**4,383**	4,548	4,316	4,392	4,382	4,296	4,313	4,276	4,181	4,109	4,185	4,105	4,177
Private Investment (QoQ, SAAR)	**-13.7%**	23.3%	-6.8%	0.9%	8.2%	-1.6%	3.6%	9.4%	7.2%	-7.1%	8.0%	-6.7%	-8.6%
Business Fixed Investment ($ Billions)	**4,381**	4,334	4,260	4,281	4,265	4,250	4,219	4,171	4,132	4,040	3,992	3,997	4,020
Business Fixed Investment (QoQ, SAAR)	**4.4%**	7.1%	-1.9%	1.5%	1.4%	3.0%	4.6%	3.8%	9.5%	4.9%	-0.5%	-2.2%	1.9%
Residential Fixed Investment ($ Billions)	**779**	789	791	783	792	796	781	778	757	749	762	809	864
Residential Fixed Investment (QoQ, SAAR)	**-5.1%**	-1.0%	4.3%	-4.8%	-2.0%	8.2%	1.5%	11.5%	4.2%	-6.6%	-21.3%	-23.0%	-11.1%
Change in Business Inventories ($ Billions)	**(190)**	155	(52)	(6)	63	(49)	(6)	50	(26)	(117)	81	(35)	(113)
Government Spending ($ Billions)	**3,993**	3,994	4,004	3,971	3,919	3,887	3,865	3,821	3,774	3,743	3,705	3,668	3,652
Government Spending (QoQ, SAAR)	**-0.1%**	-1.0%	3.3%	5.4%	3.3%	2.3%	4.7%	5.2%	3.3%	4.1%	4.1%	1.7%	-1.4%
Federal Government Spending ($ Billions)	**1,517**	1,537	1,560	1,543	1,512	1,496	1,493	1,480	1,456	1,456	1,442	1,411	1,415
Federal Government Spending ($ Billions)	**-5.3%**	-5.6%	4.4%	8.6%	4.3%	0.8%	3.4%	6.8%	-0.1%	4.1%	9.1%	-1.3%	-3.7%
State and Local Government Spending ($ Billions)	**2,475**	2,456	2,445	2,429	2,407	2,391	2,372	2,341	2,317	2,287	2,264	2,256	2,237
State and Local Government Spending (QoQ, SAAR)	**3.1%**	1.9%	2.7%	3.6%	2.8%	3.2%	5.4%	4.2%	5.4%	4.1%	1.4%	3.5%	-0.1%
Net External Trade ($ Billions)	**(1,058)**	(1,381)	(1,069)	(1,065)	(1,032)	(964)	(934)	(926)	(928)	(912)	(945)	(953)	(1,093)
Net External Trade (QoQ, SAAR)	**65.5%**	-178.3%	-1.5%	-13.3%	-31.4%	-13.5%	-3.5%	0.8%	-7.2%	13.0%	3.6%	42.2%	4.9%
Exports ($ Billions)	**2,647**	2,660	2,659	2,664	2,608	2,604	2,575	2,537	2,509	2,544	2,520	2,539	2,452
Exports (QoQ, SAAR)	**-1.8%**	0.2%	-0.9%	8.9%	0.7%	4.6%	6.1%	4.4%	-5.3%	3.8%	-2.9%	15.0%	13.1%
Imports ($ Billions)	**3,705**	4,040	3,727	3,729	3,640	3,568	3,509	3,463	3,437	3,456	3,465	3,492	3,545
Imports (QoQ, SAAR)	**-29.3%**	38.0%	-0.2%	10.1%	8.4%	6.9%	5.4%	3.0%	-2.1%	-1.0%	-3.1%	-5.8%	7.1%

Labor	Sep-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25	Mar-25	Feb-25	Jan-25	Dec-24	Nov-24	Oct-24	Sep-24
Unemployment Rate	4.4%	4.3%	4.2%	4.1%	4.2%	4.2%	4.2%	4.1%	4.0%	4.1%	4.2%	4.1%	4.1%
Monthly Change in Nonfarm Payrolls (000s)	119	-4	72	-13	19	158	120	102	111	323	261	44	240
Average Weekly Hours Worked Nonfarm	34.2	34.2	34.3	34.2	34.3	34.3	34.3	34.2	34.1	34.2	34.3	34.3	34.2
Average Hourly Earnings Nonfarm (YoY)	3.8%	3.8%	3.9%	3.7%	3.8%	3.8%	3.9%	3.9%	3.9%	4.0%	4.2%	4.1%	3.9%

Inflation	Sep-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25	Mar-25	Feb-25	Jan-25	Dec-24	Nov-24	Oct-24	Sep-24
Consumer Price Index (YoY)	3.0%	2.9%	2.7%	2.7%	2.4%	2.3%	2.4%	2.8%	3.0%	2.9%	2.7%	2.6%	2.4%
Core Consumer Price Index (YoY)	3.0%	3.1%	3.1%	2.9%	2.8%	2.8%	2.8%	3.1%	3.3%	3.2%	3.3%	3.3%	3.3%
Core Personal Consumption Expenditure (YoY)		2.9%	2.9%	2.8%	2.8%	2.6%	2.7%	3.0%	2.8%	3.0%	3.0%	3.0%	2.8%

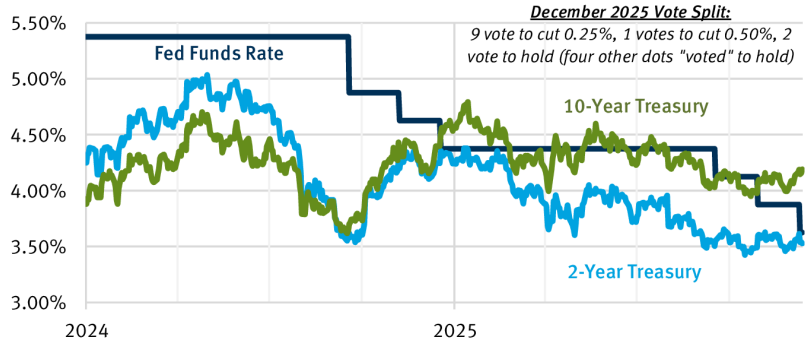
Housing	Oct-25	Sep-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25	Mar-25	Feb-25	Jan-25	Dec-24	Nov-24	Oct-24
New Home Sales (000s, Annualized)			800	664	676	627	706	660	642	662	718	675	621
Existing Home Sales (Millions, Annualized)	4.10	4.05	4.00	4.01	3.93	4.04	4.00	4.02	4.27	4.09	4.29	4.17	4.03
Homebuilder Confidence Index	37	32	32	33	32	34	40	39	42	47	46	46	43
Housing Starts (000s, Annualized)			1307	1429	1382	1282	1398	1355	1490	1358	1514	1295	1352
Building Permits (000s, Annualized)			1330	1362	1393	1394	1422	1481	1454	1460	1480	1508	1428

Other	Oct-25	Sep-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25	Mar-25	Feb-25	Jan-25	Dec-24	Nov-24	Oct-24
Industrial Production (YoY Change in Output)			0.8%	1.4%	0.7%	0.3%	1.0%	0.6%	0.8%	0.9%	-2.2%	-3.5%	-3.0%
ISM Manufacturing Index	48.7	49.1	48.7	48.0	49.0	48.5	48.7	49.0	50.3	50.9	49.2	48.4	46.9
ISM Non-Manufacturing Index	52.4	50.0	52.0	50.1	50.8	49.9	51.6	50.8	53.5	52.8	54.0	52.5	55.8
ISM Economy-Weighted Composite index	52.1	49.9	51.7	49.9	50.6	49.8	51.3	50.6	53.2	52.6	53.5	52.1	54.9
Auto Sales (Millions, Annualized)	15.32	16.39	16.07	16.41	15.34	15.65	17.27	17.77	16.00	15.60	16.80	16.50	16.04
Consumer Confidence (U of M)	53.6	55.1	58.2	61.7	60.7	52.2	52.2	57.0	64.7	71.7	74.0	71.8	70.5

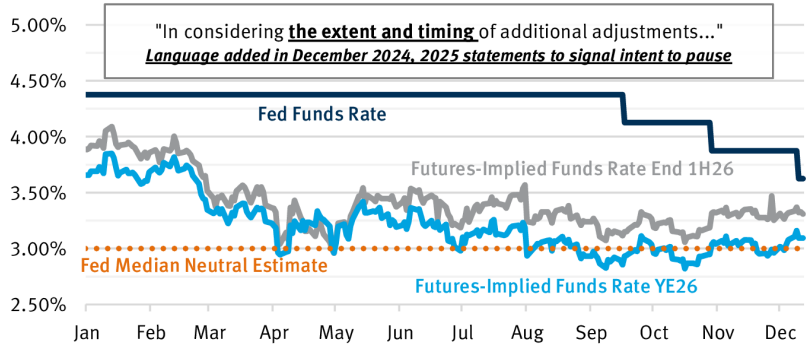
Executive Summary

Key Market Rates

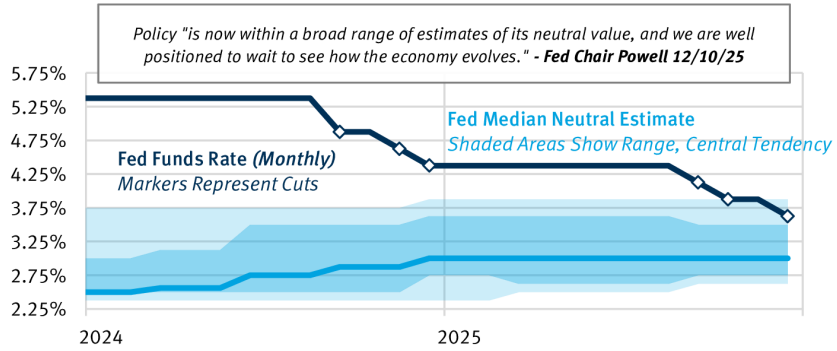
A DIVIDED FED CUT RATES AT A THIRD CONSECUTIVE MEETING IN DECEMBER



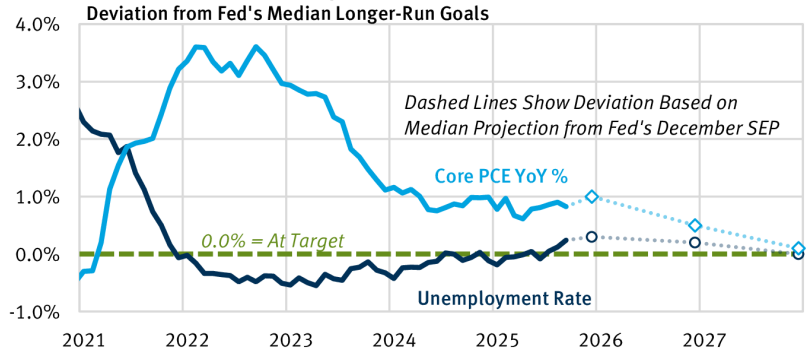
BUT SIGNALED A HIGHER BAR FOR ADDITIONAL EASING FROM HERE



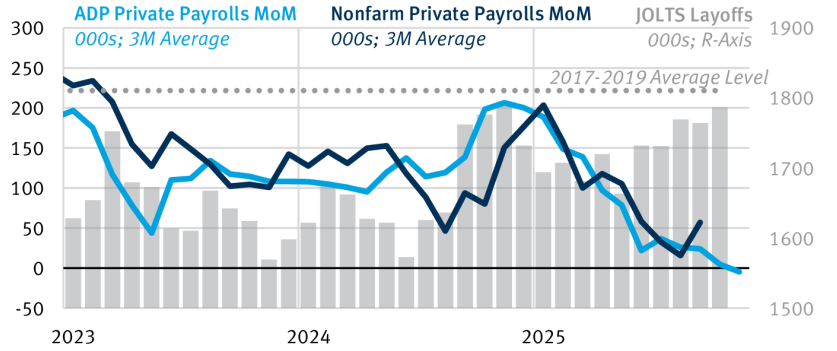
POLICY IS BACK "WITHIN A RANGE OF PLAUSIBLE ESTIMATES OF NEUTRAL"



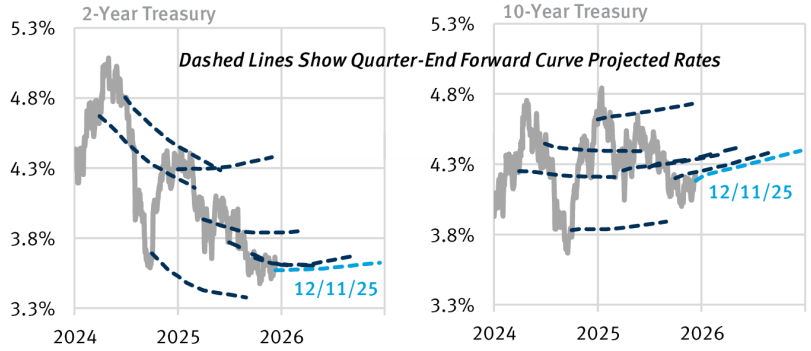
WITH INFLATION STILL CLOSER TO 3% THAN 2% AFTER A PROLONGED OVERSHOOT



MORE PRONOUNCED LABOR RISKS MAY BE NEEDED TO SPUR ANOTHER CUT



AND SHIFT INVESTORS' CURRENT EXPECTATIONS FOR RATES TO REMAIN ELEVATED



Sources: Bureau of Labor Statistics, Bureau of Economic Analysis, ADP, Federal Reserve, Bloomberg Finance L.P., Stifel

Sector Analysis

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Sector Analysis

Other Sector Portfolio

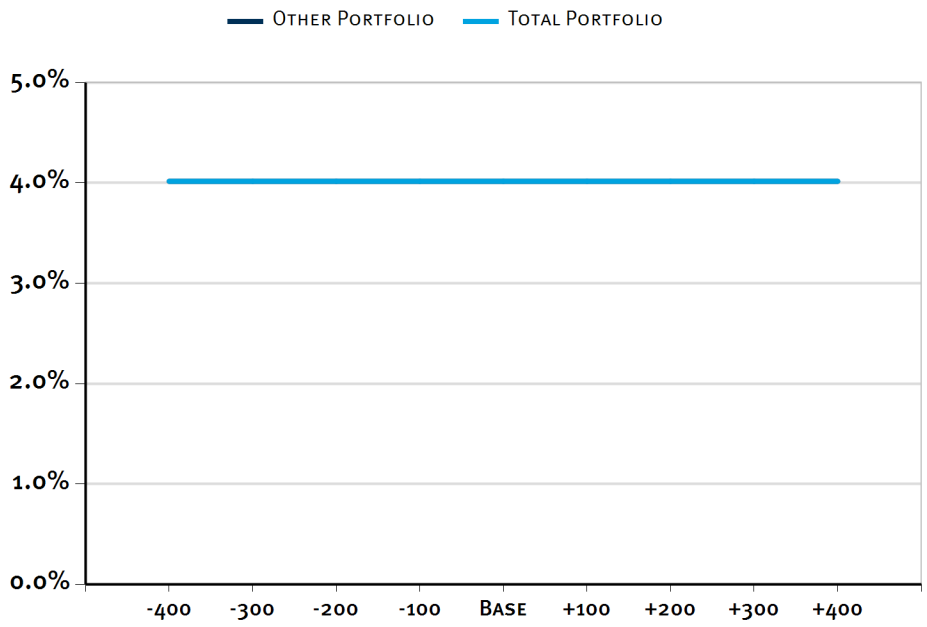
	-400	-300	-200	-100	Base	+100	+200	+300	+400
Number Bonds	1	1	1	1	1	1	1	1	1
Current Face	3,985,613	3,985,613	3,985,613	3,985,613	3,985,613	3,985,613	3,985,613	3,985,613	3,985,613
Book Value	3,985,613	3,985,613	3,985,613	3,985,613	3,985,613	3,985,613	3,985,613	3,985,613	3,985,613
Book Price	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Proj. Yld. At Book Px.	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%
Market Value	3,998,734	3,995,693	3,992,321	3,988,961	3,985,613	3,982,277	3,978,949	3,975,633	3,972,329
Market Price	100.33	100.25	100.17	100.08	100.00	99.92	99.83	99.75	99.67
Market Yield	0.10%	1.00%	2.00%	3.01%	4.02%	5.03%	6.04%	7.06%	8.07%
% Price Change	0.3%	0.3%	0.2%	0.1%	0.0%	-0.1%	-0.2%	-0.3%	-0.3%
Book Gain/Loss	13,121	10,080	6,708	3,348	0	-3,336	-6,664	-9,980	-13,284
Gain/Loss %	0.33%	0.25%	0.17%	0.08%	0.00%	-0.08%	-0.17%	-0.25%	-0.33%
Average Life	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Effective Duration	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Effective Convexity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Other Contribution to Total Portfolio Measures

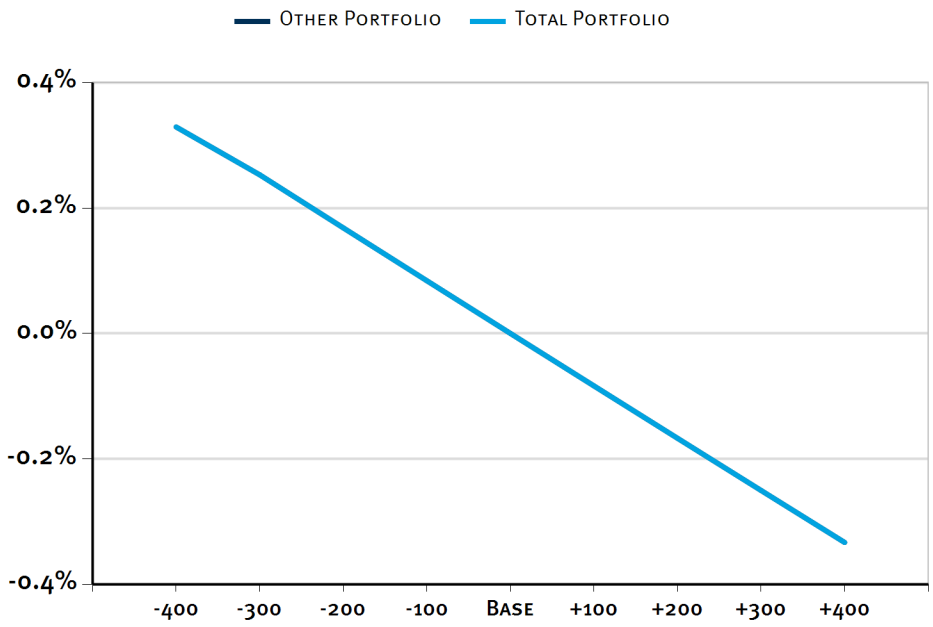
Allocation, Mkt Val	100.0%
Px Risk Contribution[1]	100.0%
Yield Contribution[2]	100.0%

[1] Risk - Sector px. vol. +300 as % of total port. px. vol
[2] Yield - Sector yield as a % of total port. yield.

Other Sector Yield @ Book vs Total Portfolio



Other Sector Price Volatility vs Total Portfolio



Cashflow Analysis

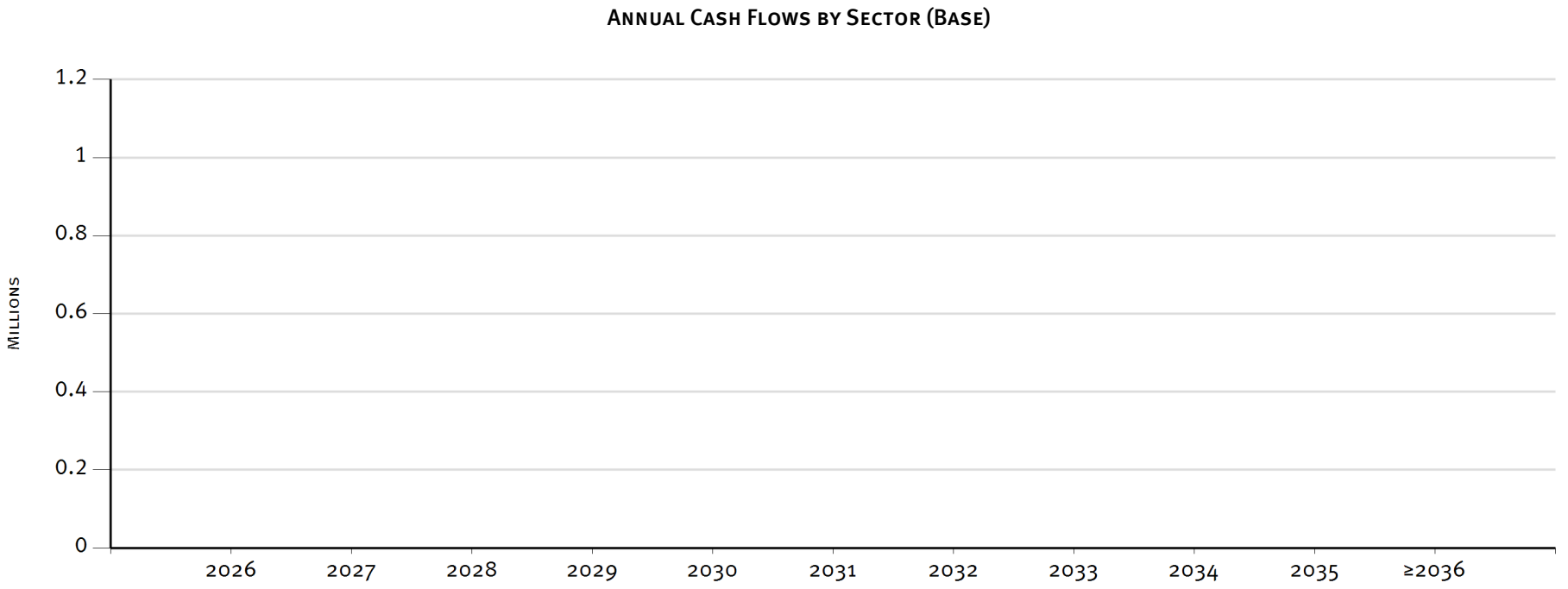
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Cash Flow Analysis

