

**AGENDA
REGULAR MEETING
CITY OF BANNING
BANNING, CALIFORNIA**

January 26, 2016
5:00 p.m.

Banning Civic Center
Council Chambers
99 E. Ramsey St.

The following information comprises the agenda for a regular meeting of the City Council; and a Joint Meeting of the City Council and the City Council Sitting in Its Capacity of a Successor Agency.

Per City Council Resolution No. 2010-38 matters taken up by the Council before 9:00 p.m. may be concluded, but no new matters shall be taken up after 9:00 p.m. except upon a unanimous vote of the council members present and voting, but such extension shall only be valid for one hour and each hour thereafter shall require a renewed action for the meeting to continue.

I. CALL TO ORDER

- Invocation – Pastor Tate Crenshaw, Lifepoint Church
- Pledge of Allegiance
- Roll Call – Councilmembers Franklin, Miller, Moyer, Peterson, Mayor Welch

II. REPORT ON CLOSED SESSION

III. PUBLIC COMMENTS/CORRESPONDENCE/PRESENTATIONS

PUBLIC COMMENTS – On Items Not on the Agenda

A five-minute limitation shall apply to each member of the public who wishes to address the Mayor and Council on a matter not on the agenda. No member of the public shall be permitted to “share” his/her five minutes with any other member of the public. (Usually, any items received under this heading are referred to staff or future study, research, completion and/or future Council Action.) (See last page. PLEASE STATE YOUR NAME AND ADDRESS FOR THE RECORD.)

CORRESPONDENCE: Items received under this category may be received and filed or referred to staff for future research or a future agenda.

PRESENTATIONS:

1. Riverside County Fair & National Date festival Queen & Court (ORAL)
2. Annual Stagecoach Days Update – Presented by Amy Pippenger (ORAL)

The City of Banning promotes and supports a high quality of life that ensures a safe and friendly environment, fosters new opportunities and provides responsive, fair treatment to all and is the pride of its citizens.

IV. ANNOUNCEMENTS/REPORTS *(Upcoming Events/Other Items if any)*

- City Council
- City Committee Reports
- Report by City Attorney
- Report by City Manager

V. CONSENT ITEMS

(The following items have been recommended for approval and will be acted upon simultaneously, unless a member of the City Council wishes to remove an item for separate consideration.)

Motion: To approve Consent Items 1 through 3

Items to be pulled _____, _____, _____, _____ for discussion.

(Resolutions require a recorded majority vote of the total membership of the City Council)

1.	Approval of Minutes – Special Meeting – 01/12/16 (Workshop)	1
2.	Approval of Minutes – Special Meeting – 01/12/16 (Closed Session)	19
3.	Approval of Minutes – Regular Meeting – 01/12/16	21

- Open for Public Comments
- Make Motion

**RECESS REGULAR CITY COUNCIL MEETING AND CALL TO ORDER A JOINT MEETING
OF THE BANNING CITY COUNCIL AND THE BANNING CITY COUNCIL SITTING IN ITS
CAPACITY OF A SUCCESSOR AGENCY**

VI. CONSENT ITEM

1.	Resolution No. 2016- 01SA, Approving the Establishment of Recognized Obligation Payment Schedule 16-17 A & B for the Period of July 2016 through June 2017 and Approving Certain Related Actions	41
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REPORTS

1.	Resolution No. 2016-13 and Resolution No. 2016-02 SA, Approving a Bond Expenditure Agreement between the Successor Agency to the Dissolved Community Redevelopment Agency of the City of Banning and the City of Banning, and approving related actions	53
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(Staff Report – Rochelle Clayton, Administrative Services Director/
Deputy City Manager)

Recommendations:

- 1) **City Council adopt Resolution No. 2016-13, approving a Bond
Expenditure Agreement between the Successor Agency to the
Dissolved Community Redevelopment Agency of the City of
Banning and the City of Banning, and approving related actions.**
- 2) **The Successor Agency adopt Resolution No. 2016-02 SA, approving a
Bond Expenditure Agreement between the Successor Agency to the
Dissolved Community Redevelopment Agency of the City of Banning
and the City of Banning, and approving related actions.**

RECONVENE regular City Council Meeting.

VII. REPORTS OF OFFICERS

1. Resolution No. 2016-09, Initiating Proceeding to Update Landscape Maintenance District No. 1 for Fiscal Year 2016/201773
Staff Report – Art Vela, Acting Public Works Director

Recommendation: Adopt Resolution No. 2016-09, Initiating Proceedings to Update Landscape Maintenance District No. 1 for Fiscal Year 2016/2017.

2. Resolution No. 2016-06, Approving an Amendment to the Professional Services Agreement with Albert A. Webb Associates81
Staff Report – Art Vela, Acting Public Works Director

Recommendation: Adopt Resolution No. 2016-06, Approving an Amendment to the Professional Services Agreement with Albert A. Webb Associates

VIII. SCHEDULED MEETINGS

BANNING UTILITY AUTHORITY (BUA) – no meeting

BANNING FINANCING AUTHORITY (BFA) – no meeting.

IX. ITEMS FOR FUTURE AGENDAS

New Items –

1. Schedule Strategic Planning Workshop (Goal Setting) for March 29, 2016

Pending Items – City Council

X. ADJOURNMENT

Pursuant to amended Government Code Section 54957.5(b) staff reports and other public records related to open session agenda items are available at City Hall, 99 E. Ramsey St., at the office of the City Clerk during regular business hours, Monday through Friday, 8 a.m. to 5 p.m.

NOTICE: Any member of the public may address this meeting of the Mayor and Council on any item appearing on the agenda by approaching the microphone in the Council Chambers and asking to be recognized, either before the item about which the member desires to speak is called, or at any time during consideration of the item. A five-minute limitation shall apply to each member of the public, unless such time is extended by the Mayor. No member of the public shall be permitted to “share” his/her five minutes with any other member of the public.

Any member of the public may address this meeting of the Mayor and Council on any item which does not appear on the agenda, but is of interest to the general public and is an item upon which the Mayor and Council may act. A five-minute limitation shall apply to each member of the public, unless such time is extended by the Mayor. No member of the public shall be permitted to “share” his/her five minutes with any other member of the public. The Mayor and Council will in most instances refer items of discussion which do not appear on the agenda to staff for appropriate action or direct that the item be placed on a future agenda of the Mayor and Council. However, no other action shall be taken, nor discussion held by the Mayor and Council on any item which does not appear on the agenda, unless the action is otherwise authorized in accordance with the provisions of subdivision (b) of Section 54954.2 of the Government Code.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office (951) 922-3102. **Notification 48 hours prior to the meeting** will enable the City to make reasonable arrangements to ensure accessibility to this meeting. [28 CFR 35.02-35.104 ADA Title II]

MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

01/12/16
SPECIAL MEETING

A special meeting of the Banning City Council was called to order by Mayor Welch on January 12, 2016 at 3:00 p.m. at the Banning Civic Council Chambers, 99 E. Ramsey Street, Banning, California.

COUNCIL MEMBERS PRESENT: Councilmember Franklin
Councilmember Miller
Councilmember Moyer
Councilmember Peterson
Mayor Welch

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT: Michael Rock, City Manager
David J. Aleshire, City Attorney
Anthony R. Taylor, City Attorney
Rochelle Clayton, Administrative Services Dir./Deputy City Manager
Art Vela, Acting Public Works Director
Steve Dukett, Consultant
Sonja De La Fuente, Office Specialist
Marie A. Calderon, City Clerk

PUBLIC COMMENTS – On Items Not on the Agenda

Mayor Welch opened the item for comments from the public; there were none.

WORKSHOP REPORT

1. Tax Allocation Bonds (TABS)
(Staff Report – Art Vela, Acting Public Works Director)

Acting Director Vela stated that this was a follow-up workshop to the December 8, 2015 meeting where they discussed the Tax Allocation Bonds proceeds. The goal of this workshop is to get direction from the Council on how to allocate the remaining portion of those funds and what projects to use the funding on. At this time Acting Director Vela presented his power-point presentation (attached Exhibit "A") giving some background, balance of the funds, allowable project activities, proposed projects discussed previously, and other project examples. He also introduced Steve Dukett who is here to answer any questions that may be related to the bonds.

Councilmember Moyer said the last time they looked at this map they discussed Lincoln going all the way through and that is in the redevelopment area. There has been some discussion about putting Lincoln or Westward through to Sun Lakes Boulevard.

Acting Director Vela said he is not sure how detailed this map is when it was recorded and he would venture to say that they could probably fit a portion of one of the alternatives of the Lincoln Street alignment in the redevelopment zone but eventually it is going to curve back down to Highland Home Road or Sun Lakes Boulevard so a portion would be out of the project area. That is something that staff would have to take a look at and find additional funding for that project.

Councilmember Miller said one of the future projects that we are hoping for is the Joshua Palmer Project and can these funds be used for that or are there other funds for that project.

Acting Director Vela said that project is also within the project area. The City has a development agreement with Pardee that actually requires them to do those improvements so he feels there would be other projects that would be a better candidate since that funding would come from the developer.

Councilmember Miller asked about the overpass at the railroad for the students on San Gorgonio.

Acting Director Vela said that was talked about last time also and that also falls within the project area and he wouldn't be able to guarantee that they would be able to finish that project within the three-year time limit. The only reason he is saying that is because the Union Pacific Railroad is involved, there would be some possible right-of-way or easement acquisitions and would be heavily involved with other agencies.

Councilmember Miller said \$2.5 million dollars to him is not an insignificant amount of money and when it comes to the proposed project regarding the improvement of Ramsey Street that can be done \$30 dollars at a time; you can fix one block at a time. It is not often that we get \$2.5 million dollars and he would like to see it spent on something where it is difficult to find that amount of money simultaneously. The overpass is one possibility and changing Lincoln Street is another possibility. Again, his objection to the Ramsey Street project is that it does not have to be done in one fail swoop. He would like to see proposals for other projects that actually require that amount of money and cannot be done piecemeal.

Councilmember Peterson said over the last three years we have come across a million here and a million there and he has seen it set-a-side and used for road-widening, curb, sidewalk, etc. from Highland Home to Highland Springs; that was one project. And then he has seen another million dollars go to handicap ramps throughout the city that lead to nowhere and that is more waste of money, etc. The other thing that he has seen is that everything that has been spent is west of 22nd Street and he sees nothing coming to the east side. The east side of town that looks pretty ragged and you would think that some of these funds would be diverted over to that side in order to try to stimulate some economic growth. You mentioned a 12 inch water line on Ramsey Street from Sunset to Highland Home Road and personally he doesn't know of anybody that is trying to put in a new building or anything along that section of roadway that is hampered from doing it because of the 12 inch waterline. But he does know two developers on the east side that would like to improve lots that they have purchased between Hargrave and Caltrans and they can't because the City is requiring them to put in a 12 inch waterline from Hargrave to Caltrans which he doesn't understand but that is what he has been told. He feels the money should be utilized to stimulate growth, to stimulate economic development, and to do something that is going to bring

some tax base in to town and not like Councilmember Miller said squandered and piecemealed together.

Councilmember Franklin said when you talked about the projects and if they are along areas that are currently not developed would the owners of those properties be conditioned for any reimbursement when they are developed. Like on Hoffer Street where there are just vacant lots.

Acting Director Vela said to clarify, if you are asking if we go in there and construct the offsite street improvements for them he doesn't believe the developer would have to reimburse the City. He believes the intention of the funding is to take that burden off the developer just like Councilmember Peterson just mentioned.

Councilmember Franklin said in that case then she thinks especially Hathaway is one street that gets a lot of traffic and that is probably one of the worst streets here in town. In regards to San Gorgonio at Lincoln Street how much would we have to worry about Caltrans with that being part of Route 243.

Acting Director Vela said that they would be involved with the projects and would be included during the design. At that point it is simply a widening of the street. The difficulty with that project is that there is a pretty big dip at that intersection so we would reconstruct a profile of that road to eliminate that dip so they would be involved with the plan check of those plans and the permitting process. As we move south of Lincoln on 8th Street that is all within City property so that would be outside of their jurisdiction.

Councilmember Franklin said when you talk about the water main is that the worst section that we have still pending in the redevelopment area for the waterline.

Acting Director Vela said that it is one of the worst. If you remember, we redid all the waterlines here in the downtown; approximately 3 miles of mainline pipe. The area that Councilmember Peterson has mentioned there is no water main that goes east of Hathaway to the Caltrans facility.

Councilmember Peterson said that Roosevelt Williams Park has been earmarked for \$2.5 million and Hargrave/Ramsey Intersection for \$2 million; did the Council approve that.

Acting Director Vela said yes. The design contracts came to Council and discussion of the funding was part of that.

Councilmember Moyer said this waterline from Hargrave to Caltrans sounds interesting but you said we don't have an existing line now and is that correct.

Acting Director Vela said not one that would meet the required fire flows for future development. So if someone wanted a small landscape meter for now that existing line would be enough. As soon as they start developing those parcels the fire department would require an increased amount of fire flow capacity.

Councilmember Moyer said to you knowledge have we lost any development in the area that he was mentioning.

Acting Director Vela said they had a couple of meetings with the developer west of Sunset and he believes they wanted to bring in an auto parts store and as part of that project they were going to be conditioned to install a waterline from Sunset all the way to their property. If he remembers, they were on the westerly edge of the City's proposed limits so they were going to have to install basically a mile of 12 inch line for their project. That would go the same for any project that wants to develop in that area.

Mayor Welch said he noticed on page 10 there was listed a suggestion for "Other Project Examples" for the reconstruction and widening of Hathaway Street (Ramsey Street to Hoffer Street). He is positive that within the short future we are going to have money available to us that would allow us to pay attention to Hathaway so if there is any positive thing towards that money that is going to happen he would like to suggest to the Council to be very careful that we are not doing something that we are going to have money for in the near future.

Councilmember Franklin said with the governor doing his budget and then the water bonds can some of this money be used as the City's match if we were to apply for some grants for water projects.

Acting Director Vela said the only thing that he would probably add to that is that we would have to make sure that we fall within that three-year time limit. Typically with those grant cycles it takes a while to apply and then to get approved for the money and eventually get to construction.

Councilmember Franklin said for the bonds does the money have to be just obligation or does it actually have to be spent and out the door.

Acting Director Vela said that it has to be obligated. Councilmember Franklin said so we could obligate it as a match if we were able to get grants because from what she is hearing there is a lot of money coming forward for water projects and especially as we deal with recycled water if there is a way to possible utilize some of this for our match it might allow us to get enough money to do some of the water projects we need to do here in the city.

Mayor Welch said if we were to decide and obligate these funds to projects during that three-year period are they flexible enough to be moved or are we stuck with them.

Mr. Dukett said it depends on how flexible the Council is. Big brother is not going to watch you other than to say that as part of a bond process you are making legal commitments that others can look at. Those others will not be the State Department of Finance. You have issues that IRS might visit and they do that once in a while but it doesn't happen too often. You also have bond insurers and that sort of thing that follow-up as to what you have done and that is periodic and you don't know if that is going to come at any particular point in time. It is always nice to have a nice back-pattern in reverse to explain what you did with your money and when you did it. But in terms of some big one-time only option comes up that you can't image today saying a year; could you reallocate somehow to move it so that you maximize all of your sources you don't commit in such a way that you inadvertently minimize the ability to get some of the funding source. He said he would do that. So it goes back to his comment as to how flexible is the Council; he hopes enough.

Councilmember Moyer said how specific do we have to be. Can we just allocate it for water improvements? Acting Director Vela said yes.

Mayor Welch said his reason for the whole question was based on the question that Councilmember Franklin was talking about in regards to possible grants. Should we allocate the funds for project "A" and we are able to get a matching grant can we move part of that funding to somewhere else to use the grant. Can we be that flexible?

