

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

May 24, 2016  
**6:00 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; a joint meeting of the Banning City Council, the City Council Sitting in Its Capacity of a Successor Agency and the Banning Utility Authority; and a Scheduled Meeting of the Banning Utility Authority.*

*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
- Pledge of Allegiance
- Roll Call – Councilmembers Franklin, Miller, Moyer, Peterson, Mayor Welch

**II. REPORT ON CLOSED SESSION**

**III. PUBLIC COMMENTS**

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.

*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.*

**VI. 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 6**

**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 – 05/10/16 <i>(Closed Session)</i> . . . . .  | 1  |
| 2. | Approval of Minutes – Regular Meeting – 05/10/16 . . . . .  | 3  |
| 3. | Resolution No. 2016-44, Establishing Time Limits for Conduct of Business at City Council Meetings and Repealing Resolution No. 2010-38. . . . .   | 35 |
| 4. | Adoption of Resolution No. 2016-45, Establishing an Ad Hoc 2+2 Committee with the City of Beaumont to Discuss Cannabis Regulation and Resolution No. 2016-46, Establishing an Ad Hoc 2+2 Committee with the City of Beaumont to Discuss Transit Operational Issues. . . . . | 43 |
| 5. | Report of Investments for March 2016. . . . .   | 51 |

- Open for Public Comments
- Make Motion

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

**I. REPORTS OF OFFICERS**

- |   |   |    |
|---|---|----|
| 1.  | Review and Requested Direction concerning the Draft Demand Letter to the Banning Chamber of Commerce requiring payment of overdue utility bills and requiring compliance with other terms of its lease with the Successor Agency. . . . . | 59 |
| (Staff Report – Anthony R. Taylor, City Attorney) |   |    |

Recommendations: **1) That the City Council, Utility Authority Board and Successor Agency Board review the attached draft demand letter requiring the Banning Chamber of Commerce pay its overdue utility bills and requiring it comply with the terms of its lease with the Successor Agency; and 2) Provide comments and direction to the City Attorney on the attached demand letter.**

2. FY 2015/16 Mid-Year Budget Review and Adjustments . . . . . 64 a  
(Staff Report –Rochelle Clayton, Deputy City Manager/Administrative  
Services Director)

Recommendations: **1) That the City Council approve Resolution No. 2016-47, the Banning Utility Authority Resolution No. 2016-08 UA, and the Successor Agency Resolution No. 2016-03 SA, authorizing the Administrative Services Director to make necessary budget adjustments to implement the mid-year analysis.**

**Adjourn Joint Meeting.**

**CALL TO ORDER A SCHEDULED MEETING OF THE BANNING UTILITY AUTHORITY**

**I. BANNING UTILITY AUTHORITY (BUA)**

**Roll Call: Boardmembers Franklin, Miller, Moyer, Peterson, Chairman Welch**

**PUBLIC HEARING**

1. Receive and File Comments related to the 2015 Urban Water Management Plan . . . . . 65  
Staff Report – Art Vela, Public Works Director

Recommendation: **The Banning Utility Authority Receive and file comments related to the 2015 Urban Water Management Plan.**

**BUA ADJOURNMENT** - Next regular meeting: Tuesday, June 14, 2016.

**BANNING FINANCING AUTHORITY (BFA) – no meeting.**

**RECONVENE REGULAR CITY COUNCIL MEETING**

**VI. REPORTS OF OFFICERS**

1. Resolution No. 2016-34, Renewing the Contract for the Operation and Maintenance of the City of Banning’s Landscape Maintenance District (“LMD”) No. 1 . . . . . 69  
(Staff Report – Art Vela, Public Works Director)

Recommendation: **Adopt Resolution No. 2016-34, Renewing the Contract for the Operation and Maintenance of the City of Banning’s Landscape Maintenance District (“LMD”) No. 1 with Artistic Maintenance, Inc. of Lake Forest, California, in the amount of \$71,440.00 for Fiscal Year 2016/17.**

## **VII. PUBLIC HEARING**

1. Public Hearing regarding City Council Elections by Districts. . . . . 79  
(Staff Report – Anthony R. Taylor, City Attorney)

Recommendations: **A) Receive public testimony regarding electoral districts for city council elections, with or without a mayor elected at-large; and B) Provide direction to staff regarding any action to be taken at future scheduled public hearings, if the Council agrees to the same, concerning district elections on June 6, 2016 and June 28, 2016.**

## **VIII. ITEMS FOR FUTURE AGENDAS**

New Items –

Pending Items – City Council

1. 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.)*

## **IX. 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

05/10/16  
SPECIAL MEETING

A special meeting of the Banning City Council was called to order by Mayor Welch on May 10, 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 Franklin  
Councilmember Peterson  
Mayor Welch

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT: Michael Rock, City Manager  
Anthony R. Taylor, City Attorney  
Rochelle Clayton, Administrative Services Dir./Deputy City Manager  
Julie Biggs, City Attorney  
Marie A. Calderon, City Clerk

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

CLOSED SESSION

City Attorney Taylor announced that there are five items: 1) Conference with legal counsel – existing litigation Cassadas, et al., v. city of Banning, et al., Riverside Superior Court; 2) conference with legal counsel existing litigation pursuant with regard to Smith v. Hanna, Riverside Superior Court and Appellate Case; 3) conference with legal counsel existing litigation with regard to Robertson's Ready Mix, Lt., v. City of Banning and the Banning City Council, Riverside Superior Court; 4) conference with labor negotiator, pursuant to Government Code Section 54957.6 – agency representatives: City Manager Michael Rock and Deputy City Manager Rochelle Clayton, employee organizations: International Brotherhood of Electrical Workers (IBEW) – Utility Unit and International Brotherhood of Electrical Workers (IBEW) – General Unit, and San Bernardino Public Employees Association (SBPEA); and 5) two items of anticipated initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 549569 and two matters include the Sun Lakes water meter dispute and the Banning Business Center abatement proceedings in light of the recent fire there.

Councilmember Miller said it bothers him that Item No. 1 regarding redistricting of our city and that is the responsibility of the Council based on the law of the State and redistricting is of interest to the public and for the Council to have that as a closed session items suggests to the Council that we are really trying not to district for the best interest of the people but to redistrict in the best interest of ourselves to keep our positions and we certainly don't want that appearance. The argument that it should be in closed session is because it is a legal matter but there is really no money involved in this thing and it is simply the fact that we have to redistrict. His feeling is that if the redistricting is discussed in open session openly so that everyone in the City can see that we

are interested in obtaining the best possible redistricting for the people of the city that to him is much more important than having it as a closed session item. So he believes this is something of interest to everyone and should be d

**Motion Miller that this item be converted from closed session to open session.**

City Attorney said that the item is properly listed as a closed session item because it involves existing litigation which under the Brown Act is an exception that allows items to be discussed in closed session. The lawsuit does seek attorney's fees from the City and the concern that he has from the City Attorney standpoint is making sure matters of litigation strategy are discussed in closed session. Any aspect of this that is appropriate for public discussion, of course, would be done in public so the public is fully informed. We are being as transparent as required by applicable law but one of the things that the State Legislature looked at when it enacted this exception to the Brown Act that allows for existing litigation to be done in closed session is that City's would potentially be harmed if they couldn't have private discussions with their attorneys, in particular, with existing litigation matters so that is why it is listed that way.

Councilmember Moyer said he may be wrong but it appears to him now that we have this initial report and so forth once we get it out of closed session this time, it might be proper on the next agenda to bring it to the public because he thinks we will have a clear cut path from what he is reading to discuss with the community at that time.

**Councilmember Miller modified his motion and asked that this item be brought forward in the open session at the next meeting.**

City Manager said it will be on the open agenda next time. **Motion died for a lack of a second.**

**There was a consensus of the City Council that this item be on the next City Council meeting agenda in open session.**

Councilmember Moyer recused himself from any discussions concerning the Sun Lakes water bill issue.

Meeting went into closed session at 4:07 p.m. and reconvened at 5:42 p.m.

#### ADJOURNMENT

By common consent the meeting adjourned at 5:42 p.m.

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Marie A. Calderon, City Clerk

MINUTES  
CITY COUNCIL  
BANNING, CALIFORNIA

05/10/16  
REGULAR MEETING

A regular meeting of the Banning City Council; a joint meeting of the Banning City Council, the City Council sitting in Its Capacity of a successor Agency and the Banning Utility authority; and a Schedule Meeting of the Banning Utility Authority was called to order by Mayor Welch on May 10, 2016 at 6:00 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  
Anthony R. Taylor, City Attorney  
Rochelle Clayton, Administrative Services Dir./Deputy City Manager  
Alex Diaz, Police Chief  
Heidi Meraz, Community Services Director  
Arturo Vela, Public Works Director  
Fred Mason, Electric Utility Director  
Brian Guillot, Community Development Director  
Tim Chavez, Battalion Chief  
John McQuown, City Treasurer  
Marie A. Calderon, City Clerk

The invocation was given by Police Chaplain Merle Ballard. Councilmember Franklin led the audience in the Pledge of Allegiance to the Flag.

REPORT ON CLOSED SESSION

City Attorney Taylor announced that there were five items on the closed session agenda that he previously announced at the beginning of the closed session. The first item, conference with legal counsel existing litigation Cassadas, et al., v. City of Banning, Riverside Superior Court action. City attorney said that before that item was conducted in closed session there was a discussion by Council in open session and direction was given to staff to proceed with public hearings in that matter which involves district election without any admission whatsoever that the lawsuit has any merit. Subsequently that matter was discussed in closed session and there is no further reportable action on that item. The second item, conference with legal counsel existing litigation Smith v. Hanna that matter was discussed in closed session and there was no reportable action. The third item, existing litigation Robertson's Ready Mix, Lt., v. City of Banning that

matter was discuss in closed session and there was no reportable action. The fourth item, labor negotiations was discussed in closed session and there was no reportable action. The fifth item, there were two potential cases under initiation of litigation pursuant Government Code Section 549569 and those included the Sun Lakes water meter dispute and the Banning Business Center abatement proceedings. On the Sun Lakes water meter matter Mayor Pro Tem Moyer recused himself and did not participate in that matter. Both of those items were discussed and there was no reportable action.

## PRESENTATIONS

1. Safe Route to School Program/Active Transportation Program - Riverside County Dept. of Public Health

There was no presentation given on this matter.

2. Banning High School Solar Boat Team Presentation  
(Fred Mason, Electric Utility Director)

Director Mason introduced Mark Kline, Advisor and Larry Ellis, Teacher stating that they are the fine leaders that guided the Banning High School Solar Boat Team. The Banning High School Solar Boat Team took first place in the overall completion this year at the Inland Solar Challenge that was held at the Yucaipa Regional Park. Dea'Jiane McNair, Giancarlo Datuin, Jesael Lomeli, Marina Espana, Ivonne Martinez, Julian Brown gave a power-point presentation of how they built the boat beginning to end and how they won the boat challenge.

3. Introduction of New Employees

Heidi Meraz, Community Services Director introduced Robert Lasko, Part-Time Dial-a-Ride Driver, Transit Division. He comes to the City from RTA where he was previously a Dial-a-Ride Driver and prior to that he spent 23 years aerospace industry as a Radar System Engineer. He volunteers at the Banning Police Department, Carol's Kitchen and participates in the Banning Running Club. He is an avid runner and has three one-half marathons behind him and he will be running in a full marathon this fall.

Art Vela, Public Works Director introduced Daniel Caballero, Maintenance Worker, Streets and Parks Division. He was born in Riverside, grew up in Banning and graduated from Banning High School in 2010. He brings with him six years of experience in maintenance type of operations and in working with heavy machinery. He is excited to work for the City of Banning. He likes to ride motorcycles and hiking in our local mountains.

Alex Diaz, Police Chief addressed the Council stating that Vonree Traylor, Public Safety Dispatcher was not able to be here this evening. She is originally from Inglewood and began her law enforcement career with the LA County Sheriff's Department back in 1998 and also worked for Riverside County Probation Department. She resides in Moreno Valley with her husband who is a LA County Probation Officer and her four children. He introduced Robert Basso, Police Officer. He comes to Banning from federal law enforcement, he worked for the



Department of Defense Police for 17 years and some of his assignments were patrol, background investigator and detective. He is also a 17 year military veteran where he served in the United States Air Force and the California Air National Guard. He was also deployed in support of both the Gulf War and the War on Terror. He is married and has two children. He enjoys helping to coach both of his daughter's softball teams and his son's baseball team. He and his family enjoy camping and going to Dodger games and he is also a NASCAR fan and USC Trojan football fan. He has a Bachelor's Degree in Organizational Management from Ashford University where is graduated with honors. He also has an Associate's Degree in Administration of Justice from Riverside Community College.

#### PUBLIC COMMENTS – *On Items Not on the Agenda*

Brian Lee representing one of the partners of the Banning Business Park addressed the Council updating them that last week they met with the City Planning Department to discuss positive steps to get things moving to clear out the nuisance to basically get the plan going again. There was a lack of communication amongst the three owners which he explained and the property fell into disrepair. They received notice of a possible receiver being put in place so they met with the planner as to how to solve the problem. He said that the parties have all discussed future plans and the cleanup is underway. Right now they are trying to clean it up and sell it but it is possible that someone might come in and redevelop the property. They are working diligently and together on a united front to finally get this thing off the ground and this was not happening before last week and not in the manner it is now.

Inge Schular, resident registered a complaint about the last Council Meeting stating that during this period of there were a number of people who spoke repeatedly on the same subject with the same verbiage and each once had definitely more than five minutes. When we complain about something, we suggest something, we talk about issues we are restricted to our five minutes and anyone who repeats what was said before is marked off and discouraged to just raise the hand when that issue comes up. She thinks the whole thing lasted about an hour but it was incredible; that green light never went off. You should restrict everybody to five minutes. She is very pleased with the record of the City Council and some of the decisions that have been taken that have really benefitted our community and those are: 1) to support the taxing of the mine; 2) recognition of Stagecoach Days as an important part of the City's tradition and history; 3) opening up of the police station to the public during working hours; 4) the city also opened the bidding process so now it is public knowledge of how the bidding process works and that is especially due to Mr. Miller and Mr. Peterson, as well as, the limiting of the City's contracts to \$25,000. We appreciate all the things that you are doing. We are not always happy but it is nice. She also gave recognition to the City Attorney and said it is very pleasing to see his diplomacy and graciousness and that the Council should appreciate him.

Jerry Westholder, Banning said that last May we did something to get a new street sweeper or get it fixed and it has been over a year so he was wondering if at all are we going to get a street sweeper and if and when is it going to start working again.

City Manager responded that the City received the street sweeper today.

Cindy Barrington, resident extended her thanks on behalf of the working people, citizens of Banning for starting the City Council Meetings at 6:00 p.m. so that they have a chance to attend.

#### CORRESPONDENCE:

City Clerk read a letter from Diane Box regarding George Moyer's comments at the last Council Meeting for disclosing personal medical information (exhibit "A" attached), and a letter from Fred Sakurai regarding the City of Banning Animal Shelter (exhibit "B" attached).

Councilmember Peterson thanked Mr. Sakurai for his letter and said if he was listening, he will make it a note to call Mr. Fields if he would be interested in constructing an animal shelter and if so, he would also make a recommendation that we dedicate it to you, for your faithful writing over the last three years.

Councilmember Miller commented that Mr. Sakurai has repeatedly stated correctly that he has received \$15,000 in campaign contributions from Mr. Fields. He is the only one that has contributed since he does not believe that he should ask people for money. Mr. Fields came to him and offered him that money in order to do what he can to improve Banning. He doesn't know if anyone here is aware that Mr. Fields' father owned a great deal of property in Banning and donated the property for Fields Road to Banning and as a reward for that the City of Banning accepted the change of the name to Malki Road and he thinks that is a disgrace. If somebody generously gives money to the City or gives property to the City, they should be permanently recognized. So every time you pass Malki Road please recognize that that road was donated by Mr. Fields father to the City of Banning.

#### APPOINTMENTS

1. Appointment of a City Council Ad Hoc 2x2 Committee for the City of Banning and the City of Beaumont to Discuss Legislation and Cannabis issues.  
(Staff Report – Michael Rock, City Manager)

City Manager stated that the Beaumont City Council met very recently and also approved the formation of an Ad Hoc Committee. There are two main issues and one issue that Beaumont wants to talk about is cannabis regulation region wide and transit operational issues with their transit and our transit systems. He will bring back a staff report to the next meeting that would specifically state those issues and narrowly define this and the ad hoc committee would meet as needed.

There was some Council and staff discussion regarding the possibility of having two ad hoc committees because these are different two different issues.

Councilmembers Moyer, Franklin and Miller volunteered to be on the ad hoc committees.

**After further discussion that was Council consensus that the 2+2 ad hoc committee for cannabis discussions with the City of Beaumont will be Councilmembers Peterson and**

**Miller; the 2+2 ad hoc committee for transit discussions with the City of Beaumont will be Councilmembers Franklin and Moyer.**

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

City Council

Councilmember Moyer –

- The Banning Community Advisory Committee is sponsoring a Leadership Academy. It will be a six week program and consist of six modules with the first night being the City Manager making a presentation on City government and so forth, Week 2 - Public Safety and Fire will discuss how they operate, etc., Week 3, Public Works and so forth. It will be held every Wednesday at 6:00 p.m. and anybody is welcome to attend. At the end of the program, if you have gone through all six weeks, you will be recognized at a City Council Meeting and given a certificate showing that you actually participated and completed the Leadership Academy.

Councilmember Miller –

- He said that Mayor Welch read correctly the statement of public comments that basically says that anyone can attend the meeting and speak to the Council on a matter not on the agenda and that means any matter whatsoever on the agenda. He has been living in Banning for 18 years and has attended Council meetings and for 18 years people have come and have said all sorts of things. Some people have talked about things that were of vital importance and many people talked about their objections to members of the Council. Many people came and talked about objections to him and various things that he had either voted on or the fact that he received contributions from Mr. Fields. Those comments were not polite necessarily but they were perfectly legally in that they were on items not on the agenda. Two weeks ago the Chairman of the Planning Commission came and said something about the Mayor and the Mayor did not like that and he went to the rule book, and guesses that he blew off the cover with the dust on it because nobody had ever done that before and he found a rule that somebody on the Planning Commission cannot come before the Council and say something impolite or that the Mayor did not like and as a result, the Mayor discharged that person from the Planning Commission. He was the Chairman of the Planning Commission and the audience was full of people that said he is the best Planning Commissioner that we have ever had. He is serious, devoted and really belongs on the Planning Commission and despite that he was discharged as a volunteer because of what he had said to the Mayor. The next week he came and spoke again saying something the Mayor didn't like and the Mayor called the police and the police forcibly removed him from the podium. Again, the Mayor looked in the rule book and found something in the rules and again, as far as he is concerned no one had ever looked at that before and probably nobody will look at it again, but he found a rule that the Mayor can at his will remove somebody who is not speaking on things that the Mayor wants. That is not what democracy is about. These Council Meetings are for people to come forward and speak and say whatever they want. So later this evening when we have discussions about what should be put on the agenda he is going to ask this Council to recognize that anyone who comes before this Council can say anything that they want as long as it is not profane and so long as it is not threatening. In regard to threatening there was a case when one of our employees received an anonymous letter with very specific facts about illegal things he had done and it was clearly written and he said any serious such

charge should be investigated. As a result this room was full of people who came and abused him, Don Peterson, and Jerry Westholder who was on the Council at the time for hours and each time a speaker came up the Mayor, who was Debbie Franklin at the time, welcomed that person because they had the right to say whatever they wanted. Art Welch was the Mayor Pro Tem and did not say anything because those people had a right to say what they wanted no matter what it was. People pointed their fingers at them as if they were guns and said you are gone. That is very close to a threat but still nobody said anything and the Mayor and Mayor Pro Tem didn't say anything. Again, on the principal that this is a democracy that people come before this Council and you are entitled to say what you want we are here to listen. So again, later this evening he is going to propose that we change the rules so the Mayor doesn't have the arbitrarily right to say I don't like what you are saying, you are through.

Councilmember Franklin –

- Sunday, May 15<sup>th</sup> the Highland Springs Medical Center on Highland Springs is having a Health Fair and Expo from 11:00 a.m. to 2:00 p.m. and is open to the public.
- Friday, June 3<sup>rd</sup> at 5:30 p.m. the Annual Cops versus Clergy Basketball Game will be held. The purpose of this game is to raise funds to provide backpacks and school supplies for our students. The game will be held at the Nicolet Middle School gym.
- July 23<sup>rd</sup> the 10<sup>th</sup> Annual Disaster Preparedness and Emergency Preparedness Expo will be held at the Banning Community Center from 9 a.m. to 1:00 p.m. At that time the students will be given their vouchers for their backpacks.
- Last night she along with the Mayor, Mayor Pro Tem and City Manager attended the Riverside Division of the League of California Cities dinner and had an interesting speaker talk on voting districts. This will be on the Council's next agenda and the public will hear more about that then.
- In regards to the Western Riverside Council of Governments (WRCOG) she has reported previously about the HERO Program and this is a program that is the Home Energy Renovation Opportunity. At the last meeting she reported what the cities numbers were and throughout the state we have 321 cities involved and over 45,000 people have actually participated in the program. The WRCOG Executive Director, as well as, some of the officers actually went to Washington D. C. this past month and met with various federal representatives to talk with FHA about how they can address what can be done to help our residents if they decide to participate in the program. There was also a presentation by the Riverside County Department of Social Services on homelessness. June 15<sup>th</sup> and 16<sup>th</sup> WRCOG is hosting the 7<sup>th</sup> Annual Statewide Energy Efficiency Forum at the Riverside Convention Center from 6:30 to 8:30 p.m. and it is open to the public. They are also hosting the Vital Leadership Skills in Difficult Times and that is also open to the public.
- The Riverside County Transportation Commission is looking forward hopefully by sometime in June to open the Perris Valley Line portion of Metrolink which means a person would be able to ride from the outskirts of Murrieta all the way to Los Angeles without having to change trains and there are seven stops along the way. If you wanted to take the train to LA without having to go to downtown Riverside, you would be able to catch the train in Moreno Valley.
- We have a Water Alliance that is made up of 13 water agencies here in the Pass Area and have had several meetings and are going into their third anniversary of meetings. They have

been talking about how do we provide a long-term reliable and sustainable water supply source for our community so they have defined what that is and she has given a copy to all of the Council Members of what the different topics and they are looking at things like not overdrafting, sufficient recharge of water for future generations, affordable water noting the cost is rising for buying water, having the public know that we have to look at a new reality about water that will be a culture shift for us and it is not just because we are in a drought right now but long-term we have to look at how we are going to do a better job of being conservation friendly, and then how do we work together as a community from Calimesa all the way down to Desert Hot Springs in working together about a water source and also talked about what they need to do specifically to get there. They had several issues that they talked about including diversity of supply, educating the public, recycling water, and working together as agencies. They also had a special meeting this past week with the Department of Water Resources for the State and they talked about an integrated regional water management plan. She said that 99% of the state has such a plan and we are part of that 1% that does not. That is important to us also because there are funds out there so if we are able to become part of a plan, we may become eligible to get some funds to help resolve some of our water issues and even funding to help put our plan together.

Mayor Welch –

- Friday, May 13<sup>th</sup> the Mt. San Jacinto Community College is having a celebration at 4:0 p.m. at the campus here in Banning celebrating the new railroad grade separation on Sunset. The public is invited to attend this event.

City Committee Reports - None

Report by City Attorney – No report at this time.

Report by City Manager

- Since the last Council meeting on April 26<sup>th</sup> there has been a number of developments regarding the Banning business Center. On May 2<sup>nd</sup> our Chief Building Official and our Structural Engineer entered four of the six buildings and determined that all four buildings are considered an immediate hazard and nuisance to the public. To abate the condition of the buildings it is recommended that building numbers 3 through 6 be repaired or demolished. If property owners choose to repair the buildings, a complete set of plans shall be prepared by a licensed architect or engineering addressing all of the concerns outlined in the report. Fully completed plans must be submitted within 30 calendar days. The remaining two buildings could not be entered because they were boarded up and a search warrant is required to force the entry. On May 6<sup>th</sup> after securing a search warrant from Judge Samuel L. Diaz, our Chief Building Official and the Structural Engineer entered these two buildings. One of the two buildings is considered an immediate hazard and nuisance to the public and it is recommended that it either be repaired or demolished. The remaining one building is the only building of the six that may be repairable in its condition and may not need to be demolished. The City is moving forward in its desire to make sure that there is no immediate public health and safety hazard and have determined that there is and will be moving forward with that and also be moving forward with the receivership which is a separate process.

## CONSENT ITEMS

1. Approval of Minutes – Special Meeting – 04/26/16 (*Closed Session*)

Recommendation: That the minutes of the Special Meeting of April 26, 2016 be approved.

2. Approval of Minutes – Regular Meeting – 04/26/16.

Recommendation: That the minutes of the Regular Meeting of April 26, 2016 be approved.

3. Ordinance No. 1496 – 2<sup>nd</sup> Reading: An Ordinance of the City Council of the City of Banning, California, Approving a Categorical Exemption and Approving Zoning Text Amendment No. 16-97501 Amending Various Sections of the Zoning Ordinance (Title 17 of the Banning Municipal (Code) to Provide Consistency Within the Text.

Recommendation: That Ordinance No. 1496 pass its second reading and be adopted.

**Motion Peterson/Moyer that Consent items 1 through 3 be approved.** Mayor Welch opened the item for public comments; there were none. **Motion carried, all in favor.**

## REPORTS OF OFFICERS

1. Schedule a City Council Workshop to Discuss Cannabis Cultivation and Dispensaries and other related items.  
(Staff Report – Michael Rock, City Manager)

City Manager gave the staff report on this item as contained in the agenda packet. He pointed out that July 18<sup>th</sup> would not be a good day to have this meeting since the Council typically does not meet on the second meeting in July so he suggested the following dates: July 5, 7, 13 or 14. Staff would need at least three hours to allow for one hour presentations and several hours of public comment and Council questions.

There was some discussion and there was consensus to have a meeting on July 13, 2016 at 6:00 p.m.

Mayor Welch opened the item for public comments.

Gretta Avila, resident addressed the Council stating she was very pleased to hear that this was back on the agenda. She is a very big advocate and passionate about the industry. The difference for herself is that she brings kind of two different sides to the industry. She is very passionate about the quality medication aspect of it but she is also very familiar with the business aspect of things. She is currently employed by a company called Indus Holdings which is one of the first legal marijuana distribution companies for multiple different brands. As she stated before she would absolutely be honored to be on the committee and feels that it is imperative that we bring the professionalism, the structure but simply the education and structure that she believes a lot of this industry lacks. It is not so much about profit. The profits will come if you.

take care of the patient. She would love to have the opportunity to speak to each of the Council Members in regards to the committee and what she can bring with her knowledge and experience. She has also brought some of her colleagues here this evening that are in the industry. She said she is very fortunate that she does business with people who are paving advocacy for this industry. She said that Banning has an opportunity to do it right and to where we can benefit as a city for our community to be able to get the tax dollars. She said she would like to open a private wellness center for these patients and knows and anticipates that she will pay an average of 48% to 50% in tax. The people that are in this industry don't go into it with that mentality. They go into it with the mentality of how much money can I make. So she is hoping that she is making a difference. She wants to pave the advocacy of the industry and wants to be a part of doing it in her own home. She thanked the Council for bringing this back and is thrilled that the Council is showing that they care about people because you have a lot of patients that go out to the desert so let's bring that money back to Banning where it belongs.

