

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

July 12, 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 and the City Council Sitting in Its Capacity of a Successor Agency and the Banning Utility Authority; and a meeting of the Banning City Council Sitting in Its Capacity of a Successor Agency

Per City Council Resolution No. 2016-44 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 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 – *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.

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

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

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.

V. APPOINTMENTS

1. Designation of Voting Delegates and Alternates to the League of California Cities Annual Conf. – Oct. 5-7, 2016, Long Beach 1
2. Consideration of appointing one candidate to fill the vacant position on the Planning Commission (ORAL)
Recommendation: **Consider appointing one candidate to fill the vacant position on the Planning Commission for the remainder of the term that ends May 2017.**

VI. 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 – 06/28/16 *(Closed Session)* 5
2. Approval of Minutes – Special Meeting – 06/28/16. 7
3. Approval of Minutes – Regular Meeting – 06/28/16 11
4. Approval of Minutes – Special Meeting – 06/28/16 *(Closed Session)* 55
5. Approval of Minutes – Special Meeting – 06/14/16. 57
6. Reports of Investments for May 2016. 59
7. Adoption of Resolution No. 2016067, Providing for Certain Nuisance Charges to be Added to the Tax Rolls of Riverside County, California. 67

- Open for Public Comments
- Make Motion

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

I. REPORTS OF OFFICERS

1. Consideration Extending Deadline for Chamber of Commerce to Comply with Demand Letter to August 26, 2016 for Payment of Overdue Utility Bills 81
(Staff Report – Michael Rock, City Manager)
Recommendation: **Consider extending the Banning Chamber of Commerce's deadline for payment of the overdue utility bills in the amount of \$15,795 to August 26, 2016, as set forth in the Demand Letter dated May 27, 2016.**

2. Discussion and Consideration of a Draft Response to the 2015-2016 Riverside County Civil Grand Jury Report entitled “City of Banning – Banning Chamber of Commerce” 117
(Staff Report – Michael Rock, City Manager)

Recommendation: **Approve the response to the 2015-2016 Riverside County Civil Grand Jury Report entitled “City of Banning – Banning Chamber of Commerce.”**

Adjourn Joint Meeting and Call to Order a Meeting of the Banning City Council Sitting In Its Capacity of a Successor Agency

I. REPORTS OF OFFICERS

1. Discussion and Consideration of Adopting Resolution No. 2016-05 SA, Approving and Obligating the Remaining Balance of \$3,867,000 Tax Allocation Bond Proceeds 133
(Staff Report – Art Vela, Public Works Director)

Recommendations: **That the Successor Agency: 1) adopt Resolution No. 2016-05 SA, Approving and Obligating the Remaining Tax Allocation Bond Proceeds Balance in the amount of \$3,867,000 to the East Ramsey Street Improvement Project; 2) Authorizing the Administrative Services Director to make necessary budget adjustments, appropriations and transfers related to the Tax Allocation Bond Proceeds in the amount of \$3,867,000.**

Adjourn meeting of the Successor Agency and reconvene the regular City Council Meeting

VII. REPORTS OF OFFICERS

1. Discuss and Consider Resolution No. 2016-64, Awarding the Construction Contract for Project 2016-04 EL, Installation of a Warehouse Security System. 149
(Staff Report – Fred Mason, Electric Utility Director)

Recommendations: **That the City Council: 1) adopt Resolution No. 2016-64, Approving the Award of the Construction Contract for Project 2016-04 EL, Installation of a Warehouse Security System to Style Electric of Murrieta, California, in the amount not to exceed \$92,504 including taxes and allowing a 10% contingency of \$9,251 and rejecting all other bids; 2) Authorizing the City Manager to execute the applicable construction contracts, professional services agreements, and amendments related to Project 2016-04 EL, Installation of a Warehouse Security System and to approve change orders within the 10% contingency; and 3) Authorizing the Administrative Services Director to make the necessary budget adjustments, appropriations and transfers related to project.**

2. Discussion and Consideration of Adopting Resolution No. 2016-62, Awarding a Professional Services Agreement to Holt Architecture of Rancho Mirage, CA in the amount of \$75,000 for Architectural Planning and Programming of City Facilities 185
(Staff Report – Art Vela, Public Works Director)

Recommendations: **That the City Council: 1) adopt Resolution No. 2016-62, Awarding a Professional Services Agreement to Holt Architecture of Rancho Mirage, CA in the amount of \$75,000 for Architectural Planning and Programming of City Facilities; 2) Authorizing the Administrative Services Director to make necessary budget adjustments, appropriations and transfers related to the agreement; and 3) Authorizing the City Manager to execute the Professional Services Agreement with Holt Architecture for Architectural Services for Improvements to Facilities.**

3. Discussion and Consideration of Adopting Resolution No. 2016-65, Accepting Community Development Block Grant Program Funds for Fiscal year 2016-2017 in the amount of \$172,331 for the Community/Senior Center Rehabilitation Project (5.BN.34-15) 235
(Staff Report – Art Vela, Public Works Director)

Recommendations: **That the City Council: 1) adopt Resolution No. 2016-65, Accepting Community Development Block Grant Program (CDBG) Funds for Fiscal Year 2016-2017 in the amount of \$172,331 for the Community/Senior Center Rehabilitation Project (5.BN.34-15); and 2) Authorizing the Administrative Services Director to make necessary budget adjustments, appropriations and transfers related to the 2016-2017 CDBG funds in the amount of \$172,331; and 3) Authorizing the Mayor to execute the 2016-2017 CDBG Program supplemental agreement.**

SCHEDULED MEETINGS

There are no scheduled meeting of the Banning Utility Authority (BUA) and the Banning Financing Authority (BFA)

VIII. ITEMS FOR FUTURE AGENDAS

New Items –

Pending Items – City Council

1. Presentation by Southern California Gas Company regarding their insurance policy for gas lines.

(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]

Council Action Advised by July 31, 2016

June 10, 2016

TO: Mayors, City Managers and City Clerks

**RE: DESIGNATION OF VOTING DELEGATES AND ALTERNATES
League of California Cities Annual Conference – October 5 – 7, Long Beach**

The League's 2016 Annual Conference is scheduled for October 5 – 7 in Long Beach. An important part of the Annual Conference is the Annual Business Meeting (during General Assembly), scheduled for noon on Friday, October 7, at the Long Beach Convention Center. At this meeting, the League membership considers and takes action on resolutions that establish League policy.

In order to vote at the Annual Business Meeting, your city council must designate a voting delegate. Your city may also appoint up to two alternate voting delegates, one of whom may vote in the event that the designated voting delegate is unable to serve in that capacity.

Please complete the attached Voting Delegate form and return it to the League's office no later than Friday, September 23, 2016. This will allow us time to establish voting delegate/alternate records prior to the conference.

Please note the following procedures that are intended to ensure the integrity of the voting process at the Annual Business Meeting.

- **Action by Council Required.** Consistent with League bylaws, a city's voting delegate and up to two alternates must be designated by the city council. When completing the attached Voting Delegate form, please attach either a copy of the council resolution that reflects the council action taken, or have your city clerk or mayor sign the form affirming that the names provided are those selected by the city council. Please note that designating the voting delegate and alternates **must** be done by city council action and cannot be accomplished by individual action of the mayor or city manager alone.
- **Conference Registration Required.** The voting delegate and alternates must be registered to attend the conference. They need not register for the entire conference; they may register for Friday only. To register for the conference, please go to our website: www.cacities.org. In order to cast a vote, at least one voter must be present at the

Business Meeting and in possession of the voting delegate card. Voting delegates and alternates need to pick up their conference badges before signing in and picking up the voting delegate card at the Voting Delegate Desk. This will enable them to receive the special sticker on their name badges that will admit them into the voting area during the Business Meeting.