City Manager Rock said he hears what he is saying but there comes a point where you can't start any project unless you have specified in some detail at least one or two projects otherwise you are going to wait until the end of the three years and then suddenly appropriate all of the money all at once and then start the project. You just have to be aware that if you are flexible that is okay but at some point we have got to be specific about each project and have a project budget and allocate all of the money for each specific project and if you wait until the very end, it just means you can't start any projects. Because once you start a project and you have already expended that money then your flexibility is decreasing over time so you have to be a little bit careful about that.

Mayor Welch said some of these funds the Council has already agreed to obligate such as the park and part of the street.

Councilmember Miller said that his generally feeling is that flexibility and laziness is identical. The money is here and we are supposed to make the decision and he thinks that the Council should make a decision however long it takes for the Council to do so.

Councilmember Franklin said the reason she is asking about the monies to match with the water ones is because it is here understanding is that there are some water monies becoming available right now. She is not talking about things that are coming three years from now. She asked if there is a way that we can find out what water dollars are going to be available within the next 12 months so we know what is out there so we can start planning if we were able to get some of those dollars. Acting Director Vela said yes that is something that they can do.

City Manager Rock suggested that staff come back to the Council in two weeks or a month with a pretty specific report about the Water Bond Act and what grant monies are available to local governments. It is complicated and most of the money is for drought and water conservation projects. Staff needs to understand it so that they can present it to Council as to whether any of the water bond money is for capital improvement projects such as main waterlines. So he thinks that should come back for discussion.

Mayor Welch opened the item for public comments.

Don Smith said he agrees with Councilmember Miller said about the median, he agrees with what Councilmember Peterson said about the waterline so we know about the approximate cost of the waterline between Sunset and Highland Home but we don't know the cost of the waterline east of Hargrave. In both of those areas potential developers when they do their study would quickly learn that there isn't a proper waterline so they will quickly go someplace else so having those in place could in fact spur someone to actually go further with their proposals than just

initial inquiries. He likes the idea of Hathaway because the City has been receiving monies that were supposed to be in part spent on fixing issues caused by Matich and on the other hand he doesn't know the status of the Matich lawsuit as well as the Council does so if those funds are soon to become available to use for that project then maybe we should use this money for something else. The widening of 8th Street south of Lincoln, especially between Lincoln and Barbour, he drives that every day and at school coming and going times that block is so narrow that if you have two cars and a kid walking somebody has to stop. That one block in particular is dangerous so widening that block would be high on his list. The underpass or overpass at San Gorgonio at the railroad tracks if we can't get it done in three years, then we probably can't put it on this list. But to ever get funding for it to search out a grant for the Safety to School Grants, that sort of thing, needs a plan. Perhaps we can at least budget to getting the plan done so we can then go out and get the grant. He would like to know what that study would cost, what the widening of 8th Street south of Lincoln would cost, and he would like to know how much Hathaway would cost, and what the waterline on the east side would cost because then based on those numbers you could then prioritize on how much money you have.

Mayor Welch closed the item for further public comments.

Councilmember Peterson said in regards to the overpass at the rail he has not really heard from any numerable number of people. He thinks the bigger question is that he has never heard the school talk about it. He has never seen anybody from the school board, never seen anybody from the school administration, and never seen anybody ever come and approach the podium and talk to the school about the overpass. He has heard a handful of people talk about it but when a school district is not talking about it, then obviously he doesn't think it is very high up their priority tree. Until someone from another agency comes in here and at least presents us with a problem, then he doesn't think it should be on our wish list.

Councilmember Miller said that redevelopment money's main function as far as he is concerned is to bring industry into the city and the waterline is obviously the one most likely to bring some business in. He would really like to see a statement as to exactly how much a waterline would cost that would cover the east side so we can get development into our city.

Councilmember Moyer said he met with the schools and they were not really concerned about the pedestrian overpass or whatever is going on out there and it bothered him a lot but he has concerns about that and he agrees that it might not be the right place. He asked if we have the same 4 inch line problem running all the way down east of here.

Acting Director Vela said no. There is actually a 14 inch waterline on Ramsey from Hargrave to Hathaway and that is where it stops. Then there was a line that was constructed with the industrial complex that was taken up Hathaway and from there there is an old existing 4 inch that runs east.

Councilmember Moyer said so the problem that Councilmember Peterson is eluding to is basically Hathaway to the Caltrans right-of-way. Acting Director Vela said that is correct and the distance is about 2,500 feet approximately.

Councilmember Franklin asked how the Council want to move forward because she thinks that we all have different ideas of what needs to be done. One that she really would like to see is the

east turn entrance into the city and some way add that to the list. But how do we want to move forward to say what our priorities are going to be.

Councilmember Moyer said both ends; it is almost ugly at Highland Springs coming into town. He totally agrees that it is even worse than that at the east end and that is why he was wondering the same thing with this median. He has driven up and down and looked at that median and yes it is iffy but it certainly is not what we have on the east side and he totally agrees. If we could clean that up and make that entrance nicer he thinks that will go a long way in his opinion.

City Manager Rock suggested that we come back in two weeks or a month with: 1) clarify what the water bond grant eligibility is for local governments and what those projects are; and 2) that we cost out some of the projects that the Council looked at tonight that haven't been estimated and staff will do a rough estimate of what the total project cost is to give the Council some more clarity on what their choices are and what those costs are. And then Council may be able to better narrow down the list and come to a decision on what those top priorities are and we will just keep working through this until we get to a list that the Council is all comfortable with.

Mayor Welch asked each of the Councilmembers to identify area that they feel is important for these funds and submit them to the City Manager and this will staff a little bit more direction.

Councilmember Franklin asked if they should submit their list before or after the City Manager gives them approximations of the projects.

Mayor Welch said he feels it could be done simultaneously of what your thoughts are should funds be available here is what I would like to see as the project to be included and some of them may be set aside because we don't have sufficient funds.

Councilmember Moyer said one caveat to all of this it doesn't do any good for us to clean up our entrances if Caltrans isn't going to clean up the exists and so forth in our city. We need to somehow get their attention and get them to be cleaning up their part because we are not allowed to go on Caltrans property and clean it up for them.

ADJOURNMENT

By common consent the meeting adjourned at 3:46 p.m.

Marie A. Calderon, City Clerk

THE ACTION MINUTES REFLECT ACTIONS TAKEN BY THE CITY COUNCIL. A COPY OF THE MEETING IS AVAILABLE IN DVD FORMAT AND CAN BE REQUESTED IN WRITING TO THE CITY CLERK'S OFFICE.

WORKSHOP: TAX ALLOCATION BOND PROCEEDS ("TABs")



January 12, 2016

OUTLINE

- Background
- Balance of Funds
- Allowable Projects Activities
- Proposed Projects
- Other Project Examples

BACKGROUND

- In 2003 the CRA refinanced the TABs 1992 Series to create the TABS 2003 Series.
 - Generated \$10,709,983.00 of revenues to support CRA activities and projects within the new Redevelopment Project Area.
 - Also revised the Redevelopment Project Area to create the Merged Downtown and Midway Redevelopment Project ("Redevelopment Project Area").
- In 2007 the approval was given to issue the TABs 2007 Series.
 - Generated \$29,965,000.00 in revenues to fund CRA activities and projects within the Redevelopment Project Area.

BACKGROUND

- Refinancing of the TABs 2003 and 2007 Series
 - Un-obligated proceeds would be utilized to pay down the bond debt and would no longer be available for projects
- On December 8, 2015 City Council elected to Transfer the TABs funds to the City as a one item lump sum and to identify projects at a later date.
 - Total amount transferred = \$8,367,000.00
 - Once the refinancing is completed, the City will have 3 years to spend the TABs proceeds.

TABs Balance

- Total TABs Balance:
 - Balance = \$8,367,000.00
- TABS 2003 Series:
 - Balance = \$846,000.00
- TABs 2007 Series:
 - Balance = \$7,521,000.00
- Funding has been earmarked for two projects:
 - Roosevelt Williams Park = \$2,500,000.00
 - Hargrave/Ramsey Intersection = \$2,000,000.00
- Remaining TABs (2003 & 2007) Funding
 - Balance = \$3,867,000.00

PROJECT ACTIVITIES

Approved Activities

◦ Revitalization of the Downtown

- New streetscapes.
- New commercial facades.
- Downtown parking lot.
- Development of the art park.
- Paving of alleyways for pedestrian passage.

Approved Activities

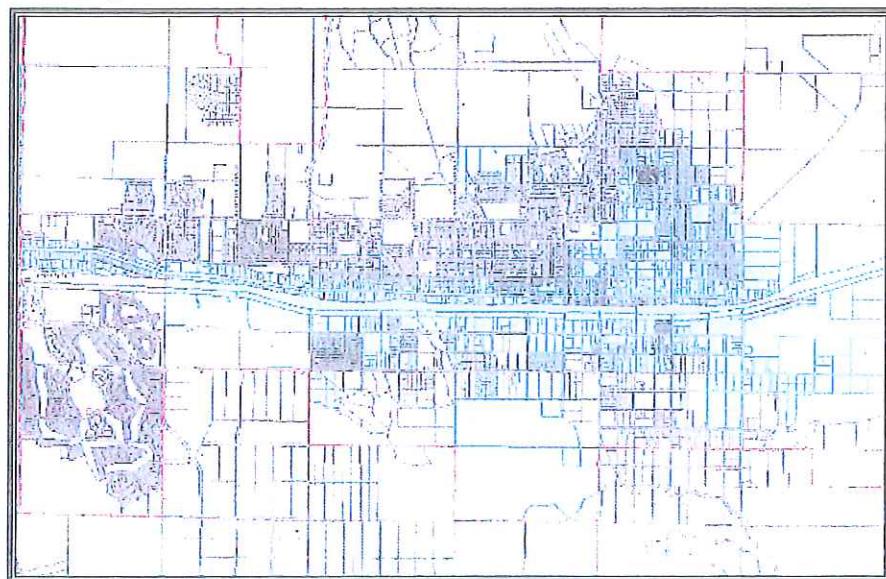
◦ Economic Incentives

- Assembly of land for additional hotel/restaurant development at the Highland Springs/I-10 interchange.
- Construction of off-site improvements for development.

Approved Activities

- Public Improvements
 - Extension of roadways and utilities to large vacant commercial/industrial tracts.
 - Beautification of major corridors through the project area – Ramsey Street gateways and I-10 Interchanges.
 - Traffic signalization along Lincoln Street for future industrial development.
 - Improvement to park and recreational facilities in the project area.
 - Completion of curb and gutter along the length of Ramsey Street and in residential neighborhoods.
 - Creation of railroad quiet zones in the project area.

Project Area



PROPOSED PROJECTS

Proposed Projects

◦ Ramsey Street Median Beautification Project

- Limits: Highland Home Road to 22nd Street.
- Scope of Work:
 - Landscape/hardscape improvements in medians.
 - Curbs and gutters at the medians.
 - East bound left turn pocket at Omar Street.
 - Monumentation signs at the westerly and easterly city limits.
 - Landscape improvements at easterly entrance to city.
- Estimated cost: \$2,500,000.00

Proposed Projects

- Ramsey Street Median Beautification Project



Proposed Projects

- Ramsey Street Median Beautification Project



Proposed Projects

◦ Water Main Improvements on Ramsey Street

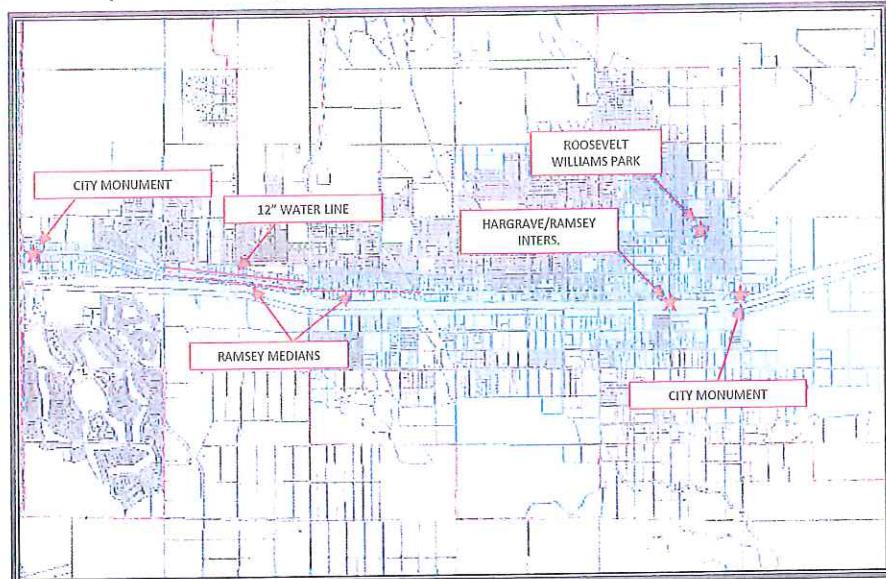
- Limits: Sunset Avenue to Highland Home Road
- Scope:
 - Installation of approximately 1 mile of 12 inch water main.
 - New main to replace existing undersized, 4 inch water main installed in 1931.
- Estimated cost: \$1,400,000.00

Proposed Projects

◦ Water Main Improvements on Ramsey Street



Proposed Projects



OTHER PROJECT EXAMPLES

Other Projects Examples

- Curb and gutter at various locations:

- Residential lots
- Lincoln Street
- Ramsey Street



Other Project Examples

- Reconstruction of the 8th Street and Lincoln Street intersection including the widening of Lincoln Street (8th Street to San Gorgonio Ave) and 8th Street (Lincoln Street to Westward Avenue).
- Traffic Signal at Lincoln Street/San Gorgonio Avenue.
- Reconstruction and widening of Hathaway Street (Ramsey Street to Hoffer Street).

Discussion/Questions?

MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

01/12/16
SPECIAL MEETING

A special meeting of the Banning City Council was called to order by Mayor Welch on January 12, 2016 at 4:01 p.m. at the Banning Civic Center Large Council Chambers, 99 E. Ramsey Street, Banning, California.

COUNCIL MEMBERS PRESENT: Councilmember Miller
Councilmember Moyer
Councilmember Peterson
Councilmember Welch
Mayor Franklin

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT: Michael Rock, City Manager
David J. Aleshire, City Attorney
Anthony R. Taylor, City Attorney
Rochelle Clayton, Administrative Services Dir./Deputy City Manager
Sonja De La Fuente, Executive Assistant/Deputy City Clerk
Marie A. Calderon, City Clerk

CLOSED SESSION

Mayor Welch opened the item for public comments on the closed session items. There were none so public comments was closed.

City Attorney Aleshire announced the items for closed session as follows: Existing litigation pursuant to Government Code Section 54956.9 (d)(1): Robertson's Ready Mix v. City of Banning and the Banning City Council, et al. – Riverside Superior Court case numbers 1409829 and 1409037; labor negotiations pursuant to Government Code Section 54957.6 with City represented by City Manager Michael Rock are negotiations are with the Banning Police Offices Association (BPOA); and pursuant to Government Code Section 54957 with regard to City Attorney.

Meeting went into closed session at 4:02 p.m. and recessed at 4:59 p.m.

ADJOURNMENT

By common consent the meeting adjourned at 4:59 p.m.

Marie A. Calderon, City Clerk

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MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

01/12/16
REGULAR MEETING

A regular meeting of the Banning City Council was called to order by Mayor Welch on January 12, 2016 at 5:04 p.m. at the Banning Civic Center Council Chambers, 99 E. Ramsey Street, Banning, California.

COUNCIL MEMBERS PRESENT: Councilmember Franklin
Councilmember Miller
Councilmember Moyer
Councilmember Peterson
Mayor Welch

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT: Michael Rock, City Manager
David J. Aleshire, City Attorney
Anthony R. Taylor, City Attorney
Rochelle Clayton, Administrative Services Dir./Deputy City Manager
Alex Diaz, Police Chief
Arturo Vela, Acting Public Works Director
Fred Mason, Electric Utility Director
Brian Guillot, Acting Community Development Director
Heidi Meraz, Community Services Director
Tim Chavez, Battalion Chief
Rita Chapparosa, Deputy Human Resources Director
Sonja De La Fuente, Deputy City Clerk
Marie A. Calderon, City Clerk

The invocation was given by Ty Newman, The High Council of the Church of Jesus Christ of Latter-day Saints. Councilmember Moyer led the audience in the Pledge of Allegiance to the Flag.