Don Smith, resident said it is his understanding that all we are doing today is setting a meeting date and thanked Ed Miller because having a meeting in the evening makes it possible for somebody who has to run a business or somebody who is required by his employer to show up to his work to actually attend on this issue. He thinks that this is an important issue of how Banning is going to deal with this issue so allowing more people to participate is a good idea. But we also need to publicize the fact that the meeting is going to happen because otherwise we are going to be the only people that knows so if we could find a way in our newsletter and things that Banning is actually considering what the rule should be for the growing and selling of marijuana we need to do that and get the input of as many Banning citizens as possible.

David Hargett thanked the Council for this getting on the ballot and having the meeting in July but he wanted to see if he could donate his time to the City Council because he has been to some of these city meetings and he has noticed in his travels from here to New York there are a lot of Councilmembers, Mayors and people on these committees that are setting the rules and laws and the regulations for cannabis when they know nothing about the industry or they are getting one-sided information as Gretta said. He said that he owns three companies: a California non-profit which is Innovated Extractions, Innovated Extractions, LLC which owns the intellectual property of his non-profit, as well as, his brand Innovative CBD which he sells worldwide. He is in five countries, sells to whole foods and over 200 retail stores across the country. He has also designed and formed his own company Innovative Extractors, LLC which designs and manufactures their own CO2 equipment. A lot of the problems we have in this industry that are fears of you guys as people getting into this industry and manufacturing a product that is going to harm patients, that is going to bring harm to themselves, possibly building fires and things like that. His facility right now is currently in the process of building a FDA 9000 certified clean room which he is doing all on his own. There is no one in this industry and no one policing this industry so he has gone through and built his own extraction equipment that is ASME certified that uses no solvents; only carbon dioxide. They do not use vacuum ovens, no secondary processing and they are putting out a medical grade product to cancer patients and physicians in the state of California that is 100% safe. There are three labs in the state of California and his company is certified by all three labs as having the safest product they have ever tested. So he would just like to donate his time if there is anything he can do to help educate the Council and possibly bring them into his facility to show them that this cannabis can be created, the products

can be made and delivered to patients in a safe manner that the Council can feel comfortable bringing to your city.

Philip Norman addressed the Council stating that he is a cultivator and has been growing for many, many years. His personal involvement was due to a spinal injury that got him creating his own medicine because what he was given was a little too strong for him so that got him into the business. Because of that he is very concerned about how things are grown, what is sprayed and what is used on plants. He has been to these places and has seen what they do and how they do it and this is just something that everybody needs to be aware of and really watch out for. He is also interested in donating any time and if you need any information, he would be happy to help. They have a BOE number, pay taxes, pay federal returns, and do everything as legally and as humanly possible at this current time.

Terry Wilson, patient advocate addressed the Council expressing a little bit of caution about broadcasting a large notice to other surrounding communities and throughout the state that the City of Banning is considering this because you will be inundated with a lot of outside influence. But the citizens and residents of Banning should be well aware that they are being well served and that there is a patient advocate on the panel and speaking on their behalf.

Christopher Cross, CEO of Infused Edibles addressed the Council stating that they are the other spectrum of medical marijuana where they provide medicine through the means of food, snack food, candy, whether it be drinks, oils and things like that that cleared in the cancer community from lung cancer, throat cancer, mouth cancers. People can't always participate in the smoking of medical marijuana. It has come to his attention that in other cities they license one to five people to manage all aspects of marijuana. A grower simply cannot know what a 12 year veteran chef would know in the area of making medicine in food form. He said he was diagnosed with HIV two and half years ago and he has been a chef for 12 years. He said that cannabis has helped him to survive on a day to day basis and helps him to eat and maintain his healthy status. Without it he would probably succumb to a number of different aspects that HIV and Aids brings whether it be wasting disease or a number of things. He thinks that an expertise of all aspects of medical marijuana should come together. He doesn't know how to grow and doesn't process extractions and he buys it from reputable sources where it has already been tested. He already chooses to use a CO2 product and doesn't use a product that requires any kind of solvent. He thinks it is important to know what you are using and know what you are making and know how to medicate appropriately and responsibly. We have these foods out here that have 2 to 3 thousand milligrams of medicine in them and they are just not appropriate and really no room for them. Having an understanding of it and regulating it appropriately is very important.

Umberto Bagnara, local business owner and owner of a legal dispensary out in Desert Hot Springs thanked the Council for at least touching on the topic, working on the topic and making an effort to actual understand what you are going to vote on. As Terry Wilson said there are a lot of outside influences and in Desert Hot Springs it turned into a big nuisance and had people coming from all around the world trying to make a buck there instead of worrying about the actual town so that is one thing he wanted the Council to remember. The bottom line is that it is the city of Banning that we are worried about and he understands that everybody from the



outside wants to put their two cents in but it is the city of Banning that he is concerned with being here as many years as he has and that is why we have to be careful.

Councilmember Peterson asked Mr. Bagnara to tell the members about the cost per square foot of how things have escalated.

Mr. Bagnara said that they decided in the city of Desert Hot Springs to put a 10% mark on the medicine. So on top of paying your local sales tax which is 8-3/4% he believes, you have to pay another 10% directly to the City. It doesn't get washed away, doesn't go to the County and doesn't get split up so it was a financial windfall for Desert Hot Springs. As far as the groves go, they are going \$25 dollars a square foot up to 3000 square feet and then \$10 dollars a square foot for everything above that so if you go through the information available out there in the newspaper you will see that they run on a \$17 million dollar budget and when this finishes and they fill it out he thinks it is another two or three years, they will only have \$17 million dollars of tax money coming into that City besides their working capital and it basically doubles their budget. So they have to be careful and hopefully it doesn't get all lost in the wash so we have to look at everything along with the law enforcement, fire department, and infrastructure before hopefully, the Council going any further.

There was some further discussion between the Council and staff in regards to having David McPherson here from HdL at that meeting to talk on this particular issue and that this particular issue would be charged at \$1,500 but HdL is under contract with the City.

**Motion Moyer/Franklin that a Special City Council Cannabis Workshop on July 13, 2016 at 6:00 p.m. and authorize \$1,500 to have David McPherson from HdL make a presentation. Motion carried, all in favor.**

2. Create a Community Forum Allowing Citizens to Analyze Data/Information reviewed by the Animal Control Ad-Hoc Committee.  
(Staff Report – Alex Diaz, Police Chief)

Chief Diaz gave the staff report as contained in the agenda packet.

Councilmember Franklin said you have on the report for a period of one year and if there is further information or our situation changes within that one-year period of time would we be able to reconvene because we are saying if we approve this that we will not be meeting for one year.

Chief Diaz said as a Council you can change that time frame. He is giving a year because that would allow staff to bring in more of the research from the citizens but gives staff the time to set up the meetings and gives Council the leeway to choose whether you want to shorten that time frame.

Councilmember Miller said it just sounds silly to him that the Ad Hoc Committee met and they reviewed the cost of the various procedures and he remembers that the decision was overwhelming in that there was no question in regard to cost and that their recommendation was

the only one that was feasible. So to just to go on and on with this when we have a decisive economic analysis just seems silly to him.

Councilmember Franklin commented that when they talked about having an ad hoc committee one of the things we said was that we were going to include the community and there were some people that volunteered to participate and they were not given that opportunity and she thinks as we talk about trying to include the community and more public engagement when we say we are going to offer them that opportunity we need to at least hear from them.

Councilmember Peterson said having been on the committee along with the City Treasurer, a sergeant from the police department, they convened and saw the numbers and the numbers are not going to change but it seems as though we have two Councilmembers that are unhappy because there was a lack of participation because he would guess some citizens didn't get to come forward and put in their two cents. The fact is they met and before they could even bother to even call any of the citizens they asked who volunteered and there were three volunteers: Inge Schuler, Ellen Carr and Gail Papanian had sent in their resumes. So they knew who had expressed interested but there was no interest in reconvening when the numbers were not going to change. The numbers are what they are.

**Motion Peterson that Debbie Franklin reconvene as the Chairman of the Ad Hoc and get this thing going again so they can get it out of their system.**

Councilmember Franklin said she is not saying that we have to have a committee. She is saying that she would like to see an opportunity for those people who said that they wanted to participate to have an opportunity.

There was further dialogue between the Councilmembers in regards to giving the residents who volunteered for this ad hoc committee an opportunity to comment and be heard.

Chief Diaz said that they can add another option to just kill the ad hoc committee and leave it as community forums and then staff will bring back the information to Council in a report and the Council can then decide if they want to reconvene or start another ad hoc committee at that point.

Mayor Welch said we have two things here: 1) The Animal Control Ad Hoc Committee has adjourned for one year and they will come back at that point in time for reconsideration; and 2) during that period of time we get input from the community from an Animal Control Services Community Forum.

**Motion Franklin/Moyer that the City Council adjourn the Animal Control Ad-Hoc Committee for one (1) year, and reconvene said Committee once all compiled data is analyzed by citizens during an Animal Control Services Community Forum. Motion carried, with Councilmember Miller voting no.**

3. Amendment to the 2015-2016 Supplemental Law Enforcement Services Allocation (SLESA) acceptance authorizing the Banning Police Department to utilize funds towards the purchase of law enforcement related equipment, services and supplies.

(Staff Report – Alex Diaz, Police Chief)

Chief Diaz gave the staff report on this item as contained in the agenda packet.

Mayor Welch opened the item for public comments. There were none.

**Motion Franklin/Moyer that the City Council accept and approve the police department's request to add "vehicles" to the authorized list of items that can be purchased under the FY 2015 and FY 2016 SLESA (Supplemental Law Enforcement Services Fund Allocation).** Mayor Welch opened the item for public comments; there were none. **Motion carried, all in favor.**

4. Adopt Resolution No. 2016-39, Declaring the Intention to Levy and Collect Assessments, Approving the Engineer's Report and Setting the Date for the Public Hearing for Landscape Maintenance District No. 1.  
(Staff Report – Art Vela, Public Works Director)

Councilmember Peterson recused himself since he lives in one of the districts being discussed and he left the Council Chamber.

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

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

There was some Council and staff dialogue regarding the LMD reflecting any new tentative tract maps and the care of common properties.

**Motion Moyer/Miller that the City Council adopt Resolution No. 2016-39, Declaring the Intention to Levy and Collect Assessments, Approving the Engineer's Report and Setting the date for the Public Hearing for Landscape Maintenance District No. 1. Motion carried.**

Councilmember Peterson returned to the Council Chamber.

5. Adopt Resolution No. 2016-38, Awarding Contract Services Agreements for On-Call Environmental Services as a Short List to Dudek, Albert A. Webb Associates, and Aspen Environmental Group.  
(Staff Report – Brian Guillot, Community Development Director)

Director Guillot gave the staff report as contained in the agenda packet.

There was some Council and staff dialogue regarding the ratings of the three consultants, the use of the three consultants to rotate amongst the project and use them for specialties, and that staff would get proposals of each of the approved consultants and if the cost is less than \$25,000 then staff would that it to the City Manager and if it is more than \$25,000, it will come back to the Council.

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

**Motion Franklin/Moyer that the City Council adopt Resolution No. 2016-38, Awarding Contract Services Agreements for On-Call Environmental Services as a short list to Dudek, Albert A. Webb Associates, and Aspen Environmental Group. Motion carried, all in favor.**

6. Resolution No. 2016-33, Approving the Purchase Agreement for Project No. 2016-02EL, RFP for Natural Gas Generator Set at Banning Corporation Yard, and rejecting all other proposals.  
(Staff Report – Fred Mason, Electric Utility Director)

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

There was Council and staff dialogue in regards to the generator having on-line service, automatic transfer switch, how long will it be when the power goes off and comes on again, and how often have you needed a backup generator in the past.

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

**Motion Miller/Moyer that the City Council: 1) Adopt Resolution No. 2016-33, Approving the purchase agreement for Project No. 2016-02EL “RFP for Natural Gas Generator Set at Banning Corporate Yard” to YC Power Systems of Fontana, California, in the amount not to exceed \$96,968.00 including taxes, and rejecting all other proposals; 2) Authorizing the City Manager to execute the agreements related to Project No. 2016-02EL, RFP for Natural Gas Generator Set at Banning Corporate Yard; and 3) Authorizing the Administrative Services Director to make the necessary budget adjustments, appropriations, and fund transfers related to the project. Motion carried, all in favor.**

Mayor Welch recessed the regular City Council meeting and called to order a joint meeting of the City Council, the City Council Sitting in Its Capacity of a Successor Agency and the Banning Utility Authority.

#### REPORTS OF OFFICERS

1. Review of 2015-2016 Grand Jury Report on the City of Banning and the Banning Chamber of Commerce, issued on April 25, 2016.  
(Staff Report – Anthony R. Taylor, City Attorney)

City Attorney stated along with the staff report a copy of the recently received Grand Jury Report is provided. This Grand Jury report really focuses on two matters. The first issue is the non-payment of utility fees by the Chamber of Commerce and this is through a lease agreement with the Redevelopment Agency and that is a very key fact. The other issues in this Grand Jury Report deals with the judgement against Mr. Smith and as to that matter the Council has already taken action and as he reported at the last Council Meeting we have a judgement debtor examine scheduled for Monday, May 16<sup>th</sup> where they will be examining Mr. Smith and asking him questions about all his various assets and that will enable the City to proceed with further collection proceedings so the City was already ahead in terms of addressing that issue raised by

the Grand Jury report. In regards to the non-payment of the utility fees the lease agreement is through the former Redevelopment Agency and as this Council and staff is aware this has been an area that has changed dramatically since this lease agreement was initially put into place a little bit over ten years ago. The Redevelopment Agencies were dissolved by the State of California in 2011. There were different bodies set up and now we have a Successor Agency which is one of the reasons we recessed the Council Meeting and had the Successor Agency meet as part of this. The Successor Agencies also have Oversight Boards and as part of the process any monies that are subject to contracts that were formally Redevelopment Agency contracts have to get approvals by the Successor Agency and the Oversight Board and monies are distributed to various affected taxing agencies through a fairly complicated process. That is all a very simplified way of explaining that in terms of getting thoughts on how to respond to the Grand Jury's Report first point on this utility issue dealing with this lease agreement. It actually provides a very complicated matter that involves different bodies and it is certainly something they can discuss here but the recommendation of the Grand Jury, in his opinion, which discusses trying to either getting a collection matter set forth or get an agreement in place it would require approvals that would likely require Oversight Board approval as well. It wouldn't just be subject to this body. Certainly the Successor Agency could authorize his office, if the Council wanted him to, to send out a demand letter. That would be a step that could be done but a lot of the steps set forth by the Grand Jury Report would require Oversight Board action and it is a little bit of a fairly complicated process as he has alluded to.

City Attorney said that in terms of the recommendation for this evening what they have recommended is receiving and filing the Grand Jury Report. The Grand Jury was very specific and they wanted this report put on the first available City Council and Successor Agency agenda which we have complied with this evening. He is also asking for direction from the Successor Agency and City Council on the issue of responding to the Grand Jury Report. It has always been his practice with these types of reports to prepare a draft report that the Council would look at, comment on and that would be done before the deadline to respond which is a 90-day deadline. In this instance he thought it made sense especially in light of the fact that the Grand Jury requested that we put this on the Council's first available agenda that he receive some direction from the Council on how you would like him to respond if there were anything in addition to the comments that he just made and what he would do at that point is prepare a draft response for the Council's review and would estimate that it would take about 45 days but that would be well ahead of the 90-day deadline to respond. That draft response would then be presented again to the Council and to the public, a full transparent process that you could see the draft response and the Council could comment on it and then staff would revise it based on the Council's comments and once completed respond to the Grand Jury's findings. He has included in the staff report all the various legal requirements in terms of the response.

Councilmember Franklin said in regards to the documents that were previously submitted to the Grand Jury, do we know if all of the reports that came from your office, the emails on this issue, do we know if they got a copy of everything that was produced by the City on this.

City Attorney said his office was not directly contacted by the Grand Jury. His understanding is that they contacted staff and obtained various records from the City which is a normal practice.

City Manager said that he has been here six months and the Grand Jury never contacted him directly. He doesn't know if any staff members were contacted but not in the last six months they haven't been.

Councilmember Moyer said that in the report it mentions an amendment and all this started before he was on the Council and all of sudden he is reading this report and it discusses an amendment that had insurance requirements, and some type of \$10,000 dollar fund and so forth. Are those available to use?

City Manager said the lease agreement and the amendment and he can certainly provide to the Council.

Councilmember Moyer said he can't see if they made such an issue with those two things besides the monies. Where getting an additional insured on their insurance; that is automatic and shouldn't be hard to do. He would think that that \$10,000 requirement probably could be done with a bond which would be inexpensive rather than putting \$10,000 cash away. He was wondering why they couldn't work on something like that and get this thing resolved.

Councilmember Moyer said it says on page 332, that the chamber owes us \$15,795.25 and it says, "This offer was not accepted by Banning (of \$40.00 a year) and a member of the City Council was appointed to continue negotiations..." Who was that member and what was the result of those negotiations?

Councilmember Welch said that he was that member and in negotiations with the Chamber of Commerce he asked them to respond to paying the bill and they were looking at it as a Board and when they came back to the City the response from the Chamber went to the City Manager's office and we were not successful in getting them to set a plan and yes he did meet several times with the Board.

Councilmember Miller said if he owed the City \$15,000 and never responded, what would the action of the City be?

City Attorney said typically what they would do initially is what he mentioned earlier. Typically there is a demand letter sent as an initial step and then potentially a payment plan would be negotiated. Certainly he could receive direction if it is the Council's pleasure to send a demand letter and restart that negotiation process.

Councilmember Miller said that this has been going on for several years and you mean that you wouldn't send a demand letter before four years have passed.

City Attorney said he believes that there were prior demands. One thing he must say since he has come on board as City Attorney in January he hasn't had the opportunity to restart the process. So he thinks that it would be helpful for him to be able to send the demand letter and see how far he can get and at least the Council would have that information in advance of your 90-day deadline to respond to the Grand Jury so you could report to them how far along we are.

Councilmember Miller said as he understands we have been discussing this for several years and the Grand Jury specifies exactly what we know that the Chamber owes us really \$40,000 but because of the time delay the only thing that they are responsible for is \$15,000. They need a \$10,000 maintenance fund which they have not provided, they have not put us on the insurance and it seems to him very straight forward. It has been going on for several years and several demands have been sent in the past and we have had somebody trying to negotiate with them and they refuse to negotiate at that point it is simple enough, they either pay us or we evict them and we try to get money for that building from somewhere else.

**Motion Miller that the recommendation of this Council is to give that demand letter and give that as a response to the Grand Jury.**

Councilmember Peterson clarified what Councilmember Miller said in that the amount that we are discussing, the \$15,795.25, is because of some antiquated electric rules. Water Rule No. 6 and Electric Rule No. 10 only allows us to go back so far to collect a debt but the actual debt was, according to Stacey, \$38,850.99 excluding the same number of years of Waste Management trash which would probably add another \$1,800 dollars. But because of Water Rule No. 6 and Electric Rule No. 10 the actual amounts that is outstanding is \$15,705.25.

Councilmember Peterson said he would like to discuss the bizarre way that this has been handled so far in the City. This report was physically served on the City on April 25<sup>th</sup>. According to Committee No. 4 Chairman the Grand Jury Report was addressed to the Mayor, as all official correspondence should have been, and it was personally delivered to the City Manager's secretary of which then it was delivered to the City Clerk and the City Clerk because it was confidential did not open it and time-stamped it and placed it in the Mayor's box. The report should have been given to the City Manager and the City Manager at that time should have probably called a special meeting, make copies of the report and disseminate it amongst the Council Members. Unfortunately, that was not done and the report was kept by the Mayor. The following day was a Council Meeting on April 26<sup>th</sup> and on April 26<sup>th</sup> the Council Members arrived and the City Manager discussed nothing in closed session nor did he mention that there was a Grand Jury Report hand-delivered to the City and served on the City but yet at the same meeting that night we had the President of the Chamber of Commerce, Mr. Ron Duncan appear in this Council Chamber and make several comments to the public that he was here specifically to see and monitor where he, Councilmember Peterson, would mention the Grand Jury Report, and if so they were going to file suit against him. The ironic thing is he didn't know that the Grand Jury Report had been served. The Mayor knew it was served but somehow the Mayor divulged that information to the president of the Chamber of Commerce because there is no other way the president of the Chamber would have known about the Grand Jury Report and they are very specific as to who they release information to. So what that did was to deprive the City of an opportunity to gather its legislators or its Council Members and get together to create a press release, to elect a spokesperson, to allow the City to respond to the Grand Jury Report but instead it just left it entirely open. He said he did not know about it officially until Thursday morning, April 29<sup>th</sup> when the Grand Jury released it to the public and it was on their website. He said he, as a Councilmember of the City, didn't see the report until that time. Now, Art Welch as the Mayor, the item was addressed to him but the City Manager was derelict of his duty and didn't accept the Grand Jury's Report and left it with the Mayor. It was not his personal mail, it was

official mail addressed to the City and to be addressed by the City Attorney. Councilmember Peterson said he didn't know when the City Attorney was advised as to when he was notified that the Grand Jury Report had been served on the City. So that brings us to where we are now that we were in the dark. As far as when was the Chamber of Commerce notified officially that they have a bill. He found out about the bill by accident in June of 2014 and like he normally does he continued to scream and yell until somebody listened to him. At that time Interim City Manager Homer Croy sent a letter of demand to the Chamber of Commerce and at that time Mr. Don Robinson was the director of the Chamber and the letter was directed to Don Robinson and that was dated July 16, 2014 signed by Mr. Croy and the final paragraph on that was that if you are unable to pay all fees due, please contact me, etc. and please remit the amount in full \$15,795.25 by August 31<sup>st</sup>. So there was a letter of demand mailed July 16, 2014. There was several correspondence and delays. Then there was a return that we will offer you \$32.00 per month for 41 years was their alternate pay back. This had been going on for a long time and he asked Assistant City Manager June Overholt how was it that this happened when you are in charge of all of the finance and is there something in your system that there is some kind of flag that pops up, something that shows in your ledger book, something that shows that shows in your accounting, something that is there that says I am not paid and she said that there is something. He told her then that she has either allowed it or you have been told to leave it alone and she told him that she was told to leave it alone by then City Manager Andy Taketa. That it was called "an administrative practice" that we don't bill the Chamber of Commerce. He said that he continued to be on the issue of the bill asking when are we going to collect the bill, when are we going to collect the bill and the bill just continues to linger on. Then Art Welch is appointed as the liaison and that is like putting the fox in charge of the hen house. You can't do that when he has had an involvement with the Chamber for the last 30 years or forever and has been the president so many times and heavily involved with the Chamber, of which he commends him, but there is a huge conflict there and furthermore, he is one who has wanted to forgive the debt in its entirety. There was a story as to why we should forgive the debt and Art Welch told him that years ago where the police department is sitting there was a piece of land there owned by the Chamber and the Chamber donated that land to the City and therefore they knocked it down and that is where the police department is today and in lieu of the land they gave them the building across the street for a \$1.00 a year on a 50-year lease. But when you dig a little bit further and you go into the lease it says under paragraph 9, Utilities, "Tenant agrees to pay as additional rent before delinquency for all water, sewer, gas, heat, light, power, telephone service, refuse removal and all other utilities of services of any kind supplied to the premises." So it is was already there and was never waived in the lease and never forgiven in the lease and they signed it. Jim Smith was the one who signed the lease back then. It also says, in paragraph 7, "The tenant agrees to keep and maintain public liability and property damage insurance respecting the premises naming the landlord as an additional insured." In paragraph 16, Default, "The occurrence of any one or more of the following shall constitute a default by the tenant. Failure by tenant to make payment of rent or any other payments required to be made by the tenant hereunder as when due." It is pretty clear where the lease goes, what it says, and what has happened. Councilmember Peterson said that he is talking to the City Managers to the point where he became frustrated so in February 2015 he filed a complaint with the Grand Jury. He wrote his complaint and sent it in, the whole Grand Jury heard it and they accepted the complaint. It was assigned to Committee No. 4 and they investigated up until June 30, 2015 when that particular Grand Jury ceased to exist and then on July 1st the 2015-2016 Grand Jury took over and he had



to resubmit a new complaint to the new Grand Jury. So he wrote another complaint based on the first complaint and it was read before the whole Grand Jury and the complaint was accepted which now brings us to their delivery of the final report. It hasn't been an easy process. This has been a tactical delay all along and it was never intended for the Chamber to ever pay for this. There are members on this Council who really don't like it and he is sure right now that they are hating him for bringing this up but there is an incestuous web within this city of people involved in charities. If we look at our former Mayor Debbie Franklin she has the Holiday Wish Program which is supposedly under the Chamber of Commerce but which has never been on their tax returns, has no knowledge of it, her charity is not registered with the Attorney General's office, it is not registered with the Secretary of State's office, it is not registered with Internal Revenue Service but yet she is receiving free rent from Ramsey Storage on a storage bin in the charity's name. A charity that doesn't exist and this is the way that it goes. When they were given the building, the Chamber, they were also given the entire building which also included where the Gas Company is so they, Jim Smith, ended up negotiating the lease down per square foot if they would pay in advance so they go a \$219,000.00 advance in the rent for 17 years and paid in cash; we don't know where that money is today. He said he didn't know in the last two years how many golf tournaments that the Chamber of Commerce has had, how many car shows they have had but there is still has been no money come forward. So here we are we have a Mayor that is linked whole-heartedly to the Chamber and he was even on the Chamber's agent for process, agent of service for the Secretary of State until a few months ago when Ron came in and cleaned it up. Up until a few months ago their corporation was suspended by the Secretary of State and the Franchise Tax Board until Ron Duncan came in and took over and straightened it out. So here they are soliciting funds when they are not even authorized and legal to do so. He agrees that every city needs and has to have a Chamber of Commerce but he doesn't believe that Banning has to have this Chamber of Commerce. He personally thinks it needs a complete revamping, it needs to have a fresh start with fresh blood and fresh people to where it is going to come in and do the City good. According to the City Manager he is advised that the Attorney General is here and is already looking at charities in town. So with the Attorney General in town looking at charities, the Grand Jury Report looking at charities it is telling us that we as a City need to take a close look at what is going on right underneath our nose and start protecting the people's money. He said as your Council person he is here to watch your money. He would like to see our roads fixed, he would like to see downtown fixed but it is not going to happen as long as there is cronyism, as long as there is these black abyss that money keeps going down into and it needs to stop. They is so much that he can say and has a four inch binder that is filled with material, filled with evidence that would make you sick. If the Chamber wants to remain a Chamber then the Chamber can go find a new home but it can't stay in the people's house and the house belongs to the people and it can't be subsidized anymore. His recommendation for the City is that we evict them based upon the items in the lease. Either that or give them 30 days to deposit \$10,000 into a maintenance fund and the Grand Jury didn't say a bond, it said \$10,000, \$15,000 to pay for their utility, get their insurance with an additionally insured endorsement or an eviction is processed within 30 days.