Annual Base

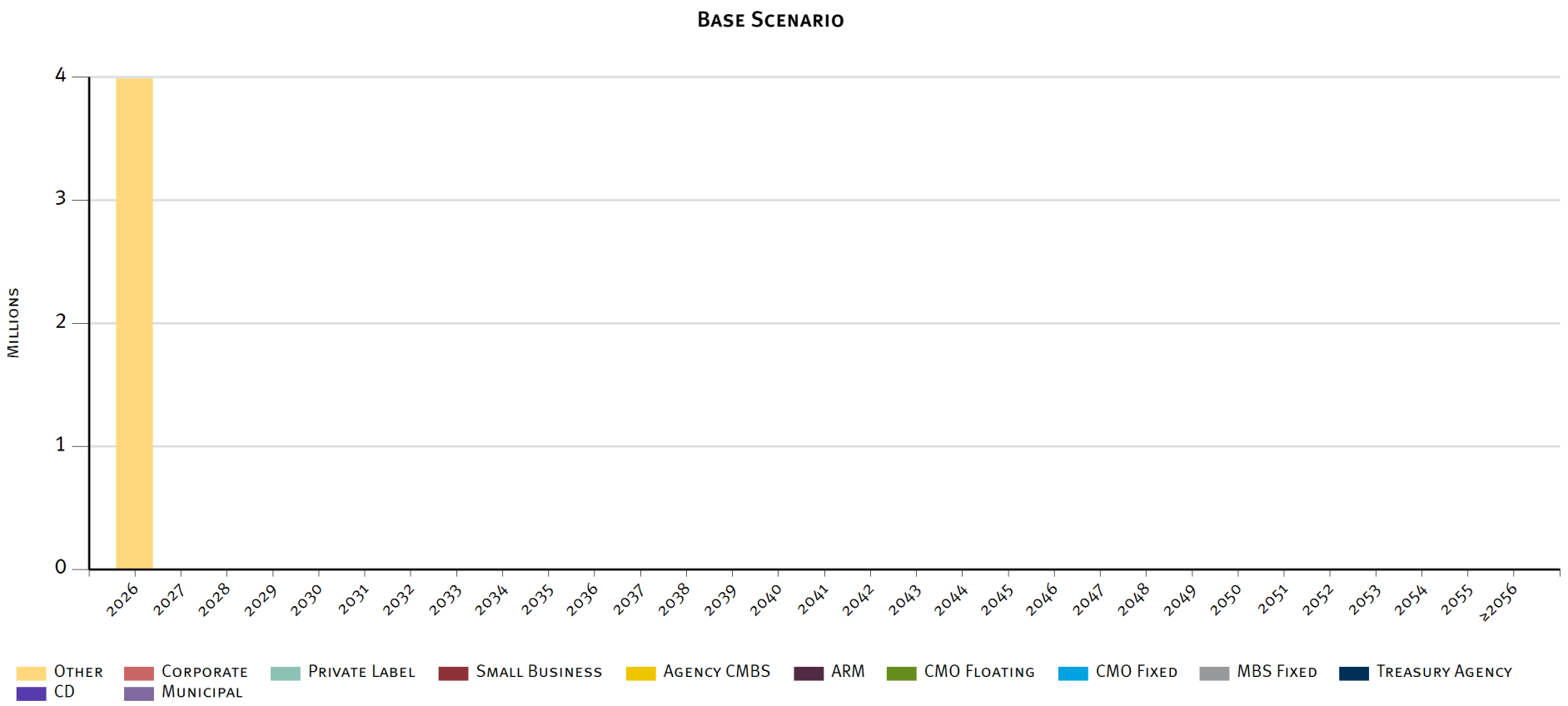
Annual Cash Flows by Sector (Base)

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	≥2036
Treasury/Agency	0	0	0	0	0	0	0	0	0	0	0
MBS Fixed	0	0	0	0	0	0	0	0	0	0	0
ARM	0	0	0	0	0	0	0	0	0	0	0
CMO Fixed	0	0	0	0	0	0	0	0	0	0	0
CMO Floating	0	0	0	0	0	0	0	0	0	0	0
Agency CMBS	0	0	0	0	0	0	0	0	0	0	0
Small Business	0	0	0	0	0	0	0	0	0	0	0
Private Label	0	0	0	0	0	0	0	0	0	0	0
Municipal	0	0	0	0	0	0	0	0	0	0	0
Corporate	0	0	0	0	0	0	0	0	0	0	0
CD	0	0	0	0	0	0	0	0	0	0	0
Other	3,985,613	0	0	0	0	0	0	0	0	0	0
Total	**3,985,613**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
% of Total Portfolio	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%



Cash Flow Analysis

Cash Flows By Sector - Next 30 Years



Cash Flow Analysis

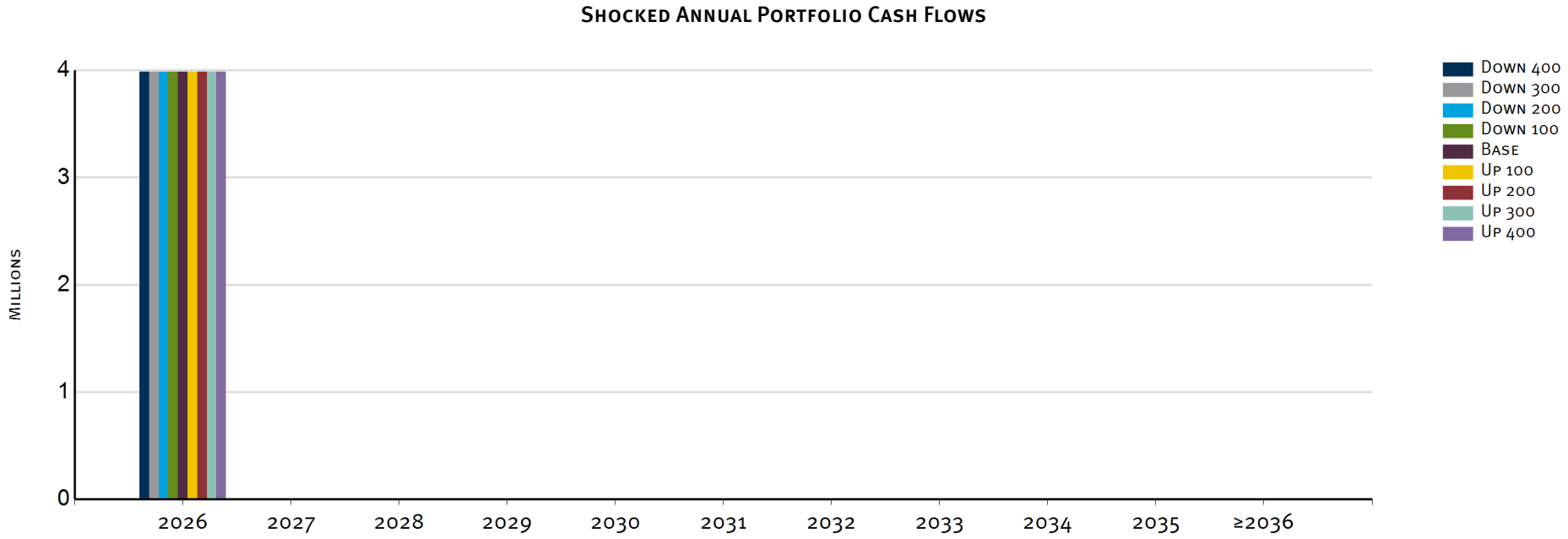
Annual Shocked

Shocked Annual Portfolio Cash Flows

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	≥ 2036
Down 400	3,985,613	0	0	0	0	0	0	0	0	0	0
Down 300	3,985,613	0	0	0	0	0	0	0	0	0	0
Down 200	3,985,613	0	0	0	0	0	0	0	0	0	0
Down 100	3,985,613	0	0	0	0	0	0	0	0	0	0
Base	**3,985,613**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Up 100	3,985,613	0	0	0	0	0	0	0	0	0	0
Up 200	3,985,613	0	0	0	0	0	0	0	0	0	0
Up 300	3,985,613	0	0	0	0	0	0	0	0	0	0
Up 400	3,985,613	0	0	0	0	0	0	0	0	0	0

Change in Shocked Annual Portfolio Cash Flows from Base

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	≥ 2036
Down 400	0	0	0	0	0	0	0	0	0	0	0
Down 300	0	0	0	0	0	0	0	0	0	0	0
Down 200	0	0	0	0	0	0	0	0	0	0	0
Down 100	0	0	0	0	0	0	0	0	0	0	0
Up 100	0	0	0	0	0	0	0	0	0	0	0
Up 200	0	0	0	0	0	0	0	0	0	0	0
Up 300	0	0	0	0	0	0	0	0	0	0	0
Up 400	0	0	0	0	0	0	0	0	0	0	0

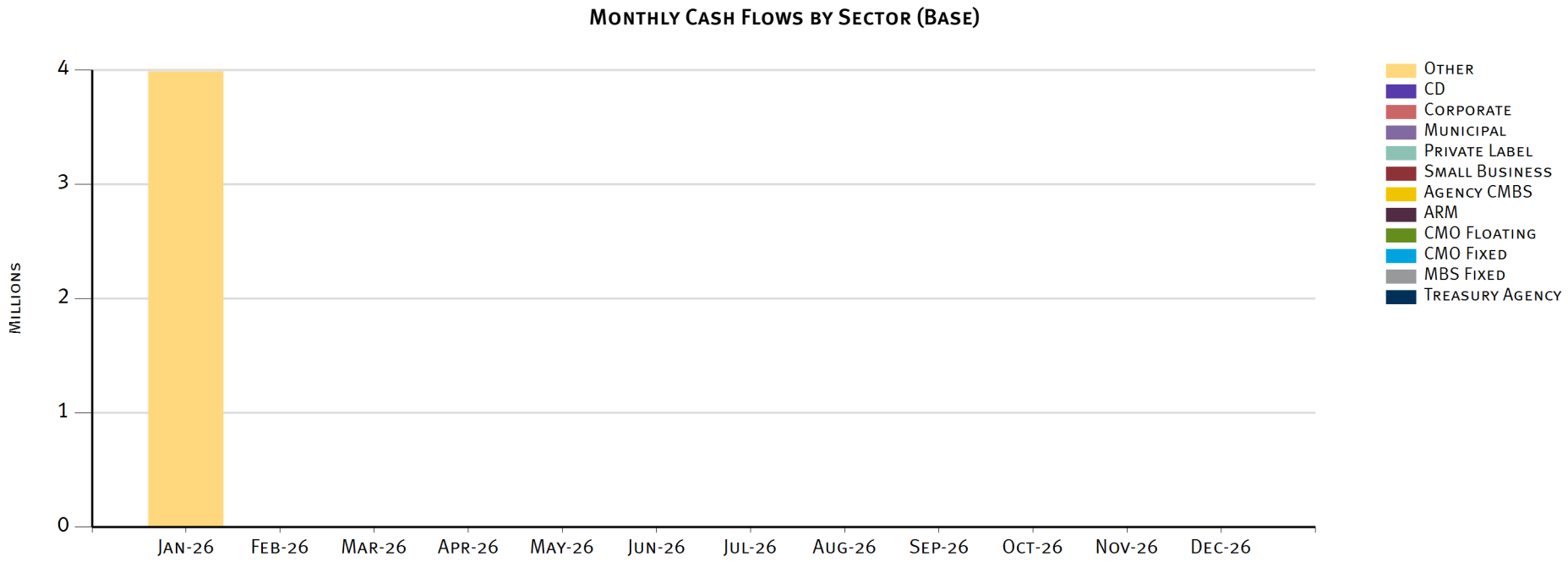


Cash Flow Analysis

Monthly Base

Monthly Cash Flows by Sector (Base)

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Total	% of Total Portfolio
Treasury/Agency	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
MBS Fixed	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
ARM	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
CMO Fixed	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
CMO Floating	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Agency CMBS	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Small Business	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Private Label	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Municipal	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Corporate	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
CD	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
Other	3,985,613	0	0	0	0	0	0	0	0	0	0	0	3,985,613	100.0%
Total	**3,985,613**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**3,985,613**	**100.0%**
% of Total Portfolio	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	



Cash Flow Analysis

Monthly Shocked

Shocked Monthly Portfolio Cash Flows (Year 1)

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Total
Down 400	3,985,613	0	0	0	0	0	0	0	0	0	0	0	3,985,613
Down 300	3,985,613	0	0	0	0	0	0	0	0	0	0	0	3,985,613
Down 200	3,985,613	0	0	0	0	0	0	0	0	0	0	0	3,985,613
Down 100	3,985,613	0	0	0	0	0	0	0	0	0	0	0	3,985,613
Base	**3,985,613**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**3,985,613**
Up 100	3,985,613	0	0	0	0	0	0	0	0	0	0	0	3,985,613
Up 200	3,985,613	0	0	0	0	0	0	0	0	0	0	0	3,985,613
Up 300	3,985,613	0	0	0	0	0	0	0	0	0	0	0	3,985,613
Up 400	3,985,613	0	0	0	0	0	0	0	0	0	0	0	3,985,613

Change in Monthly Cash Flows from Base (Year 1)

	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Total
Down 400	0	0	0	0	0	0	0	0	0	0	0	0	0
Down 300	0	0	0	0	0	0	0	0	0	0	0	0	0
Down 200	0	0	0	0	0	0	0	0	0	0	0	0	0
Down 100	0	0	0	0	0	0	0	0	0	0	0	0	0
Up 100	0	0	0	0	0	0	0	0	0	0	0	0	0
Up 200	0	0	0	0	0	0	0	0	0	0	0	0	0
Up 300	0	0	0	0	0	0	0	0	0	0	0	0	0
Up 400	0	0	0	0	0	0	0	0	0	0	0	0	0

Shocked Monthly Portfolio Cash Flows (Year 2)

	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27	Total
Down 400	0	0	0	0	0	0	0	0	0	0	0	0	0
Down 300	0	0	0	0	0	0	0	0	0	0	0	0	0
Down 200	0	0	0	0	0	0	0	0	0	0	0	0	0
Down 100	0	0	0	0	0	0	0	0	0	0	0	0	0
Base	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Up 100	0	0	0	0	0	0	0	0	0	0	0	0	0
Up 200	0	0	0	0	0	0	0	0	0	0	0	0	0
Up 300	0	0	0	0	0	0	0	0	0	0	0	0	0
Up 400	0	0	0	0	0	0	0	0	0	0	0	0	0

Change in Monthly Cash Flows from Base (Year 2)

	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27	Total
Down 400	0	0	0	0	0	0	0	0	0	0	0	0	0
Down 300	0	0	0	0	0	0	0	0	0	0	0	0	0
Down 200	0	0	0	0	0	0	0	0	0	0	0	0	0
Down 100	0	0	0	0	0	0	0	0	0	0	0	0	0
Up 100	0	0	0	0	0	0	0	0	0	0	0	0	0
Up 200	0	0	0	0	0	0	0	0	0	0	0	0	0
Up 300	0	0	0	0	0	0	0	0	0	0	0	0	0
Up 400	0	0	0	0	0	0	0	0	0	0	0	0	0

Cash Flow Analysis

Yield Forecaster

	Down 100 (3.22% Assumed Reinvestment Rate)[1]					Base Case (4.22% Assumed Reinvestment Rate)[1]					Up 100 (5.22% Assumed Reinvestment Rate)[1]				
	Principal Cash Flow	Cuml. Pay Down	Rolloff Yield	Rem. Port. Yield	Reinvest Port. Yield	Principal Cash Flow	Cuml. Pay Down	Rolloff Yield	Rem. Port. Yield	Reinvest Port. Yield	Principal Cash Flow	Cuml. Pay Down	Rolloff Yield	Rem. Port. Yield	Reinvest Port. Yield
Jan-26	3,985,613	100.0%	4.02	0.00	3.22	3,985,613	100.0%	4.02	0.00	4.22	3,985,613	100.0%	4.02	0.00	5.22
Feb-26	0	100.0%	0.00	0.00	3.22	0	100.0%	0.00	0.00	4.22	0	100.0%	0.00	0.00	5.22
Mar-26	0	100.0%	0.00	0.00	3.22	0	100.0%	0.00	0.00	4.22	0	100.0%	0.00	0.00	5.22
Apr-26	0	100.0%	0.00	0.00	3.22	0	100.0%	0.00	0.00	4.22	0	100.0%	0.00	0.00	5.22
May-26	0	100.0%	0.00	0.00	3.22	0	100.0%	0.00	0.00	4.22	0	100.0%	0.00	0.00	5.22
Jun-26	0	100.0%	0.00	0.00	3.22	0	100.0%	0.00	0.00	4.22	0	100.0%	0.00	0.00	5.22
Jul-26	0	100.0%	0.00	0.00	3.22	0	100.0%	0.00	0.00	4.22	0	100.0%	0.00	0.00	5.22
Aug-26	0	100.0%	0.00	0.00	3.22	0	100.0%	0.00	0.00	4.22	0	100.0%	0.00	0.00	5.22
Sep-26	0	100.0%	0.00	0.00	3.22	0	100.0%	0.00	0.00	4.22	0	100.0%	0.00	0.00	5.22
Oct-26	0	100.0%	0.00	0.00	3.22	0	100.0%	0.00	0.00	4.22	0	100.0%	0.00	0.00	5.22
Nov-26	0	100.0%	0.00	0.00	3.22	0	100.0%	0.00	0.00	4.22	0	100.0%	0.00	0.00	5.22
Dec-26	0	100.0%	0.00	0.00	3.22	0	100.0%	0.00	0.00	4.22	0	100.0%	0.00	0.00	5.22
Jan-27	0	100.0%	0.00	0.00	3.22	0	100.0%	0.00	0.00	4.22	0	100.0%	0.00	0.00	5.22
Feb-27	0	100.0%	0.00	0.00	3.22	0	100.0%	0.00	0.00	4.22	0	100.0%	0.00	0.00	5.22
Mar-27	0	100.0%	0.00	0.00	3.22	0	100.0%	0.00	0.00	4.22	0	100.0%	0.00	0.00	5.22
Apr-27	0	100.0%	0.00	0.00	3.22	0	100.0%	0.00	0.00	4.22	0	100.0%	0.00	0.00	5.22
May-27	0	100.0%	0.00	0.00	3.22	0	100.0%	0.00	0.00	4.22	0	100.0%	0.00	0.00	5.22
Jun-27	0	100.0%	0.00	0.00	3.22	0	100.0%	0.00	0.00	4.22	0	100.0%	0.00	0.00	5.22
Jul-27	0	100.0%	0.00	0.00	3.22	0	100.0%	0.00	0.00	4.22	0	100.0%	0.00	0.00	5.22
Aug-27	0	100.0%	0.00	0.00	3.22	0	100.0%	0.00	0.00	4.22	0	100.0%	0.00	0.00	5.22
Sep-27	0	100.0%	0.00	0.00	3.22	0	100.0%	0.00	0.00	4.22	0	100.0%	0.00	0.00	5.22
Oct-27	0	100.0%	0.00	0.00	3.22	0	100.0%	0.00	0.00	4.22	0	100.0%	0.00	0.00	5.22
Nov-27	0	100.0%	0.00	0.00	3.22	0	100.0%	0.00	0.00	4.22	0	100.0%	0.00	0.00	5.22
Dec-27	0	100.0%	0.00	0.00	3.22	0	100.0%	0.00	0.00	4.22	0	100.0%	0.00	0.00	5.22
Jan-28	0	100.0%	0.00	0.00	3.22	0	100.0%	0.00	0.00	4.22	0	100.0%	0.00	0.00	5.22
Feb-28	0	100.0%	0.00	0.00	3.22	0	100.0%	0.00	0.00	4.22	0	100.0%	0.00	0.00	5.22
Mar-28	0	100.0%	0.00	0.00	3.22	0	100.0%	0.00	0.00	4.22	0	100.0%	0.00	0.00	5.22
Apr-28	0	100.0%	0.00	0.00	3.22	0	100.0%	0.00	0.00	4.22	0	100.0%	0.00	0.00	5.22
May-28	0	100.0%	0.00	0.00	3.22	0	100.0%	0.00	0.00	4.22	0	100.0%	0.00	0.00	5.22
Jun-28	0	100.0%	0.00	0.00	3.22	0	100.0%	0.00	0.00	4.22	0	100.0%	0.00	0.00	5.22
Jul-28	0	100.0%	0.00	0.00	3.22	0	100.0%	0.00	0.00	4.22	0	100.0%	0.00	0.00	5.22
Aug-28	0	100.0%	0.00	0.00	3.22	0	100.0%	0.00	0.00	4.22	0	100.0%	0.00	0.00	5.22
Sep-28	0	100.0%	0.00	0.00	3.22	0	100.0%	0.00	0.00	4.22	0	100.0%	0.00	0.00	5.22
Oct-28	0	100.0%	0.00	0.00	3.22	0	100.0%	0.00	0.00	4.22	0	100.0%	0.00	0.00	5.22
Nov-28	0	100.0%	0.00	0.00	3.22	0	100.0%	0.00	0.00	4.22	0	100.0%	0.00	0.00	5.22
Dec-28	0	100.0%	0.00	0.00	3.22	0	100.0%	0.00	0.00	4.22	0	100.0%	0.00	0.00	5.22

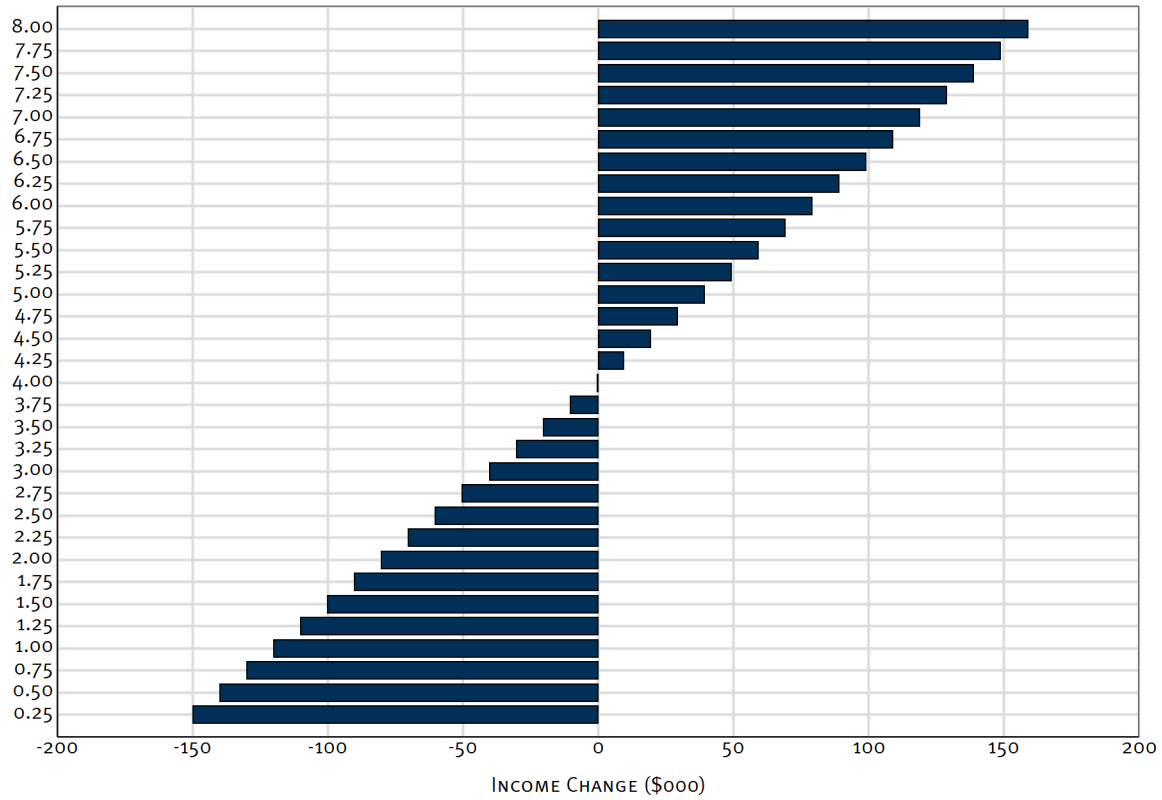
[1] Base reinvestment set at 5 Year Treasury rate +50 basis points

Cash Flow Analysis

Gap Analysis - Potential Income Impact of Principal Reinvestment

Principal Maturing (12 Mo Horizon)	3,986
Current Book Yield of Principal Maturing	4.02%
Estimated Annual Income at Current Book Yield	$160