REPORT ON CLOSED SESSION

City Attorney Aleshire said that the Council met in closed session and in regards to the existing litigation matter Robertson's Ready Mix vs. the City of Banning a status report was given and there was not reportable action taken. Concerning labor negotiations the City met with its negotiator Michael Rock concerning the Banning Police Officers Association and direction was given to the negotiator for further negotiations. In regards to the personnel matter that involved the City Attorney there is an item on the agenda to amend the contract with Aleshire & Wynder and Anthony Taylor who is in attendance will become the City Attorney representative from Aleshire & Wynder. Mr. Taylor is a partner in the firm and has been for a number of years. He is the City Attorney in Cypress and Suisun City and also has undertaken a lot of Banning's

litigation over the last few years so he will move from being the chief litigator to the general City Attorney.

PUBLIC COMMENTS/CORRESPONSENCE/PRESENTATIONS

PUBLIC COMMENTS – On Items Not on the Agenda

Delores Riech addressed the Council reading from her letter (attached Exhibit “A”) regarding the levels of Chromium 6 in the Banning drinking water. She is asking the citizens of Banning to get involved. She asked the City Council what they are going to do about this problem.

Councilmember Miller responded in regards to our water stating that the federal government has a standard of 100 parts per billion of Chromium 6 and it is only California that has recognized the need to lower the standard. We have 7 wells that are above that standard and the other wells that are below that standard and in speaking with Art Vela, Acting Public Works Department he was told the water from all our wells are essentially mixed together in the distribution system so the water that comes out of your tap is probably significantly lower than that and we do not have an exact number but it is significantly lower than the value of the highest well. The City has hired consultants to evaluate our wells and produce a program to lower the chromium content by some sort of filtration or reverse osmoses or some other system. We are working as fast as we can to obtain an improvement in our water system. He emphasized that the Council is concerned about it but again he does not believe that the level in our water is significantly high enough to really produce any significant damage. The City does satisfy the federal standard but we certainly want to get back down to the California standard.

Mayor Welch apologized to Councilmember for saying “no” to his wanting to comment. However, this part of the session is where the Council hears what the public has to say or questions asked and they are referred to staff and that is what is going to say before Councilmember Miller’s comments. In regards to the water there is a program planned the first quarter of this year to address the water to the community in several community meetings and that was to be announced tonight. He doesn’t want anyone to think, to Councilmember Miller’s credit, that we are bypassing something like this but there are plans for this to be addressed to the whole community.

Inge Schuler, resident addressed the Council sharing some observations about an issue that was before the Planning Commission meeting last Wednesday, January 6, 2016 (attached Exhibit “B”) in regards to the application for the Tentative Track Map (TTM) 36939.

Frank Burgess, resident of Banning addressed the Council stating that he was here to ask three questions: 1) the sign ordinance was on the agenda on December 8th and it has been pulled off and he thought it was going to be on this agenda and he would like to know when it will be back on the agenda and whatever the reason it was pulled be resolved; 2) He and the citizens of Banning need to know what is being done by the Sun Lakes Country Club water bill if it was correct in the amount of \$238,000 and hopes that this item will not be put in the filling system but that action be taken; and 3) The Chamber of Commerce utility bill in the amount of about \$35,000 or \$38,000. He said he is a member of the Chamber and has heard rumors that a city manager waived that and he doesn’t know if it is true or not and if it is, it is not going to be true

because it is over his limit of \$25,000 and whoever did it should be reprimanded. He said the Council has on their agenda the warehouse issue on Lincoln Street which is in his neighborhood called the “homeless village” and he never got an answer back in July from the Mayor or from staff that there was \$77,000 dollars of fees that were waived by a department head, a planner, or by the City Council and he asked that it be investigated and he never had a response back.

Bruce Canterbury and his sister, Angela Waters addressed the Council regarding Angela's exceeding high electric and water fees at her residence. He said that he is Angela's biological brother, as well as, her power-of-attorney and he is here to address an emergency issue relating directly to his sister and the City of Banning electric bills for the home she owns at 1819 W. Williams Street in Banning. She has been receiving excessively high electric and water bills from the City of Banning utility department since she has moved in August 1, 2015. He has relentlessly to resolve this on his own but he is continually rejected by the utility office regarding this issue. At this time Mr. Canterbury went into detail regarding their situation with this utility bill and gave dates and times and who he contacted at the City utility department in trying to get this resolved. They have taken it upon themselves to pay a contracted plumber to hopefully find a solution to this problem by examining her home's waterlines to check for leaks and have hired Chris Taylor of Chris Taylor Plumbing based out of Beaumont, California and he cannot examine for leaks until January 7, 2016.

Mayor Welch addressed Mr. Canterbury stating that he thinks that the Council has received his letter and would like for him to correspond with the City Manager so that they can get something resolved.

Councilmember Miller said that they have spoken about this and he suggested to Mr. Canterbury to take pictures of the meter and asked that if has taken pictures to please get him pictures periodically so that they can verify and see what the actual reads are. Mayor Welch asked Mr. Canterbury to also share those pictures with the City Manager.

Mayor Welch closed public comments at this time.

CORRESPONDENCE

City Clerk read a letter from Margaret Hanson (attached Exhibit “C”) thanking the Council for serving our city and also referenced the last City Council meeting where the Mayor was selected.

PRESENTATIONS:

1. Introduction of New Employees

New employees were introduced and short bios were given.

Fred Mason, Electric Utility Director introduced two new Electric Service Worker/Apprentice Powerline Technicians Richard David Soriano Sr. and Seth Bartley.

Heidi Meraz, Community Services Director introduced new Bus Driver Leonardo Sida.

Alex Diaz, Chief of Police introduced Officer Linda Jimenez (she was not present); Public Safety Dispatcher Cindy Serrano; and Officer Alberto Felix.

2. Presentation to Out-going Mayor Deborah Franklin

Mayor Welch said it is his privilege and pleasure tonight to say thank you to a person who has been dedicated to the people in the city of Banning for quite a long time. She is just about everywhere you can think of all the time in the city working with someone. Over the past three years she has been your Mayor and it is his and Council's privilege to say thank you to Deborah "Debbie" Franklin in appreciation for her services to the City of Banning as Mayor from 12/11/12 to 12/8/15 and she was presented with a plaque.

Councilmember Franklin said to the City Council, to the City staff, to the residents of the city and especially to her husband thank you for all of your support for willing to work with her and she appreciates having had the opportunity to serve the city and she will continue to do so to the best of her ability.

3. Annual Stagecoach Days Update – Presented by Amy Pippenger

This item will be moved to the next City Council meeting.

APPOINTMENTS

1. City Council Committee Assignments

Mayor Welch said that each year as we move on with City Council the Councilmembers take on different responsibility working with the different agencies across the city, the county, the state and event he federal. At this time he went over the assignments and said that that very little of it is changing over this last year

The appointments are as follows:

Western Riverside Council of Governments (WRCOG): Assignment – Franklin; Alt.-Moyer; staff – City Manager Rock

Riverside Transit Agency (RTA): Assignment Welch; Alt.-Moyer; staff – Heidi Meraz, Community Services Director

Riverside County Transportation Commission (RCTC): Assignment – Franklin; Alt.-Welch; staff – Art Vela, Acting Public Works Director and Heidi Meraz, Community Services Director

Pass Area Transportation NOW Committee: Assignment – Welch; Alt.-Miller; staff – Heidi Meraz, Community Services Director

Regional Conservation Authority: Assignment – Moyer; Alt.-Franklin

Government Access Channel Committee: Peterson and Welch

Public Utility Advisory Committee for City: Miller and Welch

Oversight Board to Successor Agency of Dissolved CRA: Welch, Franklin, Alt.; staff – Brian Guillot, Acting Community Development Director

TUMF Zone Committee: Assignment Franklin; Alt.-Peterson
League of California Cities Contact and Executive Board Representative: Mayor Welch
League of California Cities (External Group): City Council
San Gorgonio Pass Water Agency (External Group): Assignment –Franklin; Alt.-Miller
Community Action Agency (External Group): Assignment – Moyer; Alt.-Staff Person

2x2 Council Working Groups

Banning Unified School District: Councilmembers Moyer and Franklin
Morongo Band of Mission Indians: Mayor Welch and Councilmember Moyer
Mt. San Jacinto College: Councilmembers Peterson and Miller
Airport: Councilmembers Peterson and Moyer
Inter-Governmental Lobbying: Mayor Welch and Councilmember Moyer
San Gorgonio Memorial Hospital: Councilmember Franklin and Mayor Welch
Budget & Finance: Councilmembers Miller and Moyer; City Treasurer McQuown; staff – City Manager Rock
Economic Development Committee: Councilmembers Franklin and Moyer

Mayor Welch said that earlier there was some conversation about the water and during the year they are planning to have quarterly town hall meetings that will be held across the city and if anyone has any suggestions on a topic, please come forward with it. You can either let the Mayor know or let anyone of the Council Members know or the City Manager. The four topics that they are going to start with this year is: 1) Electric; 2) Water; 3) Communications; and 4) Budget. In regards to communication the Council wants to be able to effectively communicate with the whole community and really need some interactions. In regards to water they are going to be covering Chromium 6 and the conservation programs with the City. Also they are inviting the hospital because as you know over the next few years there is going to be quite an expansion and the hospital will be setting up these quarterly town hall meetings for our community.

Councilmember Peterson asked which of these committee are paid; some receive a stipend and how much are they paid.

Mayor Welch said that those are WRCOG, RTA, RCTC and RCA. He believes that all of them are paid \$100.00 per meeting and are reportable income. Councilmember Moyer said he believes his is more than \$100.00. He also mentioned that any Banning City Council Member that travels for City business outside of the city is paid as far as travel is concerned and it is reportable.

2. Resolution No. 2016-07, Approving the Formation of a Public Works Ad Hoc Committee (Staff Report – Art Vela, Acting Public Works Director)

Acting Director Vela gave the staff report on this item as contained in the agenda packet. One item that was not included in the resolution that we might think of adding is a term limit as part of this committee.

Councilmember Franklin said that we had the Public Utility Advisory Committee also so would this one overlap in some areas.

City Manager Rock said no; it is in the electric utility department.

Councilmember Miller said he thought that an ad hoc committee had one specific duty which would then be dissolved after that was done and he thought this was a permanent committee and is he incorrect with the definition.

Acting Director Vela said the intention for it is to be a permanent committee but far as the definition of an Ad Hoc Committee he will defer to the City Manager or City Attorney.

City Attorney Aleshire said that Ad Hoc means that it meets on a temporary basis for a specific purpose. It was his understanding that it was not going to be a permanent group and in fact, he would have drawn up a “minute action” instead of having a resolution unless it is intended to be a permanent group in which case it would be established as a permanent body and it would be potentially subject to the Brown Act.

Mayor Welch said that we can change the title and he had the same issue because usually an ad hoc is for a specific function and once that is completed the ad hoc is disbanded. He asked if they could title this “Public Works Advisory Committee”. City Attorney said yes.

Mayor Welch recommended that if the Council approves this tonight that the two Councilmembers that are already involved with the airport become active with this committee and that would be Councilmembers Peterson and Moyer.

Mayor Welch opened the item for public comments.

Frank Burgess said in listening to all these appointments he didn’t hear that not one citizen of the city of Banning serves on any of these committees and it is all staff or Council; did he miss something.

Mayor Welch explained that these are groups throughout the City called “2 on 2” because a lot of this deals with our school system, our hospital and they have their committees that we are part of.

Mr. Burgess said that he is curious and Councilmember Peterson brought up a point just now and he sees that he was only appointed to one committee that might pay him something. But he is curious as to why the different committees and you don’t have citizens as part of those committees. For example, the airport has always been one of the most valuable things in the city of Banning and it has never been functioning properly for many, many years and he would hope that the Council would establish an Airport Commission with people outside of the city.

Mayor Welch closed the item for public comments.

Motion Franklin/Peterson that the City Council adopt Resolution No. 2016-07, approving the Formation of Public Works Advisory Committee and appoint two members of the City

Council (Councilmembers Peterson and Moycr) to service on the Public Works Advisory Committee. Motion carried, all in favor.

CONSENT ITEMS

1. Approval of Minutes – Special Meeting – 12/08/15 (*Workshop*)

Recommendation: That the minutes of the special meeting of December 8, 2015 be approved.

2. Approval of Minutes – Special Meeting – 12/08/15 (*Closed Session*)

Recommendation: That the minutes of the special meeting of December 8, 2015 be approved.

3. Approval of Minutes – Regular Meeting – 12/08/15

Recommendation: That the minutes of the regular meeting of December 8, 2015 be approved.

4. Approval of Minutes – Special Meeting – 01/06/16 (*Closed Session*)

Recommendation: That the minutes of the special meeting of January 6, 2016 be approved.

5. Ordinance No. 1492 – 2nd Reading: An Ordinance of the City Council of the City of Banning, California, Approving Categorical Exemption and Zone Text Amendment No. 15-97506 Amending Table 17.08.030 Residential Development Standards of Title 17 (Zoning Ordinance) of the City of Banning Municipal Code.

Recommendation: That Ordinance No. 1492 pass its second reading and be adopted.

6. Ordinance No. 1494 – 2nd Reading: An Ordinance of the City Council of the City of Banning, California, Amending Chapter 5.12 of the Banning Municipal Code Related to Increasing the Maximum Prizes Available to be Awarded During the Conduct of Any Bingo Game and Increasing the Amount of Proceeds from Any Bingo Game That May Be Utilized for Operating Costs.

Recommendation: That Ordinance No. 1494 pass its second reading and be adopted.

7. Resolution No. 2016-02, Accepting the 2016 Supplemental Law Enforcement Services Allocation in the Amount of \$100,000 and Authorizing the Banning Police Department to Use the Funds Towards the Purchase of Law Enforcement Related Equipment, Services, and Supplies.

Recommendation: That Resolution No. 2016-02 be adopted.

8. Resolution No. 2016-11, Accepting an Amended Contract for Legal Services Appointing Anthony R. Taylor as our City Attorney.

Recommendation: That the City Council adopt Resolution No. 2016-11, accepting "Amendment No. 2 to Contract Services Agreement" for City Attorney services with Ale shire & Winder, LLP. The Amended Contract appoints Anthony R. Taylor as the City Attorney. Current City Attorney, Mr. David Aleshire, will remain a "senior advisor" on the City's legal team.

Mayor Welch opened the item for public comments; there were none.

Motion Moyer/Miller to approve Consent Items 1 through 8. Motion carried, all in favor.

REPORTS OF OFFICERS

1. Banning Business Center (649 West Lincoln Street)
(Staff Report – Alex Diaz, Chief of Police)

Chief Diaz gave the staff report on this item as contained in the agenda packet and also a power-point presentation. Their goal throughout the year and throughout the code enforcement process was to achieve voluntary compliance from the three tenants at the property. At this point they are asking Council to allow them to move forward with process of a receivership and they will bring it back to Council with more information as to costs.

Councilmember Franklin asked if he could explain what the process is with receivership.

Chief Diaz said the receivership is going to have to be done by an attorney so they have to go out and seek an attorney with experience for receivership.

City Attorney said that they have actually gone through the receivership process with regards to some other properties that the Council is familiar with and he explained the process and potential demolition of the property. He said that there is a cost to that process and he can certainly work with the Chief and Christy Lopez who has done these before and can get an estimate but of course the theory is that you will recover those costs and in the past they have been able to recover those costs through the receivership process.

Chief Diaz said for the public he knows that there has been a lot of questions as to why this wasn't done before and he reminded the public that there is a process they need to follow through code enforcement and they are at the end of the process and that is why they are here in asking for direction and permission to move forward with the receivership.