Mayor Welch said that he has listened to awful lot tonight from both ends of the dais. He said he was not a part of the Chamber of Commerce in the City of Banning when all of these changes of buildings happened, and by the way, the land was owned by the City and the building was owned and built by members of the Chamber. He said he was one of four people that was called before

the Grand Jury – Don Peterson, Art Welch, Jim Smith and Ron Duncan were the only four that were called on this complicated history of the Chamber. When the Grand Jury finally delivered their decision it was delivered to Art Welch, Mayor, City of Banning and in large letters it said “Confidential Grand Jury Report”. The cover letter says from the Grand Jury, “Further it specifies that this report is to be kept confidential for a minimum of two working days prior to public release.” He received this at the end of the working day, received stamped by the City, on the 25<sup>th</sup>. And it says, “The contents of this report will be made public after the close of business on April 27, 2016.” That was the time that this report, and he will verify, that this report was delivered to the City Manager. But for him to be accused of flow play with a piece of confidential information is absolutely wrong. For him to be accused because his name wasn’t taken off the website for two years of being part of the “good old boy society” is wrong. Not one of us has gone to the depth to investigate at a police level individuals who try to move this city forward. He was not involved in writing that lease, not involved in collecting the money and the gentleman that wrote that lease with the Gas Company has passed away. The addendum to the lease was quite a time later, there is insurance for the City on the insurance plan for the Banning Chamber. This money that is owed on utilities started long before any of us lived in the city of Banning and it was a courtesy of the City for the Chamber to do work for the City. When they moved across the street the Executive Director Jack Holden at that time said to our City Manager he didn’t think they could pay this and the City Manager by email, which has been confirmed, and the handshake was that we will continue to pay for the utilities and you do work for the City. There was a nice arrangement up until about four or five years ago and then things started falling apart across the street. The City withdrew support of the Chamber and the Chamber went its own way to try to make it work. There has never been for the last four or five years any kind of written understanding between the Chamber of Commerce and the City of Banning. It used to be the City would say we need your help in doing this event or this program downtown and they would underwrite that expense for the Chamber and that hasn’t occurred for quite some time. But for somebody to accuse him of doing something illegal with a piece of confidential mail is absolutely wrong. He said he hasn’t spoken to Mr. Duncan since all of this has happened. He has no idea what his response is to this and he will verify that. He said this report as he reads it and understands was delivered to four people and the four people were the two members of the Banning City Council, President of the Chamber and the Executive Director of the Chamber. If he is the only one that received this, then he followed what the Grand Jury told him to do. But this was shared 48 hours after it was received with the City. He has nothing to hide nor will he try to hide anything but to be accused is wrong.

Councilmember Peterson said that when he talked to the Grand Jury they told him that they delivered it to the City on Monday morning and they also said that it is to be held confidential for 48 hours; absolutely right, confidential with the City. The City was to discuss it and the purpose of the 48 hours is to allow the City to prepare for the release of the Grand Jury Report. That is to give the Council Members and the City Attorney a heads up and he asked the City Attorney to give him an opinion on the 48 hours of confidentiality and its purpose.

Mayor Welch said nowhere in this correspondence from the Grand Jury, addressed to him, said you get the 48 hours to share this with your colleagues to prepare for the Grand Jury.

Councilmember Peterson said then you are the wrong person to be the Mayor obviously because that an official piece of correspondence and if you take that as personal mail, then he doesn't know what to say and he would like to hear from the City Attorney.

City Attorney said the section on point is in the staff report on page 327 under Penal Code Section 933.05, subsection F, and it says in the last sentence, "No officer, agency, department, or government body of a public agency shall disclose any contents of the report prior to the public release of the final report." He said that he didn't see this report either until after the two working days and he believes that is consistent with the statute. The statute actually does not provide an exception for the City to have discussions internally. All it says, "Is no officer...shall disclose any contents of the report prior to the public release of the final report." There is no exception there.

Councilmember Peterson said the Grand Jury had said to him when he called and asked them did you send a copy to the City they said they served a copy upon the City and addressed it to the Mayor. The City has been given their copy. All he knows is that the 48 hours according to the Grand Jury their intent was to allow the City the opportunity to discuss it, show it to the City Attorney, prepare a press release and be prepared to meet the public when it becomes public information. For us to receive the report as City Officials on the day that the public receives it doesn't make sense because at that time who is going to prepare a press release, who is going to be the spokesperson for it so at this point in time you are leaving it open to conjecture and anybody can say anything they want. Nobody needed to be silent because there were no rules implied. There was nothing in stone, nothing put out by the City Attorney, nothing put out by the City Manager and everybody was allowed to do whatever they want. There had to be a procedure in place and it wasn't followed and the Grand Jury was very specific. When he even asked them if he could come and get another copy for the City they said absolutely not. They said they provided the City with their copy and that is all they will give.

There was further dialogue between Mayor Welch and Councilmember Peterson about the lease with the Chamber of Commerce, the Gas Company lease and the Grand Jury Report.

Councilmember Franklin said that one part that Councilmember Peterson reported on was the Holiday Wish Program. She clarified that the Holiday Wish Program was started under the Chamber of Commerce in partnership with Sun Lakes and the School District. It has always been a part of a nonprofit, it is not her nonprofit. No one under the nonprofit has ever been paid a dime for running the program. Not only that, every volunteer has helped not only to buy items for the kids, to spend their own money in terms of transporting the items, wrapping them, giving volunteer hours. The whole program has been ran and paid for by volunteers. The City has never put a dime into the program and the City has never been asked to put any money in it. The Holiday Wish Program has been in operation for about 13 years. When it started under the Chamber it worked only as a part of the Chamber and all of the monies were reported to the Chamber of what came in and what went out. When the Chamber director decided with the approval of the Board that the Holiday Wish Program no longer fell under the auspices of the Chamber it went then to another non-profit. It has always been run under a nonprofit and it has not been a problem. Most of the items have been donated, the families have been sponsored by various other people. She resents that you are talking about it being considered some kind of

way for somebody to make something off of it. She said that she spends a lot of money donating for this program and she will not give the name of the nonprofit so that you can do a witch hunt on it. What she will do is to talk to the Board and the hundreds of kids that have been benefited by this program through the years they may stop the program because if it is important enough to you to try to throw it under the mud, then that means the hundreds of families that receive gifts every year which is about 350 kids a year, then they will just stop the program as opposed to letting you make this program dirty.

Councilmember Peterson so you just sat here in a public session and said that the Holiday Wish Program is no longer under the umbrella of the Banning Chamber of Commerce and it now under the umbrella of another nonprofit and you won't disclose the name of the nonprofit it is under but yet you are collecting contributions; that is illegal and you can't do that.

There was some further dialogue between Councilmembers Franklin and Peterson regarding the Holiday Wish Program and no disclosure of the nonprofit that it falls under.

**Councilmember Peterson made a motion that if the Chamber of Commerce cannot deposit \$10,000 dollars like the Grand Jury Report says and like the lease says \$10,000 dollars in US funds and get the insurance with the City named as an additionally insured and pay the nearly \$16,000 in back utilities, then they need to be evicted because they are not going to be subsidized by the taxpayer any longer and they are already in default of the lease anyway.**

Mayor Welch said there is a motion to send another demand letter based on what Councilmember Peterson just expressed to the Chamber of Commerce.

**Councilmember Miller objected to that motion because that was the motion he made and the motion he made simply said that if they do not provide that within 30 days, then they get evicted.**

**Councilmember Peterson seconded Councilmember Miller's motion.**

Mayor Welch opened the item for public comments.

Gary Hironimus addressed the Council stating that back in 2014 it was revealed that the Chamber of Commerce through this secret handshake deal was allowed to ignore their utility bill for 7 years of more than \$32,000 while the rest of us watch our utility bills skyrocket. At that time he wrote a letter to the Record Gazette and said that if George Moyer were elected that he, Art Welch and Debbie Franklin were likely to forgive that debt. George Moyer publically called him a liar for that suggestion but George Moyer was elected and the three are in power and nearly two years later not one penny of that debt has been repaid. It get worse. This Grand Jury Report should outrage every single resident in this city. It not only verifies the \$32,000 in free utilities with that handshake deal but it details the virtually free 50-year lease, the failure to establish the \$10,000 maintenance fund, the failure to add the City as a named insured on the insurance, and their collection of \$212,000 in rent from the Gas Company, from the other tenant, money which logically should have gone to the building owner; the City not the Chamber. The

Chamber's free rent alone is worth at least \$1.2 million dollars over that 50-year lease. So we gave them \$1.2 million in rent subsidy and then allowed them to collect another \$212,000 in rent from the other tenant in our building and gave them free utilities. This is a total of over \$1.5 million dollars in tax subsidies and all they were asked to do in exchange was put a measly \$10,000 a side for maintenance and add the City to their insurance and they couldn't even be bothered to do that. This is the Cultural Alliance all over again. Free rent, free utilities, no maintenance costs, more than \$200,000 in instant income; he would like to know where all that money went to. Best case scenario, if we follow the Grand Jury recommendations it still results in a loss of nearly a quarter of a million dollars to the Banning taxpayer and that is if, you follow the recommendation. We know what happened with the last Grand Jury Report. That Council just ignored it and thumbed their nose at it and continued to give away our tax dollars. His question to all of the Council tonight and particularly, George, Art, and Debbie since you are in power, will you do the same thing and thumb your noses at this report and try to justify what the Chamber has done or will you finally act in the best interest of this City, the best interest of the taxpayers that you are supposed to be representing and follow the Grand Jury recommendations by taking action against the Chamber of Commerce regardless of how complex and complicated those steps may end up being. He hopes a lot of people are watching this tonight because what you all do here tonight will speak volumes of who you are and who you really represent.

Jerry Westholder, Banning said we had a former President who was once accused of smoking marijuana and he said he did but he never inhaled. He doesn't know if he is guilty of lying or stupidly; either way he is guilty. So the way we frame things we are responsible for. The Chinese have a proverb that says if a man lies to you, he will steal from you; if a man steals from you; he will kill you. Something their culture has lived on for years, generations, decades, and centuries. The esteemed Davy Crocket when he was in Congress mentioned how we as a public have the right as free citizens to give to whatever charity we desire to give to out of our own monies at any given time but we do not have the right to give away public funds, the people's money to charities or other organizations, it is to take care of the people. He said that he is inclined to agree with Mr. Crocket. Directing his comment to Art Welch, he said a bigger issue here tonight is that several weeks ago you called Dave Ellis on the carpet for disagreeing with you and he thinks that this crime for the Grand Jury is a whole lot worse. Are you going to give us your resignation going by the same facts that you used to dismiss him from his post? The same criteria is right there. The same criteria is written down on a piece of paper that you used to dismiss a good man and if you set precedents right here, by that precedents you should resign. The facts are right here. This was on when he was on Council. In fact, he made a flyer about it and he was severely chastised by friends of the former Mayor saying he was trying to make her look bad. But here it is a Grand Jury Report reporting that it is fact. He directed his comments to George Moyer sating he is wondering if we are going to have another Grand Jury Report to settle the Sun Lakes; he hopes not. Here is the deal, you set precedents in the City for years that if people can't pay their utility bills, you turn them off. From what he understands we are practicing a feudal system now and a feudal system says that the select few and government make the rules and we get can bend those rules which every way we want to. That is not fair, not right, not just; we are a country by laws that have to be fair for everybody. He said he is not mad at the Chamber. He would just like to see the right thing done for our community and the right thing is to be honest and to take care of business and if we are not doing that, you don't deserve to be sitting behind those seats.

Don Smith said that before he gets to his point you actually didn't call public comments on the animal control item so he would briefly like to say that he kind of agrees with Ed Miller and with Don Peterson. We all know that we are going to go with the one that we can afford right now so at least in the budget cycle we are certainly not going to do anything other than go with Beaumont. But wanted to point out that the services we receive now for animal control is significantly worse than the services we have historically received for animal control in Banning. He doesn't mean from Beaumont because it has been this way since we cut the budget ten years ago for animal control. Somebody needs to come up with a long-range plan of how we are going to fund proper services and maybe that Committee can think long-range rather than just short range.

Don Smith said that in wanted to disclose that he is a member of the Chamber of Commerce and he pays his yearly dues and hasn't been to a Chamber meeting in 20 years. For three years, he was the Treasurer of the Chamber of Commerce and wanted to go back 20 years because he thinks history is important. In the 1970's the City wanted the Chamber of Commerce to work with them and reached a deal with the Chamber that allowed the Chamber to build a building right where the police station is right now that the Chamber paid for in full. In exchange for the Chamber spending that money building the building obviously they wanted some sort of a commitment. They got a land lease for 100 years for that property for their building. When he was the Treasurer he paid them the whole \$70 dollars that was left at the time and said here is your 70 years' worth of rent; we are done. So the Chamber had the right to stay in that building rent free for 70 more years. The City wanted the property to build a much larger police station that would meet the needs of the City's police station for the next 30 or 40 years where we would grow to a staff of 100 police officers and would have a building that would meet it and earthquake standards and wanted the Chamber to leave. The Chamber had the absolute right to say no that they were going to stay there for the next 70 years; delay your police station. The City suggested to the Chamber and he actually thought it was a bad idea and the Chamber made a bad decision and said so at the time. We have this really bad building across the street that is not nearly as good as the building you currently have but if you move into that we will let you stay there for a dollar a year and will let you have the money from the Gas Company so that you can use it to remodel the buildings so that it will meet your needs and that is what happened. He doesn't think that they should have done that because once again, the building they have over there is not nearly as good as the building they had that had a huge room for community meetings, etc. but the Chamber decided to cooperate with the City and that is not the first time. Also, in the 1970's the City convinced the Chamber that we needed to have a TOT tax and if you help us get a TOT tax half the money will go to fund the Chamber of Commerce so the Chamber said okay and they went out there and got the TOT tax. The next Council came along and said that was a handshake deal and we really don't like it so we are not giving you that money any more but we will give you \$10,000 a year instead and you will just have to live with it. So then the City comes along later and says that \$10,000 we give you to provide services so that when businesses come to town you will show them around and help us, we are not giving you that anymore either and the Chamber said it wasn't in writing so what can they do. So they go across the street and mind you when they were over here part of their contract with the City was that they got free utilities. So historically the Chamber has not done well with handshake deals with the City and he doesn't expect they will this time either. The City subsequently told them that

they had to start paying utilities and it was his understanding that they have. They haven't paid the \$15,000 and he doesn't even know if they have \$15,000. You all know that the Chamber has in their possession correspondence from the then City Manager who said that it was in his authority of \$25,000 he gave them free utilities. He is going to come and testify that he gave them free utilities; who is going to win that case, he could give 100 legal opinions. He would suggest to the City Attorney and to the Chamber and he hasn't talked to either of them, that this matter should go to binding arbitration and if the Chamber order to pay the money, they should write a check on the spot.

Councilmember Peterson said one thing that he would like an opinion, since Don Smith reminded him of something, is that our utility is a publically-owned utility of which we have bonds and bond holders so the money if there is profit, should be going to the bond holders and not given away to the public. He thinks a gifting of public funds or bond money, could be a securities and exchange problem because there is a prospectus that is given on the bonds and who is any City Manager or any public employee who are they to give away bond holder money. It is not public money but yet in this town it goes to the abyss and it is not legal and could even be fraud to give away public utility money.

Linda Pippenger, resident said that she has an observation about the Chamber and she thinks that there is just a level of disrespect to the City. She wrote checks for her husband's air-conditioning business for 35 years the highest additional insured certificate that she ever wrote per year was \$100 and it seems ridiculous that they cannot provide the City with an additional insured certificate. She doesn't know if they have a bad bookkeeper or if it is disrespect.

Councilmember Moyer said that he has read this report over and over again and he understands everything that Councilmember Peterson said and everything he said. He does know that you asked for a legal opinion and you got one and you don't agree with it but you got one on why it wasn't released to us immediately upon his receipt. The City Attorney basically said he interpreted the 48 hours exactly like Art did. He has read also the emails from the then City Manager at the time, Randy Anstine, where he said yes that he actually gave them free utilities and it was in his authority at the time. He had heard as Don Smith had said that they actually never did pay any utilities even in the old building because they gave services in-kind to the City. That said, it is like Mr. Hironimus said, he thinks: 1) we should be getting this \$15,795 from them; 2) they should be giving us the additionally insurance; and 3) give us some form of this \$10,000 Maintenance Fund that is acceptable to the City. However, he believes it is truly unreasonable to say today in 30 days we want you to give us \$25,000; we know they don't have it. He would like to say that within 30 days they come back with something that we can accept to get this all resolved.

Councilmember Miller said there have been a lot of words here but this is a straightforward document. This is an analysis by the Grand Jury of the relationship between the City and the Chamber of Commerce. He thinks that even as an engineer he can understand this document. The arguments that have gone in the past is that they have been handshake deals. He is perfectly willing to shake hands with any neighbor whatsoever and say I don't have to pay my electric bill. Is that going to work? He doesn't think so. The fact that there have been handshake deals over and over again in this City just shows how sloppily this City has been run. One of the handshake

deals that you may not be familiar with is the fact that somebody ran a bee factory of sort or they made honey and it was a handshake deal to put all your bees on City property and that is perfectly all right. Well, it is not perfectly alright. There is no such thing as a handshake deal. Our City has legal contracts; without a legal contract it means nothing. And the fact that somebody puts down an email saying I've done this, doesn't mean a thing. It has to be a legal contract approved by our City Attorney. And if we take a look at this legal contract, the legal contract says the Chamber of Commerce owes the City \$15,795, the Chamber of Commerce has to have a \$10,000 Maintenance Fee, the Chamber has to have us as one of the people on their insurance. It is as simple as that. That is the contact between the City and the Chamber. Now, the argument is the Chamber has no money. How can the Chamber not have money? The Chamber five years ago said to the Gas Company you are supposed to pay us \$3,000 a month and let's make a deal and just give me a check for \$200,000. That is \$100,000 less than they were entitle to. Why would anyone take \$100,000 less than their entitled to unless they wanted that money right there. Well, therefore the Chamber of Commerce had five years ago \$200,000, where did that money go. Some of it has to be somewhere where the Chamber can get to it. So for us to say the Chamber has no money they can't pay us; that's ridiculous. And even somehow that \$200,000 mysteriously disappeared the Chamber has all these members and they can get that money with no difficulty or they can get a loan from the bank and that is not the problem of the City. We have a contract and it is as simple as that and if this contract is not paid as the Grand Jury says, what is the legal requirement for our City to do and that is to evict the Chamber. This is a debt and for the City not to require its debts to paid indicates that there is something wrong with the City. That is what he is here for; that is what we are all here for to make sure that the City receives the money that it is entitled to so that the taxpayers get what they are entitled to and again, that is why he made the motion that the Chamber of Commerce satisfies the requirements of the Grand Jury or be evited in 30 days.

Mayor Welch said he doesn't disagree with Councilmember Miller but he does disagree with the 30 day because the Grand Jury gave us 90 days to respond and it gave the Chamber 90 days to respond so based on what the Grand Jury has said it doesn't seem like we are being quite fair to the Chamber by asking for the 30 days.

Councilmember Miller said that is a good point and we really can't say 90 days because we have to respond to the Grand Jury. **Councilmember Miller amended his motion to 60 days.** So if they do not respond in 60 days, this still gives us 30 days to respond to the Grand Jury.

**Councilmember Franklin seconded the motion.**

Councilmember Peterson said that there cannot be a provision for a payment plan. If we accept payments or some alternative method to pay back the money, then the minute they default we will be right back into the same position. This situation and this matter needs to be put to bed in its entirety within the timeframe allotted. So if you want to say we will give them 60 days to comply, then it needs to be 60 days with all terms that the Grand Jury recommended completed otherwise an eviction process should be started.

Councilmember Franklin said that she would like to add that she also agrees that the Chamber should have paid the money back and she has never been opposed to them paying all the monies



that the City is due but she would like to add as the response is given to make sure all the documents that are legally available should be included in the response, especially because there was an opinion given by our attorney's office at one point which put us partially back to where we are now and she thinks that should be made a part of the record.

City Manager said for clarification the Chamber has been paying a utility bill since 2014. He didn't want to leave an impression that they are still not paying their bill; they are and have been since 2014.

Councilmember Peterson asked the City Manager to provide them with that documentation.

**Councilmember Miller said he would just like to make sure that the motion is that unless the Chamber of Commerce satisfies these requirements they are subject to eviction in 60 days. That does not mean that you have 60 days to put the demand to them. He would like to add to the motion that the demand be given to them in within two weeks. He would just like to know if our City Attorney can do that within two weeks.**

City Attorney said what he would like to do, is have whatever the Council gives him, he would like to have the opportunity to present that back to the Council so that the Council can approve the final language and whatever letter is going out because there are several moving parts here and he wants to make sure that he absolutely captures the direction of the Council.

Mayor Welch said that there is one other stipulation on this Grand Jury Report is the City being covered on insurance with the Chamber. He thinks that if anyone will bother to look, that has been true for quite some time so you need to pick up on that one. We have this thing down to about two things that the Chamber really has to do.

Mayor Welch said that we have an amended motion on the floor giving direction to our City Attorney and City Manager on preparing a response to the Chamber on the Grand Jury Report.

Councilmember Peterson said that one topic that wasn't touched on and he knows that it is no part of the City but how is the City going to respond to the removal of Jim Smith as the Executive Director of the Chamber. What do we do? He thinks what we can do is that we don't need to tell the Chamber what they can do with their employee but he thinks because there is a conflict of interest between the City and their employee that the City should stop doing business with the Chamber. If their employee is being sued by the City and owes money to City, then that is a conflict according to the Grand Jury Report, then the City should not do business with the Chamber. He asked the City Attorney if that would be true.

City Attorney said he thinks the Council has discretion on that particular item what they wish to recommend. He does agree that ultimately we are talking about an employee of a separate entity so we don't have direct control over. He doesn't see it as a technical conflict but maybe more of a moral conflict and if that is something the Council would want to put in the response to the Grand Jury, he can draft that or receive alternative direction.

Councilmember Miller said we have a motion on the floor and this is a separate problem so if we could vote on the motion on the floor and then discuss this. He asked the City Clerk to read the motion.

The City Clerk deferred to the City Attorney. City Attorney said he thinks that there was multiple motions and amendments but here is what he understood and what he has proposed. **That the City Attorney would bring back for the next Council meeting a draft demand letter that would include as part of the demands the \$10,000 dollar deposit amount, the money owed as identified by the Grand Jury of approximately \$15,000 for the past due utility amount, and also a demand to add the City as additionally insured if that has not been done, and that it would also include the statement by the City if these demands were not complied with, that eviction proceedings would be initiated, and that the timing for that would be 60 days.** He said that all of this would be brought back to the Council at the next meeting and if in any way he misunderstood it, the Council would have an opportunity to act on it at that time.

**Motion carried, all in favor.**

City Attorney recommended as a housekeeping matter there was also an item to receive and file the Grand Jury Report and he would recommend that the Council act on that through a motion as well.

**Motion Moyer/Franklin that the City Council, Utility Authority Board and Successor Agency Board receive and file the 2015-2016 Grand Jury Report on the City of Banning and the Banning Chamber of Commerce, issued on April 25, 2016.**

Councilmember Peterson asked what exactly is the definition of receiving and filing.

City Attorney said that the City Council is required to act on it as a matter of law within 90 days. Receiving and filing it is just making a part of the official record and the proceedings. It is more of a formality.

**Motion carried, all in favor.**

Mayor Welch said that the Council needed to take an action for them to continue the meeting based on their meeting times. He needs a motion to either continue with the meeting or to continue the rest of the items to their next meeting.

**Councilmember Miller moved that we continue this to the next Council meeting.**

Councilmember Peterson asked if there was anything that was an emergency.

City Manager said that there is only three items left and one of them is time sensitive in that we have delayed it now for three Council meetings.

Councilmember Moyer asked if all three were time sensitive or just the one. City Manager said that they can delay items 1 and 2 and would like to do item 3 this because there are some time sensitive issues with the flume and with the other attorneys with the other agencies.

City Attorney said the procedural requirement is that it does take a unanimous vote to continue past 9 p. m.

**Councilmember Miller's motion died because of a lack of a second.**

**Motion Moyer/Franklin that we continue and do the final item on the agenda, Item No. 3. Motion failed 4/1 with Councilmember Peterson voting no.**

### ADJOURNMENT

By common consent the meeting adjourned at 9:20 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.

*Rec'd*

**Marie Calderon**

---

**To:** Diane Smith  
**Subject:** RE: Please read at Council Meeting tonight.

-----Original Message-----

From: Diane Smith [mailto:dianenjason1@aol.com]  
Sent: Tuesday, May 10, 2016 10:56 AM  
To: Marie Calderon <mac@ci.banning.ca.us>  
Subject: Please read at Council Meeting tonight.

George Moyer you need to step down!  
You sunk to a new level of low at the last council meeting!  
YOU ARE A LIABILITY to The City of Banning and our citizens!  
Don't be surprised when YOU and the City get slapped with a muliti-million dollar lawsuit for disclosing John Clark's personal medical records to the public!  
Why do you think it is okay to share personal, priveleged, CONFIDENTIAL mental health information you only had access to by being on the Sun Lakes HOA board????  
Not only did you violate the City Council Code of Conduct.....  
You know the same code of conduct you, the Mayor and Franklin used and removed a competent Planning Comissioner for!  
But you also broke a LAW. You Violated the HIPAA Act of 1996! I am sure a complaint was or may be filed with the U.S. Department of Health and Human Services (HHS), Office for Civil Rights and State's Attorneys General Office.  
I also ask that our City Attorney be involved in this matter. Again, do us all a favor and resign. What you did is UNFORGIVABLE!

Diane Box  
Banning Resident

Revised  
ML

**Marie Calderon**

---

**From:** Frp2002  
**Sent:** Sunday, May 08, 2016 9:47 PM  
**To:** Marie Calderon  
**Subject:** to be read at the next City Council meeting (hopefully)

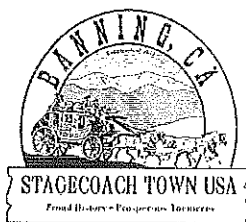
I understand that officer Fisher and Council member Peterson were investigating what could be done to revive the City of Banning animal shelter. I understand, also, that Mr. Peterson donated \$1000 of his remaining campaign funds to Ellen Carr to defray some of the costs of caring and feeding strays.

I would like to suggest the possibility of a wealthy, benevolent Beverly Hills developer taking on the financial resurrection of the animal shelter. This Beverly Hills developer indicated that he cares for the future of Banning when he donated \$15,000 each to the campaign funds of both Council member Peterson and Council member Miller. In fact, he cared so much, he also donated a huge sum to Mrs. David Ellis, which unfortunately was directed toward the planned unseating of then-Mayor Debbie Franklin. Such a resurrection process would be truly beneficial and appreciated by the citizens of Banning.