- **Transferring Voting Card to Non-Designated Individuals Not Allowed.** The voting delegate card may be transferred freely between the voting delegate and alternates, but *only* between the voting delegate and alternates. If the voting delegate and alternates find themselves unable to attend the Business Meeting, they may *not* transfer the voting card to another city official.
- **Seating Protocol during General Assembly.** At the Business Meeting, individuals with the voting card will sit in a separate area. Admission to this area will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate. If the voting delegate and alternates wish to sit together, they must sign in at the Voting Delegate Desk and obtain the special sticker on their badges.

The Voting Delegate Desk, located in the conference registration area of the Long Beach Convention Center, will be open at the following times: Wednesday, October 5, 8:00 a.m. – 6:00 p.m.; Thursday, October 6, 7:00 a.m. – 4:00 p.m.; and Friday, October 7, 7:30–10:00 a.m. The Voting Delegate Desk will also be open at the Business Meeting on Friday, but will be closed during roll calls and voting.

The voting procedures that will be used at the conference are attached to this memo. Please share these procedures and this memo with your council and especially with the individuals that your council designates as your city's voting delegate and alternates.

Once again, thank you for completing the voting delegate and alternate form and returning it to the League office by Friday, September 23. If you have questions, please call Kayla Gibson at (916) 658-8247.

Attachments:

- Annual Conference Voting Procedures
- Voting Delegate/Alternate Form

Annual Conference Voting Procedures

1. **One City One Vote.** Each member city has a right to cast one vote on matters pertaining to League policy.
2. **Designating a City Voting Representative.** Prior to the Annual Conference, each city council may designate a voting delegate and up to two alternates; these individuals are identified on the Voting Delegate Form provided to the League Credentials Committee.
3. **Registering with the Credentials Committee.** The voting delegate, or alternates, may pick up the city's voting card at the Voting Delegate Desk in the conference registration area. Voting delegates and alternates must sign in at the Voting Delegate Desk. Here they will receive a special sticker on their name badge and thus be admitted to the voting area at the Business Meeting.
4. **Signing Initiated Resolution Petitions.** Only those individuals who are voting delegates (or alternates), and who have picked up their city's voting card by providing a signature to the Credentials Committee at the Voting Delegate Desk, may sign petitions to initiate a resolution.
5. **Voting.** To cast the city's vote, a city official must have in his or her possession the city's voting card and be registered with the Credentials Committee. The voting card may be transferred freely between the voting delegate and alternates, but may not be transferred to another city official who is neither a voting delegate or alternate.
6. **Voting Area at Business Meeting.** At the Business Meeting, individuals with a voting card will sit in a designated area. Admission will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate.
7. **Resolving Disputes.** In case of dispute, the Credentials Committee will determine the validity of signatures on petitioned resolutions and the right of a city official to vote at the Business Meeting.



CITY: _____

**2016 ANNUAL CONFERENCE
VOTING DELEGATE/ALTERNATE FORM**

Please complete this form and return it to the League office by Friday, September 23, 2016. Forms not sent by this deadline may be submitted to the Voting Delegate Desk located in the Annual Conference Registration Area. Your city council may designate one voting delegate and up to two alternates.

In order to vote at the Annual Business Meeting (General Assembly), voting delegates and alternates must be designated by your city council. Please attach the council resolution as proof of designation. As an alternative, the Mayor or City Clerk may sign this form, affirming that the designation reflects the action taken by the council.

Please note: Voting delegates and alternates will be seated in a separate area at the Annual Business Meeting. Admission to this designated area will be limited to individuals (voting delegates and alternates) who are identified with a special sticker on their conference badge. This sticker can be obtained only at the Voting Delegate Desk.

1. VOTING DELEGATE

Name: _____

Title: _____

2. VOTING DELEGATE - ALTERNATE

Name: _____

Title: _____

3. VOTING DELEGATE - ALTERNATE

Name: _____

Title: _____

PLEASE ATTACH COUNCIL RESOLUTION DESIGNATING VOTING DELEGATE AND ALTERNATES.

OR

ATTEST: I affirm that the information provided reflects action by the city council to designate the voting delegate and alternate(s).

Name: _____ E-mail: _____

Mayor or City Clerk _____ Phone: _____
(circle one) (signature)

Date: _____

Please complete and return by Friday, September 23, 2016

League of California Cities
ATTN: **Kayla Gibson**
1400 K Street, 4th Floor
Sacramento, CA 95814

FAX: (916) 658-8240
E-mail: kgibson@cacities.org
(916) 658-8247

MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

06/28/16
SPECIAL MEETING

A special meeting of the Banning City Council was called to order by Mayor Welch on June 28, 2016 at 3:00 p.m. at the Banning Civic Center Council Chambers, 99 E. Ramsey Street, Banning, California.

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

COUNCIL MEMBERS ABSENT: Councilmember Miller (*excused*)

OTHERS PRESENT: Michael Rock, City Manager
Julie H. Biggs, City Attorney
Rochelle Clayton, Administrative Services Dir./Deputy City Manager
Sonja De La Fuente, Executive Assistant/Deputy City Clerk
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 Biggs said that the closed session items include the following: conference with legal counsel existing litigation in the matter of Cassadas, et al., v. City of Banning case; conference with legal counsel existing litigation Robertson's Ready Mix, Lt., v. City of Banning and the Banning City Council; conference with legal counsel anticipated litigation – potential initiation of litigation in two cases 1) Sun Lakes and 2) Vanir; conference with labor negotiator regarding IBEW Utility Unit, IBEW General Unit and SBPEA and the agency designated representatives are the City Manager and Deputy City Manager; and conference with legal counsel – existing litigation and that is in regards to the City of Beaumont v. WRCOG case.

Meeting went into closed session at 3:01 p.m. and reconvened at 5:39 p.m.

ADJOURNMENT

By common consent the meeting adjourned at 5:39 p.m.

Marie A. Calderon, City Clerk

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MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

06/28/16
SPECIAL MEETING

A special meeting of the Banning City Council was called to order by Mayor Welch on June 28, 2016 at 5:30 p.m. at the Banning Civic Center Council Chambers, 99 E. Ramsey Street, Banning, California.

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

COUNCIL MEMBERS ABSENT: Councilmember Miller (*excused*)

OTHERS PRESENT: Michael Rock, City Manager
Julie H. Biggs, City Attorney
Rochelle Clayton, Administrative Services Dir./Deputy City Manager
Alex Diaz, Police Chief
Arturo Vela, Public Works Director
Fred Mason, Electric Utility Director
Brian Guillot, Community Development Director
Tim Chavez, Battalion Chief
Stacy Baval, Utility Financial Analyst
Sonja De La Fuente, Executive Assistant/Deputy City Clerk
Marie A. Calderon, City Clerk

PUBLIC COMMENTS – *On Items Not on the Agenda*

Mayor Welch opened the item for public comments on the closed session items.

Stacy Sparks addressed the Council on behalf of the Banning Family Community Health Center which is a federally qualified health center in Banning and wanted to let the Council know that next month they will be celebrating National Health Center Week and invite the community to come by their center.