Councilmember Franklin moved approval of staff recommendation authorizing staff to enter contract negotiations to place the Banning Business Center into receivership. The Banning Business Center would be subject to nuisance abatements, administrative hearings, and cost recovery.

Councilmember Miller said he doesn't really understand what the process of receivership is. Is it a transfer of title to a receiver and what does the owner of the property lose.

City Attorney said once you get the receiver appointed the receiver makes all decisions concerning the property and is in the position to actually dispose of the property. The receiver could turn it back to the original owner if there are agreements and if the property is either repaired or demolished but normally that is not the process. Normally by the time you go to the receiver you have basically concluded that it is impossible to work with the owner or there is a title issue or something like that where the owner himself can't perform. So by getting a receiver appointed you now have a new entity there who will deal with the property.

Councilmember Miller said but the owner doesn't have to agree to this. City Attorney said no; that is why the process exists; it is involuntary.

Mayor Welch opened the item for public comments.

Edwin Riech said that he had been in construction for over 50 years or more and in regards to those concrete buildings it is not going to be inexpensive to take those down. If he were going to do it on his contractor's license he would charge a minimum of \$100,000 or probably close to \$200,000. There is a lot of stuff to take down and heavy concrete.

Frank Burgess said his understanding is that building one is lapped over on two. Chief Diaz said that was the best picture he could find so the depiction is not the actual breakup of the parcels.

Mr. Burgess said he would like Council's support in approving the Police Chief's report in that he has been in a circumstance across the street jeopardizing his clients and his warehouse with these people hanging around. He made a mistake asking one of those people to not steal the water out of his faucet and he had his office windows broken out and it cost him about \$3,000 to replace them. More importantly we have hundreds of school kids going through there and can you image if one them was pulled in there and raped or killed; we don't know what is going to happen. He asked the Council to support the Police Chief's recommendation. He said the only other thing he thinks that the Council might do and would be beneficial and maybe the school would participate is to put security guards in there at the City's expense and charge it back to the property owners so that we don't have all of sudden a child abused one way or the other; it may never happen but let's not take the chance.

Don Smith said Mr. Burgess is right that actually the property lines go through two of the buildings so it is kind of a mess down there as far as title goes. He thanked the Chief because it is time to move forward and do something about this problem. He doesn't know how many of the Council have been able to tour the buildings within the last six months or so but it is a dangerous situation and if anything, is understated. We have buildings with no heat, no water, needles all over the place, trash all over the place, human feces all over the place; people living in those conditions. Even though they are homeless and even though they are in those buildings without permission that makes them our citizens and we are allowing our citizens to live in an incredibly dangerous situation that we need to do something about. Now when we finally get a receiver through a court order that can either board up the buildings or make all of these people move where are they going to go? We also at the same time have to be developing a plan on what to do with them because if we all of a suddenly throw them all out, every vacant house in town is going to be broken into. We do have to get them out of there and it is a dangerous

situation and he wouldn't want his kid walking by it. He thanked the Chief for moving this forward and it is time to start a court action and take charge of this property and take the correct remedies.

Mayor Welch closed the item for public comments.

Councilmember Peterson said he believes that every Councilmember and every one of the 30,000 citizens in this city are completely familiar as to how ugly and what an eyesore that facility is and he thinks that everybody understands the importance of tearing it down and doing something.

Councilmember Peterson seconded the motion. Motion carried, all in favor.

2. Resolution No. 2016-01, Authorizing the City Manager to Approve the Third Amendment to the Rancho San Gorgonio Environmental Services Agreement Between the City of Banning and PlaceWorks (formerly known as the Planning Center | DC & E). (Staff Report – Brian Guillot, Acting Community Development Director)

Acting Director Guillot gave the staff report on this item as contained in the agenda packet.

Councilmember Peterson said he assumes that they presently put up a deposit and how much is it.

Acting Director Guillot said yes, they have an agreement with the developer that he refreshes the deposit when it is depleted and there is a deposit but he doesn't know how much it is but they usually keep \$10,000 dollars ahead of the expenses.

Mayor Welch opened the item for public comments; there were none.

Motion Moyer/Franklin that the City Council adopt Resolution No. 2016-01, approving Amendment #3 in the amount of \$17,320.00 to the Rancho San Gorgonio Environmental Services Agreement with PlaceWorks (formerly known as the Planning Center DC & E) for additional professional servers related to the preparation of the Environmental Impact Report (EIR) for the Rancho San Gorgonio Specific Plan. Motion carried, all in favor.

3. Resolution No. 2016-03, Approving the Banning Municipal Airport's ACIP for 2017-2021. (Staff Report – Art Vela, Acting Public Works Director)

Acting Director Vela gave the staff report as contained in the agenda packet. He stated that the Airport Committee met and agreed to minimize the ACIP (Airport Capital Improvement Plan) and only include those projects that fell into priority maintenance projects. The 2017-2021 ACIP includes a runway rehab project that will be completed in two years and additionally, as a result of their ACIP Coordination Meeting with the FAA (Federal Aviation Administration), they have included a safety project in 2020 to acquire land in order to remove obstructions and relocate them.

There was some Council and staff discussion regarding matching funds and if the City moves forward in applying for funding of these projects it will be brought back to Council for approval of award of construction and/or design contracts.

Mayor Welch opened the item for public comments; there were none.

Motion Peterson/Moyer that the City Council adopt Resolution No. 2016-03, approving the five year (2017-2021) Airport Capital Improvement Plan ("ACIP") and direct staff to submit the ACIP to the Federal Aviation Administration ("FAA"). Motion carried, all in favor.

Request to Return to Item No. 2 of Reports of Officers

Councilmember Peterson asked to go back to Item No. 2 regarding Resolution No. 2016-01 to ask questions in regards to deposits on projects.

Councilmember Peterson addressed the City Manager stating that here we are spending \$17,320 approving the expenditure of that which is okay on a \$10,000 deposit and is a \$10,000 deposit really appropriate and enough for the size of the Rancho San Gorgonio project with the expenses that should be coming forward. He would think that we would have \$100,000.

City Attorney said he didn't know if Director Guillot was correct. He said that their standard form reimbursement agreement basically provides that there is a 90-day forward and basically there is supposed to be enough money on deposit to pay for the next 90 days and every month there is an evaluation of where things sit and the developer could be asked to provide the money. So if there is like only \$10,000 maybe for some reason their standard agreement was not used in this case because the standard agreement is a significant amount of money and you are really working 90 days ahead so you don't get into a position where you are short. He has made a note to check with Director Guillot. Typically for accounts that are subject to reimbursement there needs to be a monthly check. He said that he talked with the prior Finance Director at one point in time to be sure that the finance department was staying on top of this and since we have gone through finance directors he doesn't know if that got communicated on down the chain. We should be set up on what accounts are reimbursable and should be tracking them.

City Manager said that he spoke with the developer Peter Pitassi and he will deposit \$20,000, immediately upon approval tonight. He also mentioned that we have a new Deputy City Manager and will be tracking this exactly as the City Attorney described.

Councilmember Peterson asked the City Manager to let him know what the deposit is or what it is they are supposed to have on hand.

4. Resolution No. 2016-08, Authorizing acceptance of funding from the State of California 9-1-1 Emergency Communications Branch in an amount not to exceed \$330,000.
(Staff Report – Alex Diaz, Chief of Police)

Chief Diaz gave the staff report on this item as contained in the agenda packet. He said that this money can only be used for upgrading items related to our 911 system and cannot be used for any purchases outside of the confines of what is mandated by the State.

Mayor Welch opened the item for public comments; there were none.

Councilmember Miller said this whole system is a very complex communication system and how do we know that the servers and everything we are purchasing are the correct ones and the ones that go along with the current system.

Chief Diaz said there are only certain providers that will provide equipment for certain systems and the equipment that we are basically purchasing is a system similar to what other agencies use out of a single vendor. They know the systems, the in-and-outs, the backroom servers, as well as, any software and programming that needs to be done.

Motion Franklin/Peterson that the City Council adopt Resolution No. 2016-08, authorizing acceptance of funding from the State of California's 9-1-1 Emergency Communications Branch through Customer Premise Equipment (CPE) Fixed Allotment Funding for the purchase of new and upgraded equipment and software necessary for the Banning Police Department's 9-1-1 System and Center to operate at the optimal level. The amount of the equipment and software purchased is not to exceed \$330,000. Motion carried, all in favor.

SCHEDULED MEETINGS

BANNING UTILITY AUTHORITY (BUA) – no meeting

BANNING FINANCING AUTHORITY (BFA) – no meeting.

ANNOUNCEMENTS/REPORTS *(Upcoming Events/Other Items if any)*

City Council

Councilmember Franklin –

- She attended the SCAG (Southern California Association of Governments) Economic Summit last week and it was a presentation for five counties within Southern California. One of the things that was important and the message that was being brought is that the median income in Northern California is approximately \$84,000 whereas the median income in Southern California is approximately \$54,000. The biggest difference was the level of education for the general population between the two. So there will be more discussions about how do we help to raise the education level for Southern California because they also stressed that even as the economy is improving that the job recovery has exceeded the number of jobs lost. These are jobs that pay less than what the prior jobs were and that we just are not ready as a population to be able to fill the jobs. It was an interesting conversation of the information presented by five economist through the five counties. She

will give the information to the City Manager is anyone is interested and it is also available on the SCAG website.

- In regards to WRCOG (Western Riverside Council of Governments) they did talk about the TUMF (Transportation Uniform Mitigation Fees) fees and there is an additional study being done and hopefully information will be coming back to us in March or April.
- The Faith in Action Committee which is faith-based along with the police department have been having some meetings about how to provide a cold-weather shelter for our homeless. One thing that was brought up through the meeting was that for any veteran that is homeless there is housing available now and they were given a phone number where people can call. If you do know of people who are veterans that are homeless they can get shelter at this point. There are a lot of different issues regarding putting a cold-weather shelter together and they are looking to make sure that they do it within the area that is zoned in the city for emergency shelter and they will continue to have meetings to provide something for residents. It is very short-term and not meant to be permanent. Also, they have scheduled on January 27th a Point-in-Time Count for anybody that wants to help with the count of the homeless.
- A blood drive will be held on Monday, January 18th called Blood of the Martyrs and this is help to replenish the blood supplies especially for Life Stream because they did use quite a bit of blood during the issue in San Bernardino. It will be from 10 a.m. to 2 p.m. at 332 N. Allen.

Mayor Welch –

- On January 30th the 7th Annual Veterans Expo will be held at the Beaumont Civic Center (city hall). Habitat and two county veterans organizations will be there working with the veterans, the homeless and people who have need for housing.
- On the back table there are some applications for anyone in the community who would like to be considered to serve on the Planning Commission. One commissioner had left and one was appointed to fill that unfinished term and that is coming up for re-election. The deadline to submit your application is February 5, 2016 by 5 p.m.

City Committee Reports - None

Report by City Attorney - None

Report by City Manager Rock –

- He introduced his daughter Sarah who is visiting him, the city and local government. She returns back to Boston tomorrow.

Mayor Welch said as all of you probably know over the last couple of weeks we lost a staff person here in Banning who was very well-liked and appreciated by her fellow workers so he would like to adjourn the City Council Meeting this evening in the name of Jenna Harrell in remembrance of her and with respect to her family.

ITEMS FOR FUTURE AGENDAS

New Items –

Councilmember Peterson said he would like to propose to try to get term limits put on the City Council. He would guess the details would be discussed by the Council but in order to put that before the voters as far as term limits what would we need to do and how soon would we need to get it going in order to put it on the ballot for the people to make a decision?

City Attorney Aleshire said that he would have to check but term limits are appropriate if you are a charter city which we are not unless something has changed in General Law. Traditionally you would have to be a Charter City to have term limits but he will check with State law.

Councilmember Miller said he would like to know the difference between a Charter City and our City.

City Attorney said that Charter Cities can limit compensation to exactly what General Law cities do. A charter gives you more independence but it also means through an initiative the citizens can subject you to all kinds of controls.

Councilmember Franklin said the Mayor mentioned that the Council was going to talk about the medical marijuana as an upcoming item.

Mayor Welch said that will be coming up and there is only one recommendation or a small change.

Pending Items – City Council

1. Discussion of vacant properties and on Ramsey Street where people are discarding furniture.
2. Attorney General Opinion re. Developer Impact Fees collected by hospital or other agencies.
3. Collection of Judgment re. Jim Smith
4. Safe Walkways for student from the schools and signage.
5. Housing Element (2016)

(Note: Dates attached to pending items are the dates anticipated when it will be on an agenda. The item(s) will be removed when completed.)

ADJOURNMENT

Mayor Welch said on behalf of Jenna Harrell's family, the City Council and her colleagues in the City he adjourns this meeting in the name of Jenna Harrell. By common consent the meeting adjourned at 6:48 p.m.

Marie A. Calderon, City Clerk

THE ACTION MINUTES REFLECT ACTIONS TAKEN BY THE CITY COUNCIL. A COPY OF THE MEETING IS AVAILABLE IN DVD FORMAT AND CAN BE REQUESTED IN WRITING TO THE CITY CLERK'S OFFICE.

January 12, 2016

Hello.

I would like to welcome our New City of Banning Mayor Art Welch. And Thank former Mayor Debbie Franklyn for doing a great job for the Banning Community. And Welcome the new City Manager, Michael Rock.

My name is Delores Riech, I am a Retired Teacher from the Banning Unified School District.

My concern is with the Banning Water, and the fact that we have 7 water wells that have several levels of Chromium 6 in the drinking water. Chromium 6 is a Cancer causing Chemical called Hexavalent Chromium.

The National Toxicology Program has concluded that Hexavalent Chromium in drinking water shows clear evidence of carcinogenic activity in laboratory animals increasing the risk of gastrointestinal tumors., and that in September 2010 a toxicological review by the U.S. Environmental Protection Agency found that Hexavalent Chromium in tap water is likely to be carcinogenic to humans.

Which brings me to my reason for being here. My son in law began to have severe stomach cramps and went to the Doctor and had a colonoscopy. The Doctor found a small tumor. He biopsied it and said that it was carcinoid Cancer. It took a month or more before the Loma Linda Hospital Doctor could schedule the surgery, and because of one tumor the Doctor took a portion of his Colon, a portion of his intestines and 24 Lymph nodes. The results were stage 3 Carcinoid Cancer. The remedy was to come back in 6 months, and have a blood test and if

there is no trace of the Hexavalent Chromuim in the blood sample, he is safe for another 6 months and then they will do a full body scan. There is no medicine to take, or Chemo, or Radiation to stop further damage to the body.

Our family was in shock because, I am a Cancer Survivor and I had monthly visits to my Oncologist, and my treatment was aggressive. That is why I started to write Letters to the Editor in the Record Gazette weekly paper to find out if anyone else in this area had problems with the water. I was encouraged to continue with my search from the letters, and emails I received. The things mentioned were that the water smelled awful, cats dying, neighbors dog died of cancer, a neighbor died of colon cancer, others mentioned brain Cancer, Lung cancer, some complained of flushed skin, others of headaches and so on.

So I went to the Banning City Hall and asked for a copy of where the water wells were in the city. A pretty young lady that I told my reason for the request, said she would need to ask the city engineer and in a few minutes she came back with the map of the Banning wells, and with the Council Members permission, I would like to pass a copy of the map, and on the back there is an article from the Record Gazette about the Chromium 6 in the Banning Wells.

I understand that it will take several years to solve this problem, but in the mean time what can be done about the damage that has already happened to the city's residents.?

Thank you for listening to me.