Thanking Mr. Fields in advance, I remain

Fred H. Sakurai

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**CITY OF BANNING  
CITY COUNCIL REPORT**

**TO:** CITY COUNCIL

**FROM:** Michael Rock, City Manager

**PREPARED BY:** Sonja De La Fuente, Executive Assistant/Deputy City Clerk

**MEETING DATE:** May 24, 2016

**SUBJECT:** Adopt Resolution No. 2016-44 Establishing Time Limits for Conduct of Business at City Council Meetings and Repealing Resolution No. 2010-38

---

**RECOMMENDATION:**

1. The Banning City Council Adopt Resolution No. 2016-44 establishing time limits for conduct of business at City Council Meetings and repealing Resolution No. 2010-38

**JUSTIFICATION:**

With the later start time of 6:00 P.M. for regular City Council meetings, it may be more often that matters may need to be taken up after the curfew time of 9:00 P.M. Therefore, it is recommended to move the end time to 10:00 P.M. and require a majority vote of the present City Council members rather than a unanimous vote to better accommodate matters of urgency.

**BACKGROUND:**

On May 25, 2010, the City Council adopted Resolution 2010-37 setting the City Council Meeting time and Resolution No. 2010-38 establishing time limits for conduct of business at City Council Meetings and Repealed Resolution No. 1997-33. At the April 26, 2016, City Council Meeting, the City Council adopted Resolution 2016-36 repealing Resolution No. 2010-37, changing the time of the City Council Meetings from 5:00 P.M. to 6:00 P.M.

With the City Council adopting a later start time for the City Council meetings, it may be more often that matters need to be taken up after the curfew time of 9:00pm. Therefore, it is recommended that the City Council now adopt resolution 2016-44 establishing the time limit of 10:00 P.M. to adjust with the later start time and require a majority vote instead of a unanimous vote of the present Council members, to possibly better accommodate matters of urgency.

**OPTIONS:**

1. The City Council adopt Resolution No. 2016-44 and Repeal Resolution 2010-38.
2. The City Council take no action.

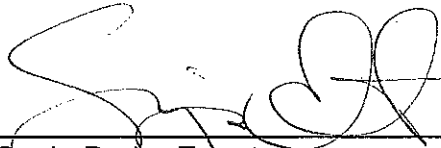
**FISCAL IMPACT:**

There is no fiscal impact.

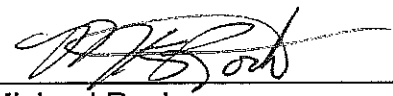
**ATTACHMENT:**

1. Resolution No. 2016-44
2. Resolution No. 2010-38

Prepared by:

  
\_\_\_\_\_  
Sonja De La Fuente  
Executive Assistant/Deputy City Clerk

Approved by:

  
\_\_\_\_\_  
Michael Rock  
City Manager



# ***ATTACHMENT 1***

## RESOLUTION NO. 2016-44

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, ESTABLISHING TIME LIMITS FOR CONDUCT OF BUSINESS AT CITY COUNCIL MEETINGS AND REPEALING RESOLUTION NO. 2010-38

**WHEREAS**, the large number of matters on recent Council agendas and the complexity of such matters have led to several lengthy meetings lasting until very late hours; and

**WHEREAS**, this Council wishes to be able to give careful attention to and make wise decisions on matters coming before it both of which goals may not be met after fatigue sets in caused by several hours of active participation in important City business; and

**WHEREAS**, a reasonable limit upon the length of Council meetings appear for these reasons to be in the best interest of both the citizens and the City Council Members of the City of Banning.

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

**Section 1.** That commencing with the first regularly scheduled Council meeting following the effective date of this resolution, a 10:00 P.M. curfew shall be imposed upon City Council meetings. Matters taken up by the Council before 10:00 P.M. may be concluded, but no new matters shall be taken up after 10:00 P.M. except upon a majority vote of the council members present, but such extension shall only be valid for one hour and each hour thereafter shall require a renewed action for the meeting to continue.

**Section 2.** The City Manager is requested to arrange the regular order of business on Council agendas to minimize any adverse effects this policy may have with respect to the timely conduct of important City business.

**Section 3.** A copy of this resolution shall be posted in a conspicuous location and appropriate references hereto shall be made on the Council agenda in order to provide adequate notice.

**PASSED, ADOPTED AND APPROVED** this 24<sup>th</sup> day of May, 2016.

\_\_\_\_\_  
Arthur L. Welch, Mayor **ATTEST:**

\_\_\_\_\_  
Marie A. Calderon, City Clerk

**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. 2016-44, was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 24<sup>th</sup> day of May, 2016.

AYES:

NOES:

ABSTAIN:

ABSENT:

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

# ***ATTACHMENT 2***

RESOLUTION NO. 2010-38

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, ESTABLISHING TIME LIMITS FOR CONDUCT OF BUSINESS AT CITY COUNCIL MEETINGS AND REPEALING RESOLUTION NO. 1997-33.**

WHEREAS, the large number of matters on recent Council agendas and the complexity of such matters have led to several lengthy meetings lasting until very late hours; and

WHEREAS, this Council wishes to be able to give careful attention to and make wise decisions on matters coming before it both of which goals may not be met after fatigue sets in caused by several hours of active participation in important City business; and

WHEREAS, a reasonable limit upon the length of Council meetings appear for these reasons to be in the best interest of both the citizens and the City Council Members of the City of Banning.

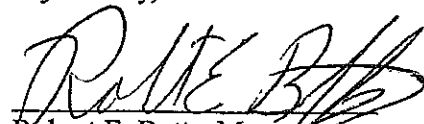
NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Banning as follows:

**Section 1.** That commencing with the first regularly scheduled Council meeting following the effective date of this resolution, a 9:00 p.m. curfew shall be imposed upon City Council meetings. 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, but such extension shall only be valid for one hour and each hour thereafter shall require a renewed action for the meeting to continue.

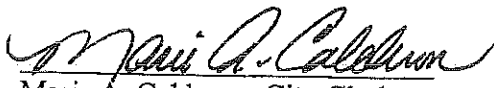
**Section 2.** The City Manager is requested to arrange the regular order of business on Council agendas to minimize any adverse effects this policy may have with respect to the timely conduct of important City business.

**Section 3.** A copy of this resolution shall be posted in a conspicuous location and appropriate references hereto shall be made on the Council agenda in order to provide adequate notice.

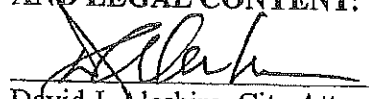
**PASSED, ADOPTED AND APPROVED** this 25<sup>th</sup> day of May, 2010.

  
Robert E. Botts, Mayor

**ATTEST:**

  
Marie A. Calderon, City Clerk

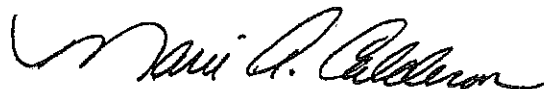
**APPROVED AS TO FORM  
AND LEGAL CONTENT:**

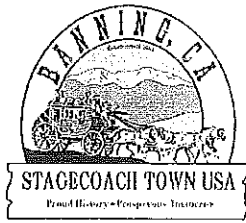
  
David J. Aleshire, City Attorney  
Aleshire & Wynder, LLP

**CERTIFICATION:**

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2010-38, was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 25<sup>th</sup> day of May, 2010.

AYES: Councilmembers Franklin, Hanna, Machisic, Robinson, Mayor Botts  
NOES: None  
ABSTAIN: None  
ABSENT: None

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



**CITY OF BANNING  
CITY COUNCIL REPORT**

**TO:** CITY COUNCIL

**FROM:** Michael Rock, City Manager

**PREPARED BY:** Sonja De La Fuente, Executive Assistant/Deputy City Clerk

**MEETING DATE:** May 24, 2016

**SUBJECT:** Adopt Resolution No. 2016-45 Establishing an Ad Hoc 2X2 Committee with the City of Beaumont to Discuss Cannabis Regulation and Adopt Resolution No. 2016-46 Establishing an Ad Hoc 2X2 Committee with the City of Beaumont to Discuss Transit Operational Issues

---

**RECOMMENDATION:**

1. Adopt Resolution No. 2016-45 establishing an Ad Hoc 2X2 Committee for the City of Banning and the City of Beaumont to discuss Cannabis regulation.
2. Adopt Resolution No. 2016-46 establishing an Ad Hoc 2X2 Committee for the City of Banning and the City of Beaumont to discuss transit operational issues.

**JUSTIFICATION:**

At the May 10, 2016, City Council Meeting, City Council recommended Councilmember Miller and Councilmember Peterson to the Ad Hoc 2X2 Committee for the City of Banning and the City of Beaumont to discuss Cannabis regulation. At the same meeting, the City Council recommended Councilmember Franklin and Councilmember Moyer to the Ad Hoc 2X2 Committee for the City of Banning and the City of Beaumont to discuss transit issues.

**BACKGROUND:**

Recently the City of Beaumont approved the formation of an Ad Hoc Committee to meet with the City of Banning to discuss two main issues, one being cannabis regulation region wide and transit operational issues with their transit system.

It was determined at the May 10<sup>th</sup> City Council Meeting that it would be best to form two separate Ad Hoc 2X2 Committees with the City of Beaumont, since the two topics were very different from one another. Therefore, the City Council determined Councilmember Miller and Councilmember Peterson should sit on the Ad Hoc 2X2 Committee concerning Cannabis regulation and Councilmember Franklin and Councilmember Moyer should sit on the Ad Hoc 2X2 Committee concerning transit operational issues.

**OPTIONS:**

1. Adopt Resolution No. 2016-45 establishing an Ad Hoc 2X2 Committee for the City of Banning and the City of Beaumont to discuss Cannabis regulation; and
2. Adopt Resolution No. 2016-46 establishing an Ad Hoc 2X2 Committee for the City of Banning and the City of Beaumont to discuss transit operational issues.
3. No Action

**FISCAL IMPACT:**

There is no fiscal impact.

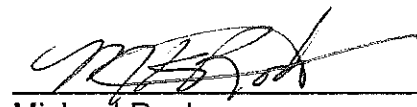
**ATTACHMENT:**

1. Resolution No. 2016-45
2. Resolution No. 2016-46

Prepared by:

  
\_\_\_\_\_  
Sonja De La Fuente  
Executive Assistant/Deputy City Clerk

Approved by:

  
\_\_\_\_\_  
Michael Rock  
City Manager



# ***ATTACHMENT 1***

**RESOLUTION NO. 2016-45**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING,  
CALIFORNIA, ESTABLISHING AN AD HOC 2x2 COMMITTEE WITH THE CITY  
OF BEAUMONT TO DISCUSS CANNABIS REGULATION**

**WHEREAS**, the City of Beaumont approved the formation of an Ad Hoc Committee with the City of Banning; and

**WHEREAS**, one of the main issues is to discuss Cannabis regulation; and

**WHEREAS**, on May 10, 2016, at its regular meeting, the City Council determined Councilmember Miller and Councilmember Peterson should sit on the Ad Hoc 2X2 Committee with the City of Beaumont to discuss Cannabis regulation.

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

**Section 1.** That the City hereby establishes an Ad Hoc 2x2 Committee to meet with the City of Beaumont to discuss Cannabis regulation.

**Section 2.** That the following appointments are hereby made to the Committee: Councilmember Edward Miller and Councilmember Don Peterson.

**PASSED, ADOPTED AND APPROVED** this 24<sup>th</sup> day of May, 2016.

\_\_\_\_\_  
Arthur L. Welch, Mayor

**ATTEST:**

\_\_\_\_\_  
Marie A. Calderon, City Clerk

**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. 2016-45, was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 24<sup>th</sup> day of May, 2016.

AYES:

NOES:

ABSTAIN:

ABSENT:

---

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

# ***ATTACHMENT 2***

**RESOLUTION NO. 2016-46**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING,  
CALIFORNIA, ESTABLISHING AN AD HOC 2x2 COMMITTEE WITH THE CITY  
OF BEAUMONT TO DISCUSS TRANSIT OPERATIONAL ISSUES**

**WHEREAS**, the City of Beaumont approved the formation of an Ad Hoc Committee with the City of Banning; and

**WHEREAS**, one of the main issues is to discuss transit operational issues; and

**WHEREAS**, on May 10, 2016, at its regular meeting, the City Council determined Councilmember Franklin and Councilmember Moyer should sit on the Ad Hoc 2X2 Committee with the City of Beaumont to discuss transit operational issues.

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

**Section 1.** That the City hereby establishes an Ad Hoc 2x2 Committee to meet with the City of Beaumont to discuss transit operational issues.

**Section 2.** That the following appointments are hereby made to the Committee: Councilmember Debbie Franklin and Councilmember George Moyer.

**PASSED, ADOPTED AND APPROVED** this 24<sup>th</sup> day of May, 2016.

\_\_\_\_\_  
Arthur L. Welch, Mayor

**ATTEST:**

\_\_\_\_\_  
Marie A. Calderon, City Clerk

**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. 2016-46, was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 24<sup>th</sup> day of May, 2016.

AYES:

NOES:

ABSTAIN:

ABSENT:

---

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



## CITY OF BANNING CITY COUNCIL REPORT

**TO:** City Council

**FROM:** Michael Rock, City Manager

**PREPARED BY:** Michelle Green, Deputy Finance Director  
Melissa Elizondo, Accountant

**MEETING DATE:** May 24, 2016

**SUBJECT:** Report of Investments for March 2016

---

### RECOMMENDATION:

The City Council receive and file the monthly *Report of Investments*.

### JUSTIFICATION:

State law requires that a monthly report of investments be submitted to the Governing Legislative Body.

### BACKGROUND/ANALYSIS:

This report includes investments on hand at the end of March 2016. As of March 31, 2016, the City's operating funds totaled \$80,180,623. Included in Successor Agency operating funds is \$872,754 of restricted CRA bond proceeds that are on deposit with LAIF and reflected separately on the Summary Schedule.

As of March 31, 2016 approximately 36% of the City's unrestricted cash balances were invested in investments other than LAIF.

The March Investment Report includes the following documents:

- Summary Schedule of Cash and Investments
- Operational Portfolio Individual Investments
- Individual Investments with Fiscal Agent
- Investment Report Supplemental Information

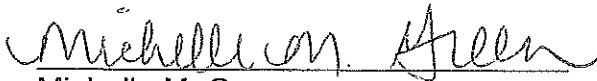
The attached Summary Schedule of Cash and Investments has been updated to show the rate of earnings allowance received from Wells Fargo Bank. The amount earned reduces the total amount of bank fees charged.

**FISCAL DATA:**

The latest reports from the State indicate that the average interest achieved by the Local Agency Investment Fund (LAIF) was increased to 0.506% in March. The average rate for all investments in March was 0.432%.

**PREPARED BY:**

**REVIEWED BY:**



Michelle M. Green  
Deputy Finance Director



Rochelle Clayton  
Administrative Services Director

**APPROVED BY:**



Michael Rock  
City Manager



## Summary Schedule of Cash and Investments

**Operating Funds**Petty Cash

Amount

4,205

Bank Accounts

Wells Fargo Bank

Interest

Rate

Amount

0.180% \* 1,261,683

Bank of America-Airport

0.020% 14,468

Bank of America-Parking Citations

0.020% 8,262

Bank of America-CNG Station

0.020% 5,696

Money Market and Bank Account Sub-Total

1,290,109

Government Pools

Account #1 Operating Amount

48,800,900

Account #1 CRA Bond Cash Bal.

872,754

Local Agency Investment Fund: Account #1

0.506% 49,673,655

Account #2 Sucessor Agency Cash Bal

0

Local Agency Investment Fund: Account #2

0.506% 0

Government Pool Sub-Total

49,673,655

**Operating Cash Balance****50,967,969**Restricted Operating Funds

Riverside Public Utilities- Highmark U.S. Government Money Market Fund

0.140%

991,765

California ISO Corp- Union Bank

109,651

Worker's Compensation Program- (PERMA)

2,041,178

Other Investments

Investments-US Bank/Piper Jaffray - See Page 2

0.304%

26,070,061

**Operating Funds Total****80,180,623****Fiscal Agent**

US Bank

Amount

28,859,055

**Fiscal Agent Total****28,859,055**

\* Rate of earnings allowance received, offsets analyzed bank charges.

## Operational Portfolio Individual Investments

Par Value	Investment Description	Coupon Rate	Interest Rate	Maturity Date	Purchase Date	Date	Discount or (Premium) Amortization	Market Value
<u>Bank Accounts</u>								
1,261,683	Wells Fargo Bank-Operating	n/a	0.18%	daily	varies	1,261,683	n/a	1,261,683
14,468	Bank of America-Airport	n/a	0.02%	daily	varies	14,468	n/a	14,468
8,262	Bank of America-Parking Citations	n/a	0.02%	daily	varies	8,262	n/a	8,262
5,696	Bank of America-Parking Citations	n/a	0.02%	daily	varies	5,696	n/a	5,696
Sub-total								
								1,290,109
<u>Government Pools</u>								
49,673,655	L.A.I.F. account #1	n/a	0.506%	daily	varies	49,673,655	n/a	49,673,655
0	L.A.I.F. account #2	n/a	0.506%	daily	varies	0	n/a	0
								49,673,655
<u>Investments-US Bank/Piper Jaffray</u>								
2,000,000	Federal Home Loan Bks	n/a	0.500%	7/15/2016	4/15/2014	2,000,000		2,001,720
1,700,000	FHLMC Mtn	n/a	0.700%	12/30/2016	6/30/2014	1,700,000		1,702,074
1,000,000	FNMA	n/a	1.250%	11/27/2018	5/27/2015	1,000,000		1,004,450
2,000,000	Federal Home Loan Bks	n/a	1.100%	3/29/2018	7/1/2015	2,000,000		2,001,940
2,000,000	Federal Home Loan Bks	n/a	1.050%	10/5/2018	10/5/2015	2,000,000		2,001,320
17,358,557	Money Market	n/a	0.010%	daily	varies	17,358,557	0	17,358,557
US Bank/Piper Jaffray Average Rate=								
			0.304%					26,070,061

Average Rate All= 0.432%

It has been verified that this investment portfolio is in conformity with the City of Banning's investment policy which was approved by the City Council on January 13, 2015. The Treasurer's cash management program provides sufficient liquidity to meet estimated future expenditures for a period of six months. The weighted average maturity of the pooled investment portfolio is 66 days and does not include Bond Reserve Fund Investments.

# City of Banning Investment Report

March 31, 2016

## Individual Investments with Fiscal Agent

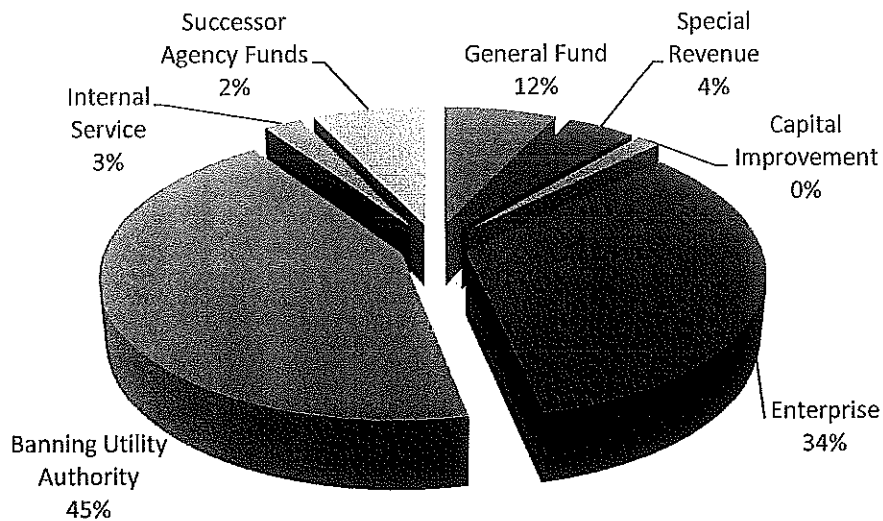
Bond Issue Description	Bond Maturity Date	Investment Description	Current Yield	Bond Reserve Bond Maturity Date	Minimum Reserve Requirement	3/31/2016 Market Value
<b>COB IMPROVEMENT DISTRICT LIMITED OBLIGATION BONDS SERIES 2005A</b>						
2005 Fair Oaks Ranch Estates	2035	US Bank Mmkt 5-Ct	0.100%	daily	188,024	223,040
<b>COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION, SERIES 2003</b>						
2003 CRA Tax Allocation Bonds	2028	U S Treasury Bill	4.61%	1/29/2015	971,250	991,077
		US Bank Mmkt 5-Ct	0.090%	daily		21,036
		US Bank Mmkt 5-Ct	0.100%	daily		260,021
		US Bank Mmkt 5-Ct	0.090%	daily		34
		US Bank Mmkt 5-Ct	0.080%	daily		12
Surplus Fund						
<b>COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION PARITY BONDS, SERIES 2007</b>						
Redevelop Fund	2037	US Bank Mmkt 5-Ct	0.100%	daily	625.50	7,625,133
		US Bank Mmkt 5-Ct	0.100%	daily	30.90	390,031
Reserve Fund		US Bank Mmkt 5-Ct	0.100%	daily	1,875,100	1,875,427
Special Fund		US Bank Mmkt 5-Ct	0.100%	daily	0.01	69
Surplus Fund		US Bank Mmkt 5-Ct	0.090%	daily		11
<b>BUA - WASTEWATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES</b>						
Interest Account		US Bank Mmkt 5-Ct	0.000%	daily		2
Principal Account		US Bank Mmkt 5-Ct	0.000%	daily		3
		US Bank Mmkt 5-Ct	0.100%	daily	258.86	3,267,317
<b>BUA - WATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2015 SERIES</b>						
Revenue Bond		First Amer Treas Oblig Fd Cl D	0.000%	daily		29,607
Project Fund		First Amer Treas Oblig Fd Cl D	0.000%	daily		3,007,573
Cost of Issuance Fund		First Amer Treas Oblig Fd Cl D	0.000%	daily		0
<b>BFA - ELECTRIC SYSTEM REVENUE BONDS 2015 SERIES</b>						
Revenue Fund		First Amer Treas Oblig Fd Cl D	0.000%	daily		0
Acquisition & Construction		First Amer Treas Oblig Fd Cl D	0.000%	daily		11,158,619
Cost of Issuance		First Amer Treas Oblig Fd Cl D	0.000%	daily	0.01	10,043
*Paid Semi-Annually-Deposited into Money Mkt Account					Total	1,102.05
						28,859,055

## City of Banning

### Investment Report Supplemental Information

#### Pooled Cash Distribution

Investment reports for cities typically do not include the cash balance of the individual funds that make up the total pooled cash. This is primarily due to timing differences between when investment reports are prepared and when month end accounting entries are posted. Investment reports are usually prepared first. However, the pie chart below provides an understanding of the percentage distribution of the investments by fund type. The percentages were calculated using the average cash balances from the twelve month period of January 2015 to December 2015. *(The percentages will be updated quarterly.)*



The Table below describes the funds that are included within the Fund Types used for the pie chart.

Fund Type	Description of Funds
Governmental	General Fund
Special Revenue	Restricted Funds (i.e. CFDs, grants)
Capital Improvement	Development Impact Fee funds
Enterprise	Airport, Transit, Refuse, Electric
Banning Utility Authority	Water, Wastewater, Reclaimed water
Internal Service	Risk Management, Fleet, IT, Utility Services
Successor Agency Funds	Previously called Redevelopment Agency

## Summary Schedule – Line item descriptions

### ***Petty Cash –***

The City maintains petty cash in various departments for incidental purchases. This line item includes the cash drawers for cashiering in utility billing.

### ***Bank Accounts –***

When reviewing the *Report of Investments*, please keep in mind that the balances shown on the *Summary Schedule of Cash and Investments* for bank accounts are “statement” balances. They reflect what the financial institution has on hand as of particular date and lists on their statement. They are not “general ledger” balances. General ledger balances reflect all activity through a particular date (i.e. all checks that have been written and all deposits that have been made) and is what we show on our books (the general ledger). The general ledger balance more accurately reflects the amount of cash we have available.

It should be noted that statement balances and general ledger balances can differ significantly. For example – on June 30<sup>th</sup> the statement balance for Wells Fargo Bank could show \$1,000,000, however, staff may have prepared a check run in the amount of \$750,000 on the same day. Our general ledger balance would show \$250,000, as the Wells Fargo statement does not recognize the checks that have been issued until they clear the bank.

For investment decisions and cash handling purposes staff relies on the balance in the general ledger. Staff does not invest funds that are not available. Sufficient funds must be kept in the bank accounts to cover all checks issued.

- Wells Fargo Bank – This is the City checking account. All cash receipts, payroll and accounts payables checks are processed through this account. Balances fluctuate based on activity and cash flow needs. As excess funds accumulate, they are transferred to LAIF to increase earnings. The Summary Schedule of Cash and Investments shows the rate of earnings allowance received from the bank. The amount earned reduces the total amount of bank fees charged.
- Bank of America – Airport – The City maintains a Trust account for credit card purchases made at the airport. When the account balance exceeds \$3000, excess funds are transferred to the Wells Fargo Bank account.
- Bank of America – Parking Citations – The City maintains a Trust account for the processing of parking citations through Turbo Data. When the account balance exceeds \$3000, excess funds are transferred to the Wells Fargo Bank account.
- Bank of America – CNG – The City maintains a Trust account for credit card purchases of CNG fuel made at the City yards. When the account balance exceeds \$3000, excess funds are transferred to the Wells Fargo Bank account.

## Summary Schedule – Line item descriptions – Cont.

### ***Government Pools –***

- Local Agency investment Fund – Account #1
  - This account includes both City pooled funds and a restricted cash balance related to the CRA bonds. Investments in LAIF are limited to \$50M.
- Local Agency investment Fund – Account #2
  - There is currently no balance in this account.
  - Note: When the State established the cutoff date of January 31, 2012 for the elimination of the Redevelopment Agency, LAIF staff recommended a transfer of the available balance from the CRA account to the City account to protect the funds from a rumored State raid or freezing of the funds.

### ***Restricted Operating Funds at Riverside Public Utilities –***

The City Electric operation has an agreement with Riverside Public Utilities (RPU) to purchase power for the City. Part of the agreement requires that the City maintain a balance in the trust account used by RPU. The City does not control the investments or earnings of the trust account.

### ***Restricted Operating Funds at California ISO-***

The California ISO facilitates the purchase and sale of the City's electricity. The City participates in periodic Congestion Revenue Rights (CRR) auctions to acquire financial hedges for transmission congestion. In order to participate in the CRR auctions the City was required to have a secured form of financial security. A cash deposit in the amount of \$100,000 was placed with Union bank in March, 2012 to meet the requirements. An additional \$9,297 was deposited in May 2015 to meet revised requirements. The account is an interest bearing collateral account.

### ***Restricted Operating Funds at PERMA-***

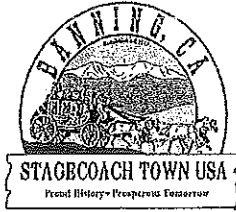
The City participates in a JPA with the Public Entity Risk Management Authority (PERMA), who provides administration for the City's worker's compensation insurance program. PERMA requires the City to deposit funds into an account used by PERMA for the payment of worker's compensation claims. The City does not control the investments or earnings of this account.

### ***Other Investments –***

Currently the City works with a Piper Jaffray broker to make various investments per the City policy and in accordance with State guidelines. The Broker is not on retainer, nor do they receive a City paid fee with each investment. Funds in the Money Market fluctuate as securities mature or get called. Staff is in the process of investing the Money Market funds over several months. We will be adding an additional broker to provide more investment options.