Estimated Impact on Income at Various Reinvestment Yields



Assumed Reinvestment Yield	Estimated Annualized Income	Income Difference From Current Book	Resulting Book Yield
0.25	10	-150	0.25
0.50	20	-140	0.50
0.75	30	-130	0.75
1.00	40	-120	1.00
1.25	50	-110	1.25
1.50	60	-100	1.50
1.75	70	-90	1.75
2.00	80	-80	2.00
2.25	90	-70	2.25
2.50	100	-60	2.50
2.75	110	-50	2.75
3.00	120	-40	3.00
3.25	130	-31	3.25
3.50	139	-21	3.50
3.75	149	-11	3.75
4.00	159	-1	4.00
4.25	169	9	4.25
4.50	179	19	4.50
4.75	189	29	4.75
5.00	199	39	5.00
5.25	209	49	5.25
5.50	219	59	5.50
5.75	229	69	5.75
6.00	239	79	6.00
6.25	249	89	6.25
6.50	259	99	6.50
6.75	269	109	6.75
7.00	279	119	7.00
7.25	289	129	7.25
7.50	299	139	7.50
7.75	309	149	7.75
8.00	319	159	8.00

Cash Flow Analysis

Projected Call and Maturity Report

Projected Call and Maturity Dates by Rate Scenario (Next 12 Months)

Description	CUSIP	Maturity	Next Call Date	Coupon	Current Face	Book Gain/Loss	Yld @ Book	Projected Call / Maturity Date								
								-400	-300	-200	-100	Base	+100	+200	+300	+400

Supplemental Analysis

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Sector Supplemental Analysis

Key Portfolio Sorts

Top 10 Up 300 Market Value Changes (%)

CUSIP	Sector	Description	Cpn	Maturity	Par Value	Book Price	Mkt Price	G/L	Yld @ Book	WAL	% Px Δ +300	$ Amt Δ +300	G/L +300	Eff Dur	INT
PLMDLLA1F	Cash & Other	STATE OF CALIFORNIA LOCAL	4.05	01/31/26	3,985,613	100.00	100.00		4.02	0.1	-0.3	-9,980	-9,980	0.1	AFS
			4.05		3,985,613	100.00	100.00		4.02	0.1	-0.3	-9,980	-9,980	0.1	

Top 10 Up 300 Market Value Changes ($)

CUSIP	Sector	Description	Cpn	Maturity	Par Value	Book Price	Mkt Price	G/L	Yld @ Book	WAL	% Px Δ +300	$ Amt Δ +300	G/L +300	Eff Dur	INT
PLMDLLA1F	Cash & Other	STATE OF CALIFORNIA LOCAL	4.05	01/31/26	3,985,613	100.00	100.00		4.02	0.1	-0.3	-9,980	-9,980	0.1	AFS
			4.05		3,985,613	100.00	100.00		4.02	0.1	-0.3	-9,980	-9,980	0.1	

Sector Supplemental Analysis

Key Portfolio Sorts

Top 10 Marked To Market Up 300 Loss Positions

CUSIP	Sector	Description	Cpn	Maturity	Par Value	Book Price	Mkt Price	G/L	Yld @ Book	WAL	% Px Δ +300	$ Amt Δ +300	G/L +300	Eff Dur	INT
PLMDLLA1F	Cash & Other	STATE OF CALIFORNIA LOCAL	4.05	01/31/26	3,985,613	100.00	100.00		4.02	0.1	-0.3	-9,980	-9,980	0.1	AFS
			4.05		3,985,613	100.00	100.00		4.02	0.1	-0.3	-9,980	-9,980	0.1	

Top 10 Average Life Extension Up 300bps

CUSIP	Sector	Description	Cpn	Maturity	Par Value	Book Price	Mkt Price	G/L	Yld @ Book	% Px Δ +300	Eff Dur	WAL	WAL +300	Chg in WAL	INT
PLMDLLA1F	Cash & Other	STATE OF CALIFORNIA LOCAL	4.05	01/31/26	3,985,613	100.00	100.00		4.02	-0.3	0.1	0.1	0.1	0.0	AFS
			4.05		3,985,613	100.00	100.00		4.02	-0.3	0.1	0.1	0.1	0.0	

CUSIP Details

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CUSIP Details

Security Details - Other Sector

					Coupon									% Price Change			
CUSIP	FAS	Description	Structure	Current	Type	Rate	Next Step	Maturity	Book Price	Yld @ Book	Mkt Price	Gain/Loss	G/L %	Avg Life	-100	+100	+300	Eff Dur
PLMDLLA1F	AFS	STATE OF CALIFORNIA LOCAL	Bullet	3,985,613	Fixed	4.050		1/31/26	100.00	4.02	100.00	0	0.0%	0.1	0.1	-0.1	-0.3	0.1
TOTAL		**OTHER**		**3,985,613**		**4.050**		**1/31/26**	**100.00**		**100.00**	**0**	**0.0%**	**0.1**	**0.1**	**-0.1**	**-0.3**	**0.1**

Scenario Yield and Price Analysis

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Scenario Yield and Price Analysis

Interest Rate Risk / Reward - Other Sector

		Book			Projected Yield At Book Price									% Change in Market Price							
CUSIP	Description	Value	Price	Market Price	-400	-300	-200	-100	Base	+100	+200	+300	+400	-400	-300	-200	-100	+100	+200	+300	+400
PLMDLLA1F	STATE OF CALIFORNIA LOCAL AGENCY I	3,985,613	100.00	100.00	4.02	4.02	4.02	4.02	**4.02**	4.02	4.02	4.02	4.02	0.3	0.3	0.2	0.1	-0.1	-0.2	-0.3	-0.3
TOTAL	**OTHER SECTOR**	**3,985,613**	**100.00**	**100.00**	**4.02**	**4.02**	**4.02**	**4.02**	**4.02**	**4.02**	**4.02**	**4.02**	**4.02**	**0.3**	**0.3**	**0.2**	**0.1**	**-0.1**	**-0.2**	**-0.3**	**-0.3**

* n.m.: Yield not meaningful

Addendum

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Addendum

Portfolio Exceptions

Portfolio Exceptions

	Exception Description	CUSIP	Sector	Sub Sector	Sub Sub Sector	Security Description	Current Par	Book Price	Market Price
No bonds were excluded from your portfolio									

Portfolio Exceptions Summary

Total Current Par	Excluded Current Par	Included Current Par	Excluded Pct	Total Count	Excluded Count	Included Count	Excluded Pct
3,985,613	0	3,985,613	0.00%	1	0	1	0.00%

Addendum

Disclaimer and Notes

The information contained herein has been prepared from sources believed reliable but is not guaranteed by Stifel and is not a complete summary or statement of all available data, nor is it to be construed as an offer to buy or sell any securities referred to herein. The accuracy of the financial projections is dependent on the occurrence of future events which cannot be assured; therefore, the actual results may vary from the projections and future results are not guaranteed. Opinions expressed, including CPA opinions, are subject to change without notice and do not take into account the particular investment objectives, financial situation, or needs of investors. Employees of Stifel or its affiliates may, at times, release written or oral commentary, technical analysis, or trading strategies that differ from the opinions expressed within. No investments or services mentioned are available to "private customers" in the European Economic Area or to anyone in Canada other than a "Designated Institution." Stifel and/or its employees involved in the preparation or the issuance of this communication may have positions in the securities or options of the issuer/s discussed or recommended herein. Securities identified herein are subject to availability and changes in price.

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	Applied	Notes
Date Requested	01/13/2026	The Performance Profile was requested on this date
Book Date	12/31/2025	The portfolio's book (holding) price is as of this date
As-Of Date	12/31/2025	Market pricing for this portfolio is as of this date.
Call Report	n.a.	Most recent institution call report available on Date Requested
Risk Manager	n.a.	The most recent Risk Manager information as of Date Requested
Tax Rate Applied	21.00%	Adjustable, defaults to 21.00% C-Corp Bank, 29.60% S-Corp Bank, 0.00% Credit Union
Cost of Funds	1.0%	Used to calculate Tax-Equivalent Yields where appropriate for depositories
TEFRA	Tax-Free Munis	C-Corp Bank (20% BQ, 100% GM); S-Corp Bank (0% BQ, 100% GM); all else n.a.
Portfolio Statistics	01/13/2026	The most recent Stifel portfolio summary statistics as of Date Requested

Addendum

Key Terms and Definitions

Term	Definition
Adjustment Frequency	For adjustable-rate mortgages (ARMs), the number of months between the loan's or security's coupon adjustment dates. GNMA ARMs adjust annually in one of the following months: January, April, July, or October; FNMA and FHLMC issues also usually have annual reset dates although the adjustment dates occur at any time during the year.
Book Yield	Usually provided from Bond Accounting reports and represents the Annualized yield to maturity (or call) based on the book value of a bond and projected cash flows. Similar to "Projected Yield at Book" except 3mo Historical Speeds are commonly employed in calculating Book Yield for amortizing securities rather than a forward looking estimate.
Collateral	Assets that are used to secure payment of certain bonds, for example, real estate is a source of collateral for mortgage backed securities.
Coupon	The stated interest rate on a bond that is used to calculate interest payments that are payable to bond holders. A coupon rate of interest can be fixed over the life of the bond or a variable rate of interest that is calculated using a formula described in the offering documents. Floating coupon rates are generally a simple spread (or margin) relative to a stated index (such as LIBOR). Many bonds include caps and floors on the coupon interest rate and some contain more complex formulas.
Convexity	An incremental measure (along with the linear measure of duration) to capture the curvature of a bond's price/yield relationship. Practically, negative convexity indicates the upside price of a bond is limited if rates fall due to embedded options (mortgage prepayments or an issuers ability to call the bond).
Current Face (Par Amount)	Computed by multiplying the original face by the current factor, represents principal remaining for an investor to receive.
Current Index	The level of the index at a specified moment in time that is used in conjunction with the margin to establish the security's coupon.
Effective Duration	Or "option-adjusted duration" measures interest rate risk of a security considering the impact of optionality and possible changes in future interest rates. It is calculated by averaging the percentage changes in the security's value under the higher and lower rate environments, while 25bp, 50bp or other sized yield shifts are commonly used, the rate of change is restated as a 100bp equivalent by simple multiplication.
Enhanced Credit Rating	A rating that reflects the underlying issue's standalone credit quality as well as any credit support provided by a state credit enhancement program.
Factor	Relevant for bonds that pay amortizing principal to bond holders. The factor equals the percentage of the original face that is outstanding.
Floor	For adjustable-rate securities, it is the lowest level to which a coupon can fall over the life of the security
Forward Curve	The forward curve is a graph that defines the prices (yields) at which a contract for future delivery or payment can be concluded today, it represents a term structure of forward rates.
Gross WAC	The weighted-average mortgage rate of all the loans in a pool.
Initial Reset Date	The date on which an adjustable-rate mortgage (ARM) or underlying mortgage in an ARM pool can reset for the first time.
Internal Rate of Return	A sector or portfolio yield to expected maturity based on the portfolio's expected cash flows, treated as a single instrument. The reflects the overall yield to expected maturity of the portfolio, not a monthly earnings rate. On a single bond, IRR is the same as yield.
Lifetime Cap	For adjustable-rate securities, it is the highest level that a coupon may attain over the life of the security.
Margin	The amount added to the index of a floating rate loan or security (such as an adjustment rate mortgage security) in order to calculate a coupon rate of interest.
Market Yield	The yield of a bond at current market price. For a bond you own, an indication of what yield the market will pay you today for the bond.
Months to Roll (MTR)	Months remaining until a bond's coupon will next reset
Pay Window	For CMO's, the expected date range to receive principal payments.
Prepay Speeds	Prepayments occur when a servicer receives principal payments above the scheduled amount. The velocity of the prepayments is measured using prepayment speeds, typically measured using conditional prepayment rate (CPR) or prepayment speed assumption (PSA).
Price Volatility	The percentage change in price for a given a change in interest rates. Price volatility is generally calculated using a parallel, instantaneous shock in a benchmark yield curve assuming constant spreads relative to the benchmark curve.
Projected Call	The date at which a callable bond is projected to be redeemed at a given level of interest rates. All things equal, higher rates should extend the date and lower rates should accelerate the redemption date.
Projected Yield at Book	Annualized yield to maturity (or call) based on the book value of a bond and projected cash flows given the market conditions at the time of the analysis.
Roll Date	The date (or weighted average date) that a bond's coupon can reset
Static Cash Flow Gap Estimate	In the absence of more robust Earnings at Risk simulations, an estimate of how sensitive a depository's margin is to movements in interest rates by comparing the amount and sensitivity of repricing Assets and Liabilities. A positive gap indicates more assets repricing than liabilities (asset sensitive) and a negative gap indicates more liabilities repricing than assets (liability sensitive).
Tranche	Class of debt securities issued as part of a bond instrument, each part (tranche) characterized by a unique set of features such as maturity, interest (coupon) rate, interest payment date, to suit the needs of different investors.
Underlying Credit Rating	A rating issued by an agency assessing the ability of an issuer to repay its debt. The assessment of creditworthiness is based solely on the obligor and does not include enhancements from a third party.
Weighted Average Life (WAL)	The weighted-average time in years that the principal of a security is expected to be outstanding. For mortgage securities and callable bonds, average life varies with prepayment speeds and yield curve assumptions.
Weighted Average Loan Age (WALA)	The average age of all mortgages in a pool, weighted by current balance.
Weighted Average Maturity (WAM)	The average remaining maturity of the underlying mortgages in a pool, weighted by current balance.
Yield at Book Price	On a sector or portfolio summary level, this is a book value-weighted average yield. It reflects expected earnings in the current month. Over time, relatively low (or high) yields may mature, increasing (or decreasing) subsequent months' expected earnings versus the initial weighted average.
Yield Contribution	For a given a sectors weight, how much yield does it contribute to the overall portfolio.

Addendum

Key Terms and Definitions

Yield to Maturity (YTM)	The single yield that makes the present value of the cash flows to maturity equal to the price plus accrued interest.
Yield to Call (YTC)	The single yield that makes the present value of the cash flows to the call date equal to the price plus accrued interest.
Yield to Worst (YTW)	The lower of the yield to maturity and the yield to call.

City Council Staff Report

DATE: **FEBRUARY 3, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **OPERATIONS DEPARTMENT**
FINANCE DIVISION

DISTRICT: **ALL**

SUBJECT: **ADOPT RESOLUTION NO. CC 2026-004, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE, DISSOLVING THE PALMDALE CIVIC AUTHORITY**

RECOMMENDATION

Staff recommend that the City Council:

1. Adopt Resolution No. CC 2026-004, a Resolution of the City Council of the City of Palmdale, dissolving the Palmdale Civic Authority.

BACKGROUND

The Palmdale Civic Authority (PCA) was established in 1976 as a Joint Powers Authority (JPA) between the City of Palmdale and the Community Redevelopment Agency of the City of Palmdale pursuant to a Joint Powers Agreement. The purpose of the PCA was to support civic and redevelopment-related activities consistent with the objectives of the former redevelopment agency.

The governing structure of the PCA is set forth in its Amended and Restated Bylaws, which provide that the Authority is governed by a five-member Board of Directors consisting of the members of the Palmdale City Council. The Bylaws further establish the Authority's officers, meeting requirements, and operational framework, and expressly contemplate the dissolution of the Authority under specified conditions.

In 2012, the Community Redevelopment Agency of the City of Palmdale was dissolved pursuant to State law, and the City of Palmdale became the successor agency, assuming responsibility for the former agency's assets and obligations. Since that time, the Authority has had no active operational role. According to City records, the entity currently has no outstanding indebtedness, no assets, no liabilities, no ongoing activities, and is not a party to any material contracts.

Article IV, Section 3 of the Amended and Restated Bylaws authorizes dissolution of the Authority with the approval of all Members, provided that at the time of dissolution the Authority has no outstanding indebtedness and is not a party to any outstanding material contracts. Upon dissolution, any remaining assets, after payment or provision for payment of liabilities, are to be distributed to the Members of the Authority.

Government Code section 6510 further authorizes the termination of a JPA upon completion of its purposes or when it is no longer necessary.

DISCUSSION

The proposed Resolution would formally dissolve the Palmdale Civic Authority, consistent with the requirements of the Joint Powers Agreement, the PCA Bylaws, and applicable provisions of the California Government Code. As documented in the Resolution, the Authority no longer serves an operational purpose, as the Community Redevelopment Agency, one of its founding members, has been dissolved, and the City of Palmdale now serves as the successor agency.

Staff has confirmed that the PCA has no outstanding debts, liabilities, assets, or contractual obligations. Accordingly, the conditions required for dissolution under Article IV, Section 3 of the Amended and Restated Bylaws have been satisfied. Because there are no assets or liabilities to distribute, dissolution will not result in any fiscal or operational impacts to the City.

Adoption of the Resolution will allow the City to formally conclude the Authority's existence, eliminate an inactive governmental entity, and ensure that City records accurately reflect the current organizational structure. The action does not affect any obligations or assets of the City in its role as successor agency and pertains solely to the formal dissolution of the Palmdale Civic Authority.

FISCAL IMPACT

$0; There is no fiscal impact associated with the recommended action.

STRATEGIC PLAN

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

B. Manage resources, costs, and liabilities to ensure the City’s long-term fiscal health.

C. Involve and expand engagement to enhance public oversight and transparency.

Prepared by:	Janelle Samson, Director of Operations
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Salvador Mendez, Interim City Manager
Approved as to form:	Alexandra Severino, City Attorney

ATTACHMENTS

Reso. No. CC 2026-004

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2026-004

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE, CALIFORNIA, DISSOLVING THE PALMDALE CIVIC AUTHORITY

WHEREAS, The Palmdale Civic Authority (PCA) was established as a joint powers authority (JPA) between the City of Palmdale and the Community Redevelopment Agency of the City of Palmdale pursuant to a Joint Powers Agreement dated May 1, 1976;

WHEREAS, The Community Redevelopment Agency of the City of Palmdale has been dissolved, and its assets and obligations are now managed by its successor agency, the City of Palmdale, pursuant to Resolution No. CC 2012-002;

WHEREAS, The PCA currently has no outstanding indebtedness, on-going activities, assets, or liabilities and is not a party to any outstanding material contracts;

WHEREAS, It is in the best interest of the City to formally dissolve the PCA in accordance with the JPA agreement and Government Code section 6510.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Palmdale as follows:

SECTION 1. Recitals: The City Council hereby specifically finds that all of the facts set forth in the Recitals are true and correct and constitute the finding of the City Council in this matter.

SECTION 2. The City Council hereby dissolves the Palmdale Civic Authority effective immediately.

SECTION 3. The City Manager, City Clerk, or other designated officials are authorized and directed to take all necessary administrative actions to effectuate the dissolution, including but not limited to updating official records to reflect that the PCA is no longer an active JPA and retaining all records of the PCA for historical and audit purposes.

SECTION 4. This resolution does not affect any obligations or assets of the successor agency, and it pertains solely to the PCA.

SECTION 5. This resolution shall take effect immediately upon its adoption.

SECTION 6. The City Clerk shall certify the adoption of this resolution.

PASSED, APPROVED, and **ADOPTED** this 3rd day of February, 2026.

_____
Eric Ohlsen, Mayor

Approved as to form:

_____
Alexandra Severino, City Attorney

ATTEST:

_____
Rochelle Scott, City Clerk

I, Rochelle Scott, City Clerk of the City of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 3rd day of February, 2026 by the following roll call vote:

AYES: _____

NOES:_____

ABSTAIN:_____ ABSENT:_____

Date: _____ _____

Rochelle Scott, City Clerk

City Council Staff Report

DATE: **FEBRUARY 3, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **OPERATIONS DEPARTMENT**
HUMAN RESOURCES DIVISION

DISTRICT: **ALL**

SUBJECT: **RECEIVE AND FILE THE CITY MANAGER RECRUITMENT UPDATE**

RECOMMENDATION

Staff recommend that the City Council:

1. Receive and file the City Manager Recruitment Update.

BACKGROUND

On October 7, 2025, staff were directed to initiate a recruitment for the City Manager position. On October 21, 2025, the City Council appointed an ad hoc subcommittee comprised of two Councilmembers to provide guidance and direction to staff throughout the recruitment process. The final hiring decision will be made by the full Council. The ad hoc subcommittee will be dissolved once the recruitment and appointment of a new City Manager is complete.

DISCUSSION

Under the subcommittee's guidance, staff initiated a nationwide recruitment effort. The recruitment opened for applicants on November 24, 2025, and closed on December 31, 2025. The position was advertised on Government Jobs, a nationwide recruiting platform, as well as on relevant professional organization job boards, including the International City Manager Association (ICMA), League of California Cities, and California City Management Foundation (CCMF).

A total of 48 applications were received. Thirteen applicants met the minimum qualifications, while 35 did not. Minimum qualifications, as advertised in the recruitment, include a combination of education and experience, including:

Education:
Bachelor's degree from an accredited university in Public Administration, Business Administration, or a closely related field. A master's degree in Public Administration, Business Administration, or a closely related field is highly desirable.

Experience:
Minimum of eight (8) to ten (10) years of progressively responsible leadership experience in municipal government or comparable public-sector organization, including three (3) years in a City Manager or Assistant City Manager role.

Employment will be contingent upon the successful completion of a comprehensive background investigation, which may include:

- Employment history verification;
- Criminal background check;
- Credit and financial responsibility review (as permitted by law);
- Education and credential verification;
- Social media check; and,
- Reference check.

Application materials for candidates who met the minimum qualifications are currently under review.

FISCAL IMPACT

$0; There is no fiscal impact associated with this action.

STRATEGIC PLAN

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

C. Involve and expand engagement to enhance public oversight and transparency.

Prepared by:	Janelle Samson, Director of Operations
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Salvador Mendez, Interim City Manager
Approved as to form:	Alexandra Severino, City Attorney

ATTACHMENTS

None

City Council Staff Report

DATE: **FEBRUARY 3, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **PUBLIC WORKS DEPARTMENT**
CAPITAL IMPROVEMENT PROGRAM DIVISION

DISTRICT: **4**

SUBJECT: **APPROVE AGREEMENT WITH ONWARD ENGINEERING FOR CONSTRUCTION MANAGEMENT AND OBSERVATION SERVICES FOR PN 869-A, ARTERIAL ROAD REHABILITATION AT PALMDALE BOULEVARD PROJECT, FOR A TOTAL NOT TO EXCEED AMOUNT OF $267,174 FOR A TERM OF 150 WORKING DAYS FROM THE DATE OF THE NOTICE TO PROCEED**

RECOMMENDATION

Staff recommend that the City Council:

1. Approve Agreement No. A-9641 with Onward Engineering for Construction Management and Inspection Services for PN 869-A, Arterial Road Rehabilitation at Palmdale Boulevard Project (Project), for a total not to exceed amount of $267,174, which includes a contract amount of $232,325, plus a 15% contingency amount of $34,849 for a term of 150 working days from the date of the Notice to Proceed;

2. Authorize the Interim City Manager or his designee to execute Agreement No. A-9641 with Onward Engineering, including minimal and/or non-substantial changes; and,

3. Authorize the Interim City Manager or his designee to approve change orders for additional or changed scopes of work up to the 15% contingency amount approved by the Council.

BACKGROUND

The Arterial Road Rehabilitation Project proposes repairing Palmdale Boulevard between 50th Street East and 70th Street East. The improvements include Pavement Rehabilitation and Full Depth Reclamation along Palmdale Boulevard. Onward Engineering will assist the City's Project Manager with the following:

- Assist the City's Project Manager throughout the project;
- Perform constructability review of plans, specifications, and cost estimates (PS&E);
- Lead and coordinate construction meetings with the contractor and stakeholders;
- Conduct community outreach and provide project updates in English and Spanish;
- Respond to public inquiries and concerns as needed during construction;
- Track and process RFIs and coordinate materials submittals;
- Perform material and geotechnical testing;
- Provide construction inspection and reporting;
- Track project schedule;
- Review and recommend approval of contractor payment requests;
- Review, negotiate, and recommend approval of contract change orders;
- Coordinate with utilities and external agencies;
- Ensure contractor labor compliance; and,
- Manage project records.