Delores Riech, deedrc@msn.com 951-922-2982

Name Delores Riech, deedirc@msn.com
Address P.O.Box 1033
City State Zip Code Banning,Ca.92220

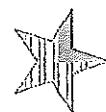
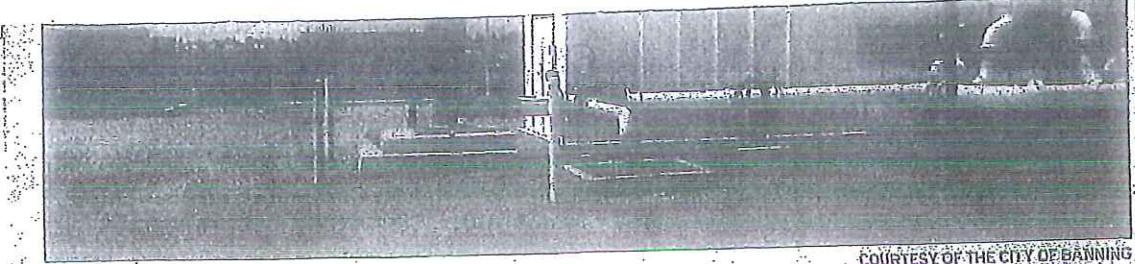


Exhibit "A"
17
reg.mtg.-01/12/16



COURTESY OF THE CITY OF BANNING

Several of Banning's drinking-water wells are tainted with chromium 6. The M-12 well, above, has been taken offline.

WELLS

FROM PAGE 1

times under the standard set by the federal government.

According to the state, any potable well containing 10 or more parts per billion of chromium 6 is in violation. Chromium 6 levels are not classified as "acute," or what the state Water Quality Control Board considers harmful, until the level reaches 40 parts per billion.

By U.S. Environmental Protection Agency standards, the maximum contamination level can't exceed 100 parts per billion for total chromium, which includes chromium 3 and chromium 6.

Riverside County Public Health Officer Dr. Cameron Kaiser said chromium 6 in high concentrations has been linked to skin irritation, lung damage and instances of cancer, but he said that was from inhalation in studies of industrial workers. The effect of ingesting chromium through water, he said, isn't accurately known.

Some form of the element—chromium 3—is a naturally occurring, essential mineral needed for biological processes, Kaiser said. Chromium 6 is a more toxic version, he said, but it is also naturally occurring.

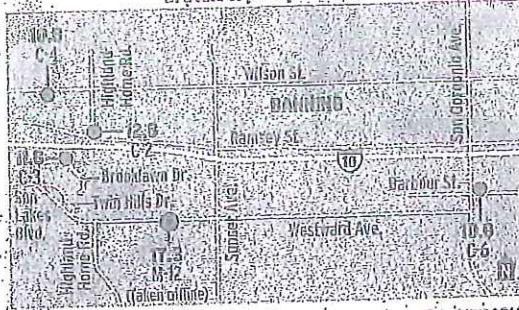
Perry Gerdes, Banning's water and wastewater superintendent, is working on the city's cleanup efforts.

He said the chromium in Banning and surrounding areas comes not from industrial waste but from the minerals present in the

CHROMIUM 6 IN BANNING WELLS

Since April, the city of Banning has been in violation of new state standards for chromium 6 levels in its drinking-water wells. Five of 21 wells have levels of the chemical that exceed 10 parts per billion. Efforts are underway to clean up the wells. Two shared wells with the Beaumont-Cherry Valley Water District are also in violation.

Numbers in bold denote average yearly concentration of chromium 6 at a rate of parts per billion.



STAFF GRAPHIC

rock formations of the eastern part of the San Gorgonio Pass, from east of Beaumont, down through Cabazon and the Coachella Valley.

He said that a Coachella Valley Water District study found chromium 6 is leaching through the rock and into wells, and that it has been happening for as long as anyone has been drinking from the wells.

Dan Jagers of the Beaumont-Cherry Valley Water District said he believes more than half of the wells in the Coachella Valley are out of compliance.

For the past couple of months, Beaumont-Cherry Valley Water District has taken the lead on studying levels and ways to clean the wells.

The wells it shares with Banning are northwest of city limits and have been taken off line while testing occurs, Gerdes said. He said four of the wells in Banning are still in use and one has been taken out of operation, M-12, which has the highest

WHAT IS CHROMIUM 6?

WHAT: Hexavalent chromium, often known as chromium 6, is one form of a naturally occurring metal element on the periodic table.

CHARACTERISTICS: It is an odorless, tasteless mineral that occurs in various types of rock, soil, ore and volcanic dust as well as in plants, animals and humans.

USES: When not naturally occurring, it is used for chrome plating and the production of stainless steel as well as leather tanning, wood preservation, textile dyes, pigments and in anti-corrosion and conversion coatings.

POTENTIAL DANGERS: It is a known carcinogen when inhaled and can pose a serious health risk to workers in industries where it is used. Although the potential health risk of chromium 6 in drinking water is a growing concern, there is not enough scientific evidence to confirm the actual risk or to determine at what level of contamination it occurs.

equipped with individual water-treatment systems. That could cost the city about \$2 million in equipment and about \$1.3 million in annual operational and maintenance costs, he said.

Water from the M-12 well, which has the most chromium, will be used again next month, but only for irrigating Sun Lakes Country Club golf course. That water won't be for human consumption.

CONTACT THE WRITER:

951-363-9079

rbrown@rbs.com

Twitter: @RichardBrown_RB

Received 1/12/16

Banning City Council meeting 12 January 2016

Mayor Welch, City Council members:

I should like to share with you some observations about an issue that was before the Planning Commission last Wednesday, January 6th, 2016. The application for the Tentative Tract Map (TTM) 36939 was originally submitted to the Planning Commission at the December 2nd, 2015 meeting. However, the Mitigated Negative Declaration (MND) was not included in the agenda on the city web site and could not be accessed by the public. That was one of the reasons that the item was continued to January 6th, 2016. The MND was then included unaltered from the original, with the exception that the heading "Habitat for Humanity" on each page had been removed. Mr Guillot declared that it had been a typographical error.

I urge you to scrutinize the MND when it will be presented in your agenda packet at a future meeting, as it contains some glaring errors which are all excused by Mr Guillot as typographical errors. The entire document shows evidence of blatant plagiarism, and that needs to be cleared up before the MND can be entered as part of the application for the TTM 36939.

p. 86 "... construction is to be expected to commence some time in 2015"

p. 87 "... on site recreational facilities and general management common areas"

Evidently, this is not in the plan, according to Mr Pitassi. No park or playground is planned. Mr Pitassi says it is not required. I say, let's require it and make this an attractive middle class development, the kind that enhances our city.

p.123 "... removed citrus grove and corrugated metal shed in dilapidated condition"

No evidence on the premises for this; Mr Guillot again claims this to be a typo.

p. 145 a mysterious reference to the City of Jurupa Valley.

Since when is staff there responsible for periodic inspection of the construction of this Banning development?

p. 184 "... waste to be taken to El Sobrante landfill"

That landfill is in Corona, about 55 miles from here.

There is more. Where does all this stuff come from? It seems to me that this and quite a few other, less conspicuous items, need to be clarified as to their sources and the entire document to be revised to apply to Banning.

Inge Schuler

January 12, 2016

City Council Mtg.
1-12-16

BANNING CITY COUNCIL MEMBERS
99 EAST RAMSEY STREET

DEAR COUNCIL MEMBERS,

THIS IS A SINCERE "THANK YOU" FOR YOUR TIME AND EFFORTS IN SERVING OUR CITY. BEING THE WIFE OF FORMER COUNCILMAN, BOB HANSON, I AM FULLY AWARE OF THE TIME YOU GIVE. MY HEARTY CONGRATULATIONS TO MAYOR ART WELCH WHO PROVES HIMSELF TO BE CONSCIENTIOUS; HAVE GOOD JUDGMENT AND A LEVEL HEAD. AT THIS POINT I RECALL THE LONG RHETORIC FROM MR. MILLER ABOUT BANNING'S NEED FOR DON PETERSON TO BE OUR MAYOR. AGAIN, I WOULD LIKE TO SAY, "WE NEED PEOPLE ON OUR COUNCIL WITH VISION NOT A VENDETTA".

AS YOU FACE OUR FUTURE UPS AND DOWNS I WISH YOU PEACEFUL BALANCE IN THE MEETINGS OF THE MINDS. I CLOSE WITH GRATITUDE FOR ALL OF YOU FOR THE TIME AND THE GOOD THAT MAY COME FROM YOUR SERVICE TO OUR CITY.

SINCERELY,
Margaret Hanson
MARGARET HANSON

**SUCCESSOR AGENCY TO THE DISSOLVED COMMUNITY
REDEVELOPMENT AGENCY OF THE CITY OF BANNING**

CONSENT ITEM

TO: Successor Agency Board

FROM: Michael Rock, Executive Director

PREPARED BY: Steven Dukett, Urban Futures, Inc.
Michelle M. Green, Deputy Finance Director

MEETING DATE: January 26, 2016

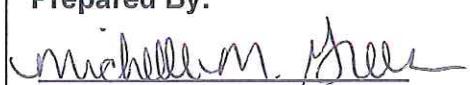
SUBJECT: Approval of Recognized Obligation Payment Schedule 16-17 A and B

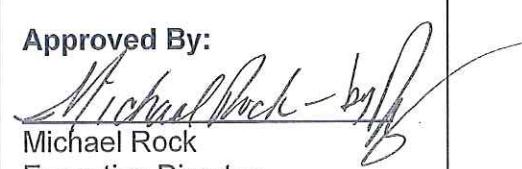
RECOMMENDATION: That the Successor Agency to the Dissolved Community Redevelopment Agency of the City of Banning, adopts a Resolution approving Recognized Obligation Payment Schedule 16-17 A and B for the period of July 2016 through June 2017 and approving certain related actions.

BACKGROUND: Pursuant to Health and Safety Code (the "HSC") § 34172 (a)(1), the Community Redevelopment Agency of the City of Banning was dissolved on February 1, 2012. Consistent with the provisions of the HSC, the City Council of the City of Banning previously elected to serve in the capacity of the Successor Agency to the Dissolved Community Redevelopment Agency of the City of Banning (the "Successor Agency"). The Oversight Board for the Successor Agency (the "Oversight Board") has been established pursuant to HSC § 34179 to assist in the wind-down of the dissolved redevelopment agency.

Per HSC § 34177 (o)(1), the Successor Agency is required to prepare a ROPS before each twelve-month fiscal year period commencing with the period from July 1, 2016 through June 30, 2017. Pursuant to HSC § 34180 (g), Oversight Board approval is required for the establishment of each ROPS. Pursuant to HSC § 34177 (o) (1), an Oversight Board-approved ROPS 16-17 A and B for the period of July 2016 through June 2017 must be submitted to the State Department of Finance and to the County Auditor-Controller not later than February 1, 2016. The Oversight Board will consider for approval the establishment of ROPS 16-17 A and B at its January 28th meeting.

FISCAL IMPACT: Per HSC § 34177, the Successor Agency is legally required to continue to make payments due for enforceable obligations. The Oversight Board will consider for approval the establishment of ROPS 16-17 A and B at its January 28, 2016 meeting, which will ensure that the Successor Agency has the authority to continue to pay its enforceable obligations.

Prepared By:  Michelle M. Green Deputy Finance Director
--

Approved By:  Michael Rock Executive Director

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RESOLUTION NO. 2016-01 SA

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE DISSOLVED COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING APPROVING THE ESTABLISHMENT OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE 16-17 A & B FOR THE PERIOD OF JULY 2016 THROUGH JUNE 2017 AND APPROVING CERTAIN RELATED ACTIONS

WHEREAS, pursuant to Health and Safety Code (the “HSC”) § 34172 (a)(1), the Community Redevelopment Agency of the City of Banning was dissolved on February 1, 2012; and

WHEREAS, consistent with the provisions of the HSC, the City Council of the City of Banning previously elected to serve in the capacity of the Successor Agency to the Dissolved Community Redevelopment Agency of the City of Banning (the “Successor Agency”); and

WHEREAS, the Oversight Board for the Successor Agency (the “Oversight Board”) has been established pursuant to HSC § 34179 to assist in the wind-down of the dissolved redevelopment agency; and

WHEREAS, per HSC § 34177 (o) (1), the Successor Agency is required to prepare a Recognized Obligation Payment Schedule (the “ROPS”) before each twelve-month fiscal year period commencing with the period from July 1, 2016 through June 30, 2017; and

WHEREAS, pursuant to HSC § 34180 (g), Oversight Board approval is required for the establishment of each ROPS; and

WHEREAS, pursuant to HSC § 34177 (o) (1), an Oversight Board-approved ROPS 16-17 A and B for the period of July 2016 through June 2017 must be submitted to the State Department of Finance and to the County Auditor-Controller not later than February 1, 2016; and

WHEREAS, pursuant to HSC § 34177, the Successor Agency is legally required to continue to make payments due for enforceable obligations; and

WHEREAS, the Oversight Board will consider for approval the establishment of ROPS 16-17 A and B at its January 28, 2016 meeting, which will ensure that the Successor Agency has the authority to continue to pay its enforceable obligations; and

WHEREAS, it is proposed that the Successor Agency approve the establishment of the ROPS 16-17 A and B, which is attached hereto as Exhibit “A”; and

WHEREAS, all of the prerequisites with respect to the approval of this Resolution have been met.

NOW, THEREFORE, BE IT RESOLVED by the Successor Agency to the Dissolved Community Redevelopment Agency of the City of Banning, as follows:

Section 1. The foregoing recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Successor Agency's ROPS 16-17 A and B for the period of July 2016 through June 2017, which is attached hereto as Exhibit "A", is approved, inclusive of each enforceable obligation.

Section 3. The City Manager, as the Successor Agency's Executive Director or designee, is authorized to: i) post that ROPS 16-17 A and B on the City's website, ii) transmit the ROPS 16-17 A and B to the State Department of Finance and the County Auditor-Controller for their review within the timeframe and in the manner prescribed by the HSC; and iii) make ministerial revisions to ROPS 16-17 A and B, which may include, but are not limited to restating the information included within ROPS 16-17 A and B in any format that may be requested by the State Department of Finance, take such other actions and execute such other documents as are necessary to effectuate the intent of this Resolution, and to implement ROPS 16-17 A and B on behalf of the Successor Agency, including authorizing and causing such payments.

Section 4. This Resolution shall take effect upon the date of its adoption.

PASSED, APPROVED AND ADOPTED this 26th day of January 2016

Art Welch, Chairman

ATTEST

Marie A. Calderon, Secretary

CERTIFICATION:

I, Marie A. Calderon, Secretary for the Successor Agency to the Dissolved Community Redevelopment Agency of the City of Banning, do hereby certify that the foregoing Resolution No. 2016-01 SA was duly adopted by the Successor Agency to the Dissolved Community Redevelopment Agency of the City of Banning, at a meeting thereof held on the 26th day of January 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Marie A. Calderon Secretary

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EXHIBIT "A"

**SUCCESSOR AGENCY TO THE
DISSOLVED COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF BANNING**

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE 16-17 A and B
(JULY 2016 THROUGH JUNE 2017)**

(See Attachment)

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Recognized Obligation Payment Schedule (ROPS 16-17) - Summary

Filed for the July 1, 2016 through June 30, 2017 Period

Successor Agency: Earnhart
County: Riverside

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)			ROPS 16-17
	16-17A Total	16-17B Total	Total
A Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding	\$ 8,143,339	\$ -	\$ 8,143,339
B Sources (B+C+D):	8,106,026	-	8,106,026
C Bond Proceeds Funding	-	-	-
D Reserve Balance Funding	37,313	-	37,313
E Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 2,041,250	\$ 2,075,640	\$ 4,116,890
F Non-Administrative Costs	1,953,563	1,950,640	3,904,203
G Administrative Costs	87,687	125,000	212,687
H Current Period Enforceable Obligations (A+E):	<u>\$ 10,184,589</u>	<u>\$ 2,075,640</u>	<u>\$ 12,260,229</u>

Certification of Oversight Board Chairman:

Pursuant to Section 34177 (c) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

Name _____ Title _____
 /s/ _____
 Signature _____ Date _____

Banning Recognized Obligation Payment Schedule (ROPS 16-17) - ROPS Detail

Banning Recognized Obligation Payment Schedule (ROPS 16-17) - Report of Cash Balances
(Report Amounts in Whole Dollars)

►suant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [CASH BALANCE TIPS SHEET](#).