### ***Fiscal Agent / US Bank –***

Unspent bond proceeds and required bond reserves are invested by the Fiscal Agent in accordance with the bond documents.



**CITY OF BANNING  
CITY COUNCIL, UTILITY AUTHORITY  
AND SUCCESSOR AGENCY BOARD REPORT**

**TO:** CITY COUNCIL  
BANNING UTILITY AUTHORITY  
SUCCESSOR AGENCY BOARD

**FROM:** Anthony R. Taylor, City Attorney

**MEETING DATE:** May 24, 2016

**SUBJECT:** Review and Requested Direction concerning the Draft Demand Letter to the Banning Chamber Of Commerce requiring payment of overdue utility bills and requiring compliance with other terms of its lease with the Successor Agency

---

**RECOMMENDATION:**

It is recommended that the City Council, Utility Authority Board, and Successor Agency Board take the following actions:

1. Review the attached draft demand letter requiring the Banning Chamber of Commerce pay its overdue utility bills and requiring it comply with the terms of its lease with the Successor Agency.
2. Provide comments and direction to the City Attorney on the attached demand letter.

**SUMMARY:**

Pursuant to Penal Code section 925a, California grand juries, including the Riverside County Grand Jury ("Grand Jury"), have the authority to examine the books and records, investigate and report, and to provide recommendations to the City and Banning Utility Authority. Grand juries also have similar authority with respect to successor agencies pursuant to Penal Code section 933.1.<sup>1</sup>

The City, Banning Utility Authority, and the Successor Agency (collectively hereinafter referred to as "Banning") received a grand jury report from the Grand Jury on or about April 25, 2016. Among its recommendations, the Grand Jury Report recommends that Banning

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<sup>1</sup> While redevelopment agencies have been dissolved in California, successor agencies are their successor entities pursuant to Health & Safety Code section 34173 and are, therefore, likely subject to the same laws.

require the Banning Chamber of Commerce ("Chamber") to pay its overdue utility bills in the amount of \$15,795.25 and require the Chamber to comply with the terms of its lease with the Successor Agency. In response, at its May 10, 2016 meeting, Banning directed the City Attorney to draft a demand letter to the Chamber and to present it at Banning's May 24, 2016 meeting for its consideration.

### **BACKGROUND:**

On April 25, 2016, the Riverside County Grand Jury issued its 2015-2016 Grand Jury Report on the City of Banning and Banning Chamber of Commerce ("Report"). The Report has made several findings, conclusions, and recommendations as to Banning's lease with the Chamber. Specifically, the Report recommends that Banning ensure the Chamber pays its overdue utility bills and ensure the Chamber complies with the other terms of its lease with the Successor Agency.

#### **1. Overdue Utility Bills**

The Report recommended that Banning reach an agreement with the Chamber for the payment of past due utility bills in the amount of \$15,795.25 incurred between 2006 and 2013 ("Utility Bills").

#### **2. Obligations under the Lease**

The Chamber entered into a lease with the former Community Redevelopment Agency of the City of Banning (now Successor Agency), dated January 18, 2006, and Amendment No. 1 to the same lease, dated May 30, 2006 ("Lease"). Section 7 of the Lease requires that the Chamber carry insurance and include Banning as an additional insured on such insurance policies. Section 6(b) of the Lease also requires that the Chamber establish a maintenance fund with a minimum balance of \$10,000.

The Report found that the Chamber failed to comply with both of these Lease terms. As such, the Report also recommends that Banning require the Chamber to comply with the terms of the Lease and further recommends that, if the Chamber fails to comply with the Lease, then Banning should take necessary action to terminate the Lease.

#### **3. Demand Letter**

As directed by the City Council, the City Attorney drafted the attached demand letter for City Council consideration and direction ("Draft Letter"). The Draft Letter demands that the Chamber pay the Utility Bills within 30 days and demands that the Chamber comply with the insurance and maintenance fund requirements of the Lease within 30 days of when notice has been rendered pursuant to the Lease.

### **OPTIONS:**

1. Provide comments to the City Attorney concerning the Draft Letter.



2. Direct the City Attorney to transmit the demand letter to the Chamber, including any revisions as directed by the City Council.

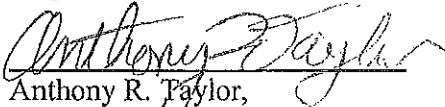
**FISCAL IMPACT:**

Unknown at this time.

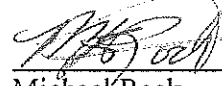
**ATTACHMENTS:**

1. Draft Demand Letter.

Prepared and Reviewed by:

  
Anthony R. Taylor,  
City Attorney

Reviewed by:

  
Michael Rock,  
City Manager

**ATTACHMENT 1**  
**Draft Demand Letter**



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AWATTORNEYS.COM

May \_\_, 2016

**VIA OVERNIGHT DELIVERY**

Banning Chamber of Commerce  
60 E. Ramsey Street  
Banning, CA 92220

Re: Demand to Pay Utility Fees and to Comply with Terms of Lease

To Whom it May Concern:

This office serves as the City Attorney for the City of Banning ("City") and as Successor Agency Counsel for the Successor Agency to the Banning Community Redevelopment Agency ("Successor Agency"). This letter concerns the Banning Chamber of Commerce's ("Chamber") unpaid utility bills that were incurred between 2006 and 2013 and further concerns the Chamber's obligations under its lease with the former Community Redevelopment Agency of the City of Banning (now Successor Agency), dated January 18, 2006, and Amendment No. 1 to the Lease, dated May 30, 2006 ("Lease").

Demand to Pay Past Due Utility Bills

This letter serves as a formal demand by the City to the Chamber that the Chamber pay its overdue utility bills, in the amount of \$15,795.25, incurred between 2006 and 2013 ("Utility Bills"). If the Chamber fails to comply with this demand within 30 days, then the City will be forced to take all necessary and appropriate legal action to recover the Utility Bills owed by the Chamber to the City. These steps include, without limitation, filing legal action to recover the past due utility bills.

Demand to Comply with all other Obligations under the Lease

Pursuant to Section 16 and 17 of the Lease, this letter also serves as a formal demand to the Chamber by the Successor Agency that the Chamber submit evidence of insurance required by Section 7 of the Lease, including evidence showing that the City and Successor Agency have been made additional insureds on such policies. The Successor Agency further formally demands that the Chamber submit evidence, such as bank statements and book keeping records, to the Successor Agency showing that the Chamber has fully complied with Section 6(b) of the Lease by establishing a maintenance fund with a minimum balance of \$10,000.

If the Chamber fails to submit the above-mentioned evidence required by the Lease within 30 days of when notice has been rendered pursuant to Section 20 of the Lease, then the

Banning Chamber of Commerce  
May \_\_, 2016  
Page 2

Successor Agency will be forced take all appropriate and necessary legal actions to evict the Chamber from the premises pursuant to Sections 16 and 17.

We appreciate your prompt response to this matter. Should you have any questions regarding this letter, please contact the undersigned.

Very truly yours,

ALESHIRE & WYNDER, LLP

Anthony R. Taylor  
City Attorney

cc: Banning Mayor & City Council  
Michael Rock, Banning City Manager and Successor Agency Executive Director



## **CITY OF BANNING CITY COUNCIL REPORT**

**TO:** CITY COUNCIL

**FROM:** Michael Rock, City Manager

**PREPARED BY:** Rochelle Clayton, Administrative Services Director  
Michelle M. Green, Deputy Finance Director

**MEETING DATE:** May 24, 2016

**SUBJECT:** FY 2015/16 Mid-Year Budget Review and Adjustments

---

### **RECOMMENDATION:**

That the City Council approve Resolution No. 2016-47, the Banning Utility Authority Resolution No. 2016-08 UA and the Successor Agency Resolution No. 2016-03 SA authorizing the Administrative Services Director to make necessary budget adjustments to implement the mid-year analysis.

### **JUSTIFICATION:**

These adjustments are necessary to provide a more accurate projection of available funds going forward with the FY 2016/17 and FY 2017/18 budget. Some are necessary to fully utilize grant funds on hand and others are necessary to bring the current year budget in-line with the Successor Agency's 15-16 ROPS.

### **BACKGROUND:**

The FY 2015/16 budgets for the City, Banning Utility Authority and Successor Agency were adopted on June 23, 2015. The budget is a dynamic document that may be amended throughout the year as a result of unforeseen changes in revenue or expenditure requirements. This year there is a substantial amount of salary savings Citywide that should be recognized in order to provide more accurate projections of available funds as we enter the FY 2016/17 and FY 2017/18 budget process.

In the General Fund alone there were payroll savings of over \$1,000,000. These savings are mainly due to vacancies and the hiring of new incumbents at a lower range than the previous incumbent. These savings are partially offset by the cost of

hiring temporary help during the recruitment of vacant positions and requests for additional overtime and professional services. In addition, the budgeted transfer to the County MOU Fund was significantly reduced.

In other funds salary savings various as well as grant revenues and expenditures were adjusted to actual, as were project revenues and expenditures. In the Water Funds savings in debt service costs due to the recent refinancing of the Water bonds is reflected. The Electric Funds show savings in debt service costs due to the refinancing of the Electric bonds earlier this year in addition to adjustments to correct over-appropriations for two projects. In the Utility Billing Administration Fund additional appropriations are being requested to cover additional costs for postage and credit card fees. Also, an increase of \$9,500 to the existing appropriation of \$44,000 for two vehicles for the meter service staff.

The Fund Summary Status, Attachment A, is the primary budget document that is adopted, managed and evaluated throughout the year. Below are some observations about the report:

- The "Available Balance at July 1, 2015" has been updated during the mid-year process to reflect actual available balances from June 30, 2015.
- The Adjusted Revenue and Adjusted Expenditures include all authorized appropriations approved by Council from July 1, 2015 through December 31, 2015, plus any continuing appropriations/encumbrances that were carried forward. Finally, it includes the midyear budget adjustments.
- The "Projected (Proj) Balance at June 30, 2016" shows the projected, estimated ending balances (reserves/fund balance). These will also be used as the starting point for the FY 2016/17 and FY 2017/18 budget cycle. The Projected Balance assumes that all revenues and all expenditures will occur as budgeted.

A complete list showing the adjustment requested for each affected account is attached as Exhibit A to each resolution. Adjustments to the salary accounts have been summarized on one line for each affected fund. The remainder of this report will highlight changes to the budget of the major funds.

#### **OPTIONS:**

1. Approve as recommended.
2. The alternative option would be not to approve the mid-year budget adjustments as proposed. This would result in discrepancies of varying amounts in several funds when calculating the available balances to carry forward for the upcoming FY 2016/17 and FY 2017/18 budget cycle.

#### **FISCAL IMPACT:**

The proposed resolutions will enable the Administrative Services Director to post budget adjustments to the accounts for the City of Banning, Banning Utility Authority

and the Banning Successor Agency. The effects of these adjustments will be to change estimated revenues, expenditures and ending fund balances as shown on the Fund Summary Schedule (Attachment A) and will allow for a more accurate available balance when starting off the FY 2016/17 and FY 2017/18 budget cycle.


**ATTACHMENTS:**

1. Attachment A – Fund Summary Status
2. Resolution No. 2016-47 (with Exhibit A)
3. Resolution No. 2016-08 UA (with Exhibit A)
4. Resolution No. 2016-03 SA (with Exhibit A)

Prepared and Reviewed by:

  
\_\_\_\_\_  
Rochelle Clayton  
Administrative Services Director/  
Deputy City Manager

Approved by:

  
\_\_\_\_\_  
Michael Rock  
City Manager

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CITY OF BANNING  
Fund Summary Status  
MidYear FY16 Projections  
FY 2015-16

#	FUND NAME	(1) Est. Available Resources @ July 1, 2015	(2) FY 2015-16 Adjusted Revenue	(3) FY 2015-16 Adjusted Expenditures	(4) Proj. YTD Gain/(Loss) (Col. 2-3)	(5) Proj. Balance @ June 30, 2016 (Col. 1+4)
<b>Governmental Funds</b>						
001	General	6,751,836	15,625,421	15,249,591	375,830	7,127,666
	<b>Sub-Total</b>	<b>6,751,836</b>	<b>15,625,421</b>	<b>15,249,591</b>	<b>375,830</b>	<b>7,127,666</b>
<b>Special Revenue Funds</b>						
002	Developer Deposit Fund	-	449,095	449,095	-	-
003	Riverside County MOU	38,017	550,690	521,021	29,669	67,686
005	SA Administration Fund	123,840	250,000	-	250,000	373,840
100	Gas Tax Street	280,618	1,270,761	1,389,980	(119,219)	161,399
101	Measure A Street	1,465,222	719,200	1,124,317	(405,117)	1,060,105
103	SB300 Street Improvement	71,571	200	-	200	71,771
104	Article 3 - Sidewalk Construction	13,317	25	-	25	13,342
110	C.D.B.G.	(11,915)	448,112	436,196	11,916	1
111	Landscape Maintenance Assmt. Dist.#1	271,627	137,129	130,227	6,902	278,529
132	Air Quality Improvement	276,749	60,300	303,620	(243,320)	33,429
140	Asset Forfeiture	2,517	-	-	-	2,517
148	Supplemental Law Enforcement	1,850	200,392	202,242	(1,850)	-
149	Public Safety - Sales Tax	-	-	-	-	-
150	State Park Bond Act	940	-	-	-	940
190	Housing Authority Fund	20	-	-	-	20
200	Special Donations	21,083	8,700	8,705	(5)	21,078
201	Senior Center Activities	46,495	7,765	16,650	(8,885)	37,610
202	Animal Control Reserve	4,934	5	-	5	4,939
203	Police Volunteer	1,180	1,505	2,681	(1,176)	4
300	City Hall COP Debt Service*	4,299	437,000	437,000	-	4,299
360	Sun Lakes CFD #86-1	35,224	60	-	60	35,284
365	Wilson Street #91-1 Assessment Debt	52,901	50	-	50	52,951
370	Area Police Computer	15,990	53,525	53,475	50	16,040
375	Fair Oaks #2004-1 Debt Service	195,447	205,274	203,010	2,264	197,711
376	Cameo Homes	46,047	100	-	100	46,147
	<b>Sub-Total</b>	<b>2,957,973</b>	<b>4,799,888</b>	<b>5,278,219</b>	<b>(478,331)</b>	<b>2,479,642</b>

CITY OF BANNING  
Fund Summary Status  
MidYear FY16 Projections  
FY 2015-16

#	FUND NAME	(1) Est. Available Resources @ July 1, 2015	(2) FY 2015-16 Adjusted Revenue	(3) FY 2015-16 Adjusted Expenditures	(4) Proj. YTD Gain/(Loss) (Col. 2-3)	(5) Proj. Balance @ June 30, 2016 (Col. 1+4)
<b>Capital Improvement Funds</b>						
400	Police Facilities Development	11,762	50	-	50	11,812
410	Fire Facility Development	949,503	1,500	-	1,500	951,003
420	Traffic Control Facility	440,859	1,000	125,730	(124,730)	316,129
421	Ramsey/Highland Home Traffic Signal	81,159	150	-	150	81,309
430	General Facilities	436,469	800	60,000	(59,200)	377,269
441	Sunset Grade Separation Fund	(2,049,802)	2,049,802	-	2,049,802	-
444	Wilson Median	379,771	700	-	700	380,471
451	Park Development	143,293	250	3,375	(3,125)	140,168
470	Capital Improvement Fund	638,572	300	120,000	(119,700)	518,872
	<b>Sub-Total</b>	<b>1,031,586</b>	<b>2,054,552</b>	<b>309,105</b>	<b>1,745,447</b>	<b>2,777,033</b>
<b>Banning Utility Authority</b>						
660	Water Operations	11,006,434	8,518,072	9,758,493	(1,240,421)	9,766,013
661	Water Capital Facility Fee	4,158,719	16,232	2,531,766	(2,515,534)	1,643,185
663	BUA Water Capital Project Fund	2,353,002	2,900	599,906	(597,006)	1,755,996
669	BUA Water Debt Service Fund	83,029	1,706,326	1,704,761	1,565	84,594
	<b>Water Subtotal</b>	<b>17,601,184</b>	<b>10,243,530</b>	<b>14,594,926</b>	<b>(4,351,396)</b>	<b>13,249,788</b>
680	Wastewater Operations	1,575,447	3,212,104	3,410,130	(198,026)	1,377,421
681	Wastewater Capital Facility Fees	10,656,064	24,235	992,712	(968,477)	9,687,587
683	BUA WWtr Capital Project Fund	3,264,841	1,300	334,858	(333,558)	2,931,283
685	State Revolving Loan	775,012	301,275	299,768	1,507	776,519
689	BUA Wastewater Debt Service Fund	177,112	399,139	398,639	500	177,612
	<b>Wastewater Subtotal</b>	<b>16,448,476</b>	<b>3,938,053</b>	<b>5,436,107</b>	<b>(1,498,054)</b>	<b>14,950,422</b>
662	Irrigation Water	1,293,837	4,382,959	2,623,439	1,759,520	3,053,357
682	Wastewater Tertiary	4,450,873	362,500	4,380,459	(4,017,959)	432,914
	<b>Reclaimed Water Subtotal</b>	<b>5,744,710</b>	<b>4,745,459</b>	<b>7,003,898</b>	<b>(2,258,439)</b>	<b>3,486,271</b>
	<b>Sub-Total</b>	<b>39,794,370</b>	<b>18,927,042</b>	<b>27,034,931</b>	<b>(8,107,889)</b>	<b>31,686,481</b>

CITY OF BANNING  
Fund Summary Status  
MidYear FY16 Projections  
FY 2015-16

#	FUND NAME	(1) Est. Available Resources @ July 1, 2015	(2) FY 2015-16 Adjusted Revenue	(3) FY 2015-16 Adjusted Expenditures	(4) Proj. YTD Gain/(Loss) (Col. 2-3)	(5) Proj. Balance @ June 30, 2016 (Col. 1+4)
<b>Enterprise Funds</b>						
600	Airport	72,535	272,320	256,398	15,922	88,457
610	Transit Operations	(3,541)	3,194,612	3,189,488	5,124	1,583
690	Refuse	773,353	3,315,500	3,212,540	102,960	876,313
	<b>Subtotal</b>	<b>842,347</b>	<b>6,782,432</b>	<b>6,658,426</b>	<b>124,006</b>	<b>966,353</b>
670	Electric Operations	12,706,971	29,633,295	29,768,679	(135,384)	12,571,587
672	Rate Stability	6,258,242	10,000	-	10,000	6,268,242
673	Electric Improvement	6,667,567	63,141	2,328,546	(2,265,405)	4,402,162
674	Elec Rev Bond Project Fund	10,716,130	1,477,057	9,842,286	(8,365,229)	2,350,901
675	Public Benefit Fund	612,140	791,375	778,320	13,055	625,195
678	Elec Rev Bond Debt Service	298,296	2,551,988	2,550,188	1,800	300,096
	<b>Electric Subtotal</b>	<b>37,259,346</b>	<b>34,526,856</b>	<b>45,268,019</b>	<b>(10,741,163)</b>	<b>26,518,183</b>
	<b>Sub-Total</b>	<b>38,101,693</b>	<b>41,309,288</b>	<b>51,926,445</b>	<b>(10,617,157)</b>	<b>27,484,536</b>
<b>Internal Service Funds</b>						
700	Risk Management Fund	1,316,831	2,769,752	2,570,862	198,890	1,515,721
702	Fleet Maintenance	675,646	1,134,078	1,198,481	(64,403)	611,243
703	Information Systems Services	86,372	454,168	470,542	(16,374)	69,998
761	Utility Billing Administration	228,245	1,946,176	2,008,177	(62,001)	166,244
	<b>Sub-Total</b>	<b>2,307,094</b>	<b>6,304,174</b>	<b>6,248,062</b>	<b>56,112</b>	<b>2,363,206</b>
<b>Successor Agency Funds</b>						
805	Redevelopment Obligation Retirement Fund	106,163	3,649,209	1,713,801	1,935,408	2,041,571
810	Successor Housing Agency	32,786	305,475	3,500	301,975	334,761
830	Debt Service Fund	153,801	3,157,737	3,293,405	(135,668)	18,133
850	Successor Agency	1,580,725	3,000	1,521,131	(1,518,131)	62,594
855	2007 TABS Bond Proceeds	7,719,611	5,813	2,229,285	(2,223,472)	5,496,139
856	2003 TABS Bond Proceeds	273,816	32,974	-	32,974	306,790
857	2003 TABS Bond Proceeds Low/Mod	533,724	900	23	877	534,601
	<b>Sub-Total</b>	<b>10,400,626</b>	<b>7,155,108</b>	<b>8,761,145</b>	<b>(1,606,037)</b>	<b>8,794,589</b>
	<b>GRAND TOTAL ALL FUNDS</b>	<b>101,345,178</b>	<b>96,175,473</b>	<b>114,807,498</b>	<b>(18,632,025)</b>	<b>82,713,153</b>

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**RESOLUTION NO 2016-47**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING AMENDING ITS 2015-16 FISCAL BUDGET PER THE MID-YEAR REVIEW RECOMMENDATIONS**

**WHEREAS**, the budget for fiscal year 2015-16 of the City of Banning has been adopted by this Council in its original form, and said budget will need to be amended at times to fulfill the goals of the City; and

**WHEREAS**, the City departments may not exceed their appropriations by character of expense, with character of expense being defined as personnel services, services and supplies, capital outlay, debt service and inter-fund transfers, without the consent of the City Manager; and

**WHEREAS**, the City may transfer appropriations, between departments and within their respective funds, as long as those appropriations do not exceed their fund total unless approved by Council; and

**WHEREAS**, the City Departments may not hire in excess of the approved number of positions in job classification as indicated by the budget detail without the consent of the City Council; and

**WHEREAS**, the budget is reviewed during a Mid-Year Review process that results in recommended budget adjustments to reflect unforeseen changes in revenue or expenditure requirements that require City Council approval;

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

Section 1: City Council approves the Mid-Year Budget Adjustments for the City funds detailed by account number in Exhibit "A".

**PASSED, APPROVED AND ADOPTED** this 24<sup>th</sup> day of May, 2016.

---

Arthur L. Welch, Mayor  
City of Banning

ATTEST:

\_\_\_\_\_  
Marie A. Calderon, City Clerk

**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. 2016-47 was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 24<sup>th</sup> day of May, 2016, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

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

**FY 2015-16 TOTAL MIDYEAR ADJUSTMENTS**

<b>FUND/ ACCOUNT NUMBER</b>	<b>ACCOUNT DESCRIPTION</b>	<b>REVENUE ADJUSTMENT</b>	<b>ALLOCATION ADJUSTMENT</b>
<b>General Fund</b>			
<b>Revenues</b>			
001 0001 301 10 07	PROPERTY TAX ADMIN CHARGE	2,435	
001 0001 331 20 08	MISC. INTEREST	10,250	
001 0001 341 31 01	ST MOTOR VEH LICENSE-REG	12,303	
001 3000 311 16 16	PUBLIC WORKS PERMIT/INSPT	(2,500)	
001 3000 351 35 48	SERVICE LETTER/PLNG LTR	126	
001 3000 351 35 54	IMPROVEMENT PLAN CHECK	(3,000)	
001 3000 351 35 55	SUBDIV'N PLAN CHECK/INSPT	(7,500)	
001 3000 351 35 59	MISC ENGINEERING FEES	(4,000)	
<b>Expenditures</b>			
001 1XXX XXX XX XX	PAYROLL		(1,056,802)
001 1200 412 23 27	CONTRACT EMPLOYMENT SVCS		41,256
001 1300 412 23 27	CONTRACT EMPLOYMENT SVCS		3,840
001 1910 412 23 27	CONTRACT EMPLOYMENT SVCS		17,208
001 2200 421 23 27	CONTRACT EMPLOYMENT SVCS		52,963
001 2200 421 10 30	OVERTIME		141,067
001 2200 421 56 02	TRANSFER-COUNTY MOU FUND		(110,800)
001 2210 421 10 30	OVERTIME		16,001
001 2740 442 10 30	OVERTIME		7,700
001 2740 442 23 03	DUES/SUBSCRIPTIONS		5,100
001 2800 441 33 11	PROFESSIONAL SERVICES		54,639
001 3200 412 26 06	NATURAL GAS SERVICE		(2,450)
001 3600 461 10 30	OVERTIME		966
001 4000 461 10 30	OVERTIME		277
001 4050 461 10 30	OVERTIME		5
<b>FUND 001 TOTALS</b>		<b>8,114</b>	<b>(829,030)</b>
<b>Developer Deposit Fund</b>			
<b>Revenues</b>			
002 2800 361 41 02	MISC REIMBURSEMENTS	50,000	
002 3000 351 35 58	TENTATIVE SUBDIV REVIEW	5,000	
002 3000 351 35 61	CONSULTANT PLAN CK REV	19,787	
<b>Expenditures</b>			
002 2800 441 33 04	LEGAL SERVICES		50,000
002 3000 442 33 51	SPL PROCESSING CONSULTANT		19,787
002 3000 442 33 53	ENGINEERING SERVICES		5,000
<b>FUND 002 TOTALS</b>		<b>74,787</b>	<b>74,787</b>
<b>Riverside County MOU Fund</b>			
<b>Revenue</b>			
003 2289 344 33 16	COUNTY POLICE MOU	3,515	
003 2289 381 55 01	TRANSFER-GENERAL FUND	(110,800)	
<b>Expenditures</b>			
003 2289 421 XX XX	PAYROLL		(163,539)
<b>FUND 003 TOTALS</b>		<b>(107,285)</b>	<b>(163,539)</b>

**FY 2015-16 TOTAL MIDYEAR ADJUSTMENTS**

<b>FUND/ ACCOUNT NUMBER</b>	<b>ACCOUNT DESCRIPTION</b>	<b>REVENUE ADJUSTMENT</b>	<b>ALLOCATION ADJUSTMENT</b>
<b>Successor Agency Admin Fund</b>			
<b>Revenues</b>			
005 1210 381 56 88	TRANS-RDV OBLIG RETIRE FD	250,000	
	<b>FUND 005 TOTALS</b>	<b>250,000</b>	<b>0</b>
<b>Gas Tax Street Fund</b>			
<b>Expenditures</b>			
100 4900 431 XX XX	PAYROLL		(3,537)
100 4900 431 10 30	OVERTIME		7,500
100 4900 431 33 53	ENGINEERING SERVICES		8,000
	<b>FUND 100 TOTALS</b>	<b>0</b>	<b>11,963</b>
<b>Measure A Street Fund</b>			
<b>Revenues</b>			
101 4900 381 56 08	TRANSFER-SB300 STREET FD	(14,768)	
	<b>FUND 101 TOTALS</b>	<b>(14,768)</b>	<b>0</b>
<b>SB300 Street Fund</b>			
<b>Expenditures</b>			
103 4900 431 56 06	TRANSFER - MEASURE A FUND		(14,768)
	<b>FUND 103 TOTALS</b>	<b>0</b>	<b>(14,768)</b>
<b>CDBG Fund</b>			
<b>Revenues</b>			
110 5513 347 34 02	FEDERAL C D B GRANTS	(90,540)	
110 5513 381 56 59	TRANSFER-ELECTRIC FUND	11,916	
110 5515 347 34 02	FEDERAL C D B GRANTS	90,540	
	<b>FUND 110 TOTALS</b>	<b>11,916</b>	<b>0</b>
<b>Supplemental Law Enforcement Fund</b>			
<b>Revenues</b>			
148 2215 331 20 01	INVESTMENT INTEREST	160	
<b>Expenditures</b>			
148 2213 421 90 56	MACHINERY/EQUIPMENT		(1,238)
148 2214 421 90 56	MACHINERY/EQUIPMENT		(8,483)
148 2215 421 90 56	MACHINERY/EQUIPMENT		160
	<b>FUND 148 TOTALS</b>	<b>160</b>	<b>(9,561)</b>
<b>Special Donation Fund</b>			
<b>Revenues</b>			
200 9100 361 41 73	DONATIONS-SENIOR CENTER	3,200	
200 9100 361 42 17	DONATION-HOLIDAY LUNCHEON	500	
<b>Expenditures</b>			
200 9100 446 42 19	RECREATION FEES		1,195
200 9100 446 89 46	OFF FURN/EQUIP/FIXTURES		2,510
	<b>FUND 200 TOTALS</b>	<b>3,700</b>	<b>3,705</b>