The City prefers the same team to remain in place from the start of construction through project closeout to ensure continuity.

DISCUSSION

The Project was publicly advertised for construction bids via the PlanetBids electronic platform on October 9, 2025, with ten (10) vendors registered as prime contractors. On November 10, 2025, six (6) bids for this project were received and are listed below:

Rank	Vendor	Location	Proposal Fee
1	Onward Engineering	Anaheim, CA	$232,325.00
2	LAE Associates, Inc.	Placentia, CA	$249,239.00
3	MNS Engineers, Inc.	Santa Barbara, CA	$422,287.00
4	Engineering Resources of So Cal, Inc.	Redlands, CA	$315,060.00
5	Z&K Consultants, Inc.	Riverside, CA	$155,776.00
6	Southstar Engineering & Consulting, Inc.	Riverside, CA	$492,333.42

References have been checked, and staff recommend that the City Council approve Project No. 869-A to Onward Engineering in the amount of $232,325 with an allowed 15% contingency.

FISCAL IMPACT

$267,174; The Project is utilizing SB1 Funding.

STRATEGIC PLAN

Goal III: Invest in infrastructure to improve community livability.

C. Plan and maintain safe and attractive neighborhoods, streets, facilities, and public spaces with exciting programming that promotes active fun for everyone.

Prepared by:	Leonardo Torres, P.E. Director of Public Works
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Salvador Mendez, Interim City Manager
Approved as to form:	Alexandra Severino, City Attorney

ATTACHMENTS

Agrmt No. A-9641 with Onward Engineering

AGREEMENT NO. A-9641
CONTRACT FOR CONSULTANT SERVICES
BETWEEN THE CITY OF PALMDALE AND ONWARD ENGINEERING

THIS CONTRACT FOR CONSULTANT SERVICES ("Contract" herein) is made and entered into by and between the City of Palmdale a public body corporate and politic, (hereinafter called "CITY") and ONWARD ENGINEERING (hereinafter called "CONSULTANT"). This Contract shall become effective on the date of the last signatory.

RECITALS

WHEREAS**,** City desires to engage CONSULTANT to provide certain consultant services; and

WHEREAS, CONSULTANT represents that CONSULTANT has the expertise and is qualified to perform the services described in this Contract. And, if required, is duly registered under the laws of the State of California; and

WHEREAS, CONSULTANT desires to accept such engagement.

NOW, THEREFORE, the parties agree as follows:

1 DESCRIPTION OF WORK

1.1 The City hereby engages CONSULTANT, and CONSULTANT accepts such engagement, to provide the following services:

Onward Engineering will assist the City's Project Manager with the following: Providing a constructability review of the design plans, specifications and cost estimate (PS&E); overseeing construction coordination meetings with the contractor and stakeholders; community outreach in multi-language (English and Spanish), project updates, respond to inquiries and concerns through the duration of the project and as deemed necessary, track and process request for information, coordination of materials submittals; conduct material/geotechnical testing, providing construction inspection and reporting; schedule tracking; review and recommend approval of contractor payment requests; review, negotiate, and recommend approval of contract change orders; coordination with utilities and other agencies; assuring contractor labor compliance; and records management.

CONSULTANT shall perform and complete all such work and services in a manner satisfactory to CITY.

1.2 Project deliverables shall be reviewed and approved by CITY to determine acceptable completion. CITY shall have the right to review and inspect the work during the course of its performance at such times as may be specified by CITY.

1.3 CONSULTANT shall not accept any change of scope, or change in contract provisions, unless issued in writing, as a contract change order or amendment and signed by CITY. Any extensions of time must be mutually agreed upon in writing and executed by both parties.

1.4 CITY shall provide to CONSULTANT, without charge, all data, program information, including reports, records, maps, and other information, now in CITY's possession, which may facilitate the timely performance of the work.

2 CITY PROJECT MANAGER

To provide the services required by this Contract, CONSULTANT shall act under the authority and approval of a Project Manager appointed by CITY. The City Project Manager will oversee the work under this Contract, assist CONSULTANT with any necessary information, audit billings, and approve payments. CONSULTANT shall channel reports, deliverables, and special requests through the City Project Manager.

3 CONSULTANT'S KEY PERSONNEL

CONSULTANT's Team and Key Personnel are as follows:

*Delfino Consunji, Construction Manager *Kevin Green, Construction Observer *Syed Murtuza Ahmed, Assistant Construction Manager *Aragon Geotechnical Investigation and Testing, Sub-Consultant

This Consultant Services Contract has been awarded to CONSULTANT based on its representation that those personnel and subcontractors listed above will perform the portions of the work listed herein. CONSULTANT shall not deviate nor substitute any of these team members without prior written approval by CITY.

4 CONTRACT TERM

The term of this contract is One (1) Year, commencing on the effective date, with CITY reserving the option to extend the agreement for 0 additional terms of one year each.

5 TAXES

5.1 CONSULTANT shall pay all sales, consumer, use, and other similar taxes required to be paid by CONSULTANT in accordance with state and local laws.

5.2 CONSULTANT is an independent contractor and shall have no power or authority to incur any debt, obligation, or liability on behalf of CITY. No person employed by CONSULTANT or acting on its behalf, in connection with this Contract shall be considered the Agent or employee of CITY.

5.3 CONSULTANT shall be required to obtain a current City of Palmdale business license, as required by the Palmdale Municipal Code, before an Authorization to Proceed is issued.

6 PATENT FEES AND ROYALTIES

CONSULTANT shall pay all license fees and royalties and assume all costs incident to the use, in the performance of the work or the incorporation in the work of any invention, design, process, product or device which is the subject of patent rights or copyrights held by others. If a particular invention, design, process, product or device is specified by CITY for use in the performance of the work and if, to the actual knowledge of CITY, its use is subject to patent rights or copyrights calling for the payment of any license fee or royalty to others, the existence of such rights shall be disclosed by CITY in the contract documents. CONSULTANT shall indemnify and hold harmless CITY and anyone directly or indirectly employed by CITY from and against all claims, damages, losses and expenses (including attorneys' fees) arising out of any infringement of patent rights or copyrights incident to the use in the performance of the work, or resulting from the incorporation in the work of any invention, design, process, product or device not specified by CITY, and shall defend all such claims in connection with any alleged infringement of such rights.

7 STANDARDS OF PERFORMANCE

CONSULTANT shall be responsible for the completeness and accuracy of its services and work and documents resulting there from, and CITY shall not be responsible for discovering deficiencies therein. CONSULTANT shall correct any such deficiencies or errors without additional compensation and without cost to CITY, except to the extent any such deficiency is directly attributable to deficiencies in CITY -furnished information.

8 CONSULTANT’S PERSONNEL

8.1 All services required under this Contract shall be performed by CONSULTANT, or under CONSULTANT’S direct supervision, and all personnel shall possess the qualifications, permits and licenses required by State and local law to perform such services.

8.2 CONSULTANT shall be solely responsible for the satisfactory work performance of all personnel engaged in performing services required by this Contract, and compliance with all reasonable performance standards established by CITY.

8.3 CONSULTANT shall be responsible for payment of all CONSULTANT’s employees’ and subcontractor’s wages and benefits and shall comply with all requirements pertaining to the employer’s liability, workers’ compensation, unemployment insurance, and Social Security.

8.4 CONSULTANT shall indemnify and hold harmless CITY, and its respective officers, agents and employees from and against all claims, demands, damages or costs arising from CONSULTANT’s acts or omissions with respect to any liability,

damages, claims, costs and expenses of any nature arising from alleged violations of personnel practices.

9 COMPENSATION

9.1 For all of work and services including the various phases of tasks as described in Section 1, CITY shall pay to CONSULTANT an amount not to exceed the sum of Two-Hundred Thirty-Two Thousand Three-Hundred Twenty-Five dollars ($232325), payable as follows:

See attached "Exhibit A" Fee Schedule.

The Contract Price is CONSULTANT'S estimate of its charges for all of the services, including all labor, equipment, material, subcontractor and reimbursable costs, to be provided under this Agreement. Progress payments shall be made on a time and material basis. Final payment shall be made upon completion of all services and City acceptance of all deliverables, not-to-exceed the Contract Price.

9.2 CONSULTANT shall perform no work in excess of the total contract price without prior written approval of CITY. Total contract price includes expenses related to travel to and from CITY to meet with City and to appear, if so required, before City Council or any other board or commission of CITY.

9.3 CONSULTANT shall maintain adequate records and shall permit inspection and audit by CITY of CONSULTANT's charges under this Contract. CONSULTANT shall make such records available to CITY during normal business hours upon reasonable notice. Nothing herein shall convert such records into public records, and they will be available only to CITY and any specified public agencies. Such records shall be maintained by CONSULTANT for one (1) year following completion of the work under this Contract unless a longer period of time is required by state or federal law, in which event CONSULTANT shall retain its records for the time required by such laws.

9.4 No payment made hereunder by CITY to CONSULTANT, shall be construed as an acceptance by CITY of any work or materials, nor as evidence of satisfactory performance by CONSULTANT of its obligations under this Contract.

10 INDEMNIFICATION

To the fullest extent permitted by law, CONSULTANT and any contractors or subcontractors working on its behalf agree to indemnify CITY, its officers, employees, agents and elected and appointed boards (hereinafter "Indemnified Parties") for any loss, claim, demand, cause of action, cost, expense, damage, obligation or liability which arises out of or is in any way connected with the performance of any work under this agreement, including any acts or omissions, willful misconduct or negligent conduct, whether active or passive, on the part of CONSULTANT, its contractors or subcontractors, and regardless of any acts, omissions or negligence (whether active

or passive) of any person or entity indemnified hereunder. At their own expense, CONSULTANT and, as applicable, any contractors or subcontractors working on its behalf, shall defend any suit, claim or action against the Indemnified Parties founded upon such loss, claim, demand, cause of action, cost, expense, damage, obligation or liability. CONSULTANT shall ensure that the contract of any contractor or subcontractor working under this agreement contain an indemnity agreement, requiring the contractor or subcontractor to indemnify and defend the Indemnified Parties pursuant the terms set forth above. CONSULTANT shall indemnify the Indemnified Parties, and save it harmless from any and all loss, damage, costs, expenses and attorney's fees suffered or incurred on account of any breach of the aforesaid obligations and covenants, and any other provision or covenant of this agreement.

11 INSURANCE

11.1 CONSULTANT, at its expense, shall maintain in effect at all times during the performance of work under this Contract not less than the following coverage and limits of insurance, which shall be maintained with insurers listed “A” or better in the Best’s Insurance Guide and authorized to do business in the State of California. **Proof of Insurance, as identified in Section 11.8, must be reviewed and accepted by the City Attorney**.

11.1.1 Workers’ Compensation and Employer’s Liability

- Workers’ Compensation—coverage as required by the State of California
- Employer’s Liability:
  $1,000,000.00 each accident
  $1,000,000.00 policy limit bodily injury
  $1,000,000.00 each employee bodily injury by disease

11.1.2 Professional Liability (Errors & Omissions) Insurance*

- $1,000,000 limit on a per occurrence basis

11.1.3 Commercial General Liability

- $1,000,000.00 limit on a per occurrence basis
- $2,000,000.00 general aggregate limit

11.1.4 Commercial Automobile Liability

- $1,000,000.00 combined single limit including owned, non-owned and hired automobile coverage

11.2 All of CONSULTANT’s policies shall contain an endorsement providing that written notice shall be given to CITY at least thirty- (30) calendar days prior to termination, cancellation or reduction of coverage in the policy.

11.3 Policies providing for bodily injury and property damage coverage shall contain the following:

A. An endorsement extending coverage to the City as an additional insured, in the same manner as the named insured, as respects liability arising out of the performance of any work under the Contract. Such insurance shall be primary insurance, as respects the interest of the City, and any other insurance maintained by the City shall be considered excess coverage and not contributing insurance with the insurance required hereunder. The certificate and endorsements shall state: “The City of Palmdale, the Successor Agency of the Community Redevelopment Agency of the City of Palmdale, Palmdale Civic Authority, Industrial Development Authority of the City of Palmdale, Palmdale Airport Authority, their officers, agents, employees and volunteers are named as additional insured’s.”

B. “Severability of Interest” clause.

11.4 Promptly on execution of this Contract, and prior to commencement of any work, CONSULTANT shall deliver to CITY certificates of insurance and endorsements to all required policies demonstrating that CONSULTANT has the required coverage and showing the required named insureds. Within five (5) days of written request from CITY, CONSULTANT shall deliver to CITY full and complete copies of all insurance policies required by this Contract.

11.5 The requirements as to the types and limits of insurance to be maintained by CONSULTANT are not intended to and shall not in any manner limit or qualify CONSULTANT’s liabilities and obligations under this Contract.

11.6 Any policy or policies of insurance that CONSULTANT elects to carry as insurance against loss or damage to its equipment and tools or other personal property used in the performance of this Contract shall include a provision waiving the insurer’s right of subrogation against CITY.

11.7 All insurance coverage must be maintained throughout the duration of this Contract.

11.8 Acceptable Proof of Insurance:

11.8.1 ACORD Certificate of Insurance listing all coverages, limits, deductibles and insureds; and endorsements for all applicable coverages if agent has authority to issue it; Additional insured Form CG20101185 or CG20100707 and CG20370704 or equivalent must be provided for general liability coverage. Additional insured form CA0001 must be provided for automobile liability coverage.

11.8.2 Agents must confirm that policy endorsements have been ordered from the respective insurance companies. Upon issuance, policy endorsements listing all insurers must be submitted to the City Attorney.

11.8.3 *When professional (E&O) liability coverage is provided on a “claims made basis”, CONSULTANT will continue to renew the insurance for a period of five (5) years after this Agreement expires or is terminated. Such insurance will have the same coverage and limits as the policy that was in effect during the term of this Agreement, and will cover CONSULTANT, or its officers, employees, or agents during the time this Agreement was in effect.

11.9 Notwithstanding any other provision of this Contract, CITY may immediately terminate this Contract if, at any time CONSULTANT fails to maintain the required insurance for any period of time or fails to comply with any of the insurance requirements listed above.

11.10 CONSULTANT shall require any and all subcontractor's working on its behalf to provide insurance coverages and limits that are based on the scope of work and nature of risk being performed by the subcontractor. Any and all subcontractors working on behalf of CONSULTANT shall be subject to all other insurance requirements that are stated herein.

Any deviation in this requirement will be CONSULTANT's sole risk. CONSULTANT's insurance requirements in Section 11 will not be impacted and/or limited by such deviation.

12 TERMINATION WITHOUT CAUSE

CITY reserves the right to terminate this Contract or any part thereof for its sole convenience with fifteen (15) days written notice. In the event of such termination, CONSULTANT shall immediately stop all work hereunder, and shall immediately cause any of its suppliers and sub-consultants to cease such work. CONSULTANT shall also surrender to CITY all finished or unfinished documents or programs and other materials, which shall be City’s property. As compensation in full for services performed to the date of such termination, the CONSULTANT shall receive an amount equal to the value of the work completed as of the termination date in accordance with the fee schedule or as negotiated between the parties. In no event shall the amount payable upon termination exceed the total maximum compensation provided for in this Contract.

13 TERMINATION FOR CAUSE

13.1 If the City determines that the CONSULTANT has failed to supply an adequate working force, or to provide services of proper quality, or has failed in any other respect to satisfactorily perform the services specified in this Contract, the City shall give written notice to the CONSULTANT specifying all defaults to be remedied within thirty (30) days. Such notice shall set forth the basis for the City’s dissatisfaction and suggest corrective measures. If, after thirty days, the CONSULTANT has failed to implement the corrective measures, the City may elect to terminate this Contract, in whole or in part.

13.2 In the event the City terminates this Contract in whole or in part as provided herein above, the City may procure, upon such terms and in such manner, as it may deem appropriate, services similar to those terminated.

13.3 If this Contract is terminated as provided above, the City may require the CONSULTANT to provide all finished or unfinished documents, data, studies, software, drawings, maps, photographs, reports, etc., prepared by the CONSULTANT. Upon such termination, the CONSULTANT shall be paid an amount equal to the value of the services provided and work performed as of the date of termination. Such payment by the City may take into consideration the costs associated with hiring another CONSULTANT to complete the services. In the event no new CONSULTANT is employed, the CONSULTANT shall be paid an amount equal to the value of the work performed. In ascertaining the value of the work performed up to the date of termination, consideration shall be given to both completed work and work in progress, to complete and incomplete documents when such are delivered to CITY, and to authorized reimbursement expenses.

The above is in addition to any other remedies available by law or equity to the City.

13.4 If, after notice of termination of the Contract under the provisions of this Section 13, it is determined, for any reason, that CONSULTANT was not in default, or that the default was excusable, then the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Section 12.

14 DISPUTE RESOLUTION

All claims, disputes, and other matters in question between CITY and CONSULTANT arising out of, or relating to this Contract, or the breach thereof shall, to the extent reasonably feasible, be resolved through good faith negotiations between the parties.

15 OWNERSHIP OF DOCUMENTS

All documents, including, but not limited to, research, field notes, investigations, analysis, and studies which are prepared in the performance of this Contract are to be, and remain the property of CITY. CONSULTANT shall furnish CITY, upon its request, originals or reproducible or electronic copies of reports, studies and of all other documents listed above.

16 SUBCONTRACTING, DELEGATION AND ASSIGNMENT

16.1 CONSULTANT shall not delegate, subcontract or assign its duties or rights hereunder, either in whole or in part, without the prior written consent of CITY; provided, however, that claims for money due or to become due to CONSULTANT from CITY under this Contract may be assigned to a bank, trust company or other financial institution without such approval. Any proposed delegation, assignment or subcontract shall provide a description of the services covered, identification of the proposed assignee, delegates or subcontractor, and an explanation of why and how

the same was selected, including the degree of competition involved. Any proposed agreement with an assignee, delegates or subcontractor shall include the following:

A. The amount involved, together with CONSULTANT's analysis of such cost or price; and

B. A provision requiring that any subsequent modification or amendment shall be subject to the prior written consent of CITY.

C. The requirement to hire only those persons authorized by federal law to work in the United States.

16.2 Any assignment, delegation or subcontract shall be made in the name of CONSULTANT and shall not bind or purport to bind CITY and shall not release CONSULTANT from any obligations under this Contract including, but not limited to, the duty to properly supervise and coordinate the work of employees, assignees, delegates and subcontractors. No such assignment, delegation or subcontract shall result in any increase in the amount of total compensation payable to CONSULTANT under this Contract.

17 NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY

17.1 In performance of this Contract, CONSULTANT shall not discriminate against any employee, subcontractor, or applicant for employment because of sex, color, race, religion, ancestry, national origin, disability, medical condition, marital status, sexual orientation, or age. CONSULTANT will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their sex, color, race, religion, ancestry, national origin, disability, medical condition, marital status, sexual orientation or age. Affirmative action relating to employment shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

18 FINANCIAL INTEREST CERTIFICATION

18.1 CONSULTANT warrants that no person has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee; and that no officer or employee of the CITY has any interest, financially or otherwise, in CONSULTANT's firm.

18.2 For breach or violation of this warranty, CITY shall have the right to annul this Contract without liability, or at its discretion to deduct from the Contract Price or consideration, the full amount of such commission, percentage, brokerage or contingent fee.

19 CONFLICT OF INTEREST

19.1 CONSULTANT stipulates that its officers and employees do not now have a conflict of interest and it further agrees for itself, its officers and its employees that it will not contract for or accept employment for the performance of any work or services with any individual business, corporation or government unit that would create a conflict of interest in the performance of its obligations pursuant to this Contract or which would cause CONSULTANT to be "financial interested" (as provided in California Government Code Section 1090 et seq. or 87100 et seq.) in any contract or decision made by CITY on any matter.

19.2 CONSULTANT shall not employ any City official or employee to perform any work required pursuant to this Contract.

19.3 If CONSULTANT is a registered professional engineer or licensed land surveyor and the scope of work requires CONSULTANT'S recommendation of the actual formula to spread the costs of an assessment district's improvements, then CONSULTANT shall not participate in making that recommendation if the additional elements set forth in Government Code section 87100.1(c) apply. Those additional elements are: (1) CONSULTANT has received income of $250 or more for professional services in connection with any parcel included in the benefit assessment district within 12 months prior to the creation of the district; and (2) the district includes other parcels in addition to those parcels for which CONSULTANT received the income. In the event a conflict of interest does arise in that context, City shall select a different CONSULTANT to recommend the actual formula to spread the costs of the assessment district's improvements and the costs of such services shall be deducted from the compensation to be paid to CONSULTANT.

19.4 To the extent required by the City Manager/designee, CONSULTANT shall complete and file with the City Clerk a Form 700 Statement of Economic Interests disclosing any reportable property interests, income, gifts, investments, or business positions.

20 COMPLIANCE WITH LAW

20.1 CONSULTANT shall comply with all state and federal laws, including but not limited to, the requirement to hire only those persons authorized by federal law to work in the United States. If CONSULTANT uses any subcontractors to complete this Contract, this same requirement shall be included in all subcontracts and strictly enforced by CONSULTANT.

20.2 The law of the state of California shall govern this Contract. The venue of any legal action, either formal or informal, shall be the County of Los Angeles.

21 NOTICES

Any notice required under this Contract shall be in writing, addressed to the appropriate party at its address on the signature page and given personally or by

registered or certified mail postage prepaid, or by a commercial courier service. All notices shall be effective upon the date of receipt.

22 ENTIRE CONTRACT AND AMENDMENTS

22.1 This Contract is the complete agreement between the parties and supersedes all prior proposals, agreements, and understandings between the parties and may not be modified or terminated orally.

22.2 No attempted waiver of any of the provisions hereof, nor any modification in the nature, extent or duration of the work to be performed by CONSULTANT hereunder, shall be binding unless in writing and signed by the party against whom the same is sought to be enforced.

22.3 The failure of any party to enforce against another party any provision of this Contract shall not constitute a waiver of that party's right to enforce such a provision at a later time, and shall not serve to vary the terms of this Contract.

23 ATTORNEY'S FEES

If any action at law or in equity is brought to enforce or interpret any provisions of this Contract, the prevailing party in such action shall be entitled to reasonable attorney's fees, costs and necessary disbursements, in addition to such other relief as may be sought and awarded.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE:

SIGNATURE AREA

Salvador Mendez
Interim City Manager

SIGNATURE AREA

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38250 Sierra Highway
Palmdale, CA 93550

ONWARD ENGINEERING:

SIGNATURE AREA

Muhammad Ataya, MPA
Vice President

ADDRESS FOR NOTICE:
ONWARD ENGINEERING
300 S. Harbor Boulevard, Suite 814
Anaheim, CA 92805

APPROVE AS TO FORM:

SIGNATURE AREA

Alexandra Severino
City Attorney

ATTEST:

SIGNATURE AREA

Roxanne Faber
City Clerk

---------- INTERNAL USE ONLY ----------

□Certificate(s) and Endorsement(s) attached
□Confirmed business name on contract with certificate(s)
□Attached Agreement Checklist and met all requirements

City Council Staff Report

DATE: **FEBRUARY 3, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **PUBLIC WORKS DEPARTMENT**
CAPITAL IMPROVEMENT PROGRAM DIVISION

DISTRICT: **1**

SUBJECT: **APPROVE AGREEMENT WITH MAESTRO DEVELOPMENT, LLC, FOR CONSTRUCTION MANAGEMENT AND OBSERVATION SERVICES FOR PN 851, MELVILLE J. COURSON PARK REVITALIZATION PROJECT FOR A TOTAL NOT TO EXCEED AMOUNT OF $456,500 FOR A TERM OF 360 WORKING DAYS COMMENCING FROM THE DATE OF THE NOTICE TO PROCEED**

RECOMMENDATION

Staff recommend that the City Council:

1. Approve Agreement No. A-9642 with Maestro Development, LLC, Construction Management and Observation Services for PN 851, Melville J. Courson Park Revitalization Project (Project), for a total not to exceed amount of $456,500, which includes a contract amount of $415,000, plus a 10% contingency amount of $41,500, for a term of 360 working days from the date of the Notice to Proceed;

2. Authorize the Interim City Manager or his designee to execute Agreement No. A-9642 with Maestro Development, LLC, including minimal and/or non-substantial changes; and,

3. Authorize the Interim City Manager or his designee to approve contract amendments for additional or changed scope of work up to the 10% contingency amount approved by the Council.