A	B	Fund Sources						I	
		C	D	E	F	G	H		
Cash Balance Information by ROPS Period								Comments	
ROPS 15-16A Actuals (07/01/15 - 12/31/15)									
1	Beginning Available Cash Balance (Actual 07/01/15)								
2	Revenue/Income (Actual 12/31/15) RPTTF amounts should tie to the ROPS 15-16A distribution from the County Auditor-Controller during June 2015	11,879,448			1,668,154	40,481	Cell C-1 consists of DSRFs and unspent bond proceeds. Cell F-1 is the principal reduction reserve received during ROPS 14-15B for payment during ROPS 15-16A. Cell H-1 is the ROPS 14-15A and 14-15B PPA. Cell C-2 includes interest, earnings and loan repayments attributable to the bond fund. Cell H-2 is the actual amount of RPTTF distributed by the CAC.		
3	Expenditures for ROPS 15-16A Enforceable Obligations (Actual 12/31/15)	47,306			2,464	105,842			
4	Retention of Available Cash Balance (Actual 12/31/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	675,732			1,413,305	125,000			
5	ROPS 15-16A RPTTF Balances Remaining	No entry required							
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ 11,254,022	\$ -	\$ -	\$ -	\$ 277,313	\$ 21,323		
7	ROPS 15-16B Estimate (01/01/16 - 06/30/16)							Cell H-7 is the ROPS 14-15B PPA.	
8	Beginning Available Cash Balance (Actual 01/01/16) (C, D, E, G = 4 + 5, F = H4 + F6, and H = 5 + 6)	\$ 11,254,022	\$ -	\$ -	\$ -	\$ 277,313	\$ 21,323	Cell H-8 equals the actual amount distributed by the CAC.	
9	Revenue/Income (Estimate 06/30/16) RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during January 2016					1,607,959			
10	Expenditures for ROPS 15-16B Enforceable Obligations (Estimate 06/30/16)	293,646			240,000	979,282	The amount in Cell G-10 is programmed for ROPS 16-17 A & B costs. The amount in Cell H-10 is reserved for principal reduction debt service during ROPS 16-17A.		
11	Retention of Available Cash Balance (Estimate 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)				37,313	650,000			
	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ 10,952,376	\$ -	\$ -	\$ -	\$ 37,313	\$ -		

Earnings Recognized Obligation Payment Schedule (ROPS 16-17) - Notes July 1, 2016 through June 30, 2017

Item #	Notes/Comments
	ROPS DETAIL FORM
1	EO # 1 depicts the interest only component of the debt service due on the 2003 TABs. See Note for EO # 25 for the principal reduction only component.
2	EO # 2 depicts the interest only component of the debt service due on the 2007 TABs. See Note for EO # 26 for the principal reduction only component.
4	Payments for Continuing Disclosure are paid only during the ROPS "B" cycle.
5	None.
8	Final payment made in ROPS 15-16B.
10	Costs for the Successor Agency's Financial Statements Occur on the "A" ROPS Cycle.
12	None.
13	None.
17	EO # 17 is for the arbitrage analysis on the 2003 TABs and the 2007 TABs and is only paid on the "B" ROPS cycle every fifth year.
23	None.
23	EO No. 25 is for one-half of the principal reduction portion of the debt service payments on the 2003 TABs during the fiscal year. Due to the vagaries associated with the RPTTF cash-flow between the "B" and the "A" ROPS cycles, one-half of the principal reduction payment will be requested during the "B" ROPS cycle and the other half plus any shortfalls in the "B" cycle payment will be requested during the "A" ROPS cycle.
25	EO No. 26 is for one-half of the principal reduction portion of the debt service payments on the 2007 TABs during the fiscal year. Due to the vagaries associated with the RPTTF cash-flow between the "B" and the "A" ROPS cycles, one-half of the principal reduction payment will be requested during the "B" ROPS cycle and the other half plus any shortfalls in the "B" cycle payment will be requested during the "A" ROPS cycle.
28	None.
28	The amount payable for the SERAF loan was calculated using DOF's Sponsoring Entity Loan Repayment Calculator. The total amount per the fiscal year is equally divided per ROPS period due to an anticipated RPTTF cash-flow.
29	EO # 30 is the development and construction phase for the improvements that were designed during a previous ROPS cycle.
30	EO # 31 is for selected capital projects that will utilize the balance of unspent proceeds from the 2003 and 2007 TABs.
31	



**CITY OF BANNING
CITY COUNCIL AND SUCCESSOR AGENCY REPORT**

TO: **CITY COUNCIL
SUCCESSOR AGENCY BOARD**

FROM: **Michael Rock, City Manager/Executive Director**

PREPARED BY: **Michelle M. Green, Deputy Finance Director
Rochelle Clayton, Deputy City Manager
Steven Dukeett, Urban Futures, Inc.**

MEETING DATE: **January 26, 2016**

SUBJECT: **Resolution No. 2016-13 and Resolution No. 2016-02 SA
“Approving a Bond Expenditure Agreement between the
Successor Agency to the Dissolved Community
Redevelopment Agency of the City of Banning and the City of
Banning, and approving related actions.”**

RECOMMENDATIONS: 1) City Council adopt Resolution No. 2016-13, approving a Bond Expenditure Agreement between the Successor Agency to the Dissolved Community Redevelopment Agency of the City of Banning (“Successor Agency”) and the City of Banning, and approving related actions; and 2) The Successor Agency Board adopt Resolution No. 2016-02 SA, approving a Bond Expenditure Agreement between the Successor Agency to the Dissolved Community Redevelopment Agency of the City of Banning (“Successor Agency”) and the City of Banning, and approving related actions.

JUSTIFICATION: Approving the Bond Expenditure Agreement will ensure that the bond proceeds are used for their intended purpose in an expeditious manner.

BACKGROUND: Pursuant to Health and Safety Code (“HSC”) § 34172 (a) (1), the Community Redevelopment Agency of the City of Banning was dissolved on February 1, 2012. Consistent with the provisions of the HSC, the City Council of the City of Banning (“City”) previously elected to serve in the capacity of the Successor Agency. The Oversight Board for the Successor Agency (“Oversight Board”) has been

established pursuant to HSC § 34179 to assist in the wind-down of the dissolved redevelopment agency.

HSC § 34191.4 (c) allows a successor agency that has received a Finding of Completion (the "FOC") to use bond proceeds from bonds issued prior to 2011 for purposes for which the bonds were sold, provides that such proceeds in excess of amounts needed to satisfy approved enforceable obligations shall be expended in a manner consistent with the original bond covenants, and further provides that such expenditures shall constitute excess bond proceeds (the "Excess Bond Proceeds") obligations that shall be listed separately on a successor agency's Recognized Obligation Payment Schedule (the "ROPS").

The HSC provides for a cooperative relationship between cities and their redevelopment agencies, as well as their successor agencies who have assumed the duties and obligations of the former redevelopment agencies. HSC § 33220 authorizes a city to aid and cooperate in the planning, undertaking, construction, or operation of redevelopment projects. HSC § 34178 (c) allows a successor agency and its sponsoring city to enter into agreements for the purpose of conducting the work of winding-down the former redevelopment agency as set forth in HSC § 34177.3 (b), subject to the obtaining the approval of its oversight board.

As a consequence of receiving its FOC on April 26, 2013, the Successor Agency may utilize its Excess Bond Proceeds for their intended purposes. The Successor Agency has Excess Bond Proceeds in the approximate amount of \$770,967 from its 2003 Tax Allocation Bonds (the "TABs") and approximately \$7,335,058 from its 2007 TABs that together total approximately \$8,106,025 that may be committed to capital projects pursuant to the covenants applicable to each of the TAB issues.

The Successor Agency does not have the technical capability of causing the development of capital projects; however, the City of Banning (the "City") does have the requisite technical capability of causing the development of capital projects. Consistent with the foregoing, the Successor Agency desires to provide the Excess Bond Proceeds to the City for the purpose of enabling the City to use such funds in the manner consistent with the covenants applicable to the TABs.

The transfer of the Excess Bond Proceeds to the City for use in the manner consistent with the covenants applicable to the TABs is evidenced in the Bond Expenditure Agreement between the Successor Agency and the City, which is included as Exhibit "A" to the attached Resolution. Therefore, consistent with the foregoing, the Bond Expenditure Agreement is recommended for approval. In addition, the Bond Expenditure Agreement has been added to the Successor Agency's ROPS 16-17 A and B and both the Agreement and the ROPS are subject to approval by the Oversight Board.

OPTIONS: The option to reject this resolution will result in the requirement to submit all bond project expenditures for approval by the California Department of Finance

("DOF") in addition to the Oversight Board for each agreement to conduct work while winding-down the former redevelopment agency. The DOF approval process will delay the approval process by the Oversight Board.

FISCAL IMPACT: Approval of the Bond Expenditure Agreement will enable the Successor Agency to ensure that its Excess Bond Proceeds are used for their intended purpose in an expeditious manner. The specific bond-funded projects will be determined by the City Council at a later time.

ATTACHMENTS: Resolution No. 2016-13 and Resolution 2016-02 SA
Bond Expenditure Agreement Between the Successor Agency and
the City of Banning (Exhibit A)

Prepared and Reviewed by:


Rochelle Clayton
Deputy City Manager

Approved by:


Michael Rock
City Manager/Executive Director

Prepared by:



Michelle M. Green
Deputy Finance Director

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RESOLUTION NO. 2016-13

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING APPROVING A BOND EXPENDITURE AGREEMENT BETWEEN THE DISSOLVED COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING AND THE CITY OF BANNING AND APPROVING CERTAIN RELATED ACTIONS

WHEREAS, pursuant to Health and Safety Code (the "HSC") § 34172 (a) (1), the Community Redevelopment Agency of the City of Banning was dissolved on February 1, 2012; and

WHEREAS, consistent with the provisions of the HSC, the City Council of the City of Banning previously elected to serve in the capacity of the Successor Agency to the Dissolved Community Redevelopment Agency of the City of Banning (the "Successor Agency"); and

WHEREAS, the Oversight Board for the Successor Agency (the "Oversight Board") has been established pursuant to HSC § 34179 to assist in the wind-down of the dissolved redevelopment agency; and

WHEREAS, HSC § 34191.4 (c) allows a successor agency that has received a Finding of Completion (the "FOC") to use bond proceeds from bonds issued prior to 2011 for purposes for which the bonds were sold, provides that such proceeds in excess of amounts needed to satisfy approved enforceable obligations shall be expended in a manner consistent with the original bond covenants, and further provides that such expenditures shall constitute excess bond proceeds (the "Excess Bond Proceeds") obligations that shall be listed separately on a successor agency's Recognized Obligation Payment Schedule (the "ROPS"); and

WHEREAS, the HSC provides for a cooperative relationship between cities and their redevelopment agencies, as well as their successor agencies who have assumed the duties and obligations of the former redevelopment agencies; and

WHEREAS, HSC § 33220 authorizes a city to aid and cooperate in the planning, undertaking, construction, or operation of redevelopment projects; and

WHEREAS, HSC § 34178 (c) allows a successor agency and its sponsoring city to enter into agreements for the purpose of conducting the work of winding-down the former redevelopment agency as set forth in HSC § 34177.3 (b), subject to the obtaining the approval of its oversight board; and

WHEREAS, as a consequence of receiving its FOC on April 26, 2013, the Successor Agency may utilize its Excess Bond Proceeds for their intended purposes; and

WHEREAS, the Successor Agency has Excess Bond Proceeds in the approximate amount of \$770,967 from its 2003 Tax Allocation Bonds (the "TABs") and approximately \$7,335,058 from its 2007 TABs that together total approximately \$8,106,025 that may be committed to capital projects pursuant to the covenants applicable to each of the TAB issues; and

WHEREAS, the Successor Agency does not have the technical capability of causing the development of capital projects; however, the City of Banning (the "City") does have the requisite technical capability of causing the development of capital projects; and

WHEREAS, consistent with the foregoing recital, the Successor Agency desires to provide the Excess Bond Proceeds to the City for the purpose of enabling the City to use such funds in the manner consistent with the covenants applicable to the TABs; and

WHEREAS, the transfer of the Excess Bond Proceeds to the City for use in the manner consistent with the covenants applicable to the TABs is evidenced in the Bond Expenditure Agreement between the Successor Agency and the City, attached hereto as Exhibit "A"; and

WHEREAS, consistent with the foregoing, the Bond Expenditure Agreement is recommended for approval; and

WHEREAS, all of the prerequisites with respect to the approval of this Resolution have been met.

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

Section 1. The foregoing recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Bond Expenditure Agreement between the Successor Agency and the City, which is attached hereto as Exhibit "A", is approved.

Section 3. The City Manager, or designee, is authorized to take such actions and execute such documents as are necessary to effectuate the intent of this Resolution.

Section 5. This Resolution shall take effect upon the date of its adoption.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Banning at a meeting held on the 26th day of January, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Marie A. Calderon, City Clerk
City of Banning

Art Welch, Mayor
City of Banning

**APPROVED AS TO FORM
AND LEGAL CONTENT:**

Anthony R. Taylor, City Attorney
Aleshire & Wynder, LLP

EXHIBIT "A"

BOND EXPENDITURE AGREEMENT
BETWEEN THE
SUCCESSOR AGENCY TO THE DISSOLVED COMMUNITY REDEVELOPMENT AGENCY OF THE
CITY OF BANNING
AND THE
CITY OF BANNING

(See Attachment)

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BOND EXPENDITURE AGREEMENT

This Bond Expenditure Agreement (the "Agreement") is entered into on February 1, 2016, by and between the City of Banning, a municipal corporation (the "City") and the Successor Agency to the Dissolved Community Redevelopment Agency of the City of Banning (the "Successor Agency"). The City and the Successor Agency are collectively referred to herein as "Parties" or individually referred to as a "Party".

RECITALS

WHEREAS, pursuant to Health and Safety Code (the "HSC") § 34172 (a) (1), the Redevelopment Agency of the City of Banning was dissolved February 1, 2012; and

WHEREAS, consistent with the provisions of the HSC, on January 9, 2012 the Mayor and Common Council of the City of Banning elected to serve in the capacity of the Successor Agency to the Redevelopment Agency of the City of Banning (the "Successor Agency"); and

WHEREAS, the Oversight Board for the Successor Agency (the "Oversight Board") has been established pursuant to HSC § 34179 to assist in the wind-down of the dissolved redevelopment agency; and

WHEREAS, HSC § 34191.4 (c) allows a successor agency that has received a Finding of Completion (the "FOC") to use bond proceeds from bonds issued prior to 2011 for purposes for which the bonds were sold, provides that such proceeds in excess of amounts needed to satisfy approved enforceable obligations shall be expended in a manner consistent with the original bond covenants, and further provides that such expenditures shall constitute excess bond proceeds (the "Excess Bond Proceeds") obligations that shall be listed separately on a successor agency's Recognized Obligation Payment Schedule (the "ROPS"); and

WHEREAS, the HSC provides for a cooperative relationship between cities and their redevelopment agencies, as well as their successor agencies who have assumed the duties and obligations of the former redevelopment agencies; and

WHEREAS, HSC § 33220 authorizes a city to aid and cooperate in the planning, undertaking, construction, or operation of redevelopment projects; and

WHEREAS, HSC § 34178 (c) allows a successor agency and its sponsoring city to enter into agreements for the purpose of conducting the work of winding-down the former redevelopment agency as set forth in HSC § 34177.3 (b), subject to the obtaining the approval of its oversight board; and

WHEREAS, as a consequence of receiving its FOC on April 26, 2013, the Successor Agency may utilize its Excess Bond Proceeds for their intended purposes; and

WHEREAS, the Successor Agency has Excess Bond Proceeds in the approximate amount of \$770,967 from its 2003 Tax Allocation Bonds (the "TABS") and approximately

\$7,335,058 from its 2007 TABs that together total approximately \$8,106,025 that may be committed to capital projects pursuant to the covenants applicable to each of the TAB issues; and

WHEREAS, the Successor Agency does not have the technical capability of causing the development of capital projects; however, the City of Banning (the "City") does have the requisite technical capability of causing the development of capital projects; and

WHEREAS, pursuant to this Agreement, the Successor Agency desires to provide the Excess Bond Proceeds to the City for the purpose of enabling the City to use such funds in the manner consistent with the covenants applicable to the TABs; and

WHEREAS, the Parties intend that this Agreement shall constitute an excess bonds proceeds obligation within the meaning of HSC § 34191.4 (c) (1) (A) to be paid from Excess Bond Proceeds; and

WHEREAS, the Successor Agency has listed this Agreement inclusive of the requirement to transfer Excess Bond Proceeds to the City on its ROPS 16-17 A & B as an obligation to be funded with Excess Bond Proceeds.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions set forth hereinafter, the parties agree as follows:

1. Incorporation. The foregoing Recitals are true and correct and are a substantive part of this Agreement.

2. Successor Agency's Obligations: Subsequent to the Effective Date, as defined below, the Successor Agency shall: i) transfer to the City all of the Excess Bond Proceeds from the 2003 and 2007 TABs, plus all interest accrued thereon up to the date of such transfer; and ii) assign to the City all duties and responsibilities with respect to the administration of any capital projects that are funded with Excess Bond Proceeds.