**FY 2015-16 TOTAL MIDYEAR ADJUSTMENTS**

<b>FUND/ ACCOUNT NUMBER</b>	<b>ACCOUNT DESCRIPTION</b>	<b>REVENUE ADJUSTMENT</b>	<b>ALLOCATION ADJUSTMENT</b>
<b>Sr. Center Activities Fund</b>			
<b>Revenues</b>			
201 4050 361 41 99	CHRISTMAS DINNER FUND	270	
201 4060 361 41 98	SANTA'S SHOPPE	195	
<b>Expenditures</b>			
201 4050 446 42 08	CHRISTMAS DINNER FUND		100
201 4060 461 23 19	ALARM SERVICE		1,550
<b>FUND 201 TOTALS</b>		<b>465</b>	<b>1,650</b>
<b>Animal Control Reserve Fund</b>			
<b>Revenues</b>			
202 2300 331 20 01	INVESTMENT INTEREST	5	
<b>FUND 202 TOTALS</b>		<b>5</b>	<b>0</b>
<b>Police Volunteer Fund</b>			
<b>Revenues</b>			
203 2200 331 20 01	INVESTMENT INTEREST	5	
<b>FUND 203 TOTALS</b>		<b>5</b>	<b>0</b>
<b>Park Development Fund</b>			
<b>Revenues</b>			
451 3600 361 41 32	PARKLAND DEDICATION FEE	(1,955)	
<b>Expenditures</b>			
451 3600 461 90 69	LIONS PARK IMPROVEMENTS		(107,386)
<b>FUND 451 TOTALS</b>		<b>(1,955)</b>	<b>(107,386)</b>
<b>Water Fund</b>			
<b>Revenues</b>			
600 5100 331 25 13	TIEDOWNS-PERMANENT	(300)	
600 5100 347 34 06	FAA IMPROV PROGRAM GRANT	(7,830)	
600 5100 351 35 76	AVIATION FUEL SALES	(20,000)	
<b>Expenditures</b>			
600 5100 435 XX XX	PAYROLL		(3,829)
600 5100 435 25 05	MILEAGE REIMBURSEMENT		(15)
600 5100 435 36 12	AVIATION FUEL		(20,000)
600 5100 435 41 07	CREDIT CARD FEES		(2,250)
600 5100 435 93 73	AIRPORT IMPROVEMENTS		(108,300)
<b>FUND 600 TOTALS</b>		<b>(28,130)</b>	<b>(134,394)</b>
<b>Transit Fund</b>			
<b>Expenditures</b>			
610 5800 434 XX XX	PAYROLL		(22,470)
610 5800 434 10 30	OVERTIME		16,033
610 5800 434 90 51	AUTOMOTIVE EQUIPMENT		(304,569)
<b>FUND 610 TOTALS</b>		<b>0</b>	<b>(311,006)</b>

**FY 2015-16 TOTAL MIDYEAR ADJUSTMENTS**

<b>FUND/ ACCOUNT NUMBER</b>	<b>ACCOUNT DESCRIPTION</b>	<b>REVENUE ADJUSTMENT</b>	<b>ALLOCATION ADJUSTMENT</b>
<b>Water Fund</b>			
<b>Revenues</b>			
660 6300 356 38 01	METERED SALES	500,000	
660 6300 361 41 24	SALE OF SURPLUS PROPERTY	422	
<b>Expenditures</b>			
660 6300 471 XX XX	PAYROLL		(206,111)
660 6300 471 10 30	OVERTIME		20,000
660 6300 471 23 27	CONTRACT EMPLOYMENT SVCS		46,000
660 6300 471 26 01	UTILITIES - BANNING		213,020
660 6300 471 56 62	TRSF - BUA WATER DEBT SVC		(585,153)
<b>FUND 660 TOTALS</b>		<b>500,422</b>	<b>(512,244)</b>
<b>Water Capital Facilities</b>			
<b>Revenues</b>			
661 6300 366 44 04	CAPITAL FACILITIES FEE	(28,928)	
661 6300 366 44 20	CAPITAL FRONTAGE FEE	(4,500)	
<b>FUND 661 TOTALS</b>		<b>(33,428)</b>	<b>0</b>
<b>BUA Water Debt Service Fund</b>			
<b>Revenues</b>			
669 6300 381 56 53	TRNSFR-WATER FUND	(585,153)	
<b>Expenditures</b>			
669 6300 471 61 02	PRINCIPAL-REVENUE BONDS		(840,000)
669 6300 471 61 18	PRIN - 2015 REV BONDS		945,000
669 6300 471 62 02	INTEREST ON REV BONDS		(1,690,648)
669 6300 471 62 18	INTEREST - 2015 REV BONDS		873,752
669 6300 471 65 01	BOND SALE EXPENSES		124,078
<b>FUND 669 TOTALS</b>		<b>(585,153)</b>	<b>(587,818)</b>
<b>Electric Fund</b>			
<b>Revenues</b>			
670 7000 361 41 24	SALE OF SURPLUS PROPERTY	3,695	
670 7000 361 41 53	RESTITUTION/SUBROGATION	500	
670 7000 366 44 03	METER INSTALLATION & CONN	6,100	
<b>Expenditures</b>			
670 7000 473 XX XX	PAYROLL		(258,044)
670 7000 473 23 27	CONTRACT EMPLOYMENT SVCS		5,351
670 7000 473 56 22	TRANSFER-CDBG FUND		11,916
670 7000 473 56 94	TRNSF-07 ELEC DBT SVC		(116,070)
<b>FUND 670 TOTALS</b>		<b>10,295</b>	<b>(356,847)</b>
<b>07 Electric Revenue Bond Project Fund</b>			
<b>Expenditures</b>			
674 7000 473 96 32	ALOLA SUBSTATION		(600,000)
674 7000 473 96 33	AIRPORT SUBSTATION		(600,000)
<b>FUND 674 TOTALS</b>		<b>0</b>	<b>(1,200,000)</b>

**FY 2015-16 TOTAL MIDYEAR ADJUSTMENTS**

<b>FUND/ ACCOUNT NUMBER</b>	<b>ACCOUNT DESCRIPTION</b>	<b>REVENUE ADJUSTMENT</b>	<b>ALLOCATION ADJUSTMENT</b>
<b>Public Benefit Fund</b>			
<b>Expenditures</b>			
675 7020 473 XX XX	PAYROLL		(13,983)
675 7020 473 10 30	OVERTIME		311
	<b>FUND 675 TOTALS</b>	<b>0</b>	<b>(13,672)</b>
<b>07 Electric Revenue Debt Service Fund</b>			
<b>Revenues</b>			
678 7000 381 56 59	TRANSFER-ELECTRIC FUND	(116,070)	
<b>Expenditures</b>			
678 7000 473 61 02	PRINCIPAL-REVENUE BONDS		(970,000)
678 7000 473 61 18	PRIN - 2015 REV BONDS		1,360,000
678 7000 473 62 02	INTEREST ON REV BONDS		(1,834,700)
678 7000 473 62 18	INTEREST - 2015 REV BONDS		1,180,452
678 7000 473 65 01	BOND SALE EXPENSES		146,578
	<b>FUND 678 TOTALS</b>	<b>(116,070)</b>	<b>(117,670)</b>
<b>Wastewater Fund</b>			
<b>Expenditures</b>			
680 8000 454 XX XX	PAYROLL		(78,871)
680 8000 454 23 27	CONTRACT EMPLOYMENT SVCS		18,000
680 8000 454 33 53	ENGINEERING SERVICES		35,490
	<b>FUND 680 TOTALS</b>	<b>0</b>	<b>(25,381)</b>
<b>Wastewater Capital Facility Fund</b>			
<b>Revenues</b>			
681 8000 366 44 04	CAPITAL FACILITIES FEE	(25,000)	
681 8000 366 44 20	CAPITAL FRONTAGE FEE	(3,125)	
	<b>FUND 681 TOTALS</b>	<b>(28,125)</b>	<b>0</b>
<b>Refuse Fund</b>			
<b>Revenues</b>			
690 9600 366 44 13	SHARE OF RECYCLABLE MATLS	10,000	
<b>Expenditures</b>			
690 9600 453 XX XX	PAYROLL		(24,829)
690 9600 453 33 11	PROFESSIONAL SERVICES		(37,127)
	<b>FUND 690 TOTALS</b>	<b>10,000</b>	<b>(61,956)</b>
<b>Risk Management Fund</b>			
<b>Revenues</b>			
700 5030 331 20 01	INVESTMENT INTEREST	10	
700 5040 361 41 53	RESTITUTION/SUBROGATION	6,300	
700 5040 361 42 01	INSURANCE DIVIDEND	23,327	
700 5300 361 41 02	MISC REIMBURSEMENTS	10,000	
<b>Expenditures</b>			
700 5020 480 XX XX	PAYROLL		(51,046)
	<b>FUND 700 TOTALS</b>	<b>39,637</b>	<b>(51,046)</b>

**FY 2015-16 TOTAL MIDYEAR ADJUSTMENTS**

<b>FUND/ ACCOUNT NUMBER</b>	<b>ACCOUNT DESCRIPTION</b>	<b>REVENUE ADJUSTMENT</b>	<b>ALLOCATION ADJUSTMENT</b>
<b>Fleet Maintenance Fund</b>			
<b>Expenditures</b>			
702 3800 480 23 49	RECYCLING SERVICES		750
702 3800 480 25 02	UNIFORM PURCHASE/MAINT		100
702 3800 480 25 06	OVERTIME MEALS		100
702 3800 480 10 30	OVERTIME		3,000
702 3800 480 26 01	UTILITIES-BANNING		4,000
702 3800 480 30 05	REPAIR/MAINT-VEHICLES		7,000
702 3800 480 36 61	CNG FUEL		10,000
702 3800 480 89 48	COMPUTER HARDWARE		500
<b>FUND 702 TOTALS</b>		<b>0</b>	<b>25,450</b>
<b>Information Systems Services Fund</b>			
<b>Revenues</b>			
703 3700 361 41 61	MISC. RECEIPTS/REVENUE	40	
<b>Expenditures</b>			
703 3700 480 XX XX	PAYROLL		(31,023)
703 3700 480 10 30	OVERTIME		1,083
<b>FUND 703 TOTALS</b>		<b>40</b>	<b>(29,940)</b>
<b>Utility Billing Administration</b>			
<b>Expenditures</b>			
761 3100 480 XX XX	PAYROLL		(56,816)
761 3100 480 23 04	POSTAGE/MAILING COSTS		8,000
761 3100 480 23 52	CREDIT CARD FEES		56,000
761 3110 480 90 52	VEHICLES		9,500
<b>FUND 761 TOTALS</b>		<b>0</b>	<b>16,684</b>
<b>Redv. Obligation Retirement Fund</b>			
<b>Revenues</b>			
805 9200 301 10 01	PROPERTY TAXES-CURRENT	377,111	
<b>Expenditures</b>			
805 9200 490 56 86	TRSFER MRGD AREA DEBT SERV		3,172
805 9300 490 56 83	TRNSFR-CRA-DWNTWN DEBT SV		(39,204)
805 9400 490 56 84	TRNFR-CRA-MDWY DEBT SVC		7,991
<b>FUND 805 TOTALS</b>		<b>377,111</b>	<b>(28,041)</b>
<b>Successor Housing Agency</b>			
<b>Revenues</b>			
810 9700 391 82 82	LOAN REPAYMENT-CRA	305,425	
<b>Expenditures</b>			
810 9700 490 33 12	AUDIT SERVICES		3,500
<b>FUND 810 TOTALS</b>		<b>305,425</b>	<b>3,500</b>

**FY 2015-16 TOTAL MIDYEAR ADJUSTMENTS**

<b>FUND/ ACCOUNT NUMBER</b>	<b>ACCOUNT DESCRIPTION</b>	<b>REVENUE ADJUSTMENT</b>	<b>ALLOCATION ADJUSTMENT</b>
<b>Debt Service Fund</b>			
<b>Revenues</b>			
830 9200 381 56 88	TRANS-RDV OBLIG RETIRE FD	3,172	
830 9200 381 56 97	TRANS - CRA ADMIN FUND	175,834	
830 9300 381 56 88	TRANS-RDV OBLIG RETIRE FD	(39,204)	
830 9300 381 56 97	TRANS - CRA ADMIN FUND	(40,617)	
830 9400 381 56 88	TRANS-RDV OBLIG RETIRE FD	7,991	
830 9400 381 56 97	TRANS - CRA ADMIN FUND	(65,217)	
<b>Expenditures</b>			
830 9200 490 33 12	AUDIT SERVICES		6,000
830 9200 490 81 90	LOAN REPAYMENT-CRA LOW/MD		305,425
<b>FUND 830 TOTALS</b>		<b>41,959</b>	<b>311,425</b>
<b>Successor Agency</b>			
<b>Revenues</b>			
850 9200 381 56 88	TRANS-RDV OBLIG RETIRE FD	(250,000)	
<b>Expenditures</b>			
850 9200 490 XX XX	PAYROLL		(236,435)
850 9200 490 23 01	ADVERTISING/PUBLISHING		(1,200)
850 9200 490 23 02	PRINTING/BINDING		(50)
850 9200 490 23 03	DUES/SUBSCRIPTIONS		(215)
850 9200 490 23 05	TRAVEL/CONFERENCES		(6,035)
850 9200 490 23 06	STAFF TRAINING		(300)
850 9200 490 26 01	UTILITIES-BANNING		(500)
850 9200 490 33 11	PROFESSIONAL SERVICES		(25,000)
850 9200 490 33 12	AUDIT SERVICES		(6,000)
850 9200 490 36 00	DEPARTMENTAL SUPPLIES		(9,443)
850 9200 490 36 07	FOOD/MEALS COST		(13)
850 9200 490 56 86	TRSFER MRGD AREA DEBT SERV		70,000
<b>FUND 850 TOTALS</b>		<b>(250,000)</b>	<b>(215,191)</b>
<b>Successor Agency</b>			
<b>Expenditures</b>			
855 9500 490 90 30	ROOSEVELT WMS PARK IMPROV		45,592
855 9500 490 93 30	RAMSEY ST IMPROVEMENTS		277,701
<b>FUND 855 TOTALS</b>		<b>0</b>	<b>323,293</b>
<b>2003 TABS Bond Proceeds Low/Mod</b>			
<b>Expenditures</b>			
857 9700 490 33 11	PROFESSIONAL SERVICES		23
<b>FUND 857 TOTALS</b>		<b>0</b>	<b>23</b>
<b>TOTAL MID-YEAR ADJUSTMENTS</b>		<b>469,127</b>	<b>(3,997,010)</b>

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**RESOLUTION NO 2016-08 UA**

**A RESOLUTION OF THE BANNING UTILITY AUTHORITY OF THE CITY OF BANNING AMENDING ITS 2015-16 FISCAL BUDGET PER THE MID-YEAR REVIEW RECOMMENDATIONS**

**WHEREAS**, the Banning Utility Authority (Authority) budget for fiscal year 2015-16 has been adopted by this Authority in its original form, and said budget will need to be amended at times to fulfill the goals of the Authority; and

**WHEREAS**, the Authority departments may not exceed appropriations by character of expense, with character of expense being defined as personnel services, services and supplies, capital outlay, debt service and inter-fund transfers, without the consent of the City Manager; and

**WHEREAS**, the Authority may transfer appropriations, between departments and within their respective funds, as long as those appropriations do not exceed their fund total unless approved by Authority; and

**WHEREAS**, the Authority departments may not hire in excess of the approved number of positions in job classification as indicated by the budget detail without the consent of the Authority Board; and

**WHEREAS**, the budget is reviewed during a Mid-Year Review process that results in recommended budget adjustments to reflect unforeseen changes in revenue or expenditure requirements that require Authority Board approval;

**NOW, THEREFORE, BE IT RESOLVED** by the Authority Board of the City of Banning as follows:

Section 1: Authority Board approves the Mid-Year Budget Adjustments for the Authority funds detailed by account number in Exhibit "A".

**PASSED, APPROVED AND ADOPTED** this 24<sup>th</sup> day of May, 2016.

---

Arthur L. Welch, Chairman  
Banning Utility Authority

ATTEST:

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Marie A. Calderon, Secretary  
Banning Utility Authority

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

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

**CERTIFICATION**

I, Marie A. Calderon, Secretary of the Banning Utility Authority do hereby certify that the foregoing Resolution No. 2016-08 UA was duly adopted by the Authority Board at a regular meeting thereof held on the 24<sup>th</sup> day of May, 2016, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Marie A. Calderon, Secretary  
Banning Utility Authority  
City of Banning, California



**FY 2015-16 TOTAL MIDYEAR ADJUSTMENTS**

<b>FUND/ ACCOUNT NUMBER</b>	<b>ACCOUNT DESCRIPTION</b>	<b>REVENUE ADJUSTMENT</b>	<b>ALLOCATION ADJUSTMENT</b>
<b>General Fund</b>			
<b>Revenues</b>			
001 0001 301 10 07	PROPERTY TAX ADMIN CHARGE	2,435	
001 0001 331 20 08	MISC. INTEREST	10,250	
001 0001 341 31 01	ST MOTOR VEH LICENSE-REG	12,303	
001 3000 311 16 16	PUBLIC WORKS PERMIT/INSPT	(2,500)	
001 3000 351 35 48	SERVICE LETTER/PLNG LTR	126	
001 3000 351 35 54	IMPROVEMENT PLAN CHECK	(3,000)	
001 3000 351 35 55	SUBDIV'N PLAN CHECK/INSPT	(7,500)	
001 3000 351 35 59	MISC ENGINEERING FEES	(4,000)	
<b>Expenditures</b>			
001 1XXX XXX XX XX	PAYROLL		(1,056,802)
001 1200 412 23 27	CONTRACT EMPLOYMENT SVCS		41,256
001 1300 412 23 27	CONTRACT EMPLOYMENT SVCS		3,840
001 1910 412 23 27	CONTRACT EMPLOYMENT SVCS		17,208
001 2200 421 23 27	CONTRACT EMPLOYMENT SVCS		52,963
001 2200 421 10 30	OVERTIME		141,067
001 2200 421 56 02	TRANSFER-COUNTY MOU FUND		(110,800)
001 2210 421 10 30	OVERTIME		16,001
001 2740 442 10 30	OVERTIME		7,700
001 2740 442 23 03	DUES/SUBSCRIPTIONS		5,100
001 2800 441 33 11	PROFESSIONAL SERVICES		54,639
001 3200 412 26 06	NATURAL GAS SERVICE		(2,450)
001 3600 461 10 30	OVERTIME		966
001 4000 461 10 30	OVERTIME		277
001 4050 461 10 30	OVERTIME		5
<b>FUND 001 TOTALS</b>		<b>8,114</b>	<b>(829,030)</b>
<b>Developer Deposit Fund</b>			
<b>Revenues</b>			
002 2800 361 41 02	MISC REIMBURSEMENTS	50,000	
002 3000 351 35 58	TENTATIVE SUBDIV REVIEW	5,000	
002 3000 351 35 61	CONSULTANT PLAN CK REV	19,787	
<b>Expenditures</b>			
002 2800 441 33 04	LEGAL SERVICES		50,000
002 3000 442 33 51	SPL PROCESSING CONSULTANT		19,787
002 3000 442 33 53	ENGINEERING SERVICES		5,000
<b>FUND 002 TOTALS</b>		<b>74,787</b>	<b>74,787</b>
<b>Riverside County MOU Fund</b>			
<b>Revenues</b>			
003 2289 344 33 16	COUNTY POLICE MOU	3,515	
003 2289 381 55 01	TRANSFER-GENERAL FUND	(110,800)	
<b>Expenditures</b>			
003 2289 421 XX XX	PAYROLL		(163,539)
<b>FUND 003 TOTALS</b>		<b>(107,285)</b>	<b>(163,539)</b>

**FY 2015-16 TOTAL MIDYEAR ADJUSTMENTS**

<b>FUND/ ACCOUNT NUMBER</b>	<b>ACCOUNT DESCRIPTION</b>	<b>REVENUE ADJUSTMENT</b>	<b>ALLOCATION ADJUSTMENT</b>
<b>Successor Agency Admin Fund</b>			
<b>Revenues</b>			
005 1210 381 56 88	TRANS-RDV OBLIG RETIRE FD	250,000	
	<b>FUND 005 TOTALS</b>	<b>250,000</b>	<b>0</b>
<b>Gas Tax Street Fund</b>			
<b>Expenditures</b>			
100 4900 431 XX XX	PAYROLL		(3,537)
100 4900 431 10 30	OVERTIME		7,500
100 4900 431 33 53	ENGINEERING SERVICES		8,000
	<b>FUND 100 TOTALS</b>	<b>0</b>	<b>11,963</b>
<b>Measure A Street Fund</b>			
<b>Revenues</b>			
101 4900 381 56 08	TRANSFER-SB300 STREET FD	(14,768)	
	<b>FUND 101 TOTALS</b>	<b>(14,768)</b>	<b>0</b>
<b>SB300 Street Fund</b>			
<b>Expenditures</b>			
103 4900 431 56 06	TRANSFER - MEASURE A FUND		(14,768)
	<b>FUND 103 TOTALS</b>	<b>0</b>	<b>(14,768)</b>
<b>CDBG Fund</b>			
<b>Revenues</b>			
110 5513 347 34 02	FEDERAL C D B GRANTS	(90,540)	
110 5513 381 56 59	TRANSFER-ELECTRIC FUND	11,916	
110 5515 347 34 02	FEDERAL C D B GRANTS	90,540	
	<b>FUND 110 TOTALS</b>	<b>11,916</b>	<b>0</b>
<b>Supplemental Law Enforcement Fund</b>			
<b>Revenues</b>			
148 2215 331 20 01	INVESTMENT INTEREST	160	
<b>Expenditures</b>			
148 2213 421 90 56	MACHINERY/EQUIPMENT		(1,238)
148 2214 421 90 56	MACHINERY/EQUIPMENT		(8,483)
148 2215 421 90 56	MACHINERY/EQUIPMENT		160
	<b>FUND 148 TOTALS</b>	<b>160</b>	<b>(9,561)</b>
<b>Special Donation Fund</b>			
<b>Revenues</b>			
200 9100 361 41 73	DONATIONS-SENIOR CENTER	3,200	
200 9100 361 42 17	DONATION-HOLIDAY LUNCHEON	500	
<b>Expenditures</b>			
200 9100 446 42 19	RECREATION FEES		1,195
200 9100 446 89 46	OFF FURN/EQUIP/FIXTURES		2,510
	<b>FUND 200 TOTALS</b>	<b>3,700</b>	<b>3,705</b>

**FY 2015-16 TOTAL MIDYEAR ADJUSTMENTS**

<b>FUND/ ACCOUNT NUMBER</b>	<b>ACCOUNT DESCRIPTION</b>	<b>REVENUE ADJUSTMENT</b>	<b>ALLOCATION ADJUSTMENT</b>
<b>Sr. Center Activities Fund</b>			
<b>Revenues</b>			
201 4050 361 41 99	CHRISTMAS DINNER FUND	270	
201 4060 361 41 98	SANTA'S SHOPPE	195	
<b>Expenditures</b>			
201 4050 446 42 08	CHRISTMAS DINNER FUND		100
201 4060 461 23 19	ALARM SERVICE		1,550
<b>FUND 201 TOTALS</b>		<b>465</b>	<b>1,650</b>
<b>Animal Control Reserve Fund</b>			
<b>Revenues</b>			
202 2300 331 20 01	INVESTMENT INTEREST	5	
<b>FUND 202 TOTALS</b>		<b>5</b>	<b>0</b>
<b>Police Volunteer Fund</b>			
<b>Revenues</b>			
203 2200 331 20 01	INVESTMENT INTEREST	5	
<b>FUND 203 TOTALS</b>		<b>5</b>	<b>0</b>
<b>Park Development Fund</b>			
<b>Revenues</b>			
451 3600 361 41 32	PARKLAND DEDICATION FEE	(1,955)	
<b>Expenditures</b>			
451 3600 461 90 69	LIONS PARK IMPROVEMENTS		(107,386)
<b>FUND 451 TOTALS</b>		<b>(1,955)</b>	<b>(107,386)</b>
<b>Water Fund</b>			
<b>Revenues</b>			
600 5100 331 25 13	TIEDOWNS-PERMANENT	(300)	
600 5100 347 34 06	FAA IMPROV PROGRAM GRANT	(7,830)	
600 5100 351 35 76	AVIATION FUEL SALES	(20,000)	
<b>Expenditures</b>			
600 5100 435 XX XX	PAYROLL		(3,829)
600 5100 435 25 05	MILEAGE REIMBURSEMENT		(15)
600 5100 435 36 12	AVIATION FUEL		(20,000)
600 5100 435 41 07	CREDIT CARD FEES		(2,250)
600 5100 435 93 73	AIRPORT IMPROVEMENTS		(108,300)
<b>FUND 600 TOTALS</b>		<b>(28,130)</b>	<b>(134,394)</b>
<b>Transit Fund</b>			
<b>Expenditures</b>			
610 5800 434 XX XX	PAYROLL		(22,470)
610 5800 434 10 30	OVERTIME		16,033
610 5800 434 90 51	AUTOMOTIVE EQUIPMENT		(304,569)
<b>FUND 610 TOTALS</b>		<b>0</b>	<b>(311,006)</b>