REPORTS OF OFFICERS

1. Adopt Resolution No. 2016-29, Authorizing the Expenditure of \$2,350,000 for Required Sungard/Naviline System Modifications and the Purchase of Smart Meters and Lock Rings Related to the Smart Grid Project.
(Staff Report – Fred Mason, Electric Utility Director)

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

There was Council and staff dialogue in regards to the smart meters being US made products with US made components and electronics, labor costs to replace all the units is that inclusive, time line for transition, impact to customers and what will they see, accuracy of the meters improved and more consistency in the readings, town hall meetings will be held to reach out to the customers to let them know what is happening to the installation of the smart meetings, and do we know how much theft is going on now in regards to electricity.

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

Motion Peterson/Franklin that the City Council 1) adopt Resolution No. 2016-29, Approving the expenditure of funds from the Electric Improvement Fund in the amount of \$2,350,000 for required Sungard/Naviline System modifications, and the purchase of Smart Meters and lock rings related to the Smart Grid Project; 2) Authorizing the City Manager to execute the agreement between the City and Sungard for the required system modifications; and 3) Authorizing the Administrative Services Director to make the necessary budget adjustments, appropriations, and transfers related to the project and to approve change orders for the Sungard/Naviline System modifications within the applicable 10% contingency. Motion carried, all in favor with Councilmember Miller absent.

2. Adopt Resolution No. 2016-41, Engine 20 Cost Sharing Agreement
(Staff Report – Tim Chavez, Battalion Chief)

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

There was some Council and staff dialogue in regards to the cost being shared equally and the estimated position salaries being fully-loaded.

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

Motion Franklin/Moyer that the City Council: 1) adopt Resolution No. 2016-41, approving the contract for continued split funding of Fire Engine 20 as listed in the Banning Strategic Plan; and 2) Authorizing the City Manager to sign the Cooperative Agreement between the City of Banning, the City of Beaumont and the County of Riverside to share the cost of a fire engine company. Motion carried, all in favor with Councilmember Miller absent.

3. Sole Source Purchase from Stratus Technologies, Inc. for an upgraded Status ftServer with installation
(Staff Report – Alex Diaz, Police Chief)

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

There was some Council and staff dialogue in regards to the price of the equipment and having the City of Beaumont reimburse the City of Banning first in regards to their portion of the cost and the server being housed at the Banning Police Department with Beaumont having access.

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

Motion Franklin/Peterson that the City Council review and approve the Police Department's request to upgrade its current Stratus 2400 ftServer with a new Stratus 2800 ftServer, with installation, from Stratus Technologies, Inc., as a sole source provider, with funding through the Joint Powers Agreement (JPA) for the Riverside County Mid-County C.L.E.T.S./M.S.S. System in the amount of \$27,699.00. Motion carried, all in favor with Councilmember Miller absent.

4. Contract approval between the Banning Unified School District and the City of Banning for assignment of a School Resource Officer (SRO) at Banning High School and Nicolet Middle School for Fiscal Year 2016-2017.
(Staff Report – Alex Diaz, Chief of Police)

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

Councilmember Peterson asked if the school district was current with the bill now. Chief Diaz answered yes.

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

Motion Moyer/Franklin that the City Council authorizes the City Manager to sign the contract between the Banning Unified School District and the City of Banning, which will provide a School Resource Officers (SRO) at Banning High School and Nicolet Middle School during the 2016-2017 school year. Motion carried, all in favor with Councilmember Miller absent.

5. Adopt Resolution No. 2016-52, Approving the Second Amendment to the Professional Services Agreement with Hinderliter de Llamas & Associates (HdL) for Economic Development Consulting Services in the amount of \$35,000.
(Staff Report – Brian Guillot, Community Development Director)

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

Councilmember Moyer asked if we are hiring an economic development person shouldn't he be on board before they actually form an economic development action plan and have input.

Director Guillot said that we are currently in the process of hiring that individual and have him in the office before the consultation finalizes the plan and yes that person will have input.

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

Motion Franklin/Peterson that the City Council adopt Resolution No. 2016-52, approving the Second Amendment to the Professional Services Agreement with Hinderliter de Llamas & Associates in the amount not to exceed \$35,000 for additional Economic Development Consulting services and amendment to the Schedule of Performance. Motion carried, all in favor with Councilmember Miller absent.

ADJOURNMENT

By common consent the meeting adjourned at 5:55 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.

MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

06/28/16
REGULAR MEETING

A regular meeting of the Banning City Council; a joint meeting of the Banning City Council and 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 was called to order by Mayor Welch on June 14, 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 Moyer
Councilmember Peterson
Mayor Welch

COUNCIL MEMBERS ABSENT: Councilmember Miller (*excused*)

OTHERS PRESENT: Michael Rock, City Manager
Julie Biggs, City Attorney
Rochelle Clayton, Administrative Services Dir./Deputy City Manager
Alex Diaz, Police Chief
Heidi Meraz, Community Services Director
Arturo Vela, Public Works Director
Brandon Robinson, Associate Electrical Engineer
Brian Guillot, Community Development Director
Stacy Bovol, Utility Financial Analyst
Sonja De La Fuente, Executive Assistant/Deputy City Clerk
Marie A. Calderon, City Clerk

The invocation was given by Rev. Percy Patrick, Shiloh Baptist Church. Councilmember Franklin led the audience in the Pledge of Allegiance to the Flag.

REPORT ON CLOSED SESSION

City Attorney Biggs said that the Council met in closed session to confer with legal counsel on several matters including existing litigation in the matter of Cassadas, et al., v. City of Banning and there was no reportable action; in regards to existing litigation Robertson's Ready Mix, Lt., v. City of Banning and the Banning City Council there was no reportable action taken; in regards to anticipated litigation – initiation of litigation pursuant to Section 4 of subdivision (d) of Section 54956.9 two potential cases which involved Sun Lakes and in that matter Councilmember Moyer recused himself and left the closed session and in the Vanir matter in which Councilmember Peterson recused himself and left the closed session there was not reportable action taken in those matters; in regards to labor with IBEW Utility Unit, IBEW General Unit and SBPEA and the appointed representatives City Manager and Deputy City Manager there was no reportable action taken in that matter; and in regards to conference with legal counsel in existing litigation in regards to the City of Beaumont versus WRCOG (Western Riverside Council of Governments) there was no reportable action taken.