3. City's Obligations: The City shall have the following obligations under this Agreement:

a) **Retention of Excess Bond Proceeds:** The City Shall accept, hold, and disburse Excess Bond Proceeds transferred to the City pursuant to this Agreement, including current Excess Bond Proceeds and future Excess Bond Proceeds. The City shall retain any Excess Bond Proceeds that it receives and shall use such funds for uses consistent with applicable bond covenants.

b) **Use of Excess Bond Proceeds:** The City may spend Excess Bond Proceeds received or retained under this Agreement on any project, program, or activity authorized by the Mayor and the Common Council of the City. However, the City must spend the Excess Bond Proceeds consistent with the original bond covenants applicable to the particular Excess Bond Proceeds, and must comply with all requirements of the federal tax law and all applicable requirements of the HSC as to the use of such funds. The City shall be solely responsible for ensuring that

Excess Bond Proceeds are maintained and spent in accordance with bond covenants and other applicable laws.

The City shall indemnify and defend the Successor Agency, and its officers and agents, against, and shall hold the Successor Agency, and its officers and agents, harmless from, any claims causes of action, or liabilities arising from any use of Excess Bond Proceeds by the City that is inconsistent with or unallowable pursuant to the applicable bond covenant or the failure of the City to ensure that Excess Bond Proceeds are used in accordance with bond covenants, federal tax law, and the HSC.

The City assumes all contracts, if any, entered into by the Successor Agency or the former redevelopment agency related to activities to be funded by Excess Bonds Proceeds, with the exception of those contracts retained by the Successor Agency relating to Enforceable Obligations. The City shall perform its obligations hereunder, and under such assumed contracts, in accordance with the applicable provisions of federal, state and local laws, including the obligation to comply with environmental laws such as CEQA, and shall timely complete the work required for each project.

4. Entire Agreement; Waivers; and Amendments:

a) This Agreement constitutes the entire understanding and agreement of the Parties with respect to the transfer and use of Excess Bond Proceeds. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the Parties with respect to the subject matter of this Agreement.

b) This agreement is intended solely for the benefit of the City and the Successor Agency. Notwithstanding any reference in this Agreement to persons or entities other than the City and the Successor Agency, there shall be no third party beneficiaries under this agreement.

c) All waivers of the provisions of the Agreement and all amendments to this Agreement must be in writing and signed by the authorized Representative of the Parties.

5. Severability: If any term, provisions, covenant or condition to this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the Parties have been materially altered or abridged by such invalidation, voiding or unenforceability. In addition, the Parties shall cooperate in good faith in an effort to amend or modify this Agreement in a manner such that the purpose of any invalidated or voided provision, covenant, or condition can be accomplished to the maximum extent legally permissible.

6. Further Assurances: Each Party agrees to execute, acknowledge and deliver all additional documents and instruments, and to take such other actions as may be reasonably necessary to carry out the intent of this agreement.

7. **Effective Date:** This Agreement shall only be effective subsequent to its approval by the Successor Agency's Oversight Board and the California Department of Finance (the "DOF").

8. **Integration:** This instrument constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior offers and negotiations, oral or written.

9. **Governing Law:** This Agreement shall be construed and interpreted according to the laws of the State of California.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the dates indicated below.

CITY OF BANNING

By: _____
Art Welch, Mayor

Date: _____

**SUCCESSOR AGENCY TO THE DISSOLVED
COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF BANNING**

By: _____
Art Welch, Chairman

Date: _____

APPROVED AS TO FORM:

By: _____
Anthony R. Taylor, City Attorney

ATTEST:

By: _____
Marie A. Calderon, City Clerk

RESOLUTION NO. 2016-02 SA

RESOLUTION OF THE SUCCESSOR AGENCY TO THE DISSOLVED COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING APPROVING A BOND EXPENDITURE AGREEMENT BETWEEN THE DISSOLVED COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING AND THE CITY OF BANNING AND APPROVING CERTAIN RELATED ACTIONS

WHEREAS, pursuant to Health and Safety Code (the "HSC") § 34172 (a) (1), the Community Redevelopment Agency of the City of Banning was dissolved on February 1, 2012; and

WHEREAS, consistent with the provisions of the HSC, the City Council of the City of Banning previously elected to serve in the capacity of the Successor Agency to the Dissolved Community Redevelopment Agency of the City of Banning (the "Successor Agency"); and

WHEREAS, the Oversight Board for the Successor Agency (the "Oversight Board") has been established pursuant to HSC § 34179 to assist in the wind-down of the dissolved redevelopment agency; and

WHEREAS, HSC § 34191.4 (c) allows a successor agency that has received a Finding of Completion (the "FOC") to use bond proceeds from bonds issued prior to 2011 for purposes for which the bonds were sold, provides that such proceeds in excess of amounts needed to satisfy approved enforceable obligations shall be expended in a manner consistent with the original bond covenants, and further provides that such expenditures shall constitute excess bond proceeds (the "Excess Bond Proceeds") obligations that shall be listed separately on a successor agency's Recognized Obligation Payment Schedule (the "ROPS"); and

WHEREAS, the HSC provides for a cooperative relationship between cities and their redevelopment agencies, as well as their successor agencies who have assumed the duties and obligations of the former redevelopment agencies; and

WHEREAS, HSC § 33220 authorizes a city to aid and cooperate in the planning, undertaking, construction, or operation of redevelopment projects; and

WHEREAS, HSC § 34178 (c) allows a successor agency and its sponsoring city to enter into agreements for the purpose of conducting the work of winding-down the former redevelopment agency as set forth in HSC § 34177.3 (b), subject to the obtaining the approval of its oversight board; and

WHEREAS, as a consequence of receiving its FOC on April 26, 2013, the Successor Agency may utilize its Excess Bond Proceeds for their intended purposes; and

WHEREAS, the Successor Agency has Excess Bond Proceeds in the approximate amount of \$770,967 from its 2003 Tax Allocation Bonds (the "TABs") and approximately \$7,335,058 from its 2007 TABs that together total approximately \$8,106,025 that may be committed to capital projects pursuant to the covenants applicable to each of the TAB issues; and

WHEREAS, the Successor Agency does not have the technical capability of causing the development of capital projects; however, the City of Banning (the "City") does have the requisite technical capability of causing the development of capital projects; and

WHEREAS, consistent with the foregoing recital, the Successor Agency desires to provide the Excess Bond Proceeds to the City for the purpose of enabling the City to use such funds in the manner consistent with the covenants applicable to the TABs; and

WHEREAS, the transfer of the Excess Bond Proceeds to the City for use in the manner consistent with the covenants applicable to the TABs is evidenced in the Bond Expenditure Agreement between the Successor Agency and the City, attached hereto as Exhibit "A"; and

WHEREAS, consistent with the foregoing, the Bond Expenditure Agreement is recommended for approval; and

WHEREAS, all of the prerequisites with respect to the approval of this Resolution have been met.

NOW, THEREFORE, BE IT RESOLVED by the Successor Agency to the Dissolved Community Redevelopment Agency of the City of Banning, as follows:

Section 1. The foregoing recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Bond Expenditure Agreement between the Successor Agency and the City, which is attached hereto as Exhibit "A", is approved.

Section 3. The City Manager, as the Successor Agency's Executive Director or designee, is authorized to take such actions and execute such documents as are necessary to effectuate the intent of this Resolution.

Section 5. This Resolution shall take effect upon the date of its adoption.

PASSED, APPROVED, AND ADOPTED by the Successor Agency to the Dissolved Community Redevelopment Agency of the City of Banning at a meeting held on the 26th day of January 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Marie A. Calderon, Secretary
Successor Agency

Art Welch, Chairperson
Successor Agency

**APPROVED AS TO FORM
AND LEGAL CONTENT:**

Anthony R. Taylor, Agency Counsel
Aleshire & Wynder, LLP

EXHIBIT "A"

BOND EXPENDITURE AGREEMENT
BETWEEN THE
SUCCESSOR AGENCY TO THE DISSOLVED COMMUNITY REDEVELOPMENT AGENCY OF THE
CITY OF BANNING
AND THE
CITY OF BANNING

(See Attachment)

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BOND EXPENDITURE AGREEMENT

This Bond Expenditure Agreement (the "Agreement") is entered into on February 1, 2016, by and between the City of Banning, a municipal corporation (the "City") and the Successor Agency to the Dissolved Community Redevelopment Agency of the City of Banning (the "Successor Agency"). The City and the Successor Agency are collectively referred to herein as "Parties" or individually referred to as a "Party".

RECITALS

WHEREAS, pursuant to Health and Safety Code (the "HSC") § 34172 (a) (1), the Redevelopment Agency of the City of Banning was dissolved February 1, 2012; and

WHEREAS, consistent with the provisions of the HSC, on January 9, 2012 the Mayor and Common Council of the City of Banning elected to serve in the capacity of the Successor Agency to the Redevelopment Agency of the City of Banning (the "Successor Agency"); and

WHEREAS, the Oversight Board for the Successor Agency (the "Oversight Board") has been established pursuant to HSC § 34179 to assist in the wind-down of the dissolved redevelopment agency; and

WHEREAS, HSC § 34191.4 (c) allows a successor agency that has received a Finding of Completion (the "FOC") to use bond proceeds from bonds issued prior to 2011 for purposes for which the bonds were sold, provides that such proceeds in excess of amounts needed to satisfy approved enforceable obligations shall be expended in a manner consistent with the original bond covenants, and further provides that such expenditures shall constitute excess bond proceeds (the "Excess Bond Proceeds") obligations that shall be listed separately on a successor agency's Recognized Obligation Payment Schedule (the "ROPS"); and

WHEREAS, the HSC provides for a cooperative relationship between cities and their redevelopment agencies, as well as their successor agencies who have assumed the duties and obligations of the former redevelopment agencies; and

WHEREAS, HSC § 33220 authorizes a city to aid and cooperate in the planning, undertaking, construction, or operation of redevelopment projects; and

WHEREAS, HSC § 34178 (c) allows a successor agency and its sponsoring city to enter into agreements for the purpose of conducting the work of winding-down the former redevelopment agency as set forth in HSC § 34177.3 (b), subject to the obtaining the approval of its oversight board; and

WHEREAS, as a consequence of receiving its FOC on April 26, 2013, the Successor Agency may utilize its Excess Bond Proceeds for their intended purposes; and

WHEREAS, the Successor Agency has Excess Bond Proceeds in the approximate amount of \$770,967 from its 2003 Tax Allocation Bonds (the "TABS") and approximately

\$7,335,058 from its 2007 TABs that together total approximately \$8,106,025 that may be committed to capital projects pursuant to the covenants applicable to each of the TAB issues; and

WHEREAS, the Successor Agency does not have the technical capability of causing the development of capital projects; however, the City of Banning (the "City") does have the requisite technical capability of causing the development of capital projects; and

WHEREAS, pursuant to this Agreement, the Successor Agency desires to provide the Excess Bond Proceeds to the City for the purpose of enabling the City to use such funds in the manner consistent with the covenants applicable to the TABs; and

WHEREAS, the Parties intend that this Agreement shall constitute an excess bonds proceeds obligation within the meaning of HSC § 34191.4 (c) (1) (A) to be paid from Excess Bond Proceeds; and

WHEREAS, the Successor Agency has listed this Agreement inclusive of the requirement to transfer Excess Bond Proceeds to the City on its ROPS 16-17 A & B as an obligation to be funded with Excess Bond Proceeds.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions set forth hereinafter, the parties agree as follows:

1. Incorporation. The foregoing Recitals are true and correct and are a substantive part of this Agreement.

2. Successor Agency's Obligations: Subsequent to the Effective Date, as defined below, the Successor Agency shall: i) transfer to the City all of the Excess Bond Proceeds from the 2003 and 2007 TABs, plus all interest accrued thereon up to the date of such transfer; and ii) assign to the City all duties and responsibilities with respect to the administration of any capital projects that are funded with Excess Bond Proceeds.

3. City's Obligations: The City shall have the following obligations under this Agreement:

a) **Retention of Excess Bond Proceeds:** The City Shall accept, hold, and disburse Excess Bond Proceeds transferred to the City pursuant to this Agreement, including current Excess Bond Proceeds and future Excess Bond Proceeds. The City shall retain any Excess Bond Proceeds that it receives and shall use such funds for uses consistent with applicable bond covenants.

b) **Use of Excess Bond Proceeds:** The City may spend Excess Bond Proceeds received or retained under this Agreement on any project, program, or activity authorized by the Mayor and the Common Council of the City. However, the City must spend the Excess Bond Proceeds consistent with the original bond covenants applicable to the particular Excess Bond Proceeds, and must comply with all requirements of the federal tax law and all applicable requirements of the HSC as to the use of such funds. The City shall be solely responsible for ensuring that

Excess Bond Proceeds are maintained and spent in accordance with bond covenants and other applicable laws.

The City shall indemnify and defend the Successor Agency, and its officers and agents, against, and shall hold the Successor Agency, and its officers and agents, harmless from, any claims causes of action, or liabilities arising from any use of Excess Bond Proceeds by the City that is inconsistent with or unallowable pursuant to the applicable bond covenant or the failure of the City to ensure that Excess Bond Proceeds are used in accordance with bond covenants, federal tax law, and the HSC.

The City assumes all contracts, if any, entered into by the Successor Agency or the former redevelopment agency related to activities to be funded by Excess Bonds Proceeds, with the exception of those contracts retained by the Successor Agency relating to Enforceable Obligations. The City shall perform its obligations hereunder, and under such assumed contracts, in accordance with the applicable provisions of federal, state and local laws, including the obligation to comply with environmental laws such as CEQA, and shall timely complete the work required for each project.

4. Entire Agreement; Waivers; and Amendments:

a) This Agreement constitutes the entire understanding and agreement of the Parties with respect to the transfer and use of Excess Bond Proceeds. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the Parties with respect to the subject matter of this Agreement.

b) This agreement is intended solely for the benefit of the City and the Successor Agency. Notwithstanding any reference in this Agreement to persons or entities other than the City and the Successor Agency, there shall be no third party beneficiaries under this agreement.

c) All waivers of the provisions of the Agreement and all amendments to this Agreement must be in writing and signed by the authorized Representative of the Parties.

5. Severability: If any term, provisions, covenant or condition to this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the Parties have been materially altered or abridged by such invalidation, voiding or unenforceability. In addition, the Parties shall cooperate in good faith in an effort to amend or modify this Agreement in a manner such that the purpose of any invalidated or voided provision, covenant, or condition can be accomplished to the maximum extent legally permissible.