**FY 2015-16 TOTAL MIDYEAR ADJUSTMENTS**

<b>FUND/ ACCOUNT NUMBER</b>	<b>ACCOUNT DESCRIPTION</b>	<b>REVENUE ADJUSTMENT</b>	<b>ALLOCATION ADJUSTMENT</b>
<b>Water Fund</b>			
<b>Revenues</b>			
660 6300 356 38 01	METERED SALES	500,000	
660 6300 361 41 24	SALE OF SURPLUS PROPERTY	422	
<b>Expenditures</b>			
660 6300 471 XX XX	PAYROLL		(206,111)
660 6300 471 10 30	OVERTIME		20,000
660 6300 471 23 27	CONTRACT EMPLOYMENT SVCS		46,000
660 6300 471 26 01	UTILITIES - BANNING		213,020
660 6300 471 56 62	TRSF - BUA WATER DEBT SVC		(585,153)
<b>FUND 660 TOTALS</b>		<b>500,422</b>	<b>(512,244)</b>
<b>Water Capital Facilities</b>			
<b>Revenues</b>			
661 6300 366 44 04	CAPITAL FACILITIES FEE	(28,928)	
661 6300 366 44 20	CAPITAL FRONTAGE FEE	(4,500)	
<b>FUND 661 TOTALS</b>		<b>(33,428)</b>	<b>0</b>
<b>BUA Water Debt Service Fund</b>			
<b>Revenues</b>			
669 6300 381 56 53	TRNSFR-WATER FUND	(585,153)	
<b>Expenditures</b>			
669 6300 471 61 02	PRINCIPAL-REVENUE BONDS		(840,000)
669 6300 471 61 18	PRIN - 2015 REV BONDS		945,000
669 6300 471 62 02	INTEREST ON REV BONDS		(1,690,648)
669 6300 471 62 18	INTEREST - 2015 REV BONDS		873,752
669 6300 471 65 01	BOND SALE EXPENSES		124,078
<b>FUND 669 TOTALS</b>		<b>(585,153)</b>	<b>(587,818)</b>
<b>Electric Fund</b>			
<b>Revenues</b>			
670 7000 361 41 24	SALE OF SURPLUS PROPERTY	3,695	
670 7000 361 41 53	RESTITUTION/SUBROGATION	500	
670 7000 366 44 03	METER INSTALLATION & CONN	6,100	
<b>Expenditures</b>			
670 7000 473 XX XX	PAYROLL		(258,044)
670 7000 473 23 27	CONTRACT EMPLOYMENT SVCS		5,351
670 7000 473 56 22	TRANSFER-CDBG FUND		11,916
670 7000 473 56 94	TRNSF-07 ELEC DBT SVC		(116,070)
<b>FUND 670 TOTALS</b>		<b>10,295</b>	<b>(356,847)</b>
<b>07 Electric Revenue Bond Project Fund</b>			
<b>Expenditures</b>			
674 7000 473 96 32	ALOLA SUBSTATION		(600,000)
674 7000 473 96 33	AIRPORT SUBSTATION		(600,000)
<b>FUND 674 TOTALS</b>		<b>0</b>	<b>(1,200,000)</b>

**FY 2015-16 TOTAL MIDYEAR ADJUSTMENTS**

<b>FUND/ ACCOUNT NUMBER</b>	<b>ACCOUNT DESCRIPTION</b>	<b>REVENUE ADJUSTMENT</b>	<b>ALLOCATION ADJUSTMENT</b>
<b>Public Benefit Fund</b>			
<b>Expenditures</b>			
675 7020 473 XX XX	PAYROLL		(13,983)
675 7020 473 10 30	OVERTIME		311
	<b>FUND 675 TOTALS</b>	<b>0</b>	<b>(13,672)</b>
<b>07 Electric Revenue Debt Service Fund</b>			
<b>Revenues</b>			
678 7000 381 56 59	TRANSFER-ELECTRIC FUND	(116,070)	
<b>Expenditures</b>			
678 7000 473 61 02	PRINCIPAL-REVENUE BONDS		(970,000)
678 7000 473 61 18	PRIN - 2015 REV BONDS		1,360,000
678 7000 473 62 02	INTEREST ON REV BONDS		(1,834,700)
678 7000 473 62 18	INTEREST - 2015 REV BONDS		1,180,452
678 7000 473 65 01	BOND SALE EXPENSES		146,578
	<b>FUND 678 TOTALS</b>	<b>(116,070)</b>	<b>(117,670)</b>
<b>Wastewater Fund</b>			
<b>Expenditures</b>			
680 8000 454 XX XX	PAYROLL		(78,871)
680 8000 454 23 27	CONTRACT EMPLOYMENT SVCS		18,000
680 8000 454 33 53	ENGINEERING SERVICES		35,490
	<b>FUND 680 TOTALS</b>	<b>0</b>	<b>(25,381)</b>
<b>Wastewater Capital Facility Fund</b>			
<b>Revenues</b>			
681 8000 366 44 04	CAPITAL FACILITIES FEE	(25,000)	
681 8000 366 44 20	CAPITAL FRONTAGE FEE	(3,125)	
	<b>FUND 681 TOTALS</b>	<b>(28,125)</b>	<b>0</b>
<b>Refuse Fund</b>			
<b>Revenues</b>			
690 9600 366 44 13	SHARE OF RECYCLABLE MATLS	10,000	
<b>Expenditures</b>			
690 9600 453 XX XX	PAYROLL		(24,829)
690 9600 453 33 11	PROFESSIONAL SERVICES		(37,127)
	<b>FUND 690 TOTALS</b>	<b>10,000</b>	<b>(61,956)</b>
<b>Risk Management Fund</b>			
<b>Revenues</b>			
700 5030 331 20 01	INVESTMENT INTEREST	10	
700 5040 361 41 53	RESTITUTION/SUBROGATION	6,300	
700 5040 361 42 01	INSURANCE DIVIDEND	23,327	
700 5300 361 41 02	MISC REIMBURSEMENTS	10,000	
<b>Expenditures</b>			
700 5020 480 XX XX	PAYROLL		(51,046)
	<b>FUND 700 TOTALS</b>	<b>39,637</b>	<b>(51,046)</b>

**FY 2015-16 TOTAL MIDYEAR ADJUSTMENTS**

<b>FUND/ ACCOUNT NUMBER</b>	<b>ACCOUNT DESCRIPTION</b>	<b>REVENUE ADJUSTMENT</b>	<b>ALLOCATION ADJUSTMENT</b>
<b>Fleet Maintenance Fund</b>			
<b>Expenditures</b>			
702 3800 480 23 49	RECYCLING SERVICES		750
702 3800 480 25 02	UNIFORM PURCHASE/MAINT		100
702 3800 480 25 06	OVERTIME MEALS		100
702 3800 480 10 30	OVERTIME		3,000
702 3800 480 26 01	UTILITIES-BANNING		4,000
702 3800 480 30 05	REPAIR/MAINT-VEHICLES		7,000
702 3800 480 36 61	CNG FUEL		10,000
702 3800 480 89 48	COMPUTER HARDWARE		500
<b>FUND 702 TOTALS</b>		<b>0</b>	<b>25,450</b>
<b>Information Systems Services Fund</b>			
<b>Revenues</b>			
703 3700 361 41 61	MISC. RECEIPTS/REVENUE	40	
<b>Expenditures</b>			
703 3700 480 XX XX	PAYROLL		(31,023)
703 3700 480 10 30	OVERTIME		1,083
<b>FUND 703 TOTALS</b>		<b>40</b>	<b>(29,940)</b>
<b>Utility Billing Administration</b>			
<b>Expenditures</b>			
761 3100 480 XX XX	PAYROLL		(56,816)
761 3100 480 23 04	POSTAGE/MAILING COSTS		8,000
761 3100 480 23 52	CREDIT CARD FEES		56,000
761 3110 480 90 52	VEHICLES		9,500
<b>FUND 761 TOTALS</b>		<b>0</b>	<b>16,684</b>
<b>Redv. Obligation Retirement Fund</b>			
<b>Revenues</b>			
805 9200 301 10 01	PROPERTY TAXES-CURRENT	377,111	
<b>Expenditures</b>			
805 9200 490 56 86	TRSFER MRGD AREA DEBT SERV		3,172
805 9300 490 56 83	TRNSFR-CRA-DWNTWN DEBT SV		(39,204)
805 9400 490 56 84	TRNFR-CRA-MDWY DEBT SVC		7,991
<b>FUND 805 TOTALS</b>		<b>377,111</b>	<b>(28,041)</b>
<b>Successor Housing Agency</b>			
<b>Revenues</b>			
810 9700 391 82 82	LOAN REPAYMENT-CRA	305,425	
<b>Expenditures</b>			
810 9700 490 33 12	AUDIT SERVICES		3,500
<b>FUND 810 TOTALS</b>		<b>305,425</b>	<b>3,500</b>

**FY 2015-16 TOTAL MIDYEAR ADJUSTMENTS**

<b>FUND/ ACCOUNT NUMBER</b>	<b>ACCOUNT DESCRIPTION</b>	<b>REVENUE ADJUSTMENT</b>	<b>ALLOCATION ADJUSTMENT</b>
<b>Debt Service Fund</b>			
<b>Revenues</b>			
830 9200 381 56 88	TRANS-RDV OBLIG RETIRE FD	3,172	
830 9200 381 56 97	TRANS - CRA ADMIN FUND	175,834	
830 9300 381 56 88	TRANS-RDV OBLIG RETIRE FD	(39,204)	
830 9300 381 56 97	TRANS - CRA ADMIN FUND	(40,617)	
830 9400 381 56 88	TRANS-RDV OBLIG RETIRE FD	7,991	
830 9400 381 56 97	TRANS - CRA ADMIN FUND	(65,217)	
<b>Expenditures</b>			
830 9200 490 33 12	AUDIT SERVICES		6,000
830 9200 490 81 90	LOAN REPAYMENT-CRA LOW/MD		305,425
<b>FUND 830 TOTALS</b>		<b>41,959</b>	<b>311,425</b>
<b>Successor Agency</b>			
<b>Revenues</b>			
850 9200 381 56 88	TRANS-RDV OBLIG RETIRE FD	(250,000)	
<b>Expenditures</b>			
850 9200 490 XX XX	PAYROLL		(236,435)
850 9200 490 23 01	ADVERTISING/PUBLISHING		(1,200)
850 9200 490 23 02	PRINTING/BINDING		(50)
850 9200 490 23 03	DUES/SUBSCRIPTIONS		(215)
850 9200 490 23 05	TRAVEL/CONFERENCES		(6,035)
850 9200 490 23 06	STAFF TRAINING		(300)
850 9200 490 26 01	UTILITIES-BANNING		(500)
850 9200 490 33 11	PROFESSIONAL SERVICES		(25,000)
850 9200 490 33 12	AUDIT SERVICES		(6,000)
850 9200 490 36 00	DEPARTMENTAL SUPPLIES		(9,443)
850 9200 490 36 07	FOOD/MEALS COST		(13)
850 9200 490 56 86	TRSFR MRGD AREA DEBT SERV		70,000
<b>FUND 850 TOTALS</b>		<b>(250,000)</b>	<b>(215,191)</b>
<b>Successor Agency</b>			
<b>Expenditures</b>			
855 9500 490 90 30	ROOSEVELT WMS PARK IMPROV		45,592
855 9500 490 93 30	RAMSEY ST IMPROVEMENTS		277,701
<b>FUND 855 TOTALS</b>		<b>0</b>	<b>323,293</b>
<b>2003 TABS Bond Proceeds Low/Mod</b>			
<b>Expenditures</b>			
857 9700 490 33 11	PROFESSIONAL SERVICES		23
<b>FUND 857 TOTALS</b>		<b>0</b>	<b>23</b>
<b>TOTAL MID-YEAR ADJUSTMENTS</b>		<b>469,127</b>	<b>(3,997,010)</b>

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**RESOLUTION NO 2016-03 SA**

**A RESOLUTION OF THE SUCCESSOR AGENCY OF THE CITY OF BANNING  
AMENDING ITS 2015-16 FISCAL BUDGET PER THE MID-YEAR REVIEW  
RECOMMENDATIONS**

**WHEREAS**, the Successor Agency (Agency) budget for fiscal year 2015-16 has been adopted by this Agency in its original form, and said budget will need to be amended at times to fulfill the goals of the Agency; and

**WHEREAS**, the Agency departments may not exceed appropriations by character of expense, with character of expense being defined as personnel services, services and supplies, capital outlay, debt service and inter-fund transfers, without the consent of the City Manager; and

**WHEREAS**, the Agency may transfer appropriations, between departments and within their respective funds, as long as those appropriations do not exceed their fund total unless approved by Agency Board; and

**WHEREAS**, the Agency departments may not hire in excess of the approved number of positions in job classification as indicated by the budget detail without the consent of the Agency Board; and

**WHEREAS**, the budget is reviewed during a Mid-Year Review process that results in recommended budget adjustments to reflect unforeseen changes in revenue or expenditure requirements that require Agency Board approval;

**NOW, THEREFORE, BE IT RESOLVED** by the Agency Board of the City of Banning as follows:

Section 1: Agency Board approves the Mid-Year Budget Adjustments for the Agency funds detailed by account number in Exhibit "A".

**PASSED, APPROVED AND ADOPTED** this 24<sup>th</sup> day of May, 2016.

---

Arthur L. Welch, Chairman  
Successor Agency

ATTEST:

\_\_\_\_\_  
Marie A. Calderon, Secretary  
Successor Agency

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

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

**CERTIFICATION**

I, Marie A. Calderon, Secretary of the Successor Agency do hereby certify that the foregoing Resolution No. 2016-03 SA was duly adopted by the Agency Board at a regular meeting thereof held on the 24<sup>th</sup> day of May, 2016, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Marie A. Calderon, Secretary  
Successor Agency  
City of Banning, California

**FY 2015-16 TOTAL MIDYEAR ADJUSTMENTS**

<b>FUND/ ACCOUNT NUMBER</b>	<b>ACCOUNT DESCRIPTION</b>	<b>REVENUE ADJUSTMENT</b>	<b>ALLOCATION ADJUSTMENT</b>
<b>General Fund</b>			
<b>Revenues</b>			
001 0001 301 10 07	PROPERTY TAX ADMIN CHARGE	2,435	
001 0001 331 20 08	MISC. INTEREST	10,250	
001 0001 341 31 01	ST MOTOR VEH LICENSE-REG	12,303	
001 3000 311 16 16	PUBLIC WORKS PERMIT/INSPT	(2,500)	
001 3000 351 35 48	SERVICE LETTER/PLNG LTR	126	
001 3000 351 35 54	IMPROVEMENT PLAN CHECK	(3,000)	
001 3000 351 35 55	SUBDIV'N PLAN CHECK/INSPT	(7,500)	
001 3000 351 35 59	MISC ENGINEERING FEES	(4,000)	
<b>Expenditures</b>			
001 1XXX XXX XX XX	PAYROLL		(1,056,802)
001 1200 412 23 27	CONTRACT EMPLOYMENT SVCS		41,256
001 1300 412 23 27	CONTRACT EMPLOYMENT SVCS		3,840
001 1910 412 23 27	CONTRACT EMPLOYMENT SVCS		17,208
001 2200 421 23 27	CONTRACT EMPLOYMENT SVCS		52,963
001 2200 421 10 30	OVERTIME		141,067
001 2200 421 56 02	TRANSFER-COUNTY MOU FUND		(110,800)
001 2210 421 10 30	OVERTIME		16,001
001 2740 442 10 30	OVERTIME		7,700
001 2740 442 23 03	DUES/SUBSCRIPTIONS		5,100
001 2800 441 33 11	PROFESSIONAL SERVICES		54,639
001 3200 412 26 06	NATURAL GAS SERVICE		(2,450)
001 3600 461 10 30	OVERTIME		966
001 4000 461 10 30	OVERTIME		277
001 4050 461 10 30	OVERTIME		5
<b>FUND 001 TOTALS</b>		<b>8,114</b>	<b>(829,030)</b>
<b>Developer Deposit Fund</b>			
<b>Revenues</b>			
002 2800 361 41 02	MISC REIMBURSEMENTS	50,000	
002 3000 351 35 58	TENTATIVE SUBDIV REVIEW	5,000	
002 3000 351 35 61	CONSULTANT PLAN CK REV	19,787	
<b>Expenditures</b>			
002 2800 441 33 04	LEGAL SERVICES		50,000
002 3000 442 33 51	SPL PROCESSING CONSULTANT		19,787
002 3000 442 33 53	ENGINEERING SERVICES		5,000
<b>FUND 002 TOTALS</b>		<b>74,787</b>	<b>74,787</b>
<b>Riverside County MOU Fund</b>			
<b>Revenues</b>			
003 2289 344 33 16	COUNTY POLICE MOU	3,515	
003 2289 381 55 01	TRANSFER-GENERAL FUND	(110,800)	
<b>Expenditures</b>			
003 2289 421 XX XX	PAYROLL		(163,539)
<b>FUND 003 TOTALS</b>		<b>(107,285)</b>	<b>(163,539)</b>

**FY 2015-16 TOTAL MIDYEAR ADJUSTMENTS**

<b>FUND/ ACCOUNT NUMBER</b>	<b>ACCOUNT DESCRIPTION</b>	<b>REVENUE ADJUSTMENT</b>	<b>ALLOCATION ADJUSTMENT</b>
<b>Successor Agency Admin Fund</b>			
<b>Revenues</b>			
005 1210 381 56 88	TRANS-RDV OBLIG RETIRE FD	250,000	
	<b>FUND 005 TOTALS</b>	<b>250,000</b>	<b>0</b>
<b>Gas Tax Street Fund</b>			
<b>Expenditures</b>			
100 4900 431 XX XX	PAYROLL		(3,537)
100 4900 431 10 30	OVERTIME		7,500
100 4900 431 33 53	ENGINEERING SERVICES		8,000
	<b>FUND 100 TOTALS</b>	<b>0</b>	<b>11,963</b>
<b>Measure A Street Fund</b>			
<b>Revenues</b>			
101 4900 381 56 08	TRANSFER-SB300 STREET FD	(14,768)	
	<b>FUND 101 TOTALS</b>	<b>(14,768)</b>	<b>0</b>
<b>SB300 Street Fund</b>			
<b>Expenditures</b>			
103 4900 431 56 06	TRANSFER - MEASURE A FUND		(14,768)
	<b>FUND 103 TOTALS</b>	<b>0</b>	<b>(14,768)</b>
<b>CDBG Fund</b>			
<b>Revenues</b>			
110 5513 347 34 02	FEDERAL C D B GRANTS	(90,540)	
110 5513 381 56 59	TRANSFER-ELECTRIC FUND	11,916	
110 5515 347 34 02	FEDERAL C D B GRANTS	90,540	
	<b>FUND 110 TOTALS</b>	<b>11,916</b>	<b>0</b>
<b>Supplemental Law Enforcement Fund</b>			
<b>Revenues</b>			
148 2215 331 20 01	INVESTMENT INTEREST	160	
<b>Expenditures</b>			
148 2213 421 90 56	MACHINERY/EQUIPMENT		(1,238)
148 2214 421 90 56	MACHINERY/EQUIPMENT		(8,483)
148 2215 421 90 56	MACHINERY/EQUIPMENT		160
	<b>FUND 148 TOTALS</b>	<b>160</b>	<b>(9,561)</b>
<b>Special Donation Fund</b>			
<b>Revenues</b>			
200 9100 361 41 73	DONATIONS-SENIOR CENTER	3,200	
200 9100 361 42 17	DONATION-HOLIDAY LUNCHEON	500	
<b>Expenditures</b>			
200 9100 446 42 19	RECREATION FEES		1,195
200 9100 446 89 46	OFF FURN/EQUIP/FIXTURES		2,510
	<b>FUND 200 TOTALS</b>	<b>3,700</b>	<b>3,705</b>

**FY 2015-16 TOTAL MIDYEAR ADJUSTMENTS**

<b>FUND/ ACCOUNT NUMBER</b>	<b>ACCOUNT DESCRIPTION</b>	<b>REVENUE ADJUSTMENT</b>	<b>ALLOCATION ADJUSTMENT</b>
<b>Sr. Center Activities Fund</b>			
<b>Revenues</b>			
201 4050 361 41 99	CHRISTMAS DINNER FUND	270	
201 4060 361 41 98	SANTA'S SHOPPE	195	
<b>Expenditures</b>			
201 4050 446 42 08	CHRISTMAS DINNER FUND		100
201 4060 461 23 19	ALARM SERVICE		1,550
	<b>FUND 201 TOTALS</b>	<b>465</b>	<b>1,650</b>
<b>Animal Control Reserve Fund</b>			
<b>Revenues</b>			
202 2300 331 20 01	INVESTMENT INTEREST	5	
	<b>FUND 202 TOTALS</b>	<b>5</b>	<b>0</b>
<b>Police Volunteer Fund</b>			
<b>Revenues</b>			
203 2200 331 20 01	INVESTMENT INTEREST	5	
	<b>FUND 203 TOTALS</b>	<b>5</b>	<b>0</b>
<b>Park Development Fund</b>			
<b>Revenues</b>			
451 3600 361 41 32	PARKLAND DEDICATION FEE	(1,955)	
<b>Expenditures</b>			
451 3600 461 90 69	LIONS PARK IMPROVEMENTS		(107,386)
	<b>FUND 451 TOTALS</b>	<b>(1,955)</b>	<b>(107,386)</b>
<b>Water Fund</b>			
<b>Revenues</b>			
600 5100 331 25 13	TIEDOWNS-PERMANENT	(300)	
600 5100 347 34 06	FAA IMPROV PROGRAM GRANT	(7,830)	
600 5100 351 35 76	AVIATION FUEL SALES	(20,000)	
<b>Expenditures</b>			
600 5100 435 XX XX	PAYROLL		(3,829)
600 5100 435 25 05	MILEAGE REIMBURSEMENT		(15)
600 5100 435 36 12	AVIATION FUEL		(20,000)
600 5100 435 41 07	CREDIT CARD FEES		(2,250)
600 5100 435 93 73	AIRPORT IMPROVEMENTS		(108,300)
	<b>FUND 600 TOTALS</b>	<b>(28,130)</b>	<b>(134,394)</b>
<b>Transit Fund</b>			
<b>Expenditures</b>			
610 5800 434 XX XX	PAYROLL		(22,470)
610 5800 434 10 30	OVERTIME		16,033
610 5800 434 90 51	AUTOMOTIVE EQUIPMENT		(304,569)
	<b>FUND 610 TOTALS</b>	<b>0</b>	<b>(311,006)</b>

**FY 2015-16 TOTAL MIDYEAR ADJUSTMENTS**

<b>FUND/ ACCOUNT NUMBER</b>	<b>ACCOUNT DESCRIPTION</b>	<b>REVENUE ADJUSTMENT</b>	<b>ALLOCATION ADJUSTMENT</b>
<b>Water Fund</b>			
<b>Revenues</b>			
660 6300 356 38 01	METERED SALES	500,000	
660 6300 361 41 24	SALE OF SURPLUS PROPERTY	422	
<b>Expenditures</b>			
660 6300 471 XX XX	PAYROLL		(206,111)
660 6300 471 10 30	OVERTIME		20,000
660 6300 471 23 27	CONTRACT EMPLOYMENT SVCS		46,000
660 6300 471 26 01	UTILITIES - BANNING		213,020
660 6300 471 56 62	TRSF - BUA WATER DEBT SVC		(585,153)
<b>FUND 660 TOTALS</b>		<b>500,422</b>	<b>(512,244)</b>
<b>Water Capital Facilities</b>			
<b>Revenues</b>			
661 6300 366 44 04	CAPITAL FACILITIES FEE	(28,928)	
661 6300 366 44 20	CAPITAL FRONTAGE FEE	(4,500)	
<b>FUND 661 TOTALS</b>		<b>(33,428)</b>	<b>0</b>
<b>BUA Water Debt Service Fund</b>			
<b>Revenues</b>			
669 6300 381 56 53	TRNSFR-WATER FUND	(585,153)	
<b>Expenditures</b>			
669 6300 471 61 02	PRINCIPAL-REVENUE BONDS		(840,000)
669 6300 471 61 18	PRIN - 2015 REV BONDS		945,000
669 6300 471 62 02	INTEREST ON REV BONDS		(1,690,648)
669 6300 471 62 18	INTEREST - 2015 REV BONDS		873,752
669 6300 471 65 01	BOND SALE EXPENSES		124,078
<b>FUND 669 TOTALS</b>		<b>(585,153)</b>	<b>(587,818)</b>
<b>Electric Fund</b>			
<b>Revenues</b>			
670 7000 361 41 24	SALE OF SURPLUS PROPERTY	3,695	
670 7000 361 41 53	RESTITUTION/SUBROGATION	500	
670 7000 366 44 03	METER INSTALLATION & CONN	6,100	
<b>Expenditures</b>			
670 7000 473 XX XX	PAYROLL		(258,044)
670 7000 473 23 27	CONTRACT EMPLOYMENT SVCS		5,351
670 7000 473 56 22	TRANSFER-CDBG FUND		11,916
670 7000 473 56 94	TRNSF-07 ELEC DBT SVC		(116,070)
<b>FUND 670 TOTALS</b>		<b>10,295</b>	<b>(356,847)</b>
<b>07 Electric Revenue Bond Project Fund</b>			
<b>Expenditures</b>			
674 7000 473 96 32	ALOLA SUBSTATION		(600,000)
674 7000 473 96 33	AIRPORT SUBSTATION		(600,000)
<b>FUND 674 TOTALS</b>		<b>0</b>	<b>(1,200,000)</b>

**FY 2015-16 TOTAL MIDYEAR ADJUSTMENTS**

<b>FUND/ ACCOUNT NUMBER</b>	<b>ACCOUNT DESCRIPTION</b>	<b>REVENUE ADJUSTMENT</b>	<b>ALLOCATION ADJUSTMENT</b>
<b>Public Benefit Fund</b>			
<b>Expenditures</b>			
675 7020 473 XX XX	PAYROLL		(13,983)
675 7020 473 10 30	OVERTIME		311
	<b>FUND 675 TOTALS</b>	<b>0</b>	<b>(13,672)</b>
<b>07 Electric Revenue Debt Service Fund</b>			
<b>Revenues</b>			
678 7000 381 56 59	TRANSFER-ELECTRIC FUND	(116,070)	
<b>Expenditures</b>			
678 7000 473 61 02	PRINCIPAL-REVENUE BONDS		(970,000)
678 7000 473 61 18	PRIN - 2015 REV BONDS		1,360,000
678 7000 473 62 02	INTEREST ON REV BONDS		(1,834,700)
678 7000 473 62 18	INTEREST - 2015 REV BONDS		1,180,452
678 7000 473 65 01	BOND SALE EXPENSES		146,578
	<b>FUND 678 TOTALS</b>	<b>(116,070)</b>	<b>(117,670)</b>
<b>Wastewater Fund</b>			
<b>Expenditures</b>			
680 8000 454 XX XX	PAYROLL		(78,871)
680 8000 454 23 27	CONTRACT EMPLOYMENT SVCS		18,000
680 8000 454 33 53	ENGINEERING SERVICES		35,490
	<b>FUND 680 TOTALS</b>	<b>0</b>	<b>(25,381)</b>
<b>Wastewater Capital Facility Fund</b>			
<b>Revenues</b>			
681 8000 366 44 04	CAPITAL FACILITIES FEE	(25,000)	
681 8000 366 44 20	CAPITAL FRONTAGE FEE	(3,125)	
	<b>FUND 681 TOTALS</b>	<b>(28,125)</b>	<b>0</b>
<b>Refuse Fund</b>			
<b>Revenues</b>			
690 9600 366 44 13	SHARE OF RECYCLABLE MATLS	10,000	
<b>Expenditures</b>			
690 9600 453 XX XX	PAYROLL		(24,829)
690 9600 453 33 11	PROFESSIONAL SERVICES		(37,127)
	<b>FUND 690 TOTALS</b>	<b>10,000</b>	<b>(61,956)</b>
<b>Risk Management Fund</b>			
<b>Revenue</b>			
700 5030 331 20 01	INVESTMENT INTEREST	10	
700 5040 361 41 53	RESTITUTION/SUBROGATION	6,300	
700 5040 361 42 01	INSURANCE DIVIDEND	23,327	
700 5300 361 41 02	MISC REIMBURSEMENTS	10,000	
<b>Expenditures</b>			
700 5020 480 XX XX	PAYROLL		(51,046)
	<b>FUND 700 TOTALS</b>	<b>39,637</b>	<b>(51,046)</b>