BACKGROUND

Melville J. Courson Park is located at the corner of 10th Street East and East Avenue Q-12. On May 4, 2022, the Council approved the design phase of the Project for renovations to include:

- Restroom facility, drinking fountain, storage building, and Pet Waste Station;
- Playground for 5 to12 year olds;
- Challenge course, exercise stations, and fitness zones;

- Raised bandstand/stage, plaza paving, and concrete decomposed granite paths;
- Picnic areas, park furnishings, and shade pavilion;
- Therapeutic and meditation garden, security fencing and lighting;
- Flagpole, Monument sign, and trash enclosures; and,
- New irrigation, shade trees, and drought-tolerant landscaping.

The Project has successfully transitioned from the design phase and is now entering the construction phase. Construction Management and Observation Services are needed to oversee the project through construction. In general, construction management and observation services shall provide the following scope of services, including, but not limited to:

- Constructability Review: Conducting a final technical evaluation of the design plans to ensure project feasibility before the work begins.

- Construction Management and Observation: Managing all phases of construction projects from initial mobilization through final closeout to ensure compliance with plans and specifications and to maintain the construction schedule and stay within the project budget.

DISCUSSION

The City publicly advertised for construction management and observation services for the Melville J. Courson Park Revitalization Project via PlanetBids on August 28, 2025. While 22 vendors registered as potential consultants, the solicitation closed on October 20, 2025, with nine (9) bidders submitting formal proposals:

Rank	Vendor	Location	Proposal Fee
1.	Maestro Development LLC	Glendale, CA	$ 415,000.00
2.	Willdan Engineering	Anaheim, CA	$ 569,733.00
3.	H.W. Lochner	Monterey Park, CA	$ 617,090.00

Following a comprehensive evaluation including reference checks and interviews, staff recommend that the City Council award the contract for Project No. 851 (Construction Management and Observation services) to Maestro Development, LLC, in the amount of $415,000**,** plus a 10% contingency amount of $41,500.

FISCAL IMPACT

$456,500; This project is funded using Measure AV and State Park Grant Prop 68 funds. Sufficient funds are budgeted for the project and are available in FY 2025-26.

STRATEGIC PLAN

Goal III: Invest in infrastructure to improve community livability.

C. Plan and maintain safe and attractive neighborhoods, streets, facilities, and public spaces with exciting programming that promotes active fun for everyone.

Prepared by:	Leonardo Torres, P.E. Director of Public Works
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Salvador Mendez, Interim City Manager
Approved as to form:	Alexandra Severino, City Attorney

ATTACHMENTS

Agrmt No. A-9642 with Maestro Development, LLC

AGREEMENT NO. A-9642
CONTRACT FOR CONSULTANT SERVICES
BETWEEN THE CITY OF PALMDALE AND MAESTRO DEVELOPMENT

THIS CONTRACT FOR CONSULTANT SERVICES ("Contract" herein) is made and entered into by and between the City of Palmdale a public body corporate and politic, (hereinafter called "CITY") and MAESTRO DEVELOPMENT (hereinafter called "CONSULTANT"). This Contract shall become effective on the date of the last signatory.

RECITALS

WHEREAS**,** City desires to engage CONSULTANT to provide certain consultant services; and

WHEREAS, CONSULTANT represents that CONSULTANT has the expertise and is qualified to perform the services described in this Contract. And, if required, is duly registered under the laws of the State of California; and

WHEREAS, CONSULTANT desires to accept such engagement.

NOW, THEREFORE, the parties agree as follows:

1 DESCRIPTION OF WORK

1.1 The City hereby engages CONSULTANT, and CONSULTANT accepts such engagement, to provide the following services:

SCOPE OF SERVICES:

CONSULTANT will provide the City with technical professional services related to the construction of Melville J. Courson Park Revitalization Project (PN 851).

The Consultant shall provide comprehensive construction management and observation services for the duration of the project. Responsibilities include, but are not limited to, the following:
- The Consultant shall conduct a thorough constructability review of the 100% design plans, specifications, and cost estimates. The objective is to provide actionable recommendations that enhance project efficiency and improve overall construction feasibility.
- The Consultant shall develop and implement a public outreach program. This effort will include the coordination and hosting of one (1) virtual public meeting, as well as the development and distribution of formal project notification letters to the community.
- The Consultant shall coordinate with the City Project Manager to assist in the preparation of bid documents and the facilitation of the pre-bid meeting.
- Coordinate with the City Project Manager to facilitate the selection of the contractor

for the project's construction phase.
- The Consultant shall manage the preconstruction meeting in coordination with the City Project Manager, including the preparation of materials and stakeholder outreach.
- The Consultant shall provide construction management and observation under the direction of the City Project Manager. This includes monitoring daily contractor activities and maintaining detailed progress records in the VPM system.

The services to be performed under this Agreement are outlined in Exhibits A, B, and C (Maestro's Proposal, Rate Confirmation, and the PN 851 RFP, respectively), all of which are made part of this contract.

CONSULTANT shall perform and complete all such work and services in a manner satisfactory to CITY.

1.2 Project deliverables shall be reviewed and approved by CITY to determine acceptable completion. CITY shall have the right to review and inspect the work during the course of its performance at such times as may be specified by CITY.

1.3 CONSULTANT shall not accept any change of scope, or change in contract provisions, unless issued in writing, as a contract change order or amendment and signed by CITY. Any extensions of time must be mutually agreed upon in writing and executed by both parties.

1.4 CITY shall provide to CONSULTANT, without charge, all data, program information, including reports, records, maps, and other information, now in CITY's possession, which may facilitate the timely performance of the work.

2 CITY PROJECT MANAGER

To provide the services required by this Contract, CONSULTANT shall act under the authority and approval of a Project Manager appointed by CITY. The City Project Manager will oversee the work under this Contract, assist CONSULTANT with any necessary information, audit billings, and approve payments. CONSULTANT shall channel reports, deliverables and special requests through the City Project Manager.

3 CONSULTANT'S KEY PERSONNEL

CONSULTANT's Team and Key Personnel are as follows:

1. Nareg Mouradian, LEED AP - - - - - - Construction Manager
2. Sergeh Eskanderi - - - - - - - - - - - - - Construction Observer
4. John Lett - - - - - - - - - - - - - - - - - - - Project Executive
5. Steven Yetemian, MS, CPE - - - - - - - Project Control Director

This Consultant Services Contract has been awarded to CONSULTANT based on its representation that those personnel and subcontractors listed above will perform the

portions of the work listed herein. CONSULTANT shall not deviate nor substitute any of these team members without prior written approval by CITY.

4 COMMENCEMENT AND COMPLETION OF WORK

The execution of this Contract by the parties does not constitute an authorization to proceed. The services of CONSULTANT shall commence when CITY, acting by and through its Project Manager, has issued an Authorization to Proceed. CONSULTANT shall complete all the work described in Section 1 and submit final deliverables within THREE HUNDRED AND SIXTY (360) WORKING days following CONSULTANT's receipt of Authorization to Proceed. CONSULTANT shall have no claim for compensation for any services or work, which has not been authorized by CITY's Authorization to Proceed.

5 TAXES

5.1 CONSULTANT shall pay all sales, consumer, use, and other similar taxes required to be paid by CONSULTANT in accordance with state and local laws.

5.2 CONSULTANT is an independent contractor and shall have no power or authority to incur any debt, obligation or liability on behalf of CITY. No person employed by CONSULTANT or acting on its behalf, in connection with this Contract shall be considered the Agent or employee of CITY.

5.3 CONSULTANT shall be required to obtain a current City of Palmdale business license, as required by the Palmdale Municipal Code, before an Authorization to Proceed is issued.

6 PATENT FEES AND ROYALTIES

CONSULTANT shall pay all license fees and royalties and assume all costs incident to the use, in the performance of the work or the incorporation in the work of any invention, design, process, product or device which is the subject of patent rights or copyrights held by others. If a particular invention, design, process, product or device is specified by CITY for use in the performance of the work and if, to the actual knowledge of CITY, its use is subject to patent rights or copyrights calling for the payment of any license fee or royalty to others, the existence of such rights shall be disclosed by CITY in the contract documents. CONSULTANT shall indemnify and hold harmless CITY and anyone directly or indirectly employed by CITY from and against all claims, damages, losses and expenses (including attorneys' fees) arising out of any infringement of patent rights or copyrights incident to the use in the performance of the work, or resulting from the incorporation in the work of any invention, design, process, product or device not specified by CITY, and shall defend all such claims in connection with any alleged infringement of such rights.

7 STANDARDS OF PERFORMANCE

CONSULTANT shall be responsible for the completeness and accuracy of its services and work and documents resulting there from, and CITY shall not be responsible for discovering deficiencies therein. CONSULTANT shall correct any such deficiencies or errors without additional compensation and without cost to CITY, except to the extent any such deficiency is directly attributable to deficiencies in CITY-furnished information.

8 CONSULTANT'S PERSONNEL

8.1 All services required under this Contract shall be performed by CONSULTANT, or under CONSULTANT'S direct supervision, and all personnel shall possess the qualifications, permits and licenses required by State and local law to perform such services.

8.2 CONSULTANT shall be solely responsible for the satisfactory work performance of all personnel engaged in performing services required by this Contract, and compliance with all reasonable performance standards established by CITY.

8.3 CONSULTANT shall be responsible for payment of all CONSULTANT's employees' and subcontractor's wages and benefits and shall comply with all requirements pertaining to the employer's liability, workers' compensation, unemployment insurance, and Social Security.

8.4 CONSULTANT shall indemnify and hold harmless CITY, and its respective officers, agents and employees from and against all claims, demands, damages or costs arising from CONSULTANT's acts or omissions with respect to any liability, damages, claims, costs and expenses of any nature arising from alleged violations of personnel practices.

9 COMPENSATION

9.1 For all of work and services including the various phases of tasks as described in Section 1, CITY shall pay to CONSULTANT an amount not to exceed the sum of Four Hundred Fifteen Thousand dollars ($415000), payable as follows:

FEE SCHEDULE:

1 Constructability Review - 150 Hours - - - - - $25,000
2 Meetings (Kick-off, Pre-Bid, PRe-Con, Weekly) - - - - 220 Hours - - - - - $30,000
3 Construction Management (Tasks 3A-3L - - - - - - - 1,300 Hours - - - - $250,000
4 Construction Observation & Reporting - - - - - - - - - 1,000 Hours - - - - - $70,000
5 Geotech/Material Testing Coordination - - - - - - - - - - 100 Hours - - - - - $10,000
6 Survey Verification/Monumentation Oversight - - - - - - 80 Hours - - - - - - $8,000
7 Public Outreach/Notification Letters - - - - - - - - - - - - 120 Hours - - - - - $22,000
Total Estimated Hours: 2,520 Hours
Total Estimated Fee: (Four Hundred Fifteen Thousand Dollars) - - - - $415,000

Title / Role and Rates
Principla / Project Director - - - - - $195.00
Construction Manager - - - - - - - - $175.00
Construction Observer- - - - - - - - $155.00
Project Engineer - - - - - - - - - - - - $135.00
Admin - $85.00

Fee Schedule details are outlined in "Exhibit B".

The Contract Price is CONSULTANT'S estimate of its charges for all the services, including all labor, equipment, material, subcontractor, and reimbursable costs, to be provided under this Agreement. Progress payments shall be made on a time and material basis. Final payment shall be made upon completion of all services and City acceptance of all deliverables, not-to-exceed the Contract Price.

9.2 CONSULTANT shall perform no work in excess of the total contract price without prior written approval of CITY. Total contract price includes expenses related to travel to and from CITY to meet with City and to appear, if so required, before City Council or any other board or commission of CITY.

9.3 CONSULTANT shall maintain adequate records and shall permit inspection and audit by CITY of CONSULTANT's charges under this Contract. CONSULTANT shall make such records available to CITY during normal business hours upon reasonable notice. Nothing herein shall convert such records into public records, and they will be available only to CITY and any specified public agencies. Such records shall be maintained by CONSULTANT for one (1) year following completion of the work under this Contract unless a longer period of time is required by state or federal law, in which event CONSULTANT shall retain its records for the time required by such laws.

9.4 No payment made hereunder by CITY to CONSULTANT, shall be construed as an acceptance by CITY of any work or materials, nor as evidence of satisfactory performance by CONSULTANT of its obligations under this Contract.

10 INDEMNIFICATION

To the fullest extent permitted by law, CONSULTANT and any contractors or subcontractors working on its behalf agree to indemnify CITY, its officers, employees, agents and elected and appointed boards (hereinafter "Indemnified Parties") for any loss, claim, demand, cause of action, cost, expense, damage, obligation or liability which arises out of or is in any way connected with the performance of any work under this agreement, including any acts or omissions, willful misconduct or negligent conduct, whether active or passive, on the part of CONSULTANT, its contractors or subcontractors, and regardless of any acts, omissions or negligence (whether active or passive) of any person or entity indemnified hereunder. At their own expense,

CONSULTANT and, as applicable, any contractors or subcontractors working on its behalf, shall defend any suit, claim or action against the Indemnified Parties founded upon such loss, claim, demand, cause of action, cost, expense, damage, obligation or liability. CONSULTANT shall ensure that the contract of any contractor or subcontractor working under this agreement contain an indemnity agreement, requiring the contractor or subcontractor to indemnify and defend the Indemnified Parties pursuant the terms set forth above. CONSULTANT shall indemnify the Indemnified Parties, and save it harmless from any and all loss, damage, costs, expenses and attorney's fees suffered or incurred on account of any breach of the aforesaid obligations and covenants, and any other provision or covenant of this agreement.

11 INSURANCE

11.1 CONSULTANT, at its expense, shall maintain in effect at all times during the performance of work under this Contract not less than the following coverage and limits of insurance, which shall be maintained with insurers listed “A” or better in the Best’s Insurance Guide and authorized to do business in the State of California. **Proof of Insurance, as identified in Section 11.8, must be reviewed and accepted by the City Attorney**.

11.1.1 Workers’ Compensation and Employer’s Liability

- Workers’ Compensation—coverage as required by the State of California
- Employer’s Liability:
  $1,000,000.00 each accident
  $1,000,000.00 policy limit bodily injury
  $1,000,000.00 each employee bodily injury by disease

11.1.2 Professional Liability (Errors & Omissions) Insurance*

- $2,000,000 limit on a per occurrence basis

11.1.3 Commercial General Liability

- $2,000,000.00 limit on a per occurrence basis
- $4,000,000.00 general aggregate limit

11.1.4 Commercial Automobile Liability

- $2,000,000.00 combined single limit including owned, non-owned and hired automobile coverage

11.2 All of CONSULTANT’s policies shall contain an endorsement providing that written notice shall be given to CITY at least thirty- (30) calendar days prior to termination, cancellation or reduction of coverage in the policy.

11.3 Policies providing for bodily injury and property damage coverage shall contain the following:

A. An endorsement extending coverage to the CITY as an additional insured, in the same manner as the named insured, as respects liability arising out of the performance of any work under the Contract. Such insurance shall be primary insurance, as respects the interest of the CITY, and any other insurance maintained by the CITY shall be considered excess coverage and not contributing insurance with the insurance required hereunder. The certificate and endorsements shall state: “The City of Palmdale, the Successor Agency of the Community Redevelopment Agency of the City of Palmdale, Palmdale Civic Authority, Industrial Development Authority of the City of Palmdale, Palmdale Airport Authority, their officers, agents, employees and volunteers are named as additional insureds.”

B. “Severability of Interest” clause.

11.4 Promptly on execution of this Contract, and prior to commencement of any work, CONSULTANT shall deliver to CITY certificates of insurance and endorsements to all required policies demonstrating that CONSULTANT has the required coverage and showing the required named insureds. Within five (5) days of written request from CITY, CONSULTANT shall deliver to CITY full and complete copies of all insurance policies required by this Contract.

11.5 The requirements as to the types and limits of insurance to be maintained by CONSULTANT are not intended to and shall not in any manner limit or qualify CONSULTANT’s liabilities and obligations under this Contract.

11.6 Any policy or policies of insurance that CONSULTANT elects to carry as insurance against loss or damage to its equipment and tools or other personal property used in the performance of this Contract shall include a provision waiving the insurer’s right of subrogation against CITY.

11.7 All insurance coverage must be maintained throughout the duration of this Contract.

11.8 Acceptable Proof of Insurance:

11.8.1 ACORD Certificate of Insurance listing all coverages, limits, deductibles and insureds; and endorsements for all applicable coverages if agent has authority to issue it. Additional insured Form CG20101185 or CG20100707 and CG20370704 or equivalent must be provided for general liability coverage. Additional insured form CA0001 must be provided for automobile liability coverage.

11.8.2 Agents must confirm that policy endorsements have been ordered from the respective insurance companies. Upon issuance, policy endorsements listing all insurers must be submitted to the City Attorney.

11.8.3 *When professional (E&O) liability coverage is provided on a “claims made basis”, CONSULTANT will continue to renew the insurance for a period of five (5)

years after this Agreement expires or is terminated. Such insurance will have the same coverage and limits as the policy that was in effect during the term of this Agreement, and will cover CONSULTANT, or its officers, employees, or agents during the time this Agreement was in effect.

11.9 Notwithstanding any other provision of this Contract, CITY may immediately terminate this Contract if, at any time CONSULTANT fails to maintain the required insurance for any period of time or fails to comply with any of the insurance requirements listed above.

11.10 CONSULTANT shall require any and all subcontractor's working on its behalf to provide insurance coverages and limits that are based on the scope of work and nature of risk being performed by the subcontractor. Any and all subcontractors working on behalf of CONSULTANT shall be subject to all other insurance requirements that are stated herein.

Any deviation in this requirement will be CONSULTANT's sole risk. CONSULTANT's insurance requirements in Section 11 will not be impacted and/or limited by such deviation.

12 TERMINATION WITHOUT CAUSE

CITY reserves the right to terminate this Contract or any part thereof for its sole convenience with fifteen (15) days written notice. In the event of such termination, CONSULTANT shall immediately stop all work hereunder, and shall immediately cause any of its suppliers and sub-consultants to cease such work. CONSULTANT shall also surrender to CITY all finished or unfinished documents or programs and other materials, which shall be City’s property. As compensation in full for services performed to the date of such termination, the CONSULTANT shall receive an amount equal to the value of the work completed as of the termination date in accordance with the fee schedule or as negotiated between the parties. In no event shall the amount payable upon termination exceed the total maximum compensation provided for in this Contract.

13 TERMINATION FOR CAUSE

13.1 If the CITY determines that the CONSULTANT has failed to supply an adequate working force, or to provide services of proper quality, or has failed in any other respect to satisfactorily perform the services specified in this Contract, the CITY shall give written notice to the CONSULTANT specifying all defaults to be remedied within thirty (30) days. Such notice shall set forth the basis for the CITY’s dissatisfaction and suggest corrective measures. If, after thirty (30) days, the CONSULTANT has failed to implement the corrective measures, the CITY may elect to terminate this Contract, in whole or in part.

13.2 In the event the CITY terminates this Contract in whole or in part as provided herein above, the CITY may procure, upon such terms and in such manner, as it may deem appropriate, services similar to those terminated.

13.3 If this Contract is terminated as provided above, the City may require the CONSULTANT to provide all finished or unfinished documents, data, studies, software, drawings, maps, photographs, reports, etc., prepared by the CONSULTANT. Upon such termination, the CONSULTANT shall be paid an amount equal to the value of the services provided and work performed as of the date of termination. Such payment by the City may take into consideration the costs associated with hiring another CONSULTANT to complete the services. In the event no new CONSULTANT is employed, the CONSULTANT shall be paid an amount equal to the value of the work performed. In ascertaining the value of the work performed up to the date of termination, consideration shall be given to both completed work and work in progress, to complete and incomplete documents when such are delivered to CITY, and to authorized reimbursement expenses.

The above is in addition to any other remedies available by law or equity to the CITY.

13.4 If, after notice of termination of the Contract under the provisions of this Section 13, it is determined, for any reason, that CONSULTANT was not in default, or that the default was excusable, then the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Section 12.

14 DISPUTE RESOLUTION

All claims, disputes, and other matters in question between CITY and CONSULTANT arising out of, or relating to this Contract, or the breach thereof shall, to the extent reasonably feasible, be resolved through good faith negotiations between the parties.

15 OWNERSHIP OF DOCUMENTS

All documents, including, but not limited to, research, field notes, investigations, analysis, and studies which are prepared in the performance of this Contract are to be, and remain the property of CITY. CONSULTANT shall furnish CITY, upon its request, originals or reproducible or electronic copies of reports, studies and of all other documents listed above.

16 SUBCONTRACTING, DELEGATION AND ASSIGNMENT

16.1 CONSULTANT shall not delegate, subcontract or assign its duties or rights hereunder, either in whole or in part, without the prior written consent of CITY; provided, however, that claims for money due or to become due to CONSULTANT from CITY under this Contract may be assigned to a bank, trust company or other financial institution without such approval. Any proposed delegation, assignment or subcontract shall provide a description of the services covered, identification of the proposed assignee, delegates or subcontractor, and an explanation of why and how

the same was selected, including the degree of competition involved. Any proposed agreement with an assignee, delegates or subcontractor shall include the following:

A. The amount involved, together with CONSULTANT's analysis of such cost or price; and

B. A provision requiring that any subsequent modification or amendment shall be subject to the prior written consent of CITY; and

C. The requirement to hire only those persons authorized by federal law to work in the United States.

16.2 Any assignment, delegation or subcontract shall be made in the name of CONSULTANT and shall not bind or purport to bind CITY and shall not release CONSULTANT from any obligations under this Contract including, but not limited to, the duty to properly supervise and coordinate the work of employees, assignees, delegates and subcontractors. No such assignment, delegation or subcontract shall result in any increase in the amount of total compensation payable to CONSULTANT under this Contract.

17 NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY

17.1 In performance of this Contract, CONSULTANT shall not discriminate against any employee, subcontractor, or applicant for employment because of sex, color, race, religion, ancestry, national origin, disability, medical condition, marital status, sexual orientation, or age. CONSULTANT will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their sex, color, race, religion, ancestry, national origin, disability, medical condition, marital status, sexual orientation or age. Affirmative action relating to employment shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

17.2 The provisions of subsection 17.1 above shall be included in all solicitations or advertisements placed by or on behalf of CONSULTANT for personnel to perform any services under this Contract. CITY shall have access to all documents, data and records of CONSULTANT and its subcontractors for purposes of determining compliance with the equal employment opportunity and non-discrimination provisions of this Section, and all applicable provisions of Executive Order No. 11246 which is incorporated herein by this reference. A copy of Executive Order No. 11246 is available for inspection at, and on file with, the Palmdale City Clerk's Office.