PUBLIC COMMENTS – *On Items Not on the Agenda*

David Marshall Kealy, 1314 Laguna Seca Ct. addressed the Council stating that if your child or grandchild or great-grandchild plays baseball in the Banning Little League or participates in the Banning Police Activities League (BPAL) or benefits from the Holiday Wish Program or benefits from the Boys and Girls Club of the San Gorgonio Pass or is helped by the programming of the Kids Cures Foundation or the former Child Care Consortium or attends the Catch A Falling Star Summer Drama Program or is involved in the Alliance Children's Drama Program or receives a scholarship to attend Mt. San Jacinto College or is a family that is helped when tragedy strikes or when a high schooler is killed by a passing train you can thank the residents of the community disparagingly referred to in this chamber by people who don't care about children in Banning, Sun Lakes Country Club on the west side of the city. You need to know something that evidently based upon public comments here at this lectern at a recent open City Council meeting during the past four years \$59,400 has been provided to directly benefit children; your children. Under the \$39,000 has gone to education for your children and \$18,000 for arts for your children. To round out the \$84,500 average given in the past four years \$68,500 has gone to feeding the needy, another \$57,500 to meeting social needs and \$95,500 to San Gorgonio Memorial Hospital Foundation. If you do the math that is \$338,000 given to help those who need help in Banning and the Pass Area with most of that in the city of Banning. If you benefit from the San Gorgonio Memorial Hospital, if you have attended concerts in Repplier Park, if your children or family has received information about fire safety, if you know a person or a family that has received temporary shelter you can thank the Sun Lakes Country Club Charitable Trust and the Sun Lakes residents and the dozens of local businesses that support the needy in the city through this charitable trust. Last year a grant was provided to the 45th local charity. All of this is accomplished by hundreds and hundreds of Sun Lakes residents (volunteers) with virtually no overhead. Since 1991, \$1,265,000 has been given to help meet local needs. Just last week during the Annual Charity Week fourteen events were staged by hundreds and hundreds of volunteers at Sun Lakes raising money to help meet these local needs. He has provide a souvenir program of that event for each of the Council Members, and to the City Clerk and City Manager. Read it and be informed so that you are not led astray in your beliefs, your feelings about the value of the Sun Lakes community and what it provides to the city. Don't let the vocal minority here in this room poison our city. The silent majority is out there watching and trusting that you will continue to make the decisions that benefit our city. Do not every think that Sun Lakers as we are affectionately called, do not care about our city; we really do and we vote. More than two dozen charities this year will receive grants from the fundraising that took place last week. What the charities say is that it is not just the money. They say they couldn't do what they do without the help of the hundreds of volunteers that Sun Lakers provided to help them accomplish their goals to make our city a better place to live.

Bruce Malone, San Jacinto addressed the Council in regards to Lions Club International. He said the Lions Club is the largest service organization in the world and they are starting a Lions Club here in Banning and they would like to start a club and invite the Council to join and be a part of it. The main focus of the Lions Club is preservation of sight. They have 1.4 million members in over 210 countries and provinces in the world and they are actually in more countries than the United Nations. They also have a voting seat on the United Nations and Humanitarian Needs. They are the only service organization recognized in China because they are non-governmental. The main focus again, is preservation of eyesight and they do that throughout the world. They do

that here and last week in Rialto they gave out 210 pairs of free glasses and four weeks before that they gave out 320 pairs of glasses in Hemet absolutely free and that came with full eye exams. With that being said their starting a club in Banning is to look at what Banning needs and that is for the residents of Banning and the club to decide. They tout and push for their Lions Clubs to be community-oriented. He is extending an invitation to the City Council to join their club and will have an organizational meeting at Johnny Russo's Restaurant at 6:30 p.m. on July 11th. He would invited anyone on the Council, City Manager, City staff and anybody in the audience that would like to come and see what Lions are and exactly what they do for communities.

Ann Price, Banning Little League wanted to congratulate the Banning Pass Little League. They had three divisions in All-Stars that have advanced. The 50/70 Division, the Senior Softball and Senior Baseball all won their district All-Star tournaments and will be advanced to sectionals and hope some of them will go on to regional. She just wanted to congratulate them and thank the parents, the coaches, the managers and everyone that has helped these kids with a lot of hard work.

Jim Blackman, 769 Amber Sky Street, fourteen year resident addressed the Council stating he was not here for anything political but as you may or may not know the federal government in planning on receiving over 100,000 Syrian refugees in the coming years. These refugees will be sent throughout our country to various hubs containing charities and religious organizations. This year the number is about 10,000 with San Bernardino being the local hub of this immigration and if these people are fleeing horrific conditions as we have recently seen they may be some among them who have slipped through and mean harm for the United States. Even considering that all are here as legitimate refugees and need shelter, he is asking the Council to consider the practical matters here. After reading a book about Bill Warner, called Sharia Law for Non-Muslims he was concerned about this immigration within Riverside and San Bernardino counties. Mr. Warner has studied the entire history of Islam and has also produced a documentary on the subject called "1400 Years History of Islam". It was then that he realized that this was critical information for each City Council that may be a part of the coming immigration. In brief there is no assimilation within this community and our city of Banning has no means or places of worship, the special markets, and the groceries for possibly thousands of possible refugees. While religion is not a factor for Americans in all of this it is however, for those immigrating. We have seen these closed communities throughout Europe that are called "No Go Zones" and the police and fire departments are not allowed in even for emergency situations. Our city may encounter financial challenges as we work ahead from the past in this factor and our overall planning should be consider. This is why he has a packet for each member of the City Council. It is the book and video he mentioned so that we can better understand the challenges which may be ahead for us all. He thanked the Council for their time.

Diego Rose, owner of Boondocks Tavern and new Lions Members addressed the Council giving some information on a fundraiser that they are having for Richard Herman. He is a 20 year old member of the community who is currently in a hospital in San Diego with two ventricular assist devices keeping him alive. They will be holding a fundraiser on July 16th in order to buy him a new heart. He is currently on the donor list and are seeking to help his family who are lifetime residents of Banning. This fundraiser will start at 8 a.m. with a car wash, bake sale followed by a \$10 buy-in pool tournament and half of the proceeds from that will go to the family with the other half to the winner. Later on in the day they will be selling dinner plates throughout the entire afternoon from lunch to dinner. They will have six bands performing in the evening. Everybody including the vendors have all chipped in and donated to the event. They will be doing giveaways

throughout the day for everybody attending. The family definitely needs the assistance right now. He has been in the hospital now for almost three months. The event will be held at Boondocks with all proceeds going to the family and checks can be written Cheyenne Wells and Jarrod Wells and for more information you can reach Cheyenne at 951-537-4010 or Brea Sibole at 951-306-6366.

Chief Diaz addressed the Council and the public stating that on July 23, 2016 the 10th Annual Disaster Preparedness Expo and backpack giveaway will be held at the Banning Community Center from 9 a.m. to 1:00 p.m. For more information you can call 951-840-8563.

Alejandro Cassadas addressed the Council stating that they may want to pull Consent Items 5 and 6 before the public hearing is held regarding districting.

CORRESPONDENCE: There were none.

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

City Council

Councilmember Moyer –

- A public meeting was held for Animal Control and only one person attended from the public but they did discuss a lot of options and have asked for some more financial information and so forth. They have rescheduled a second public meeting for August 15 at the Banning Police Department at 6:00 p.m. For those interested in animal control, please attend because they need to see what the community wants to do there.
- A Cannabis (Marijuana) Workshop will be held on July 13, 2016 at 6:00 p.m. in the Council Chambers. This is to look into what the City may want to do with marijuana and the upcoming elections, etc.

Councilmember Franklin –

- The Riverside County Transportation Commission they did have a committee meeting this past week and one of the things that was brought up in case people were not aware one of the projects that has been on the books to be worked on was the 60 By-Pass Truck Lanes to go through the Badlands. There is now a lawsuit to protest against that happening so this will delay the project and they do not know how long or how much it is going to cost but it will be a very lengthy lawsuit so don't expect to see any construction for the by-pass lanes anytime soon.

City Committee Reports - None

Report by City Attorney -

- Actually in response to Mr. Cassadas' we really should pull those consent items and schedule them after the matter of the election by district. It has been set up so there are two resolutions and we really don't want to pass both of them.