6. Further Assurances: Each Party agrees to execute, acknowledge and deliver all additional documents and instruments, and to take such other actions as may be reasonably necessary to carry out the intent of this agreement.

7. **Effective Date:** This Agreement shall only be effective subsequent to its approval by the Successor Agency's Oversight Board and the California Department of Finance (the "DOF").

8. **Integration:** This instrument constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior offers and negotiations, oral or written.

9. **Governing Law:** This Agreement shall be construed and interpreted according to the laws of the State of California.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the dates indicated below.

CITY OF BANNING

By: _____
Art Welch, Mayor

Date: _____

**SUCCESSOR AGENCY TO THE DISSOLVED
COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF BANNING**

By: _____
Art Welch, Chairman

Date: _____

APPROVED AS TO FORM:

By: _____
Anthony R. Taylor, City Attorney

ATTEST:

By: _____
Marie A. Calderon, City Clerk



**CITY OF BANNING
CITY COUNCIL REPORT**

TO: **CITY COUNCIL**

FROM: **Michael Rock, City Manager**

PREPARED BY: **Art Vela, Acting Public Works Director
Holly Stuart, Public Works Analyst**

MEETING DATE: **January 26, 2016**

SUBJECT: **Resolution No. 2016-09, "Initiating Proceedings to Update
Landscape Maintenance District No. 1 for Fiscal Year 2016/2017"**

RECOMMENDATION: Adopt Resolution No. 2016-09, "Initiating Proceedings to Update Landscape Maintenance District No. 1 for Fiscal Year 2016/2017."

JUSTIFICATION: The City Council approved the formation of Landscape Maintenance District No. 1 ("the District") by adopting Resolution No. 1990-59 on August 14, 1990. The adoption of Resolution No. 2016-09 will enable the Acting Public Works Director/City Engineer to prepare the assessment for Fiscal Year 2016/2017.

BACKGROUND: In accordance with the "Landscaping and Lighting Act of 1972" ("1972 Act") of the Streets and Highways Code, the City Council adopted a resolution on August 14, 1990 ordering the formation of Landscape Maintenance District No. 1, the boundaries of which are shown in Attachment "A". On May 10, 2005, the City Council approved Resolution No. 2005-36 ordering Annexation No. 1 (consisting of five tracts and three tentative tracts) to Landscape Maintenance District No. 1. The District, by special benefit assessments, provides funding for the servicing and maintenance of certain landscape areas within the City of Banning, all of which are located in the public right-of-way. The 1972 Act requires that assessments are to be levied according to benefit rather than according to assessed value. Resolution No. 2016-09 will initiate the proceedings to update the District for Fiscal Year 2016/2017. A tentative schedule for updating the District, as required by the "Landscaping and Lighting Act of 1972," is attached hereto as Attachment "B".

OPTIONS: Staff recommends to approve and adopt Resolution No. 2016-09 and to proceed with initiating the assessments and update for LMD No. 1, Fiscal Year 2016/2017. Not approving the resolution is an option, although if not approved, staff cannot initiate the process of assessing the homeowners and properties within LMD No. 1 a fee to pay for maintenance

and servicing costs. Expenses funded by the fee currently include the LMD contractor, utility costs (water and electric), miscellaneous costs (irrigation repair, flower and tree replacement, shrubs, etc.), and minor incidentals. Without an assessment other funding sources would have to be utilized to pay for the expenses related to the maintenance of LMD No.1.

FISCAL IMPACT: Not applicable at this time. A detailed estimate will be prepared and forwarded with the Engineer's Report.

Prepared by:


Art Vela
Acting Public Works Director

Reviewed by:


Rochelle Clayton
Administrative Services Director/
Deputy City Manager

Approved by:


Michael Rock
City Manager

RESOLUTION NO. 2016-09

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING,
CALIFORNIA, INITIATING PROCEEDINGS TO UPDATE LANDSCAPE
MAINTENANCE DISTRICT NO. 1 FOR THE FISCAL YEAR 2016/2017, PURSUANT
TO THE LANDSCAPING AND LIGHTING ACT OF 1972

WHEREAS, the City Council, pursuant to the provisions of the “Landscaping and Lighting Act of 1972,” Part 2 of Division 15 of the Streets and Highways Code of California, beginning with Section 22500, desires to initiate proceedings to update the City of Banning’s Landscape Maintenance District No. 1, and to levy and collect annual assessments to pay for the operation, maintenance and servicing of landscaping and all appurtenant facilities related thereto.

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

SECTION 1. The City Council desires to update Landscape Maintenance District No. 1 for Fiscal Year 2016/2017, pursuant to the “Landscaping and Lighting Act of 1972” (Section 22500 and following, Streets and Highways Code) for the purpose of the following improvements:

Maintaining and servicing street trees, parkways, median islands, perimeter strips and backup walls, side slopes adjacent to sidewalks and storm drains, open space areas, flood detention or retention basins, and the irrigation of the above improvements.

SECTION 2. The City Council hereby directs the Acting Public Works Director/City Engineer to prepare and file with the City Clerk an Engineer’s Report in accordance with Article 4 of Chapter 1 of the “Landscaping and Lighting Act of 1972.”

SECTION 3. The fee to be assessed will not exceed the reasonable cost of providing the service. The fee charged shall be based on the rate and methodology set forth in Resolution Nos. 1990-59 and 2005-36.

SECTION 4. The Mayor shall sign this resolution and the City Clerk shall attest and certify to the passage and adoption thereof.

PASSED, APPROVED AND ADOPTED this 26th day of January, 2016.

Arthur L. Welch, Mayor

ATTEST:

Marie A. Calderon, City Clerk
City of Banning

**APPROVED AS TO FORM
AND LEGAL CONTENT:**

Anthony R. Taylor, City Attorney
Aleshire & Wynder, LLP

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2016-09 was duly adopted by the City Council of the City of Banning at a regular meeting thereof held on the 26th day of January, 2016, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

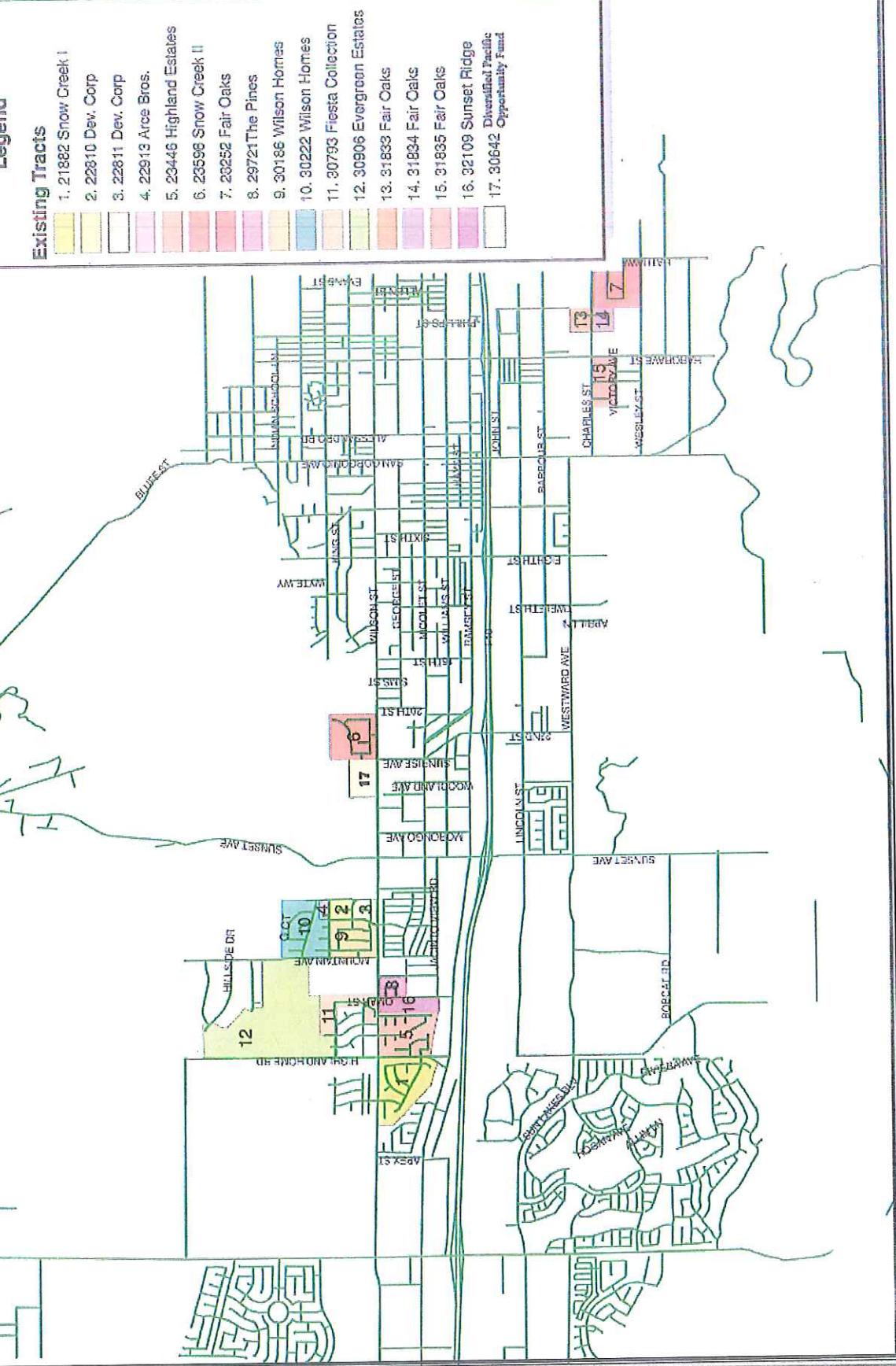
Marie A. Calderon, City Clerk
City of Banning, California

ATTACHMENT "A"

**LANDSCAPE MAINTENANCE DISTRICT NO. 1
FOR FISCAL YEAR 2016/2017**

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Map of Landscape Maintenance District No. 1 2016/2017



ATTACHMENT "E"

**TENTATIVE SCHEDULE
UPDATING LANDSCAPE MAINTENANCE DISTRICT NO. 1**

Item	Council Meeting
Resolution Initiating Update	January 26, 2016
Resolution of Intention (Approving Engineer's Report)	May 10, 2016
Resolution Confirming Assessment (Public Hearing)	June 14, 2016



**CITY OF BANNING
CITY COUNCIL REPORT**

TO: **CITY COUNCIL**

FROM: **Michael Rock, City Manager**

PREPARED BY: **Art Vela, Acting Public Works Director**
Holly Stuart, Management Analyst

MEETING DATE: **January 26, 2016**

SUBJECT: **Resolution No. 2016-06, "Approving the Second Amendment to the Professional Services Agreement with Albert A. Webb Associates"**

RECOMMENDATION: The City Council adopt Resolution No. 2016-06:

- I. Approving the Second Amendment to the Professional Services Agreement with Albert A. Webb Associates of Riverside, California in the amount of \$12,802.50 for a total agreement amount of \$115,202.50.
- II. Authorizing the Administrative Services Director to make necessary budget adjustments, appropriations and transfers related to the agreement.
- III. Authorizing the City Manager to execute the Second Amendment to Professional Services Agreement with Albert A. Webb Associates, Inc. for additional services related to Project No. 2014-04 E, "Corporate Yard Warehouse".

JUSTIFICATION: A Second Amendment to the Professional Services Agreement with Albert A. Webb Associates is necessary in order to amend the existing contract to include additional construction surveying/staking services related Project No. 2014-04 E, "Corporate Yard Warehouse".

BACKGROUND: On February 12, 2013 under Resolution No. 2013-19, the City Council approved the Professional Services Agreement with Albert A. Webb Associates ("Webb") for engineering and design services for the modification and expansion of the City Yard in the amount of \$86,600.00.

On March 24, 2015 under Resolution No. 2015-12, the award of Project No. 2014-04 E, "Corporate Yard Warehouse" was approved by City Council which included the First

Amendment with Webb in the amount of \$15,800.00. The scope of work of the first amendment included construction survey/staking services related to the project.

At this time, it is necessary to process a Second Amendment with Webb, the engineer on record, in the amount of \$12,802.50. The additional scope of work includes coordination and revisions made to gridlines; oil and sand separator revisions and set up; mobilization to verify anchor bolts locations; resurvey of anchor bolt locations; recertification of the building pad and administration for data processing. The total contract including the First and Second Amendments will amount to \$115,202.00.

Part of the additional work included in the Second Amendment includes having to re-stake and re-survey work due to reasons directly related to the Phase I contractor's work performance. Per the construction specifications, the contractor is responsible for those items that he causes to be redone. In this case the contractor shall provide a credit in the amount of \$7,052.50 for work related to additional visits for surveying of anchor bolts and the rough grading certification of the building pad.

OPTIONS: Staff directed the consultant to perform the additional work in order to avoid construction delays that would occur while processing the amendment, therefore in staff's opinion the approval of the amendment is appropriate.

The option of not approving the amendment exists and would result in not paying for the additional work.

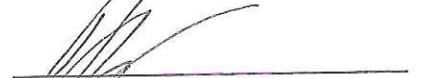
FISCAL IMPACT: An appropriation in the amount of \$12,802.50 from the Electric Improvement Fund to Account No. 674-7000-473.90-11 (Professional Services) is necessary in order to fund the Professional Services Agreement Second Amendment with Webb for Project No. 2014-04 E, "Corporate Yard Warehouse".

Recommended by:



Art Vela
Acting Public Works Director

Reviewed by:


Rochelle Clayton
Administrative Services Director/
Deputy City Manager

Approved by:



Michael Rock
City Manager

RESOLUTION NO. 2016-06

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING,
CALIFORNIA, APPROVING THE SECOND AMENDMENT TO THE
PROFESSIONAL SERVICES AGREEMENT WITH ALBERT A. WEBB
ASSOCIATES

WHEREAS, on February 12, 2013 under Resolution No. 2013-19, the City Council approved the Professional Services Agreement with Albert A. Webb Associates ("Webb") for engineering and design services for the modification and expansion of the City Yard in the amount of \$86,600.00; and

WHEREAS, on March 24, 2015 under Resolution No. 2015-12, the award of Project No. 2014-04 E, "Corporate Yard Warehouse" was approved by City Council which included the First Amendment with Webb in the amount of \$15,800.00; and

WHEREAS, it is necessary to process a Second Amendment with Albert A. Webb Associates, the engineer on record, in the amount of \$12,802.50; and

WHEREAS, the additional scope or work includes coordination and revisions made to gridlines; oil and sand separator revisions and set up; mobilization to verify anchor bolts locations; and administration for data processing for a total contract including the First and Second Amendments will amount to \$115,202.50; and

WHEREAS, an appropriation in the amount of \$12,802.50 from the Electric Improvement Fund to Account No. 674-7000-473.90-11 (Professional Services) is necessary in order to fund the Professional Services Agreement Second Amendment with Webb for Project No. 2014-04 E, "Corporate Yard Warehouse".

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

SECTION 1. The Banning City Council adopts Resolution No. 2016-06 approving the Second Amendment to the Professional Services Agreement with Albert A. Webb Associates of Riverside, California in an amount of \$12,802.50.

SECTION 2. The Administrative Services Director is authorized to make necessary budget adjustments and appropriations and transfers related to this amendment.

SECTION 3. The City Manager is authorized to execute the Amendment to the Professional Services Agreement with Albert A. Webb Associates of Riverside, California, in a form approved by the City Attorney.

PASSED, ADOPTED AND APPROVED this 26th day of January, 2016.

Arthur L. Welch, Mayor
City of Banning

ATTEST:

Marie A. Calderon,
City Clerk of the City of Banning

APPROVED AS TO FORM AND
LEGAL CONTENT:

Anthony R. Taylor, City Attorney
Aleshire & Wynder, LLP

CERTIFICATION:

I, Marie Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2016-06, was duly adopted by the City Council of the City of Banning, California, at a Regular Meeting thereof held on the 26th day of January, 2016, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Marie A. Calderon,
City Clerk of the City of Banning