**FY 2015-16 TOTAL MIDYEAR ADJUSTMENTS**

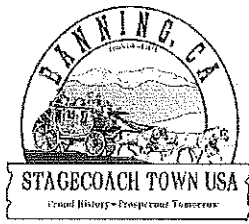
<b>FUND/ ACCOUNT NUMBER</b>	<b>ACCOUNT DESCRIPTION</b>	<b>REVENUE ADJUSTMENT</b>	<b>ALLOCATION ADJUSTMENT</b>
<b>Fleet Maintenance Fund</b>			
<b>Expenditures</b>			
702 3800 480 23 49	RECYCLING SERVICES		750
702 3800 480 25 02	UNIFORM PURCHASE/MAINT		100
702 3800 480 25 06	OVERTIME MEALS		100
702 3800 480 10 30	OVERTIME		3,000
702 3800 480 26 01	UTILITIES-BANNING		4,000
702 3800 480 30 05	REPAIR/MAINT-VEHICLES		7,000
702 3800 480 36 61	CNG FUEL		10,000
702 3800 480 89 48	COMPUTER HARDWARE		500
<b>FUND 702 TOTALS</b>		<b>0</b>	<b>25,450</b>
<b>Information Systems Services Fund</b>			
<b>Revenues</b>			
703 3700 361 41 61	MISC. RECEIPTS/REVENUE	40	
<b>Expenditures</b>			
703 3700 480 XX XX	PAYROLL		(31,023)
703 3700 480 10 30	OVERTIME		1,083
<b>FUND 703 TOTALS</b>		<b>40</b>	<b>(29,940)</b>
<b>Utility Billing Administration</b>			
<b>Expenditures</b>			
761 3100 480 XX XX	PAYROLL		(56,816)
761 3100 480 23 04	POSTAGE/MAILING COSTS		8,000
761 3100 480 23 52	CREDIT CARD FEES		56,000
761 3110 480 90 52	VEHICLES		9,500
<b>FUND 761 TOTALS</b>		<b>0</b>	<b>16,684</b>
<b>Redv. Obligation Retirement Fund</b>			
<b>Revenues</b>			
805 9200 301 10 01	PROPERTY TAXES-CURRENT	377,111	
<b>Expenditures</b>			
805 9200 490 56 86	TRNFR MRGD AREA DEBT SERV		3,172
805 9300 490 56 83	TRNFR-CRA-DWNTWN DEBT SV		(39,204)
805 9400 490 56 84	TRNFR-CRA-MDWY DEBT SVC		7,991
<b>FUND 805 TOTALS</b>		<b>377,111</b>	<b>(28,041)</b>
<b>Successor Housing Agency</b>			
<b>Revenues</b>			
810 9700 391 82 82	LOAN REPAYMENT-CRA	305,425	
<b>Expenditures</b>			
810 9700 490 33 12	AUDIT SERVICES		3,500
<b>FUND 810 TOTALS</b>		<b>305,425</b>	<b>3,500</b>



**FY 2015-16 TOTAL MIDYEAR ADJUSTMENTS**

<b>FUND/ ACCOUNT NUMBER</b>	<b>ACCOUNT DESCRIPTION</b>	<b>REVENUE ADJUSTMENT</b>	<b>ALLOCATION ADJUSTMENT</b>
<b>Debt Service Fund</b>			
<b>Revenues</b>			
830 9200 381 56 88	TRANS-RDV OBLIG RETIRE FD	3,172	
830 9200 381 56 97	TRANS - CRA ADMIN FUND	175,834	
830 9300 381 56 88	TRANS-RDV OBLIG RETIRE FD	(39,204)	
830 9300 381 56 97	TRANS - CRA ADMIN FUND	(40,617)	
830 9400 381 56 88	TRANS-RDV OBLIG RETIRE FD	7,991	
830 9400 381 56 97	TRANS - CRA ADMIN FUND	(65,217)	
<b>Expenditures</b>			
830 9200 490 33 12	AUDIT SERVICES		6,000
830 9200 490 81 90	LOAN REPAYMENT-CRA LOW/MD		305,425
<b>FUND 830 TOTALS</b>		<b>41,959</b>	<b>311,425</b>
<b>Successor Agency</b>			
<b>Revenues</b>			
850 9200 381 56 88	TRANS-RDV OBLIG RETIRE FD	(250,000)	
<b>Expenditures</b>			
850 9200 490 XX XX	PAYROLL		(236,435)
850 9200 490 23 01	ADVERTISING/PUBLISHING		(1,200)
850 9200 490 23 02	PRINTING/BINDING		(50)
850 9200 490 23 03	DUES/SUBSCRIPTIONS		(215)
850 9200 490 23 05	TRAVEL/CONFERENCES		(6,035)
850 9200 490 23 06	STAFF TRAINING		(300)
850 9200 490 26 01	UTILITIES-BANNING		(500)
850 9200 490 33 11	PROFESSIONAL SERVICES		(25,000)
850 9200 490 33 12	AUDIT SERVICES		(6,000)
850 9200 490 36 00	DEPARTMENTAL SUPPLIES		(9,443)
850 9200 490 36 07	FOOD/MEALS COST		(13)
850 9200 490 56 86	TRSFER MRGD AREA DEBT SERV		70,000
<b>FUND 850 TOTALS</b>		<b>(250,000)</b>	<b>(215,191)</b>
<b>Successor Agency</b>			
<b>Expenditures</b>			
855 9500 490 90 30	ROOSEVELT WMS PARK IMPROV		45,592
855 9500 490 93 30	RAMSEY ST IMPROVEMENTS		277,701
<b>FUND 855 TOTALS</b>		<b>0</b>	<b>323,293</b>
<b>2003 TABS Bond Proceeds Low/Mod</b>			
<b>Expenditures</b>			
857 9700 490 33 11	PROFESSIONAL SERVICES		23
<b>FUND 857 TOTALS</b>		<b>0</b>	<b>23</b>
<b>TOTAL MID-YEAR ADJUSTMENTS</b>		<b>469,127</b>	<b>(3,997,010)</b>

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**CITY OF BANNING  
BANNING UTILITY AUTHORITY REPORT**

**TO:** BANNING UTILITY AUTHORITY

**FROM:** Michael Rock, City Manager

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

**MEETING DATE:** May 24, 2016

**SUBJECT:** Receive and File Comments related to the 2015 Urban Water Management Plan

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**RECOMMENDATION:**

Receive and file comments related to the 2015 Urban Water Management Plan.

**JUSTIFICATION:**

In order to remain in compliance with the Water Conservation Act of 2009 and the Urban Water Management Planning Act (UWMPA) of 1983 and the subsequent amendments to the Act, the City of Banning is required to prepare, adopt and submit to the California Department of Water Resources an Urban Water Management Plan (UWMP).

This Public Hearing provides an opportunity for the Banning Utility Authority to consider the draft 2015 UWMP and obtain public comments regarding the document as required by the Urban Management Plan Guidebook.

**BACKGROUND:**

According to the UWMPA, an urban water supplier is defined as a supplier, publicly or privately owned, that either provides over 3,000 acre-feet of water annually for municipal purposes or serves more than 3,000 customers. The urban water supplier is required to assess the reliability of its water sources over a 20 year planning horizon considering normal and dry years and include said assessment in the UWMP. The City is the Urban Water Supplier for the water service area of the City of Banning. The City of Banning has, in the past, complied with California state law as set forth in the UWMPA by submitting an UWMP in 1998 and an updated UWMP in 2005 and 2010. The California UWMPA requires that the UWMP be updated every five years. The

California Water Code specifies the contents and procedures for the adoption of the UWMP, which must be adopted and submitted to the Department of Water Resources ("DWR"). Assembly Bill 2067 requires that the 2015 UWMP be submitted to the DWR by July 1, 2016.

On October 27, 2015, Resolution No. 2015-15 UA was approved awarding a Professional Services Agreement to Krieger & Stewart Engineering Consultants for the preparation of the 2015 UWMP.

The draft 2015 UWMP was developed according to the 2015 Urban Water Management Plans Guidebook for Urban Water Suppliers and includes demand analysis and projections through 2040; detailed service area review of the population and demographic data; analysis of water source system supply, demand and reliability; and demand management measures (DMMs).

On April 18, 2016 and April 25, 2016 a notice was published in the Press Enterprise providing notification of the public hearing scheduled for today, May 24, 2016, at which time the Banning Utility Authority of the City of Banning would consider the draft 2015 UWMP and receive comments for consideration. A link to the draft 2015 UWMP was included in the advertised notice.

Staff sent notifications regarding the draft 2015 UWMP to local agencies and water suppliers such as the Cabazon Water District, Morongo Band of Mission Indians, Beaumont Cherry Valley Water District, San Geronio Pass Water Agency, Beaumont Basin Watermaster, City of Beaumont, Banning Heights Mutual Water Company, High Valley Water District, Yucaipa Valley Water District, Riverside County Planning Department and the South Mesa Water Company. The draft was also made available to the public by providing a copy at the Engineering counter as well as the City of Banning website.

Once all comments are received and considered, the draft 2015 UWMP will be finalized for submittal to the California Department of Water Resources. Staff anticipates the final plan and its request for approval will be brought forward to the Banning Utility Authority on June 14, 2016.

**FISCAL IMPACT:**

None

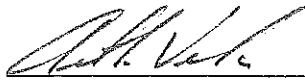
**OPTIONS:**

1. Receive and file comments.

**ATTACHMENTS:**

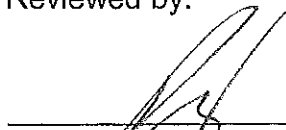
1. Draft 2015 UWMP provided under separate cover and is available for public review at [www.ci.banning.ca.us/draft2015uwmp](http://www.ci.banning.ca.us/draft2015uwmp).

Reviewed by:



Art Vela,  
Public Works Director

Reviewed by:



Rochelle Clayton,  
Administrative Services Director/  
Deputy City Manager

Approved by:



Michael Rock,  
City Manager

# ***ATTACHMENT 1***

**(Draft 2015 UWMP Provided Under Separate Cover)**



**CITY OF BANNING  
CITY COUNCIL REPORT**

**TO:** CITY COUNCIL

**FROM:** Michael Rock, City Manager

**PREPARED BY:** Art Vela, Public Works Director

**MEETING DATE:** May 24, 2016

**SUBJECT:** Resolution No. 2016-34, "Renewing the Contract for the Operation and Maintenance of the City of Banning's Landscape Maintenance District ("LMD") No. 1"

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**RECOMMENDATION:**

Adopt Resolution No. 2016-34, "Renewing the Contract for the Operation and Maintenance of the City of Banning's Landscape Maintenance District ("LMD") No. 1" with Artistic Maintenance, Inc. of Lake Forest, California, in the amount of \$71,440.00 for Fiscal Year 2016/17."

**JUSTIFICATION:**

Artistic Maintenance, Inc., of Lake Forest, California, has provided satisfactory landscape operation and maintenance services this past year and has agreed to not increase the contract amount by a Consumer Price Index ("CPI") this upcoming Fiscal Year.

**BACKGROUND:**

The City Council approved the formation of LMD No. 1 by adopting Resolution No. 1990-59 on August 14, 1990. An additional five tracts and three tentative tracts were annexed into LMD No. 1 ("Annexation No. 1") when the City Council approved Resolution No. 2005-36 on May 10, 2005.

LMD No. 1 currently consists of sixteen (16) accepted tracts: Tract Nos. 21882, 22810, 22811, 22913, 23446 (including the median on Highland Home Road), 23598, 28252, 29721, 30186, 30222 (including Richard Sanchez Park), 30793, 31833, 31834, 31835, 32109, and 30906. TTM No. 36969 has not been accepted thus far. The purpose of LMD No. 1 is for the maintenance and servicing of landscape medians and

parkways, perimeter strips and backup walls, landscaped hillsides with high visibility, side slopes adjacent to sidewalks, retention basins, and the irrigation of the above facilities. LMD No. 1, by special benefit assessments, provides funding for the servicing and maintenance of designated landscape areas within the City of Banning. A map displaying LMD No. 1 and boundaries of each tract is attached herewith as Exhibit "A".

From July 1, 2009, through June 30, 2014, the Public Works Department maintained LMD No.1. A Request for Proposals ("RFP") was prepared in March of 2014 and advertised to determine if using a contractor would provide cost savings. Artistic Maintenance, Inc. provided a Bid that was less than half of the second lowest bidder. Additionally, their annual contract amount of \$61,440.00 was over \$24,000.00 less than the cost of using Public Works Department staff. On May 13, 2014, the City Council approved Resolution No. 2014-24, awarding the contract for the operation and maintenance of LMD No. 1 to Artistic Maintenance, Inc. Subsequently, on May 12, 2015, Resolution No. 2015-35, renewing the initial contract with Artistic Maintenance, Inc., was approved by the City Council.

The Contract Agreement is for a term of twelve (12) months (\$5,120.00/month; \$61,440.00/year) with the possibility of an option to renew for up to four (4) single additional years (for a total of five (5) single years) upon a satisfactory yearly review of the previously provided services. If approved, extensions to the Contract Agreement will terminate no later than June 30, 2019. If this contract is approved, it will be the second renewal for Artistic Maintenance and they have agreed to forego a CPI increase again.

The scope of work includes providing all of the labor, tools, materials, and equipment necessary to provide landscape maintenance services of LMD No.1. This includes performing weekly maintenance and inspection, checking the operation of all irrigation systems and identifying required repairs and, if necessary, the labor for replacing trees, flowers or shrubs within landscaped areas that are maintained under the contract. Irrigation materials, tree, shrub, ground cover and plant material replacements are paid for as an added cost, separate from this contract. Consequently, staff is requesting \$10,000.00 be included in this contract renewal providing an allowance for irrigation materials, irrigation repairs and landscaping materials as part of the agreement with Artistic Maintenance, Inc.

#### **FISCAL IMPACT:**

Fund No. 111 (Landscape Maintenance Assessment District No.1) will be utilized to fund the agreement for Fiscal Year 2016/17 with Artistic Maintenance for LMD No. 1 Services in the amount of \$71,440.00. Account No. 111-4900-432-23.29 (Landscape Maintenance) in the amount of \$61,440.00 will fund the monthly operation and maintenance portion of the agreement. Account No. 111-4900-432-30.01 (Repair/Maintenance-Grounds/Fields) in the amount of \$10,000.00 will be used to fund miscellaneous labor costs related to irrigation repairs and landscaping materials.



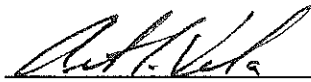
**OPTIONS:**

1. Adopt Resolution No. 2016-34.
2. Reject the recommendation. If rejected, staff would prepare a Request for Proposal and solicit proposals. This option would require some time to process, therefore, a maintenance contract would be required while a new agreement is established.

**ATTACHMENTS:**

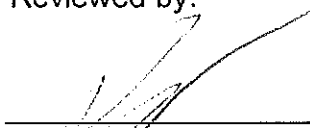
1. Resolution No. 2016-39
2. LMD No. 1 Map for FY 2016/17

Prepared by:



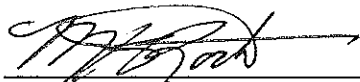
Art Vela  
Public Works Director

Reviewed by:



Rochelle Clayton  
Administrative Services Director/  
Deputy City Manager

Approved by:



Michael Rock  
City Manager

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# ***ATTACHMENT 1***

**(Resolution No. 2016-34)**

**RESOLUTION NO. 2016-34**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, RENEWING THE CONTRACT FOR THE OPERATION AND MAINTENANCE OF LANDSCAPE MAINTENANCE DISTRICT NO. 1 TO ARTISTIC MAINTENANCE, INC. OF LAKE FOREST, CALIFORNIA**

**WHEREAS**, at its regularly scheduled meeting on August 14, 1990, the City Council adopted Resolution No. 1990-59, authorizing the formation of Landscape Maintenance District ("LMD") No. 1; and

**WHEREAS**, at its regularly scheduled meeting on May 10, 2005, the City Council adopted Resolution No. 2005-36, ordering the annexation of an additional five tracts and three tentative tracts ("Annexation No. 1") to the City's LMD No. 1; and

**WHEREAS**, at its regularly scheduled meeting on May 13, 2014, the City Council adopted Resolution No. 2014-24, awarding a contract for the operation and maintenance of the City of Banning's LMD No.1 for a term of one (1) year with the option to renew the Contract Agreement for up to four (4) additional single years upon a satisfactory yearly review of the previously provided services; and

**WHEREAS**, at its regularly scheduled meeting on May 12, 2015, Resolution No. 2015-35, renewing the initial contract with Artistic Maintenance, Inc., was approved by the City Council; and

**WHEREAS**, Artistic Maintenance, Inc. ("Artistic"), of Lake Forest, California, has provided satisfactory service to the City over the past fiscal year; and

**WHEREAS**, the Contract Agreement with Artistic was for a term of twelve (12) months (\$5,120.00/month; \$61,440.00/year) with the possibility of an option to renew for up to four (4) single additional years upon a satisfactory yearly review of the previously provided services; and

**WHEREAS**, staff recommends the renewal of the contract agreement with Artistic for an additional year and requests the addition of \$10,000.00 be made on the annual contract to fund miscellaneous irrigation repairs and landscape replacement; and

**WHEREAS**, Account No. 111-4900-432-23.29 (Landscape Maintenance) in the amount of \$61,440.00 will fund the monthly operation and maintenance portion of the agreement and Account No. 111-4900-432-30.01 (Repair/Maintenance-Grounds/Fields) in the amount of \$10,000.00 will be used to fund miscellaneous operations related to irrigation repairs and landscape replacement.

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

SECTION 1. That the operation and maintenance services Contract for LMD No. 1 is hereby renewed and awarded to Artistic Maintenance, Inc. of Lake Forest, California, in the amount of \$71,440.00.

SECTION 2. That the Administrative Services Director is authorized to make all necessary budget adjustments, appropriations and transfers.

SECTION 3. That the City Manager is authorized to execute the Contract Agreement renewal for a one year term with Artistic Maintenance, Inc. of Lake Forest, California.

**PASSED, ADOPTED AND APPROVED** this 24<sup>th</sup> day of May, 2016.

\_\_\_\_\_  
Arthur L. Welch, Mayor  
City of Banning

**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:**

**CERTIFICATION:**

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2016-34 was adopted by the City Council of the City of Banning at a regular meeting thereof held on the 24<sup>th</sup> day of May, 2016, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

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

# ***ATTACHMENT 2***

(MAP OF LANDSCAPE MAINTENCE DISTRICT NO. 1)

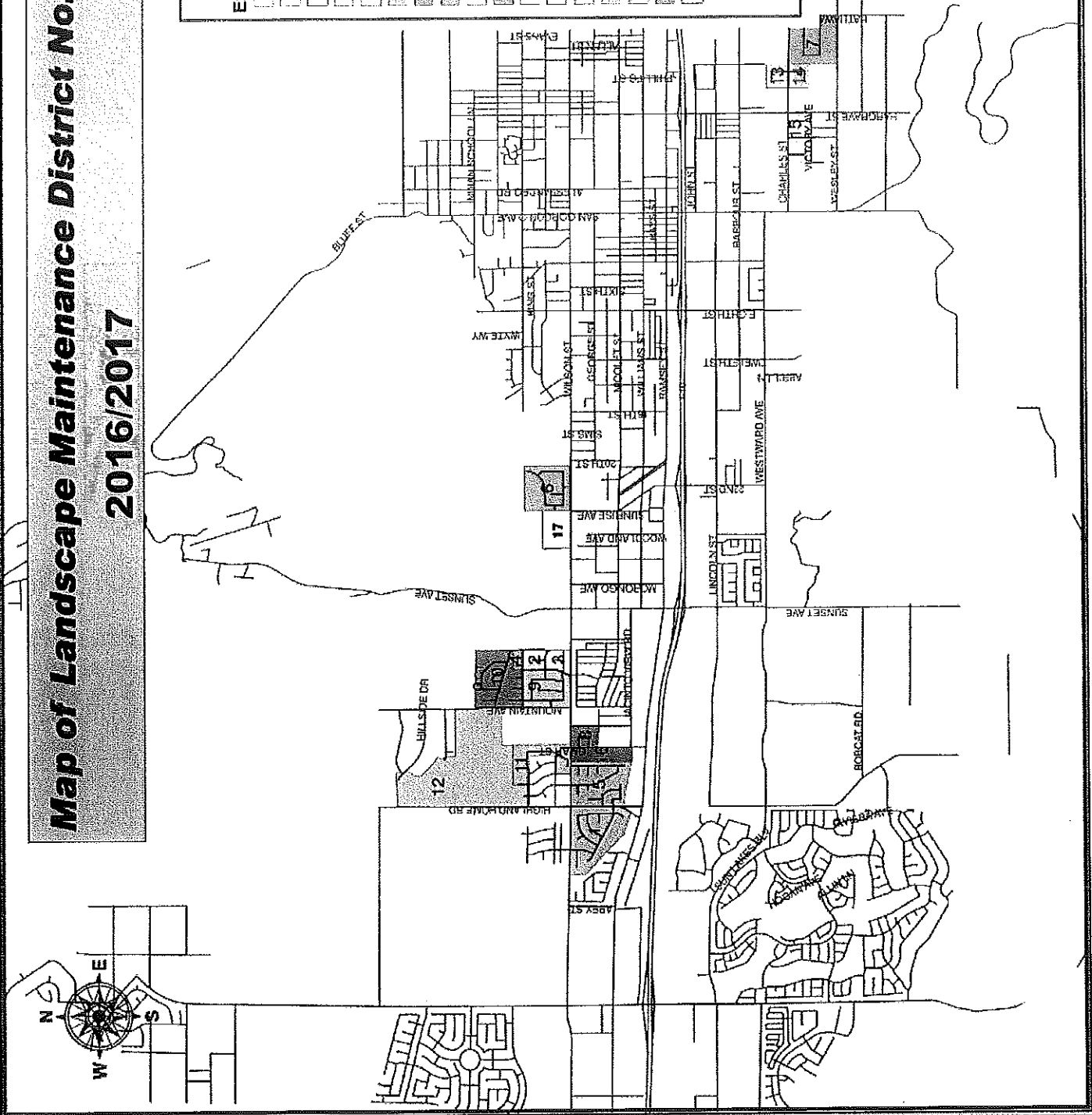
# Map of Landscape Maintenance District No. 1

2016/2017

## Legend

### Existing Tracts

1. 21882 Snow Creek I
2. 22810 Dev. Corp
3. 22811 Dev. Corp
4. 22913 Arce Bros.
5. 23446 Highland Estates
6. 23598 Snow Creek II
7. 28252 Fair Oaks
8. 29721 The Pines
9. 30188 Wilson Homes
10. 30222 Wilson Homes
11. 30793 Fiesta Collection
12. 30906 Evergreen Estates
13. 31833 Fair Oaks
14. 31834 Fair Oaks
15. 31835 Fair Oaks
16. 32109 Sunset Ridge
- Diversified Pacific Opportunity Fund
17. 30642 Opportunity Fund







**CITY OF BANNING  
CITY COUNCIL**

**TO:** Banning Mayor & City Council

**FROM:** Anthony R. Taylor, City Attorney  
Julie Hayward Biggs, Special Counsel

**DATE:** May 24, 2016

**SUBJECT:** Public Hearing regarding City Council Elections by Districts

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**RECOMMENDATION:**

- A) Receive public testimony regarding electoral districts for city council elections, with or without a mayor elected at-large.
- B) Provide direction to staff regarding any action to be taken at future scheduled public hearings, if the Council agrees to the same, concerning district elections on June 6, 2016 and June 28, 2016.

**DISCUSSION:**

The City has received requests from members of the public beginning in January 2016 to study the option of creating electoral districts for city council elections, with or without a mayor elected at-large. In response to requests from members of the public, the City engaged a consultant, National Demographics, Inc., to analyze this matter.

After the City engaged the consultant, a lawsuit was filed on March 30, 2016, entitled *Cassadas, et al. v. City of Banning*, Riverside Superior Court, Case No. 1603770, alleging violations of the California Voting Rights Act of 2001 for the City not having district elections of council members. The City has filed an answer with the Court denying the allegations in that lawsuit. The City continues to deny the allegations in that lawsuit. This staff report is written separately from that lawsuit to respond in an open and transparent fashion to requests by members of the public for a public hearing concerning district elections for council members.

The City's goal is to ensure that all residents of the City of Banning have open access to the electoral system so that full and open participation continues to encourage election of qualified and committed community leaders on the City Council. The suggested upcoming public hearing dates are June 6th and June 28th, should the City Council agree to proceed forward with these public hearings after the May 24th public hearing.

### ANALYSIS:

Pursuant to Government Code Section 34886, the City Council is required to hold three public hearings to potentially adopt an ordinance for the district election of members of the City Council with either five electoral districts or four electoral districts with a mayor elected at-large for either a two or four year term.

At the first public hearing, the City Council will be asked to consider the demographic information and potential maps presented during the public hearing and any other proposed maps that may be presented by members of the public. The Council is requested to take public testimony relating to the proposed maps and consider election by district options in general.

Election by district systems permitted under Government Code Section 34886 include the option of creating five electoral districts or creating four electoral districts with a mayor elected at-large. If five districts are selected as the option the Council wishes to pursue, then the Mayor would be selected by the Council in the same manner that the Mayor is now selected. If the Council wishes to establish four electoral districts with a mayor elected at-large, then the Council will also need to consider whether the term of office for the Mayor should be two years or four years.

If consensus is reached on any of the issues relating to establishment of an election by-district system, with or without a mayor elected at large, and on electoral district maps, then an ordinance can be presented to the Council for introduction and first reading. Under Government Code Section 36934, ordinances may be introduced for first reading at either a regular or a special public meeting but may only be finally enacted at a regular public meeting of the City Council held at least five days after approval of introduction and first reading of the ordinance.

If there is any substantive change required to be made to the proposed ordinance at its second reading, then the ordinance will need to be re-introduced for first reading and adopted at a regular meeting held at least five days after its re-introduction and approval of first reading.

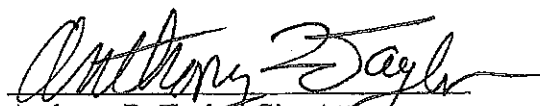
### OPTIONS:

1. Receive public testimony and provide direction to staff concerning proceeding forward with district elections of council members or not proceeding forward with the same.
2. Direct staff to proceed forward with the next public hearing, or alternatively direct staff to not proceed forward with any further public hearings.

### FISCAL IMPACT:

Unknown at this time.

PREPARED BY:

  
Anthony R. Taylor, City Attorney  
09999.0003/297428.1

REVIEWED BY:

A handwritten signature in black ink, appearing to read 'MR', is written over a horizontal line.

Michael Rock, City Manager

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