Report by City Manager –

- As many of the community members are aware the Vanir project is across the street from city hall. It is formally a JMA project and then Vanir took over the purchase and sale agreement and they have been working behind the scenes negotiating lease agreements with tenants. Basically they have until August 1st to meet the performance standards of the purchase and sale agreement. The City Council has directed that a demand letter be sent to Vanir requesting that they perform the requirements of the purchase and sale agreement which requires that they pay the note on August 1st for \$1,022,000.00. So the demand letter will be sent tomorrow and they are hopeful that Vanir will pay the note and move the project forward. If not, the City Council will have a chance to consider several options after August 1st.

Councilmember Moyer said that he has been trying to get with Vanir since the beginning of May to find out what they are going to do and all he has gotten is gibberish from them. He apologized to the community because he based his approval vote on their note being paid July 1st because that is exactly what the proposal said it was going to be and when they approved the agreement he did not notice that the legal staff had given them basically a 30-day grace period to get to August 1st. So it was his fault for missing that because he has been screaming to the City Manager since May 10th that on July 1st he wanted to see a million dollar check or else. So now we will have to wait until August 1st. It is not a request to pay; it is a demand letter.

APPOINTMENTS

1. Consideration of appointing one candidate to fill the vacant position on the Planning Commission.
(Staff Report- Brian Guillot, Community Development Director)

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

Councilmember Franklin recommended that they continue the item looking at the fact that we are looking at districts now and when you look at the districts for our current commissioners we have two districts that have two representatives and if we could possibly look at appointing someone and starting the process of Council Members who will be by district actually having a recommendation to the rest of the Council based on their district and that we look specifically for those districts that do not have a person from their district to fill that fifth position. She knows that it is less than a year but because we have gone to looking at districts maybe that is something we should look at. So her recommendation would be to continue it with a recommendation back from staff as to how we may be able to fill that position from one of the districts that doesn't have a current commissioner from it with the idea that we will be able to fill it before the August meeting.

Director Guillot said that the City appoints planning commissioners per our Municipal Code that designates it as a majority appointment so he doesn't know if the attorney would want that amended or not.

Councilmember Franklin said that a Council Member would make a recommendation and then the City Council would have to concur.

Motion Franklin/Peterson to continue the appointment of the candidate to fill the position on the Planning Commission to the next Council meeting on July 12th.

Mayor Welch opened the item for public comment.

Inge Schuler, resident addressed the Council stating that she attended the interview and she concurs with the motion by Councilmember Franklin that this needs to be continued. For one thing we only had two of the three applicants show up for the interview and that limits the choices and she doesn't know how that would interfere with the districting but feels that is a wonderful recommendation to go to the representation of the districts.

Motion carried, all in favor with Councilmember Miller absent.

CONSENT ITEMS

Pulled Consent Items No. 5 and 6 for action until after the public hearing regarding Ordinance No. 1497.

1. Approval of Minutes – Special Meeting – 06/06/16 (*Planning Comm. Interviews*)

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

2. Approval of Minutes – Special Meeting – 06/14/15 (*Workshop*)

Recommendation: That the minutes of the special meeting of June 14, 2016 be approved.

3. Approval of Minutes – Special Meeting – 06/14/16 (*Closed Session*)

Recommendation: That the minutes of the special meeting of June 14, 2016 be approved.

4. Approval of Minutes – Regular Meeting – 06/14/16

Recommendation: That the minutes of the regular meeting of June 14, 2016 be approved.

Motion Moyer/Franklin to approve Consent Items 1 through 4. Mayor Welch opened the item for public comments; there were none. **Motion carried, all in favor with Councilmember Miller absent.**

PUBLIC HEARING

1. Adoption of Ordinance Establishing City Council Elections by Districts - 2nd Reading (Staff Report – Julies Biggs, City Attorney)

Mayor Welch opened the public hearing on this item and asked for the staff report.

City Attorney gave the staff report as contained in the agenda packet.

Councilmember Peterson said the one thing that he does want to get across to the public before he even starts is that he was on vacation on June 14th so this ordinance was approved by his colleagues in a just and upright manner and there was no hanky-panky, no trying to hide, no trying to slip it by the public and create a mess for their benefit or the benefit of others. He watched his colleagues on the video and the Mayor asked several times are there any questions from the public and nobody came forward. Mayor Pro Tem Moyer explained and asked questions about his term and another term in Sun Lakes and Councilwoman Franklin asked numerous questions specifically about District 4. He said that during the confusion the only one that he felt after watching the video that really understood the process and what was going on was Don Smith and he caught it immediately and wanted to know about District 4 and why it wasn't being represented and that there are people in District 4 that want to run and they can't. So from watching the video from start to finish from the time Mr. Taylor our City Attorney began his report to the public and to the time that the Mayor called for a vote and a reading of the resolution it took only ten minutes so that is not a very long time for such an important resolution to have been really discussed. We need to go back a little bit further than that because there are some things here that just are not right. He apologized to the City Manager because once again he has to throw him under the bus and he proceeded to give a detailed account of what happened back on January 25th when Mr. Burgess served the letter to the City Manager from his attorney notifying the City that we were going to be sued because of fair electorate and the events of Tuesday, January 26th when Mr. Burgess during public comments beat up the Council asking them what they were going to do about the letter and finally the City Manager admitted to receiving the letter on Monday yet he withheld the information from the Council. On June the 7th our City Attorney came to a special meeting of the City Council to discuss the districting. At that meeting the City Attorneys had prepared a special presentation to give to the people and to the Council regarding the Council's total options of what they could do and how the districts could be implemented, how they could do District 1, 2 and 3 or bypass and do 1, 3 and 5 or whatever it was they wanted to do but all of the options were going to be given. Unfortunately Mr. Rock told the City Attorney not to give the special presentation because it was too confusing. He has to admit that it is confusing but with graphs, charts, cartoons or whatever he is sure that they could have gotten it but they were not given that opportunity and that information was suppressed to the Council which really upset him. When he returned from vacation he specifically asked the City Manager because he got back and began to read the June 14th agenda and when he came to the resolution on page 153, paragraph D and it spoke about which districts were going to be up for election in 2016, when he saw that it was 1, 2, and 3 he didn't understand that and he thought this could be a typo because it really should have been 1, 2 and 4. He called the City Manager to ask what happened and what is going on because he didn't really like what was happening here and he felt as though he is terming out, Art is terming out and Ed is terming out so that leaves District 2 up for grabs, District 4 up for grabs because there is no representative there and in District 1 there is no representative there so it seemed pretty obvious to him that in order to implement this entire system that it should have gone 1, 2 and 4. In speaking with the City Manager he told him that this was the City Attorney's deal and that when the resolution came forward he expected those districts to be blank and that the City Council would make that decision. However, the City Council was never afforded that opportunity at the June 14th Council meeting. City Manager said that he felt as though it was fair and equitable to the incumbents that are terming out to be allowed to re-run for election. He said that he is not a career politician and he still hasn't made up his mind whether he wants to re-run or like someone said get the hell out of this mess. He doesn't know what Art's or Ed's intention are but it is not about what is fair and equitable to the incumbent, it is about what is fair and equitable to the people. He is at a loss for words that it would go through the way that it did. He is not condemning his colleagues because he truly

believes it was presented to them by the City Attorney and which his colleague George Moyer said it was his legal opinion. It wasn't his legal opinion, it really was an opinion from an attorney that was a political opinion because the decision to create whatever district is going to have the opportunity to run this November is a decision that is made entirely by the Council and not by a legal source. So in all fairness to them he hopes that the public doesn't chastise them tonight or beat them up and say they are trying to hoodwink you or slip something by you because he can honestly say that they didn't. He thinks that we are all on a learning mode and they are all trying to get this thing passed but he has to admit that the only fair and equitable arrangement for the districting is to have 1, 2 and 4 come up for election in November.