18 FINANCIAL INTEREST CERTIFICATION

18.1 CONSULTANT warrants that no person has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission,

percentage, brokerage or contingent fee; and that no officer or employee of the CITY has any interest, financially or otherwise, in CONSULTANT's firm.

18.2 For breach or violation of this warranty, CITY shall have the right to annul this Contract without liability, or at its discretion to deduct from the Contract Price or consideration, the full amount of such commission, percentage, brokerage or contingent fee.

19 CONFLICT OF INTEREST

19.1 CONSULTANT stipulates that its officers and employees do not now have a conflict of interest and it further agrees for itself, its officers and its employees that it will not contract for or accept employment for the performance of any work or services with any individual business, corporation or government unit that would create a conflict of interest in the performance of its obligations pursuant to this Contract or which would cause CONSULTANT to be "financial interested" (as provided in California Government Code Section 1090 et seq. or 87100 et seq.) in any contract or decision made by CITY on any matter.

19.2 CONSULTANT shall not employ any Housing Authority/City official or employee to perform any work required pursuant to this Contract.

19.3 If CONSULTANT is a registered professional engineer or licensed land surveyor and the scope of work requires CONSULTANT'S recommendation of the actual formula to spread the costs of an assessment district's improvements, then CONSULTANT shall not participate in making that recommendation if the additional elements set forth in Government Code section 87100.1(c) apply. Those additional elements are: (1) CONSULTANT has received income of $250 or more for professional services in connection with any parcel included in the benefit assessment district within twelve (12) months prior to the creation of the district; and (2) the district includes other parcels in addition to those parcels for which CONSULTANT received the income. In the event a conflict of interest does arise in that context, CITY shall select a different CONSULTANT to recommend the actual formula to spread the costs of the assessment district's improvements and the costs of such services shall be deducted from the compensation to be paid to CONSULTANT.

19.4 To the extent required by the City Manager/designee, CONSULTANT shall complete and file with the City Clerk a Form 700 Statement of Economic Interests disclosing any reportable property interests, income, gifts, investments, or business positions.

20 COMPLIANCE WITH LAW

20.1 CONSULTANT shall comply with all state and federal laws, including but not limited to, the requirement to hire only those persons authorized by federal law to work in the United States. If CONSULTANT uses any subcontractors to complete this

Contract, this same requirement shall be included in all subcontracts and strictly enforced by CONSULTANT.

20.2 The law of the state of California shall govern this Contract. The venue of any legal action, either formal or informal, shall be the County of Los Angeles.

21 NOTICES

Any notice required under this Contract shall be in writing, addressed to the appropriate party at its address on the signature page and given personally or by registered or certified mail postage prepaid, or by a commercial courier service. All notices shall be effective upon the date of receipt.

22 ENTIRE CONTRACT AND AMENDMENTS

22.1 This Contract is the complete agreement between the parties and supersedes all prior proposals, agreements, and understandings between the parties and may not be modified or terminated orally.

22.2 No attempted waiver of any of the provisions hereof, nor any modification in the nature, extent or duration of the work to be performed by CONSULTANT hereunder, shall be binding unless in writing and signed by the party against whom the same is sought to be enforced.

22.3 The failure of any party to enforce against another party any provision of this Contract shall not constitute a waiver of that party’s right to enforce such a provision at a later time, and shall not serve to vary the terms of this Contract.

23 ATTORNEY'S FEES

If any action at law or in equity is brought to enforce or interpret any provisions of this Contract, the prevailing party in such action shall be entitled to reasonable attorney's fees, costs and necessary disbursements, in addition to such other relief as may be sought and awarded.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE:

SIGNATURE AREA

Salvador Mendez
Interim City Manager

SIGNATURE AREA

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38250 Sierra Highway
Palmdale, CA 93550

MAESTRO DEVELOPMENT:

SIGNATURE AREA

Nareg Mouradian, CCM LEED AP
Principal

ADDRESS FOR NOTICE:
MAESTRO DEVELOPMENT
655 North Central Ave, Floor 17
Glendale, CA 91203

APPROVE AS TO FORM:

SIGNATURE AREA

Alexandra Halfman
City Attorney

ATTEST:

SIGNATURE AREA

Roxanne Faber
City Clerk

---------- INTERNAL USE ONLY ----------

□Certificate(s) and Endorsement(s) attached
□Confirmed business name on contract with certificate(s)
□Attached Agreement Checklist and met all requirements

City Council Staff Report

DATE: **FEBRUARY 3, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **PUBLIC WORKS DEPARTMENT**
CAPITAL IMPROVEMENT PROGRAM DIVISION

DISTRICT: **ALL**

SUBJECT: **APPROVE AGREEMENT WITH PACIFIC ADVANCED CIVIL ENGINEERING, INC., FOR PROFESSIONAL SERVICES FOR PN 788, REGIONAL BASIN INFRASTRUCTURE PROJECT, FOR A TOTAL NOT TO EXCEED AMOUNT OF $1,508,304 FOR A TERM OF 36 MONTHS FROM THE DATE OF THE NOTICE TO PROCEED**

RECOMMENDATION

Staff recommend that the City Council:

1. Approve Agreement No. A-9657 with Pacific Advanced Civil Engineering, Inc., (PACE) for Professional Services for PN 788, Regional Basin Infrastructure Project, for a total not to exceed amount of $1,508,304, which includes a contract amount of $1,311,569, plus a 15% contingency amount of $196,735 for a term of 36 months from the date of the Notice to Proceed;

2. Authorize the Interim City Manager or his designee to execute the Agreement No. A-9657 with PACE, including minimal and/or non-substantial changes; and,

3. Authorize the Interim City Manager or his designee to approve contract amendments for additional or changed scope of work up to the 15% contingency amount approved by the Council.

BACKGROUND

The Anaverde Creek Watershed includes approximately 10,065 acres in the southwestern region of Palmdale. Runoff flows from southwest to northeast, gathering runoff from the Sierra Pelona mountains and lower alluvial plain areas, and ultimately collecting in Anaverde Creek. Peak elevations in the watershed are greater than 5,180 feet, while the outlet of Anaverde Creek at Highway 14 has an elevation of approximately 2,760 feet. Flooding has historically been observed downstream of the creek's outlet at Highway 14, as evidenced by the area being mapped by Federal Emergency

Management Agency (FEMA) as Flood Zone AO, Flood Plain Map. As a desired outcome of this contract, the City wishes to develop and implement a strategy to mitigate the floodplain, thereby opening this area to future development.

DISCUSSION

On September 26, 2025, a Request for Qualifications was advertised electronically through PlanetBids to solicit Statements of Qualifications (SOQ) for professional services to update the Anaverde Creek Watershed Master Drainage Plan and the design of drainage basins near Avenue R and Division Street.

On October 27, 2025, the proposal deadline, three (3) Statements of Qualifications were received. These SOQ were evaluated based on five criteria by three reviewers. Each reviewer scored the SOQ independently:

Vendor	Location	Fees
1. Pacific Advanced Civil Engineering, Inc.	Fountain Valley, CA	$1,311,869
2. CWE	Fullerton, CA	$1,157,582
3. Craftwater Engineering, Inc.	Pasadena, CA	$2,321,383

All firms were invited for an interview and tendered the fee proposals. Based on the interviews, qualifications, favorable reference checks, and extensive experience in providing the City with flood protection design services, the staff recommends PACE for the award of the professional services contract for a proposed fee of $1,311,569.

FISCAL IMPACT

$1,508,304; This project is funded using Measure M funding.

STRATEGIC PLAN

Goal IV: Maintain a desirable community where everyone wants to live, work, and play.

B: Provide inclusive access to a variety of supportive services that build a resilient and healthy community.

Prepared by:	Leonardo Torres, P.E., Director of Public Works
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Salvador Mendez, Interim City Manager
Approved as to form:	Alexandra Severino, City Attorney

ATTACHMENTS

Agrmt No. A-9657 with Pacific Advanced Civil Engineering, Inc.
Project Map

AGREEMENT NO. A-9657
CONTRACT FOR SERVICES
BETWEEN THE CITY OF PALMDALE AND PACIFIC ADVANCED CIVIL ENGINEERING, INC.

This CONTRACT for services ("Contract" herein) is made and entered into by and between the City of Palmdale, a public body corporate and politic, (hereinafter called "CITY"), and PACIFIC ADVANCED CIVIL ENGINEERING, INC., a Corporation , (hereinafter called "CONTRACTOR"). This Contract shall become effective on the date of the last signatory.

RECITALS

WHEREAS, CONTRACTOR represents that CONTRACTOR has the expertise and is qualified to perform the services described in this Contract.

NOW THEREFORE, CITY and CONTRACTOR, in consideration of the mutual covenants hereinafter set forth, agree as follows:

1 CITY PROJECT MANAGER

To provide the services required by this Contract, CONTRACTOR shall act under the authority and approval of the Department of Public Works Director/designee, who shall oversee this Contract, the work performed by CONTRACTOR, assist CONTRACTOR with any necessary information, audit billings, and approve payments. The CONTRACTOR shall channel all contacts and requests through the City project manager.

2 DESCRIPTION OF WORK

2.1 CONTRACTOR shall provide the following services in a manner satisfactory to CITY:

Civil Engineering services for CITY Project No. PN 788, Regional Basin Infrastructure Project.

CONTRACTOR shall update the Anaverde Creek Watershed Master Drainage Plan and complete the Construction Plan for the final design of drainage basins near Avenue R and Division Street.

Phase 1 - Drainage Study Review and Grant Funding Documentation
Phase 2 - Hydrologic and Hydraulic Modeling Update
Phase 3 - Master Drainage Plan Update
Phase 4 - Final Design and Preparation of Construction Documents

Deliverables:
1) A comprehensive engineering plan to reduce flooding

2) A complete design package ready for construction
3) An authoritative document to support funding opportunities
4) A thorough study to be used in support of environmental impact analysis and reporting
5) A detailed analysis that will support a revision to the FEMA flood insurance rate maps
6) A full set of hydrologic/hydraulic models and documentation of the contributing watershed for existing and future general plan conditions

CONTRACTOR's complete Proposal attached as Exhibit "A".

2.2 CONTRACTOR shall have no claim for compensation for any services or work, which has not been authorized by CITY's Authorization to Proceed.

2.3 CONTRACTOR shall not accept any change of scope, or change in contract provisions, to this Contract unless issued in writing, as a contract change order or amendment and signed by CITY. Any extensions of time must be mutually agreed upon in writing and executed by both parties.

2.4 CONTRACTOR shall maintain in current status all Federal, State, and local licenses and permits required for the operation of the business conducted by the CONTRACTOR as applicable to this contract.

2.5 All work supplied under this Contract shall be fully guaranteed by CONTRACTOR for a minimum period of ONE (1) year / 365 days from the date of acceptance by CITY. Any defects of design, workmanship, or materials that would result in non-compliance with the Contract specifications shall be fully corrected by CONTRACTOR (including parts and labor) without cost to CITY. The written warranty shall be included with the delivered products to the using Department.

2.6 CITY shall provide to CONTRACTOR, without charge, all data, program information, including reports, records, maps, and other information, now in CITY's possession, which may facilitate the timely performance of the work.

3 CONTRACTOR'S KEY PERSONNEL

3.1 **Key Staff.** CITY reserves the right to review and approve CONTRACTOR'S staff including all subcontractors to be assigned to any project by CONTRACTOR during the term of this Contract.

This Contract has been awarded to CONTRACTOR based partially on the key personnel proposed to perform the services required herein. CONTRACTOR shall not change nor substitute any of these key staff for work on this Contract without prior written approval by CITY.

CONTRACTOR's Team and Key Personnel are as follows:

Jose Cruz, Project Manager / Design Lead

The CONTRACTOR's Project Team is detailed within their Proposal, Exhibit "A".

This Services Contract has been awarded to CONTRACTOR based on its representation that those personnel and subcontractors submitted as part of its bid and listed above will perform the portions of the work listed above.

CONTRACTOR shall not deviate nor substitute any of these team members without prior written approval by CITY.

3.2 **Subcontractors.** During the performance of the Agreement, CONTRACTOR may engage such additional SUBCONTRACTORS as may be required for the timely completion of this Agreement. In the event of subcontracting, the sole responsibility for fulfillment of all terms and conditions of this Agreement rests with CONTRACTOR.

CONTRACTOR shall not enter into any Subcontract under this Contract for the performance of this Contract without the advance written approval of CITY. The subcontract shall incorporate by reference the terms and conditions of this Contract.

3.3 **Direct Responsibility.** All services required under this Contract shall be performed by CONTRACTOR, or under CONTRACTOR’s direct supervision, and all personnel shall possess the qualifications, permits and licenses required by State and local law to perform such services.

3.3.1 CONTRACTOR shall be solely responsible for the satisfactory work performance of all personnel engaged in performing services required by this Contract, and compliance with all reasonable performance standards established by CITY.

3.3.2 CONTRACTOR shall be responsible for payment of all CONTRACTOR’s employees’ and subcontractor’s wages and benefits and shall comply with all requirements pertaining to the employer’s liability, workers’ compensation, unemployment insurance, and Social Security.

3.3.3 CONTRACTOR shall indemnify and hold harmless CITY, and its respective officers, agents and employees from and against all claims, demands, damages or costs arising from CONTRACTOR’s acts or omissions with respect to any liability, damages, claims, costs and expenses of any nature arising from alleged violations of personnel practices.

3.4 Standards of Performance. CONTRACTOR shall be responsible for the completeness and accuracy of its services and work and documents resulting there from, and CITY shall not be responsible for discovering deficiencies therein. CONTRACTOR shall correct any such deficiencies or errors without additional compensation and without cost to CITY, except to the extent any such deficiency is directly attributable to deficiencies in CITY-furnished information.

4 CONTRACT TERM

The term of this Contract is THREE (3) Years / THIRTY-SIX (36) MONTHS, commencing on the effective date, with CITY reserving the option to extend the agreement for ONE (1) additional terms of one year each.

5 ACCEPTANCE AND DOCUMENTATION

Each task shall be reviewed and approved by the Contract Project Manager to determine acceptable completion.

5.1 **Records**. The CONTRACTOR shall retain and shall contractually require each SUBCONTRACTOR to retain all data and other “records” relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract.

5.2 **Property of CITY.** All materials, including reports, computer programs and other deliverables, supplied or created under this Contract are the sole property of CITY. CONTRACTOR is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. CONTRACTOR shall not use or release these materials without the prior written consent of CITY.

5.3 **Products.** All equipment, materials, parts, and other components incorporated in the work or services performed pursuant to this Contract shall be new, or the latest model and of the most suitable grade for the purpose intended. All work shall be performed in a skilled and workmanlike manner.

6 PRICE

CITY shall pay to CONTRACTOR an amount not to exceed ONE MILLION, THREE HUNDRED and ELEVEN THOUSAND, FIVE HUNDRED and SIXTY-NINE dollars ($1311569) for the completion of all the work and services described in Section 2, which sum shall include all costs or expenses incurred by CONTRACTOR, payable as follows:

CONTRACTOR shall submit a detailed invoice for completed services during the prior month.

6.1 An application for payment form must be submitted to CITY which shall include the following: a clear, detailed invoice reflecting work being billed for, a summary sheet showing percentage of work completed to date, amount/percent billed to date and current status of all tasks within a project; any/all backup documentation supporting the above items. Work schedule updates must also be included with the payment requests.

6.2 CONTRACTOR shall maintain adequate records and shall permit inspection and audit by CITY of CONTRACTOR's charges under this Contract. CONTRACTOR shall make such records available to CITY during normal business hours upon reasonable notice. Nothing herein shall convert such records into public records, and they will be available only to CITY and any specified public agencies. Such records shall be maintained by CONTRACTOR for one (1) year following completion of the work under this Contract unless a longer period of time is required by state or federal law, in which event CONTRACTOR shall retain its records for the time required by such laws.

6.3 **Payment.** A separate invoice shall be issued for each shipment of material or service performed, and no payment will be issued prior to receipt of material and/or completion of specified services and receipt of a correct invoice.

7 TAXES

7.1 CONTRACTOR shall pay all sales, consumer, use, and other similar taxes required to be paid by CONTRACTOR in accordance with state and local laws.

7.2 CONTRACTOR is an independent contractor and shall have no power or authority to incur any debt, obligation, or liability on behalf of CITY. No person employed by CONTRACTOR or acting on its behalf, in connection with this Contract shall be considered the Agent or employee of CITY.

7.3 CONTRACTOR shall be required to obtain a current City of Palmdale business license, as required by the Palmdale Municipal Code, before an Authorization to Proceed is issued.

7.4 When equipment, materials or supplies generally taxable to CONTRACTOR are eligible for a tax exemption due to the nature of the work, CONTRACTOR shall assist the City in applying for and obtaining such tax credits and exemptions, which shall be paid or credited to the City.

8 PATENT FEES AND ROYALTIES

CONTRACTOR shall pay all license fees and royalties and assume all costs incident to the use, in the performance of the work or the incorporation in the work of any invention, design, process, program, product or device which is the subject of patent rights or copyrights held by others. If a particular invention, design, process, program, product or device is specified in the contract documents for use in the performance of the work and if, to the actual knowledge of CITY, its use is subject to patent rights or copyrights calling for the payment of any license fee or royalty to others, the existence of such rights shall be disclosed by CITY in the contract documents. CONTRACTOR shall indemnify and hold harmless CITY and anyone directly or indirectly employed by CITY from and against all claims, damages, losses and expenses (including attorneys' fees) arising out of any infringement of patent rights or copyrights incident to the use in the performance of the work, or resulting from the

incorporation in the work of any invention, design, process, program, product or device not specified in the contract documents, and shall defend all such claims in connection with any alleged infringement of such rights.

9 INDEMNIFICATION

To the fullest extent permitted by law, CONTRACTOR and any subcontractors working on its behalf agree to indemnify CITY, its officers, employees, agents and elected and appointed boards (hereinafter “Indemnified Parties”) for any loss, claim, demand, cause of action, cost, expense, damage, obligation or liability which arises out of or is in any way connected with the performance of any work under this agreement, including any acts or omissions, willful misconduct or negligent conduct, whether active or passive, on the part of CONTRACTOR, or its subcontractors, and regardless of any acts, omissions or negligence (whether active or passive) of any person or entity indemnified hereunder. At their own expense, CONTRACTOR and, as applicable, any subcontractors working on its behalf, shall defend any suit, claim or action against the Indemnified Parties founded upon such loss, claim, demand, cause of action, cost, expense, damage, obligation or liability. CONTRACTOR shall ensure that the contract of any subcontractor working under this agreement contain an indemnity agreement, requiring the subcontractor to indemnify and defend the Indemnified Parties pursuant the terms set forth above. CONTRACTOR shall indemnify the Indemnified Parties, and save it harmless from any and all loss, damage, costs, expenses and attorney's fees suffered or incurred on account of any breach of the aforesaid obligations and covenants, and any other provision or covenant of this agreement.

10 INSURANCE

10.1 CONTRACTOR, at its expense, shall maintain in effect at all times during the performance of work under this Contract not less than the following coverage and limits of insurance, which shall be maintained with insurers listed “A” or better in the Best’s Insurance Guide and authorized to do business in the State of California. **Proof of Insurance, as identified in Section 10.8, must be reviewed and accepted by the City Attorney**.

10.1.1 Workers’ Compensation and Employer’s Liability

- Workers’ Compensation -- coverage as required by the State of California
- Employer’s Liability
  $1,000,000 each accident
  $1,000,000.00 policy limit bodily injury
  $1,000,000.00 each employee bodily injury by disease

10.1.2 Commercial General Liability

- $2,000,000.00 limit on a per occurrence basis
- $4,000,000.00 general aggregate limit

10.1.3 Commercial Automobile Liability

- $1,000,000.00 combined single limit including owned, non-owned and hired automobile coverage

10.1.4 Professional Liability (Errors & Omissions)*

- $3,000,000.00 per occurrence

10.2 All of CONTRACTOR's policies shall contain an endorsement providing that written notice shall be given to CITY at least thirty (30) calendar days prior to termination, cancellation, or reduction of coverage in the policy.

10.3 Policies providing for bodily injury and property damage coverage shall contain the following:

A. An endorsement extending coverage to the City as an additional insured, as respects liability arising out of the performance of any work under the Contract. Such insurance shall be primary insurance, as respects the interest of the City, and any other insurance maintained by the City shall be considered excess coverage and not contributing insurance with the insurance required hereunder. The certificates shall state: "The City of Palmdale, Successor Agency to the Community Redevelopment Agency of the City of Palmdale, Housing Authority, Industrial Development Authority, Airport Authority, their officers, agents, employees and volunteers are named as additional insured".

B. "Severability of Interest" Clause.

10.4 Promptly upon execution of this Contract, and prior to commencement of any work, CONTRACTOR shall deliver to CITY certificates of insurance and endorsements to all required policies demonstrating that CONTRACTOR has the required coverage and showing the required named insured. Within five (5) days of written request from CITY, CONTRACTOR shall deliver to CITY full and complete copies of all insurance policies required by this Contract.

10.5 The requirements as to the types and limits of insurance to be maintained by CONTRACTOR are not intended to and shall not in any manner limit or qualify CONTRACTOR's liabilities and obligations under this Contract.

10.6 Any policy or policies of insurance that CONTRACTOR elects to carry as insurance against loss or damage to its equipment and tools or other personal property used in the performance of this Contract shall include a provision waiving the insurer's right of subrogation against CITY.

10.7 All insurance coverage must be maintained throughout the duration of this Contract.

10.8 Acceptable Proof of Insurance:

10.8.1 ACORD Certificate of Insurance listing all coverage, limits, deductibles and insured; and endorsements for all applicable coverage if agent has authority to issue it; or additional insured Form CG20100704 and CG20370704 or equivalent must be provided for general liability coverage. Additional insured form CA0001 must be provided for automobile liability coverage.

10.8.2 Binders of insurance for all coverage. Agents must confirm that policy endorsements have been ordered from the respective insurance companies. Upon issuance, policy endorsements and a corresponding Certificate of Insurance listing all insurers and coverage must be submitted to the City Attorney.

10.8.3 *When professional (E&O) liability coverage is provided on a “claims made basis”, CONSULTANT will continue to renew the insurance for a period of five (5) years after this Agreement expires or is terminated. Such insurance will have the same coverage and limits as the policy that was in effect during the term of this Agreement, and will cover CONSULTANT, or its officers, employees, or agents during the time this Agreement was in effect.

10.9 Notwithstanding any other provision of this Contract, CITY may immediately terminate this Contract if, at any time CONTRACTOR fails to maintain the required insurance for any period of time or fails to comply with any of the insurance requirements listed above.

10.10 CONTRACTOR shall require any and all subcontractors working on its behalf to provide insurance coverages and limits that are based on the scope of work and nature of risk being performed by the subcontractor. Any and all subcontractors working on behalf of CONTRACTOR shall be subject to all other insurance requirements that are stated herein.

Any deviation in this requirement will be CONTRACTOR's sole risk. CONTRACTOR's insurance requirements in Section 10 will not be impacted and/or limited by such deviation.

11 TERMINATION WITHOUT CAUSE

City reserves the right to terminate this Contract or any part thereof for its sole convenience with fifteen (15) days written notice. In the event of such termination, CONTRACTOR shall immediately stop all work hereunder, and shall immediately cause any of its suppliers and subcontractors to cease such work. CONTRACTOR shall also surrender to CITY all finished or unfinished documents, processes, programs and other supplies and materials, which shall be City’s property. As compensation in full for services performed to the date of such termination, the CONTRACTOR shall receive an amount equal to the value of the work completed as of the termination date in accordance with the fee schedule or as negotiated between the parties. In no event shall the amount payable upon termination exceed the total maximum compensation provided for in this Contract.