Councilmember Moyer said that he would like an explanation. He would like the City Attorney to give the reasoning on this because he knows it wasn't only the City Attorney but our paid expert consultant who recommended it because that is the way it has been done, if he is not mistaken, most of the time.

City Attorney said that is entirely correct. She said that she was not in attendance at the June 14th meeting but she has reviewed the tape of that meeting as well and it was clear and quite frankly the ordinance was prepared with the idea and with the input from the consultant that maybe we would propose at least you schedule elections where elections were already going to be held and ordinarily that is what is done in this. That has been sustained in any number of communities over the years since the California Voting Rights Act was enacted and essentially it is within the discretion of the Council to choose any of the districts that they choose to be up for election. The only limitations is that whatever you select cannot cut off the term of an elected official who is still elected at-large. So it was entirely within your choice and as presented it was presented as proposed and only as proposed in addition to which as Councilmember Moyer has just stated the consultant made a presentation that in fact spelled that out and went on to say that this is the standard generally when you have elections particularly in this case where there are three up for election you schedule the districts where the incumbents reside were up for election. That is what was proposed and that is ultimately what the Council decided and there certainly was a free and full discussion amongst the Council and the public of the various issues. She doesn't know what more to say on that other than it remains to be a question that the Council has the authority to resolve and really the only issues that is of concern is making sure that whatever districts come into play and are elected in fact further the interest of the Voting Rights Act and not the particular interest of any political jurisdiction or area or anything else. The concern is to make sure that that happens. The only district that has a majority, minority representation among voting age residents is District 1. All of the other districts have less than a majority. Some have a polarity of Hispanic residents but all of them are short in terms of the majority so by scheduling District 1 for election the purposes of the Voting Rights Act have been furthered. The other choices are just that they are choices and that is where it stands.

Councilmember Peterson said we talk about the demographics and that the Hispanics are mainly in area 1; the Hispanics are everywhere and not just in District 1. In District 1 the Hispanic percentage of residents there is 58%, in District 2 the area of which he resides is 49%, District 3 of Sun Lakes is only 8%, District 4 the district that is being cut out is 37% and in Debbie's District 5 it is 53%. So it doesn't make a lot of sense when we are trying to encourage a Latino vote to cut out one of the highest districts of population and replace it with a district that only has 8% population. It is not about the incumbent, it is about what the Fair Voting Rights Act is supposed to say.

Mayor Welch opened the public hearing for comments from the public.

Al Watkins, resident said as far as the voting is concerned to him it is just too simple to go back and change anything as far as demographics and times and terms. Everybody should be elected at the same time and we shouldn't be having a discussion about which district should have elections. It should be done all at the same time and take the controversy away because it does not have to be. Voting is supposed to be a basic fundamental right and let's make it a basic fundamental right. The other day he was rudely awakened by the fact that when he went to vote a few weeks ago that he had changed parties and he didn't do it. He said somebody changed it and it wasn't him. So elections are very important and the basis of the country and why can't we make it nice and simple by having all elected for the same period so that we don't have this complicated mess every time we go through an election. It is a basic right but it is being ignored. He hopes that the Council doesn't make it too complicated because then some people won't go vote. He is just going to watch and see what happens here in Banning come election time. We are making a very simple thing very complicated.

Diego Rose addressed the Council stating that if history says anything about the efforts of the community to voice its opinion and have the Council hear it, this can often be basically a practice of humility for them on the public side. Councilmember Moyer just alluded to some of the fact that the whole Vanir project as it stood was completely opposed by everybody in this audience for years now however that fell on deaf ears. Just like it was brought up by Mr. Peterson he is not exactly up to speed on some of the intricacies of the technicalities unfortunately, of voting with the redistricting. With that being said he is hoping this time with the public standing before you that you listen to the public because this is who you are representing, this is what we are doing. If that is the underlying message of voting, redistricting, fairness, equality, representation of members, then there is hope for this meeting is that we get to see that, we get to see you represent the will of the people. That would be wonderful and a great change.

Gary Hironimus addressed the Council stating that with respect to the gentleman from Sun Lakes that stood up here and extolled the virtues of their community he would remind him that they are not the only ones who volunteer time and money for the needs of this community and he doesn't recall anyone here either on the dais or in the audience ever disputing that Sun Lakes is not an integral part of this community but so are the rest of us. The City of Banning was forced through a lawsuit to divide into districts to insure equal representation so obviously the goal here would be to accomplish that as quickly and as easily as possible with the least amount of pain. We have an election coming up and three Council positions will be vacated and now that the districts have been drawn conveniently we have three districts that will need representation come November. We vote in those three districts 1, 2 and 4 and the result is that immediately all five districts now have representation from here on out and it couldn't get any easier or more efficient than that. In just one election we have accomplished all of the goals and have all of our bases covered. But no, that would make sense. Instead, someone, not sure who proposes to invite another lawsuit by voting districts 1, 2 and 3 this time. District 3 just like District 5 already has a sitting Council Member through 2018 so this proposal will guarantee another lawsuit. There is no other option here by giving District 3 which is geographically the second smallest district in the city, double representation while denying District 4 which is geographically the largest district in the area in the city any representation at all. Do you really want to do that? What makes you think that that won't cause someone in District 4 or anywhere else in the city for that matter to immediately file

another lawsuit? Hell, he volunteers. He just looked at the special agendas that the Council dealt with today in closed session and he counted seven pending cases of litigation, two additional anticipated cases and now you are asking for a tenth. He would guess that you really do need a full-time attorney; maybe even two. Let's use some common sense. We have three seats open, three districts that need representation in November and it is really not complicated to match those two things up.

Jesse Valenzuela addressed the Council speaking on behalf of the San Geronio Pass Hispanic Chamber of Commerce and also for the San Geronio Pass Hispanic Chamber of Commerce Community Council. They thank the Council for taking the lead in making sure that we do have district elections but they are supporting Councilmember Peterson's efforts that we do need elections in District 1, 2 and 4 and that will give us a good, good movement so that we can get a diverse Council.

Maria Castaneda Imbriani addressed the Council stating that after she heard that the District 4 was going to be eliminated and not have a representative she was totally appalling. She strongly feels as a Latino woman, a minority that she has been denied an opportunity to perhaps run for office of the City Council and not even as for herself but any Latino, any man, and any woman. As representative Mr. Peterson mentioned that District 4 has 38% Latin population and the Lakes has 8% her question is the representatives that are on the City Council now reside at Sun Lakes so are you good ole boys going to represent her? Are you going to come to her residence and come and speak to her about how she feels because she really feels, truly with her heart, that this ordinance is somewhat racist? She thinks it is a discrimination against Latinos. You look at the media and you see that blue lives matters, black lives matter and she will put it on record that brown lives matter too. She strongly believes that there needs to be representation in District 4 and she doesn't feel that they should be ignored or forgotten. She has lived in this community for almost ten years and she has been an active member, a voting member here in the community and she doesn't think it is fair that that right is taken away from District 4. She doesn't see how that was actually got by passed by the public if you only speak for ten minutes and rush and not allow the public or even allow them to even know beforehand so that they can come here to listen. It is all about education and educating the public. As the gentleman beforehand said each one of you are actually voted by the people to represent us. She doesn't think that agendas should be forgotten about who put you in office because like she said she doesn't think it is fair that Latino people are going to be denied representation.

Jerry Westholder, resident said he needs to apologize to the public. He did commend the Council for going to districting but for some reason District 3 and District 4 he didn't have the map before him and he thought they said they were going to vote on three districts and not two votes in District 3. He apologized for being a sleep or being foggy or what have you. He does commend the Council for going to districting but not for having two votes back in Sun Lakes. He thinks that is just wrong and thinks it is gerrymandering also and we are stepping over the line there and he thinks the City Attorney should be able to tell you that because he has spoken to several people. He said that he has to agree with Mr. Peterson that it is not about the incumbent. It is about equal representation in the city under the law. Some people might say that he is up here politicking but his wife has not made up his mind yet. So he has to be speak on behalf of the people that it is just about fair representation and that is what he is concerned about and he prays with his whole heart that the Council will reconsider what has been passed and it is a typo; let's go 1, 2 and 4.

Bob Goodrich resident of proposed District 4 addressed the Council stating that he really resents the speaker from Sun Lakes that called these people the vocal minority; that is wrong. Also, you are inviting a lawsuit and people keep bringing it up to you. You got to do it right; just do it right.

Loretta Ott resident of Snow Creek said that she got the note from Jerry Westholder and she has been watching the redistricting and has been excited about it but thank God he papered the area and they are here to represent ourselves to say how did that happen and that it must be a typo because in the view of trying to give direct representation why would more go to that group of people. She has nothing against Sun Lakes and they do great things and we are glad they are here but so are we. So that percentage, 38% in their District 4 that needs to be adequately represented. She really hopes that it is a typo and thanks to Don Peterson who is here for us. She is hoping the same from other people who she has a lot of respect for.

Percy Patrick, 1182 E. Gilman Street said you might call him "Johnny Come Lately" because he missed a few meetings. The bottom line is that it is appalling to him to see a few citizens sue, proposed to sue, all the rest the citizens. Because when you sue the City you are suing your fellow citizens. He hates to see this happening this way. Granted Sun Lakes might have a representative more than you would expect but the bottom line is that he is sick and tired of seeing Sun Lakes used as a reason to pose new quotas. Like him or not he made up his mind what he came to say. On this he thinks that our open system of elections was great because it produced the likes of Brenda Salas, Barbara Hanna and Deborah Franklin but we have decided to go the way we have gone. He is just wondering if we have the opportunity to tear this up and start all over again.

Valerie Westholder, resident addressed the Council apologizing to District 4 because she was at the June 14th meeting and missed that the Council didn't want to represent District 4. There could be reasons for that because the development you want to put at Sunset and Wilson she thinks the developer has perhaps given donations to a few of you and maybe that is why. She said that Mr. Welch made the comment at the last meeting about how wonderful our high school is and it is and she wants him to know that there are a lot of students watching at home tonight to see how you are going to vote; if you vote in fairness or your own agenda. Debbie Franklin that Key Club is watching you tonight. When we talk about fairness you have to go back to the Sun Lakes water bill. District 4 would like a \$250,000 dollar credit on their water bill or perhaps Mr. Moyer in your own words write a letter that demands payment.

Don Smith, resident addressed the Council stating that the home he lives in is in District 2 but he also happens to own homes in Districts 1, 4 and 5 so he guesses he would have to buy one in Sun Lakes finally so he can have a Royal Flush and decide which district is his which is why regardless of the fact that we are going to go into districts and in the future he is going to consider all five people and not just the one representing District 2 which is his official residence as representing him because he has financial interest in Banning and all of you need to, even if we are each from a different district, will need to remember that you need to represent all of us. He said he went on-line today to the Riverside Registrar of Voters where you type in your address and it tells you all the districts you live in, your senators, your assemblyman, your Supervisor for the County of Riverside, your school board district and it gets to the City of Banning and it still doesn't list any districts so what is the Registrar of Voters saying about whether or not they are going to be ready for us to do that this year and when will we know.

City Manager said the County Registrar of Voters has indicated that they will have this ready for November of this year assuming the ordinance is adopted tonight.

David Ellis, resident addressed the Council thanking them for the decision to go to districting. He thinks that it is a very simple process and it is just a matter of giving equal rights to all when everything is said and done. In a perfect world he would like to see five districts wiped clean and have five new candidates; start fresh. But when he thinks about Councilman Moyer and Councilmember Franklin have another two-year term they should be able to continue with their term and term out. He thinks the consensus tonight is that we should let Councilmembers Moyer and Franklin term out and that we should go with 1, 2 and 4 and allow those district to vote representatives. Again, we are here tonight to bring equality to all and your decisions that you are making should represent the people and not as our City Attorney had said any special interests.

Alejandro Cassadas and one of the things that he wanted to make sure that is clear from one of the speakers that came up and made a reckless comment to rip up the ordinance that you have in front of you today the idea was, as Councilmember Peterson had given you a historical view, that the goal was never to submit an actual lawsuit to the City. The goal was to forewarn that this should be taken into consideration and the reason why the lawsuit was submitted is because the City was dragging their feet or at least providing ample education to the individuals. The City knows that there is a deadline with the Registrar's office and he is very proud to say that the City has actually came up to meet the deadlines to move with the proposed districts. The next thing that he would like to cover is that there was a confusing presentation given and mistakes were made all around from the Council, from the City Attorneys, and from the demographer and the public and those mistakes were never aired out and never cleared out with the public; it was very confusing and he likes the idea that this was a mistake to have only 1, 2 and 3 up for election for this 2016 November election. Also, he is a school board member and he went through this before. The Council gives a lot of discretion as far as how they district and move things forward and you are paying demographers double what they paid to actually move forward with certain objectives and certain opinions and he doesn't blame the demographers because they are getting direction from the City Council and the City Council is giving that direction to the City Manager and the City Manager works with these organizations that we contract with so moving forward is very clear from the community to move forward with the redistricting it is equitable, feasible, it supports diversity and equality and inclusion for all voting areas to support under-representative groups to be represented on the City Council that have been under-represented historically throughout Banning's history. This is the time for change and a time for the Council to make history within Banning. You have a wide area of influence right now at this particular moment. Change is not easy. Change is not ever easy but when you look at how the school district did it they had the same situations where they had three members who were terming out and he was one of them. It is an easy, simple process that allows a 3/2 continuity program to occur when these election cycles come up. He understands the idea that it is nice to have continuity on a city council to make sure that things do not fall through the cracks so he does propose the idea of having the terms completed for George Moyer and Ms. Franklin for the next two years but he strongly proposes that we move with 1, 2 and 4 and oppose the idea of having representation from two areas and excluding again, a great majority of geographical land and voting members from the voting section number 4. Again, he applauds the Council's efforts to move this quickly and rapidly 1) keeping the eye on the fiscal responsibility you hold to make sure that Banning's taxpayer dollars are not wasted, and 2) to make sure that it is equitable and that you will have made history today hopefully proposing 1, 2

and 4 and hopefully resolving any future litigation that may come up from any adverse decision that you will make.

Inge Schuler, resident of Banning addressed the Council applauding the elegant solution to call this a spelling or typographical error. We have had some massive typographical errors before where we were likened to Jurupa Valley or Habitat for Humanity but this is really a nice way of changing this and if you look at District 4, we need somebody from that district who is elected to represent the people there because as you well know in that District 4 there is going to be a massive development of Butterfield for Pardee whatever you want to call it or whatever they want to call themselves but that is 5400 homes that are going to be in that district and whoever is representing that district will probably be serving his or her term during that time period. So it is important to have elected, not appointed, representation for District 4 and she would urge the Council to following through with the recommendation of everybody so far to change the 3 to a 4; it is just a typographical error.