12 TERMINATION FOR CAUSE

If CITY determines that CONTRACTOR has failed to supply an adequate working force, or to provide services of proper quality, or has failed in any other respect to satisfactorily perform the services specified in this Contract, CITY shall give written notice to CONTRACTOR specifying all defaults to be remedied within thirty (30) days. Such notice shall set forth the basis for CITY's dissatisfaction and suggest corrective measures. If, after thirty days, CONTRACTOR has failed to implement appropriate corrective measures, CITY may elect to terminate this Contract in whole or in part.

12.1 In the event CITY terminates this Contract, in whole or in part, for cause, CITY may procure, upon such terms and in such manner, as it may deem appropriate, services similar to those terminated.

12.2 CONTRACTOR shall provide all finished or unfinished documents, data, studies, software, drawings, programs, processes, maps, photographs, reports, etc., prepared by CONTRACTOR within fifteen (15) working days after notice of termination. Upon such termination, CONTRACTOR shall be paid an amount equal to the value of the services provided and work performed as of the date of termination, taking into consideration the costs associated with hiring another CONTRACTOR to complete the services. In ascertaining the value of the work performed up to the date of termination, consideration shall be given to both completed work and work in progress, to complete and incomplete documents when such are delivered to CITY, and to authorized reimbursement expenses. The above is in addition to any other remedies available by law or equity to CITY.

12.3 If, after notice of termination of the Contract under the provisions of this Section 12, it is determined, for any reason, that CONTRACTOR was not in default, or that the default was excusable, then the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Section 11.

13 DISPUTE RESOLUTION

All claims, disputes, and other matters in question between CITY and CONTRACTOR arising out of or relating to this Contract or the breach thereof shall, to the extent reasonably feasible, be resolved through good faith negotiations between the parties.

14 OWNERSHIP OF PRODUCT

All product, data, documents, programs and software including, but not limited to, research, field notes, investigations, analysis, studies, processes, software, instructions for use and other manuals, whether complete or incomplete, which are prepared or produced in the performance of this Contract are to be, and remain the property of CITY and shall be delivered to or left with CITY upon the completion or termination of this Agreement. CONTRACTOR shall furnish CITY, upon its request, originals and reproducible and electronic copies of product, data reports, studies and of all other documents listed above. Electronic copies shall be provided in an

unprotected format which allows CITY to copy, reproduce and makes changes as CITY deems necessary.

14.1 OWNERSHIP OF INTELLECTUAL PROPERTY. The Services performed hereunder are work made for hire and CIty shall exclusively own, in perpetuity and worldwide, all rights to and flowing from the work, including any work product, performed under this Agreement. Contractor assigns to City any and all rights Contractor could have, may have, or does have, in the work or the work product performed under this Agreement, and City shall have all right, title, and interest in said matters, including the right to secure and maintain the copyright, trademark, or patent of said matters in the name of the City. Independent Contractor consents to the use of Contractor's name in conjunction with the sale, use, performance, and distribution of said matters, for any purpose and in any medium.

15 DELEGATION AND ASSIGNMENT

15.1 CONTRACTOR shall not delegate or assign its duties or rights hereunder, either in whole or in part, without the prior written consent of CITY; provided, however, that claims for money due or to become due to CONTRACTOR from CITY under this Contract may be assigned to a bank, trust company or other financial institution without such approval.

15.2 Any assignment, delegation or subcontract shall be made in the name of CONTRACTOR and shall not bind or purport to bind CITY and shall not release CONTRACTOR from any obligations under this Contract including, but not limited to, the duty to properly supervise and coordinate the work of employees, assignees, delegates and subcontractors. No such assignment, delegation or subcontract shall result in any increase in the amount of total compensation payable to CONTRACTOR under this Contract.

16 NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY

16.1 In performance of this Contract, CONTRACTOR shall not discriminate against any employee, subcontractor, or applicant for employment because of sex, color, race, religion, ancestry, national origin, disability, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sexual orientation, age, gender, gender identity, gender expression, genetic information, or military and veteran status. CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their sex, color, race, religion, ancestry, national origin, disability, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sexual orientation, age, gender, gender identity, gender expression, genetic information, or military and veteran status . Affirmative action relating to employment shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment; layoff or termination; rates

of pay or other forms of compensation; and selection for training, including apprenticeship.

17 FINANCIAL INTEREST CERTIFICATION

17.1 CONTRACTOR warrants that no person has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee; and that no officer or employee of the CITY has any interest, financially or otherwise, in CONTRACTOR's firm.

17.2 For breach or violation of this warranty, CITY shall have the right to annul this Contract without liability or at its discretion to deduct from the Contract Price or consideration, the full amount of such commission, percentage, brokerage or contingent fee.

18 CONFLICT OF INTEREST

18.1 CONTRACTOR stipulates that its officers and employees do not now have a conflict of interest and it further agrees for itself, its officers and its employees that it will not contract for or accept employment for the performance of any work or services with any individual business, corporation or government unit that would create a conflict of interest in the performance of its obligations pursuant to this Contract or which would cause CONTRACTOR to be "financial interested" (as provided in California Government Code Section 1090 et seq. or 87100 et seq.) in any contract or decision made by CITY on any matter.

18.2 CONTRACTOR shall not employ any City official or employee to perform any work required pursuant to this Contract.

18.3 To the extent required by the City Manager or his designee, CONTRACTOR shall complete and file with the City Clerk a Form 700 Statement of Economic Interests disclosing any reportable property interests, income, gifts, investments, or business positions.

19 COMPLIANCE WITH LAW

19.1 CONTRACTOR shall comply with all state and federal laws, including but not limited to, the requirement to hire only those persons authorized by federal law to work in the United States. If CONTRACTOR uses any subcontractors to complete this Contract, this same requirement shall be included in all subcontracts and strictly enforced by CONTRACTOR.

19.2 The law of the state of California shall govern this Contract. The venue of any legal action, either formal or informal, shall be the County of Los Angeles.

19.3 If applicable, CONTRACTOR acknowledges and understands it must comply with the prevailing wage requirements as set forth in Exhibit "A" attached hereto and incorporated herein by reference, as well as the execution of a Worker's

Compensation Certificate attached hereto as Exhibit “B” and incorporated herein by reference.

20 NOTICES

Any notice required under this Contract shall be in writing, addressed to the appropriate party at its address on the signature page and given personally or by registered or certified mail postage prepaid, or by a commercial courier service. All notices shall be effective upon the date of receipt.

21 ENTIRE AGREEMENT AND AMENDMENTS

21.1 This Contract is the complete Agreement between the parties and supersedes all prior proposals, agreements, and understandings between the parties and may not be modified or terminated orally.

21.2 No attempted waiver of any of the provisions hereof, nor any modification in the nature, extent or duration of the work to be performed by CONTRACTOR hereunder, shall be binding unless in writing and signed by the party against whom the same is sought to be enforced.

21.3 The failure of any party to enforce against another party any provision of this Contract shall not constitute a waiver of that party’s right to enforce such a provision at a later time, and shall not serve to vary the terms of this Contract.

22 ATTORNEY'S FEES

If any action at law or in equity is brought to enforce or interpret any provisions of this Contract, the prevailing party in such action shall be entitled to reasonable attorney's fees, costs and necessary disbursements, in addition to such other relief as may be sought and awarded.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE:

SIGNATURE AREA

SIGNATURE AREA

PACIFIC ADVANCED CIVIL ENGINEERING, INC.:

SIGNATURE AREA

Jose Cruz
Vice President

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38250 Sierra Highway
Palmdale, CA 93550

ADDRESS FOR NOTICE:
PACIFIC ADVANCED CIVIL ENGINEERING, INC.
17520 Newhope Street, Ste. 200
Fountain Valley, CA 92708

APPROVE AS TO FORM:

SIGNATURE AREA

City Attorney

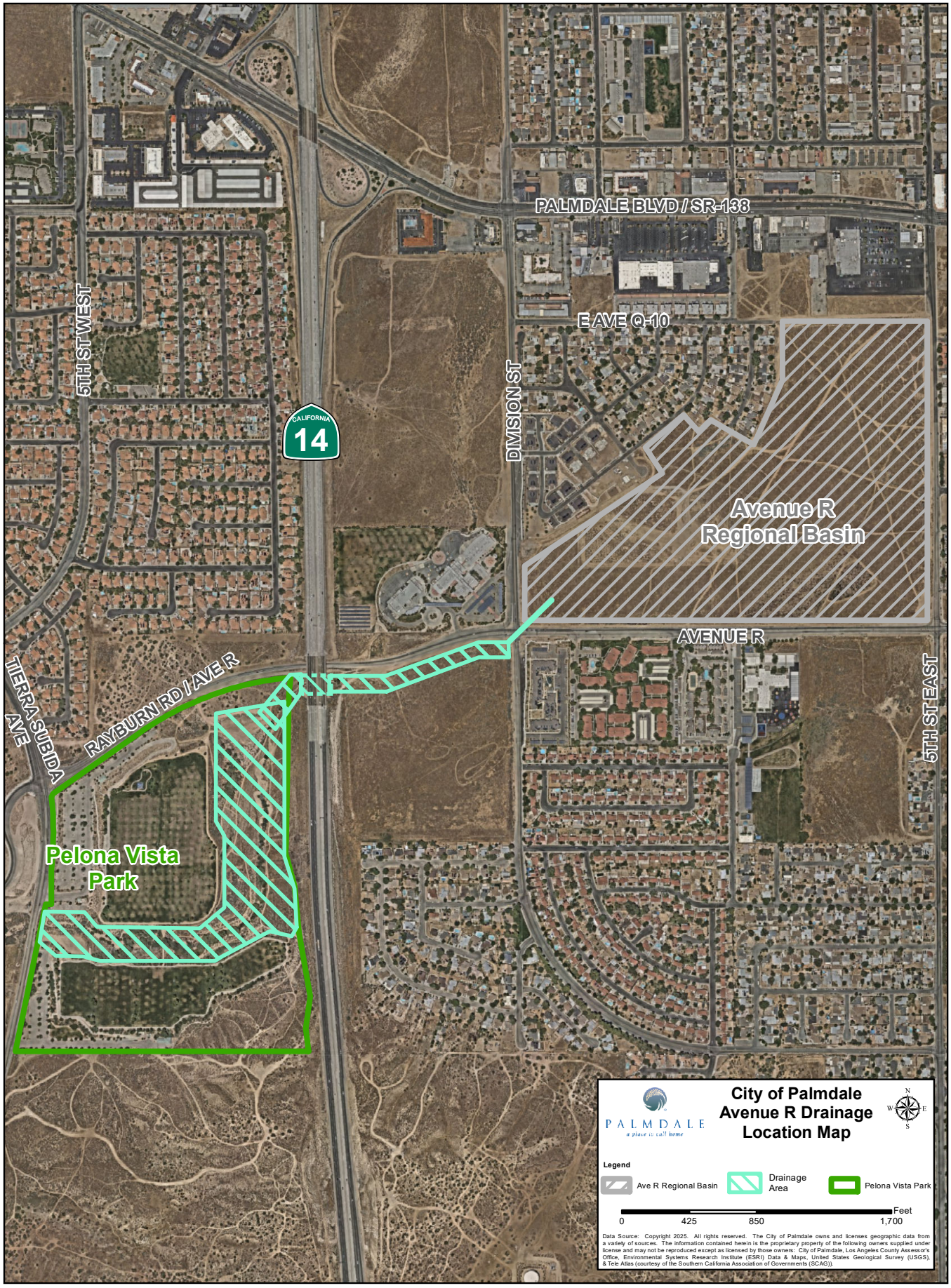
ATTEST:

SIGNATURE AREA

Roxanne Faber
City Clerk

---------- INTERNAL USE ONLY ----------

□Certificate(s) and Endorsement(s) attached
□Confirmed business name on contract with certificate(s)
□Attached Agreement Checklist and met all requirements


PALMDALE BLVD / SR-138
E AVE Q-10
5TH ST WEST
DIVISION ST
CALIFORNIA
14
Avenue R
Regional Basin
AVENUE R
5TH ST EAST
TIERRA SUBIDA AVE
RAYBURN RD / AVE R
Pelona Vista
Park
City of Palmdale
Avenue R Drainage
Location Map
PALMDALE
a place to call home
N
W
E
S
Legend
Ave R Regional Basin
Drainage Area
Pelona Vista Park
Feet
0
425
850
1,700
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MINUTES
CITY COUNCIL/SA
CITY HALL COUNCIL CHAMBER
38300 SIERRA HIGHWAY, SUITE B
PALMDALE, CALIFORNIA
JANUARY 13, 2026
5:00 PM

1) CALL MEETING TO ORDER

Mayor Ohlsen called the meeting to order at 5:01 pm.

Note: All City Council memberships are reflected in their City Council titles.

2) ROLL CALL MAYOR OHLSEN, MAYOR PRO TEM BISHOP, COUNCILMEMBERS LOA, BETTENCOURT, ALARCÓN

PRESENT: Eric Ohlsen, Austin Bishop, Richard J. Loa, Laura Bettencourt, Andrea Alarcón.
ABSENT: None.

3) PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE

Mayor Ohlsen led the Pledge of Allegiance.

Interim City Manager Mendez requested that item 12.1 be withdrawn from the agenda.

4) PRESENTATIONS

4.1) Presentation recognizing City staff for their exceptional efforts, reliability, and unwavering commitment to keeping our roads, utilities, and public spaces safe and operational during severe weather events.

A video and certificates were presented to acknowledge and commend City staff for their service.

4.2) Presentation on Formal Procurement Methods.

Director of Operations Samson provided a detailed PowerPoint presentation on this item.

Councilmember Alarcón thanked staff for the presentation and asked about the criteria for awarding the contract, and questioned the legality of providing the information to the Council and the public.

City Attorney Severino provided clarification regarding the Request for Qualifications for engineer/architect services and stated the information for the contract award.

Further discussion ensued between Council and staff regarding the bidding process.

Motion: Require future staff reports to include all procurement processes allowed, the bidder's name, ranking, headquarters, and the amount of their proposals.
Moved by Andrea Alarcón, seconded by Richard J. Loa.

Vote: Motion carried (5-0)
Yes: Eric Ohlsen, Austin Bishop, Richard J. Loa, Laura Bettencourt, Andrea Alarcón.

Councilmember Alarcón issued a statement addressing a personal incident that occurred several months ago.

5) CONSENT CALENDAR

Public Comments: Jason Zink spoke in favor of the sidewalk gap closure project, requested additional sidewalks and a trail around the flood basin, and opposed the California Choice Energy item.

5.1) Waive full reading of the Resolution(s) and/or Ordinance(s) to be considered and voted on at this meeting. (This allows for reading the title only in lieu of reciting the entire text).

5.2) Receive and file the Monthly Investment Activity Reports for November 2025.

5.3) Adopt Resolution No. CC 2026-001, a Resolution of the City Council of the City of Palmdale restating the City's Investment Policy and repealing Resolution No. CC 2025-004, and adopt Resolution No. CC 2026-002, a Resolution of the City Council of the City of Palmdale restating the Investment Policy for the City contributions to the Retiree Health Reimbursement Arrangement (HRA) plan and the Retiree Health Premium Supplement (HPS) plan and repealing Resolution No. CC 2025-005.

5.4) Review and approve the amended Palmdale Aerospace Incentive Program Guidelines and Application in accordance with development milestones for new construction projects.

Director of Economic and Community Development Taggart introduced Interim Economic Development Manager Glynn, who presented the staff report.

Councilmember Loa questioned the number of applicants in the two years since the program began. Interim Economic Development Manager Glynn responded that one application had been received, and one award had been granted.

Discussion ensued between Council and staff regarding increasing incentives, funding, and advertising.

Councilmembers Bettencourt and Alarcón spoke in support of the program.

Motion: Approve the amended Palmdale Aerospace Incentive Program Guidelines and Application in accordance with development milestones for new construction projects.
Moved by Andrea Alarcón, seconded by Austin Bishop.

Vote: Motion carried (5-0)
Yes: Eric Ohlsen, Austin Bishop, Richard J. Loa, Laura Bettencourt, Andrea Alarcón.

5.5) Approve Construction Agreement with Azas Engineering, Inc., for PN 916, 3rd Street East ADA Improvements and Sidewalk Gap Closure Project for a total not to exceed amount of $435,065 for a term of 45 working days from the date of the Notice to Proceed.

Councilmember Loa questioned the bidding sheets and asked if an AI application is used. Director of Public Works Torres stated that an AI application is not used and that the department uses its own matrix.

Motion: Approve Construction Agreement with Azas Engineering, Inc., for PN 916, 3rd Street East ADA Improvements and Sidewalk Gap Closure Project.
Moved by Richard J. Loa, seconded by Austin Bishop.

Vote: Motion carried (5-0)
Yes: Eric Ohlsen, Austin Bishop, Richard J. Loa, Laura Bettencourt, Andrea Alarcón.

5.6) Approve the First Amendment to Agreement with RHA Landscape Architects-Planners, Inc., for design services for PN 871, Oasis Park Basin Upgrades Project, increasing the agreement by $57,607 for a total not to exceed amount of $364,205 for a term of 12 months from the date of the Notice to Proceed.

5.7) Approve Second Amendment to Agreement for administrative services with California Choice Energy Authority (CalChoice) in the amount of $1,823,978 for a term of one year.

5.8) Approve the minutes from the previous meeting.

Motion: Approve the items listed on the Consent Calendar with the exception of items 5.4 and 5.5.
Moved by Austin Bishop, seconded by Richard J. Loa.

Vote: Motion carried (5-0)
Yes: Eric Ohlsen, Austin Bishop, Richard J. Loa, Laura Bettencourt, Andrea Alarcón.

6) PUBLIC HEARING

6.1) Continue item to February 3, 2026 - Adopt Ordinance No. 1665, an Ordinance of the City Council of the City of Palmdale amending Title 8, Health, Safety, and Technical Construction Codes of the Palmdale Municipal Code regarding eligibility requirements for organizations obtaining safe and sane firework permits and finding the ordinance exempt from environmental review.

7) APPOINTMENTS

7.1) Review and provide direction on changes to existing committee appointments.

Mayor Ohlsen made a statement regarding Council unity for the city and the restoration of all council members to the boards and committees.

Public Comment: Jason Zink spoke about the appointments, the restoration of Councilmembers Loa and Alarcón to boards and committees.

Mayor Ohlsen announced the following:

Antelope Valley Air Quality Management District (AVAQMD):

Delegate: Mayor Pro Tem Bishop
Delegate: Mayor Ohlsen
Alternate: Councilmember Bettencourt

Antelope Valley Fairgrounds Authority:

Delegate: Councilmember Loa

Antelope Valley Transit Authority (AVTA):

Delegate: Mayor Ohlsen
Delegate: Councilmember Loa
Alternate: Councilmember Bettencourt

California Contract Cities Association (CCCA):

Delegate: Councilmember Alarcón
Alternate: Mayor Pro Tem Bishop

City of Palmdale Audit Committee:

Delegate: Mayor Pro Tem Bishop
Delegate: Councilmember Bettencourt
Alternate: Councilmember Loa

City of Palmdale Investment Oversight Committee:

Member: Mayor Ohlsen
Member: Councilmember Loa

Enhanced Infrastructure Financing District (EIFD) Public Financing Authority (PFA):

Member: Mayor Pro Tem Bishop
Member: Councilmember Loa

High Desert Corridor Joint Powers Authority (HDC JPA):

Director: Mayor Ohlsen
Alternate: Councilmember Loa

Cal Cities Desert Mountain Division (DMD):

Delegate: Councilmember Alarcón
Alternate: Councilmember Bettencourt
Second Alternate: Councilmember Loa

Los Angeles County City Selection Committee:

Delegate: Councilmember Loa

Los Angeles County Sanitation Districts No. 14 and 20:

District No. 14
Delegate: Mayor Ohlsen
Alternate: Mayor Pro Tem Bishop

District No. 20
Delegate: Mayor Ohlsen
Second Director: Mayor Pro Tem Bishop
Alternate Director: Councilmember Loa

North Los Angeles County Transportation Coalition (NCTC):

Delegate: Mayor Ohlsen
Alternate: Interim City Manager Mendez
Business Rep: Mayor Pro Tem Bishop
At-Large Rep: Councilmember Loa

Palmdale Recycled Water Authority (PRWA)

Director: Councilmember Bettencourt
Director: Mayor Pro Tem Bishop
Alternate: Councilmember Loa

Palmdale Tourism Improvement District (PTID)

Director: Mayor Pro Tem Bishop

Southern California Association of Governments (SCAG) General Assembly:

Delegate: Mayor Ohlsen
Alternate: Councilmember Loa

Southern California Association of Governments (SCAG) Regional Council District 43:

Delegate: Mayor Pro Tem Bishop

Palmdale Sister City Association:

Delegate: Councilmember Alarcón
Delegate: Councilmember Loa
Alternate: Councilmember Bettencourt
Alternate: Mayor Pro Tem Bishop

California State Prison – Los Angeles County, Citizens Advisory Committee:

Delegate: Councilmember Bettencourt
Alternate: Councilmember Loa

Motion: Approve Council recommendations regarding committee appointments.
Moved by Laura Bettencourt, seconded by Richard J. Loa.

Vote: Motion carried (5-0)
Yes: Eric Ohlsen, Austin Bishop, Richard J. Loa, Laura Bettencourt, Andrea Alarcón.

Motion: Approve Council recommendations regarding committee appointments as amended, adding League of Cities appointments.
Moved by Laura Bettencourt, seconded by Richard J. Loa.

Vote: Motion carried (5-0)
Yes: Eric Ohlsen, Austin Bishop, Richard J. Loa, Laura Bettencourt, Andrea Alarcón.

Following the closed session, City Attorney Severino and Deputy City Manager Lopez provided clarification regarding the Cal Cities name change and appointment.

Motion: Approve Council recommendations regarding committee appointments, amending Cal Cities DMD as follows: Delegate: Councilmember Alarcón, Alternate: Councilmember Bettencourt, and Second Alternate: Councilmember Loa.
Moved by Laura Bettencourt, seconded by Eric Ohlsen.

Vote: Motion carried (5-0)

Yes: Eric Ohlsen, Austin Bishop, Richard J. Loa, Laura Bettencourt, Andrea Alarcón.

8) CITY MANAGER'S REPORT

Interim City Manager Mendez announced the following: Journey USA at the Palmdale Playhouse on January 16 and 17; Season of Service at SAVES; Martin Luther King celebration on January 19; Justice Sunday Performance at 4 pm at the Palmdale Playhouse on January 24; New Year, New Cheer at the Palmdale Playhouse at 7 pm on January 31.

9) SHERIFF'S REPORT

Captain Bardon provided a recap of the year and an update on response times for routine calls for service, working with the Partners Against Crime Team, property crimes, gang-related shootings, the number of firearms recovered, collisions, and the Virtual deputy. He announced the Spanish-speaking Virtual deputy is live and at nine sheriff's department stations. He took a moment to spotlight over 100 coordinated community events, including the Haunted Jail and the Interfaith Prayer Breakfast, and is looking forward to increasing that number in 2026.

Councilmember Loa asked about the number of catalytic converters that had been stolen. Sheriff Bardon responded.

Councilmembers Alarcón and Bettencourt thanked the Sheriff for the report and spoke highly of the virtual deputy.

10) NON-AGENDA PUBLIC COMMENTS

Eugene Hernandez spoke about city staff, the Chimbole Cultural Center, the needs of the Chicano Community, and AV Edge.

Roger thanked Parks and Recreation for the trash cans at Arnie Quinones Park and requested a picnic table and a sidewalk in front of his house.

Rich Gallego spoke about stolen catalytic converters, the conduct of Councilmember Alarcón and committee assignments, and the Council code of conduct.

Marcos Alvarez spoke about events happening nationally, regionally, and locally, thanked Councilmember Bettencourt for getting a light in the neighborhood fixed, and requested an investment into improving drains, and spoke in support of small businesses.

Jason Zink spoke about accountability and the violation of rights related to elections and districts.

11) COUNCIL REPORTS, ANNOUNCEMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

11.1)Council Reports

Councilmember Alarcón filed her Council report, complimented the holiday display at Poncitlan Square, and spoke about the Kicks for Kids event at McAdam Park. She requested a follow-up on the motion made at a previous meeting regarding ICE and the Sheriff's Department and requested an update on new laws and the ongoing litigation related to them.

Mayor Pro Tem Bishop attended various events, including Jolly Holiday, the opening of San Fernando Coffee Company, Pines & Presents at the Auto Mall, the SAVES giveaway, and the DryTown groundbreaking for the new slides.

Councilmember Bettencourt filed her report and spoke about various gift-giving events.

Councilmember Loa spoke about the Christmas tree lighting at Poncitlan Square, attended the AVTA holiday event, and requested a review of the City Manager applications received to evaluate all potential candidates.

Mayor Ohlsen attended various events throughout December, especially food giveaways, and spoke about affordability and community safety.

Motion: Discuss her motion from a past meeting related to ICE and the Sheriff's Department, and provide an update on ongoing litigation, the new laws SB 805 and SB 627, and any policies the Sheriff's Department has implemented in response.
Moved by Andrea Alarcón, seconded by Eric Ohlsen.

Vote: Motion carried (4-0)
Yes: Eric Ohlsen, Richard J. Loa, Laura Bettencourt, Andrea Alarcón.
Abstain: Austin Bishop.

Motion: Receive a status update on the selection of City Manager.
Moved by Richard J. Loa, seconded by Andrea Alarcón.

Vote: Motion carried (5-0)
Yes: Eric Ohlsen, Austin Bishop, Richard J. Loa, Laura Bettencourt, Andrea Alarcón.

12) CLOSED SESSION

Public Comments: None.

City Attorney Severino confirmed items 12.2 and 12.3 would be heard as listed.

12.1) CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Concerning CV Communities, LLC v. Antelope Valley-East Kern Water Agency, et al. Los Angeles Superior Court 20STCV10953
This closed session is being held pursuant to the authority of California Government Code Section 54956.9(d)(1).

12.2) CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION
Significant exposure to litigation: (1 potential case – facts and circumstances unknown to potential plaintiffs)
This closed session is being held pursuant to the authority of California Government Code Section 54956.9, paragraph (2) of subdivision (d).

12.3) PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: City Attorney

This closed session is being held pursuant to the authority of California Government Code Section 54957.

13) ANNOUNCEMENT BY CITY ATTORNEY

Closed Session was held from 6:40 p.m. to 7:52 p.m.

City Attorney Severino announced the following:

12.2 - There was no reportable action.

12.3 - There was no reportable action.

14) ADJOURNMENT

Mayor Ohlson adjourned the meeting at 7:53 pm to February 3, 2026, at 5:00 pm in the City Hall Council Chamber located at 38300 Sierra Highway, Suite B, Palmdale, California.

PASSED, APPROVED, and ADOPTED this 3rd day of February 2026.

_____
Eric Ohlsen, Mayor

ATTEST:

_____
Rochelle Scott, City Clerk

City Council Staff Report

DATE: **FEBRUARY 3, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **OPERATIONS DEPARTMENT**
HUMAN RESOURCES DIVISION

DISTRICT: **ALL**

SUBJECT: **RECEIVE AND FILE THE FISCAL YEAR 2025-26 ANNUAL EMPLOYEE VACANCY REPORT, IN ACCORDANCE WITH ASSEMBLY BILL 2561**

RECOMMENDATION

Staff recommend that the City Council:

1. Hold a public hearing to accept public testimony; and,

2. Receive and file the Fiscal Year (FY) 2025-26 Annual Employee Vacancy Report, in accordance with Assembly Bill 2561.

BACKGROUND

On September 22, 2024, Governor Newsom signed Assembly Bill 2561 (AB 2561) into law, which became effective on January 1, 2025. AB 2561 requires public agencies to address the status of vacancies. The California Legislature recognized that vacancies in the public sector pose challenges that can and negatively impact the delivery of public services.

DISCUSSION

AB 2561 requires the City to present the status of vacancies, recruitment efforts, and retention efforts at a public hearing held at least once each fiscal year prior to adoption of the annual budget. Specifically, the statute requires public agencies to:

- Report job vacancies, recruitment, and retention efforts;
- Identify policies or practices that may lead to obstacles or negatively impact the hiring process;
- Provide recognized bargaining units an opportunity to participate in the public hearing; and,

- If the number of job vacancies within a single bargaining unit meets or exceeds 20% of the total number of authorized full-time positions in a particular bargaining unit, provide additional data upon request of the recognized employee organization, including the total number of job vacancies within a bargaining unit, the total number of applicants for vacant positions within the bargaining unit, the average number of days to complete the hiring process from when a position is posted and opportunities to improve compensation and other working conditions.

Vacancies

As of July 1, 2025, the City has 318 City Council-approved, authorized full-time equivalent (FTE) budgeted positions. Of these 318 positions, 99 are represented by the Teamsters Local 986 Union.

As of January 2026, 290 FTEs were Active/Filled. The City of Palmdale has 28 vacant Full-time-equivalent (FTE) budgeted positions. Of these 28 positions, 11 are represented by the bargaining unit. This resulted in the following:

- overall vacancy rate is 8.81%; and,
- a bargaining unit vacancy rate of 11.11%.

Because both the overall and Teamsters Local 986 bargaining unit vacancy rates do not meet or exceed 20% of the total authorized full-time positions, the additional reporting provisions outlined in Government Code section 3502.3(c) are not triggered. Vacancies are attributable to retirements, resignations, terminations, and lateral transfers.

Recruitment Activity

As of January 2026, the City has:

- 4 full-time positions in active recruitment;
- 12 full-time recruitments that have closed and are currently in the interview or selection phase;
- 4 full-time positions for which candidates have been selected and are scheduled to begin employment on or after January 22, 2026; and,
- 34 full-time employees were hired as of July 1, 2025, 8 of whom are represented.

Employee Retention

Through the establishment and recruitment of additional Human Resources staff, the City is proactively addressing compensation, workplace conditions, and motivational factors, including growth and purpose, to foster a workforce that feels valued, supported, and invested in a long-term career with the City of Palmdale.

- **Professional Development Programs**: Build a leadership development program and other staff development opportunities to support continuing education and/or skill set expansion.
- **Employee Recognition & Incentives**: Formal employee engagement programs and merit-based benefits tied to years of service to acknowledge performance, milestones, and long-term commitment.
- **Competitive Benefits Package**: Completed a comprehensive Compensation and Classification study, enhanced dental and vision health benefits, retirement planning, and work-life balance support.
- **Flexible Work Arrangements**: 4/10 Alternative working schedules.

As of July 1, 2025, 275 of the 318 City Council-approved, authorized full-time equivalent (FTE) budgeted positions were filled. Of these 275 positions, 84 were represented by the Teamsters Local 986 bargaining unit.

As of January 2026, 290 positions are filled, with 88 represented by Teamsters Local 986 in the bargaining unit.

- Overall retention rate is 93.09%; and,
- a bargaining unit retention rate of 95.24%.

FISCAL IMPACT

$0; There is no fiscal impact associated with this action.

STRATEGIC PLAN

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

C. Involve and expand engagement to enhance public oversight and transparency.

Prepared by:	Janelle Samson, Director of Operations
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Salvador Mendez, Interim City Manager
Approved as to form:	Alexandra Severino, City Attorney

ATTACHMENTS

None

City Council Staff Report

DATE: **FEBRUARY 3, 2026**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

FROM: **CITY ATTORNEY'S OFFICE**

DISTRICT: **ALL**

SUBJECT: **LEGISLATIVE AND LITIGATION UPDATE REGARDING FEDERAL IMMIGRATION ENFORCEMENT**

RECOMMENDATION

Staff recommend that the City Council:

1. Receive and file legislative and litigation update regarding federal immigration enforcement.

BACKGROUND

On July 11, 2025, the federal court issued a preliminary injunction against federal enforcement agencies, including Immigration and Customs Enforcement (ICE), prohibiting the detention of individuals based on one, or a combination of the following factors: 1. Race/ethnicity; 2. Speaking Spanish or speaking English with an accent; 3. Presence at a particular location (e.g. bus stop, car wash, tow yard, day laborer pick up site, agricultural site, etc.); and, 4. The type of work one does.

In response to this ruling, the LASD amended its operational processes to include specific procedures to identify federal agents by on-scene LASD officers, including direction to request identification or agency credentials and record the encounter on the officer's body-worn camera.[1] On or about July 29, 2025, Los Angeles County intervened in the federal suit.

On August 1, 2025, the Ninth Circuit Court of Appeals upheld the lower court's ruling. On September 8, 2025, the U.S. Supreme Court granted a stay of the district court's July 11 injunction, pausing that injunction nationwide while appeals proceed. A more limited injunction on access to counsel procedures at B-18, a detention facility in Los Angeles, remains in place — but it applies only to that specific detention facility and that specific constitutional claim.

[1] July 11, 2025, LASD Newsletter.

On December 9, 2025, Los Angeles County Board of Supervisors adopted an ordinance prohibiting law enforcement officers from wearing facial coverings that obscure their face and personal disguises and requiring law enforcement officers to wear visible identification when performing duties that involve interaction with the public. The ordinance provides for exceptions to these requirements for undercover, protective, and Special Weapons and Tactics operations and exigent circumstances. The ordinance applies to incorporated areas of Los Angeles County.

The State enacted SB 805 No Vigilantes Act and SB 627 No Secret Police Act, which took effect on January 1, 2026. SB 805 revises California's impersonation laws to explicitly cover federal law enforcement officers and imposes misdemeanor penalties.[2] It requires any law enforcement agency operating in California, including federal law enforcement, to maintain and publicly post a written policy on the visible identification of sworn personnel.[3] Any law enforcement officer operating in California that is not uniformed must visibly display identification that includes their agency and either a name or badge number to the public when performing their enforcement duties, except as specified.[4] A violation of these provisions is a misdemeanor.

SB 627 prohibits a law enforcement officer, including federal law enforcement, from wearing a facial covering that conceals or obscures their facial identity in the performance of their duties, except as expressly authorized.[5] Law enforcement agencies operating in California must also maintain and publicly post a written policy regarding the use of facial coverings.[6]

LASD is in the process of crafting their policies required by SB 805 and SB 62 but have provided notice of the prohibition against wearing facial coverings to its officers.[7] The state's authority to enforce the new laws, SB 805 and SB 627, against the federal government is currently being challenged in federal court.[8]

The Department of Homeland Security has publicly declared that it will not comply. The case is pending and LASD awaits judicial guidance prior to proceeding with those provisions of law applicable to federal law enforcement.

DISCUSSION

The City contracts LASD for police services. There have been no changes to LASD's operational policy from July 11, 2025.

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[2] Penal Code § 538d.
[3] Government Code § 7288.
[4] Penal Code § 13654.
[5] Penal Code § 185.5.
[6] Government Code § 7289.
[7] December 17, 2025, LASD Newsletter.
[8] *United States v. State of California* (Case No. 2:25-cv-10999), filed November 17, 2025.

LASD's revised operational process responds and addresses concerns related to ICE officer identification, enforcement policy, and third-party impersonators. LASD's procedures follow the California Values Act (SB 54), which prohibit LASD from assisting with federal civil immigration enforcement. LASD officers may act in response to federal immigration enforcement operations to maintain public order, ensure the safety of community members, and protect the lives and safety of federal law enforcement officers involved in the operation, including the enforcement of state criminal laws.

While local law enforcement is prohibited from assisting with immigration enforcement pursuant to State law, pursuant to department operational process, LASD officers will attempt to identify, document, and record ICE agents and activities when responding on-site in accordance with department policy. This process addresses complaints related to ICE enforcement, the identification of ICE agents, and third-party impersonators.

Beginning January 1, 2026, all law enforcement agencies operating in California are prohibited from wearing facial coverings that conceal or obscure their facial identity while performing their duties, except as expressly authorized. All law enforcement officers not in uniform must visibly display identification that includes their agency and either a name or badge number to the public when performing their enforcement duties. The application of these requirements to the federal government awaits adjudication. LASD will update and post their policies regarding masks and officer identification as required by state law.

FISCAL IMPACT

$0; There is no fiscal impact to the City for this action.

STRATEGIC PLAN

Prepared by:	Alexandra Severino, City Attorney
Approved by:	Salvador Mendez, Interim City Manager
Approved as to form:	Alexandra Severino, City Attorney

ATTACHMENTS

July 11, 2025 LASD Newsletter
December 17, 2025 LASD Newsletter

25-05 - Encounters Involving Possible Federal Immigration Enforcement Operations

Los Angeles County Sheriff's Department

NEWSLETTER

Field Operations Support Services

VOLUME 25 NUMBER 05 DATE July 11, 2025

ENCOUNTERS INVOLVING POSSIBLE FEDERAL IMMIGRATION ENFORCEMENT OPERATIONS

PURPOSE

This Newsletter provides guidance to Department personnel when responding to reports or encounters involving U.S. Immigration and Customs Enforcement (ICE) or other federal agencies conducting immigration enforcement activities within the County. These operations often raise public concern and require a response from Department personnel that prioritizes safety, policy compliance, and public trust.

BACKGROUND

The Los Angeles County Sheriff's Department may receive calls for service involving suspected immigration enforcement activity, including incidents where federal agents may be operating in the community, near schools, businesses, or homes. These incidents can cause public confusion, fear, and unrest, especially when the agents are in unmarked vehicles, unidentifiable, or decline to show identification to community members.

In these instances, California Senate Bill 54, or the California Values Act which enacted and amended Government Code sections 7282 through 7282.5, and added sections 7284 through 7284.12 and County policy generally prohibit Department personnel from participating in civil immigration enforcement. Department personnel must remain neutral, avoid direct involvement in immigration enforcement, and ensure their actions are consistent with Department policy, the law, and the safety of the community.

DEPUTIES

When encountering or being dispatched to a situation possibly involving immigration enforcement, deputies should:

- Immediately notify a field supervisor, if a supervisor is not already assigned to the incident, of a

"possible federal enforcement action."

- Attempt to identify the federal agents. If the individuals are acting in an enforcement capacity but are not clearly identifiable, deputies should:
    - Request identification or agency credentials from the on-scene federal supervisor or agent-in-charge. If there is no on-scene supervisor or agent-in-charge, request identification or agency credentials from the individuals acting in an enforcement capacity.
    - Record the encounter on body-worn camera, including identification efforts.
    - If the individuals decline to identify themselves, observe from a safe distance and document (such as in a log, incident report, and/or body worn camera):
        - Physical descriptions of individuals
        - Agency markings (if any)
        - Number of personnel involved
        - Vehicle descriptions and license plates

If it is determined that an incident involves federal immigration enforcement conducted by federal agents, the actions of Department members should be limited to those authorized under California law. Department personnel may act to maintain public order, ensure the safety of community members, and protect the lives and safety of federal law enforcement officers involved in the operation. This may include enforcing California criminal laws, when necessary, particularly those related to public safety and public order, such as acts of violence, unlawful assembly, or vandalism.

- Deputies should focus on crowd control and public safety, ensuring the situation does not escalate into violence;
- Remain neutral. Deputies should use de-escalation techniques to prevent conflicts between ICE agents and the public;
- Deputies should avoid physical involvement or assistance in the immigration arrest/enforcement action while maintaining neutrality unless the situation presents a clear and present officer-safety situation for the federal agents;
- The incident should be thoroughly documented, including any actions taken by deputies and federal agents, in an MDC log entry or an incident report if necessary. Deputies should also notify a field supervisor immediately;
- Deputies should clearly communicate to members of the public that the Department is not involved in immigration enforcement and is present to ensure public safety; and

- Use de-escalation techniques to calm tensions and avoid confrontations between federal agents and members of the public.

Documentation and Reporting

Deputies should:

- Complete the appropriate Incident report(s) when required under the following circumstances:
    - A community member alleges a crime (e.g. kidnapping or false imprisonment);
    - There is confirmed criminal activity;
    - There is damage to property related to the incident;
    - Ensure all reports are thorough, objective, and submitted in accordance with Department policy and documentation standards; and
    - Title all Body Worn Camera videos in Evidence.com as “Federal Immigration Enforcement Action.”
- Complete a detailed MDC log entry documenting:
    - The nature of the incident, including location, time, individuals involved and actions taken;
    - Any crowd control or de-escalation measures employed; and
    - Supervisor notification and response.

SUPERVISOR

To ensure proper oversight and compliance with Department and County policies involving federal immigration enforcement actions, supervisors should:

- Respond to calls for service involving:
    - Possible federal immigration enforcement, or;
    - Alleged crimes such as kidnapping or false imprisonment by individuals appearing to be federal agents.
- Ensure that attempts to verify the credentials of the on-scene federal agent(s) or supervising officer(s) have been made.
- Ensure that deputies adhere to California law and County and Department policies regarding federal enforcement while maintaining public safety.

- Notify the Watch Commander immediately and provide all relevant information, including:
    - Nature of the incident;
    - Identity of involved federal agents (if known); and
    - Actions taken by deputies.
- Immediately report to the Watch Commander any incidents involving:
    - Any federal immigration-related interaction with a federal agency/agents;
    - Large-scale public disturbances; or
    - Media attention.

WATCH COMMANDER

Upon notification of a federal immigration enforcement action or relevant incident, Watch Commanders should:

- Closely monitor the situation.
- Document the activity and all pertinent information in the Watch Commander Daily Log, including:
    - Community allegations of criminal activity;
    - Agent identification attempts; and
    - Department members' actions and policy compliance.
- Complete an after-action summary in a Chief's memo, per MPP 4-01/100.25 – Important Cases and incidents, noting:
    - Specific details of the incident; and
    - Any community issues or concerns.

ADDITIONAL REFERENCES

SH-AD-757 Federal Enforcement Operations - Watch Commander Checklist

MPP 4-01/100.25 - Important Cases and Incidents

MPP 5-09/271.00 - Immigration Inquiries and Notification

MPP 3-01/140.00 Deputy Stops – Government Code Section 12525.5

Newsletter 23-06 AB 2773 (2022) – Stating and Documenting the Reason for Traffic Stops

If you require further information, contact Field Operations Support Services at (323) 890-5411 or fossunit@lasd.org.

Revised: 7/11/2025

25-11 - Face Covering/ Identification of Law Enforcement Personnel

Los Angeles County Sheriff's Department

NEWSLETTER

Field Operations Support Services

VOLUME 25 NUMBER 11 DATE: December 17, 2025

FACE COVERING/ IDENTIFICATION OF LAW ENFORCEMENT PERSONNEL

PURPOSE

This informational newsletter is designed to inform Department members about California Senate Bill 627, codified in California Penal Code section 185.5, that bans law enforcement officers from wearing facial coverings that conceal or obscure their facial identity (including ski masks, gaiters, and similar opaque face coverings) in the performance of their duties.

This law goes into effect on January 1, 2026.

Department personnel must ensure compliance with the law which prohibits wearing facial coverings, unless covered by the statutory exceptions.

BACKGROUND

California Penal Code section 185.5, enacted by California Senate Bill 627, prohibits federal and local law enforcement officers from wearing facial coverings as defined (including, but not limited to, ski masks, balaclavas and neck gaiters) during law enforcement operations. This law provides for exceptions to the facial covering prohibition, including for undercover law enforcement operations, officers performing Special Weapons and Tactics responsibilities, and medical needs.

Please note that the provisions as applied to federal law enforcement officials is under review by judicial authorities. The Department will wait for judicial guidance before proceeding with that provision of the law.

In addition, California Government Code section 7289 was added, which requires that by July 1, 2026, law enforcement agencies operating in California maintain and publicly post a written policy regarding the use of facial coverings, with specified requirements, including a list of narrowly tailored exemptions. The Department is in the process of crafting that policy.

To support the enactment of these laws, the legislature made several findings including that “the routine use of facial coverings by law enforcement officers has significant implications for public perception, officer-community interactions, and accountability.”

PROVISIONS OF SB 627:

- **Defines Face Coverings:** Defines "facial covering" for purposes of newly added Penal Code section 185.5 as any opaque mask, garment, helmet, headgear, or other item that conceals or obscures the facial identity of an individual, including, but not limited to, a baclava, tactical mask, gator, ski mask, and any similar type of facial covering or face-shielding item.

The law specifies that "facial covering" does **not** include:

  - a translucent face shield or clear mask that does not conceal the wearer's facial identity and is used in compliance with the agency's policy and procedures;
  - a N95 medical mask or surgical mask to protect against transmission of disease or infection;
  - air-purifying respirators, or self-contained breathing apparatuses necessary to protect against exposure to toxin, gas, smoke, inclement weather or any other hazardous or harmful environmental conditions,
  - a mask or device necessary for underwater use;
  - a motorcycle helmet when worn by an officer using a motorcycle or other vehicle that requires a helmet for safe operations; or
  - eyewear necessary to protect from the use of retinal weapons.

- **Bans Face Coverings:** Prohibits the wearing of masks (such as neck gaiters, ski masks) while in the performance of law enforcement operations.

- **Specifies Exceptions:** Allows face coverings for Special Enforcement Bureau (Special Weapons and Tactics - SWAT) in the performance of SWAT responsibilities, active undercover operations or assignments, tactical operations where protective gear is required for physical safety, the protection of identity during prosecution, and as may be required by law for occupational health and safety and/or a reasonable accommodation.

- **Agency Policies:** Mandates that agencies create policies to comply with the law by July 1, 2026. Allows a member of the public, an oversight body, or a local governing authority to submit a written challenge to the legality of these policies. Provides that agencies have 90 days to correct any deficiencies and permits complaining parties to seek judicial review of challenged policies.

- **Criminal Penalties:** Imposes criminal penalties for willful and knowing violations of the prohibition and provides that the specified criminal penalties will **not** apply to any law enforcement officer **if they were acting in their capacity as an employee of the agency and the agency maintains and publicly posts a written policy pursuant to Government Code section 7289.**

- **Civil Penalties:** Imposes civil penalties for officers who commit tortious conduct while violating the facial covering prohibition including assault, battery, false imprisonment, false arrest, abuse of process or malicious prosecution.

In addition to the state law, Los Angeles County is advancing its own ordinance to prohibit law enforcement from masking. Effective January 8, 2026, the County ordinance prohibits the wearing of masks or disguises while interacting with the public when working in unincorporated areas of Los Angeles County.

If you require further information, contact Field Operations Support Services at (323) 890-5411 or fossunit@lasd.org.

REFERENCES

Senate Bill 627 (SB 627)

Senate Bill 805 (SB 805)

3-03/340.00 - Name Tags

3-03/070.95 - Deputy Sheriff Identification

3-03/340.01 - Name Tag Exceptions