Gabriel Westholder addressed the Council speaking for the under 40 crowd stating that he was not going to be so apologetic as his parents but Mr. Peterson, if this was just an error for the first time, he is sure that we could all just brush it under the rug but the fact of the matter is that it wasn't. This happened before and as a fact of the matter this came on docket with three of the people that are sitting up here and they didn't even think twice about it to even think about it and that raises some questions. It sounds like some shady business. He said that he is not a career politician and he never ran for office and he has a full-time job and works 40 plus hours a week and lives in section 4 and he knows that where there is butts in the seat somebody is in trouble and there is a lot out here as you can probably tell. You said 8% Latino people live in Sun Lakes and he thinks that Donald Trump needs to take a drive to Sun Lakes and figure out how to build a wall because you guys are doing a great job of keeping people out if you are worried about people but he doesn't think you are.

Matt Morris, attorney for the plaintiffs in *Cassadas v. the City of Banning* addressed the Council stating that he agrees with the comments about District 4 but wanted to take a little bit different tact with the Council here. He thinks the Council has already approved a 1, 2 and 4 election coming up because there is a discrepancy in your ordinance and he would like to point that out. First he is aware that in your analysis as prepared by either the City Manager or the City Attorney that there is a deadline to have this submitted to the State by July 1 so it is important that action be taken tonight so you can meet that deadline. Also, you are required to have a second reading and this is the type of an ordinance that has to be adopted at a public hearing and we are here at a public hearing so the question is whether you have the ability to change your ordinance now since you already had one reading of the ordinance and you can confer with counsel about that but there are ways to do that without considering this a material change in your ordinance. Under Government Code Section 34886 you could change the ordinance tonight and put in 1, 2 and 4 if you called it an Emergency Ordinance and that is certainly something that you could do. The other thing that you could do is that you could consider the inclusion of District 3 to have a vote for a second representative in November to be simply a clerical error and if it is a clerical error, that alternative is not precluded. You could make that change tonight easily, call it a clerical error and move forward and still comply with Government Code Section 34886. He wanted to point out at least in his first reading to the ordinance he thought when he saw 3 in there that it was a clerical error. If you turn to the proposed ordinance and look at Section B, Electoral Districts, paragraph (1) it says, "Beginning with the general municipal election in November 2016, Members of the City

Council shall be elected in the electoral districts established by Section 2.04.036 and subsequently reapportioned as provided by State law.” He doesn’t know if that is another error or not but what that basically says to him is that you are required and you have required yourself in this next election coming up to elect people by districts as you are now adopting them as set forth in your map and that includes District 4 so here is a requirement in the ordinance that requires District 4 to be included in the elections in November and that is why he thought it was a typo when he saw it later because in order for this ordinance to be internally consistent Section D, would have to read, 1, 2 and 4 for it to be consistent with the electoral districts that you have adopted. Beyond that he agrees with the comments that were made that you have gone to great lengths to hire consultants and confer with counsel to get to the point where you adopted districts and it seems counterproductive and counterintuitive that you would now not honor the districts that you have gone through such great lengths to create in order for each part of the city to be represented. He said that he is not casting any dispersions or thinking that there is any conspiracy and he thinks that the community would all be here and have the same mind set for example, in District 5 where Ms. Franklin is, that that district is voting for a second council member when they already have a council member who is there and not going to term out for two years he thinks the same thing would apply there. It is just that you really have in front of you a vehicle to include every district tonight and meet your deadlines and satisfy the reasons that you have gone through all these hearings over the last few weeks to make sure that you have districts that are representative and that meet the demographic requirements that the consultants and the attorneys have told you. In that regard, for the record, he doesn’t agree with the representations in the ordinance that the plan that was submitted by the plaintiff was demographically incorrect or didn’t fall within the parameters of the Voting Rights Act. He just raises that so that it is on the record. In regard to inconsistencies in the documents before you he wanted to raise one final one and that is with respect to the resolutions that were on the Consent Agenda and have been pulled and have now been put in for consideration in connection with this ordinance. What is not clear to him is that it looks like there are two inconsistent resolutions. Resolution No. 2016-53 says that you are going to set up an election on November 8 for the Election of Municipal Officers by District 1, 2 and 3 as set forth in the Electoral District Map attached as Exhibit A and actually that should better be worded 1, 2 and 4 so that it is consistent with your ordinance as drafted. Where he sees the primary inconsistencies is that he doesn’t understand the reason for Resolution No. 2016-55 unless of course that has been presented to you as an alternative because that resolution provides for General Municipal Elections to be held on November 8 for the election At-large of Members of the City Council for the full terms for four years for the following officers and it lists Mr. Peterson, Mr. Miller and Mr. Welch and we have moved on beyond electing anybody At-large for those positions. He doesn’t know if that was an alternative that was being presented to you if you rejected the ordinance and rejected the other resolution which doesn’t appear to be the direction of the Council but these two resolutions are mutually exclusive where one provides for the election to be held by districts and one to be held at-large.

City Manager said that we have to post the agenda at least 72 hours before the meeting to meet the Brown Act requirements and when the agenda was posted on Thursday we didn’t have any clarification from the County Registrar of Voters that they would in fact be ready for a November election. The email that we received was yesterday from the County saying that they would be able to prepare the necessary information for this November so as a practical matter and so that we could actually hold an election in November we had both resolutions on the agenda so that we could have an election in November because the County has a deadline of June 30th to submit resolutions to call for an election in a city government so that they can prepare the necessary

documents to actually run the City of Banning's election in November because it is done through a consolidated election system so that was the only reason for it and sorry for the confusion.

Mr. Morris said with that he would urge adoption of the ordinance with the correction which appears to be a clerical adding District 4 in place of District 3 with the same correction made on Resolution No. 2016-53. He said that the lawsuit fundamentally alleges violations of the California Voting Rights Act. You have gone through great lengths to comply and it would appear to be just the reverse of what you have been doing not to allow District 4 to have a person elected from that district. In fact by putting two in a district where you guarantee in essence that you are not going to have minority participation and he is sure that you didn't intentionally do that but you run afoul of the California Voting Rights Act.

Mr. Watkins said he thinks the people have spoken very loudly and he hopes that the Council has heard them.

Mayor Welch closed the public hearing on this item and brought it back to the Council for comments.

Councilmember Moyer said that what we are experiencing tonight is exactly what happens when you give into individuals that have nothing but their own personal, political and financial interests at heart. An individual that doesn't even live in our city had his attorney file a suit claiming that the Hispanic community of Banning was not being treated fairly and demanding that we adopt districting. To give a hint of credibility to the suit he solicited a wonderful Hispanic young gentleman to put his name on it and by the way it is rumored that even he doesn't live in Banning. The suit was taken seriously and the Council was warned about the tremendous cost and so forth. The Council quickly investigated and chose a consulting firm to determine if districts might be required. The consultant responded in a timely manner that that might be the case. Even though we never nor do we now admit that the City was at fault in any way in this matter the Council immediately went to the second phase of holding the three required public hearings and reviewing a number of proposed maps and this was done in a very timely manner and as a result we are here tonight to approve or disapprove the final reading of a resolution on districts. The resolution passed in its first reading on June 14th. The resolution was written by our City Attorney and no one on the Council or staff had any input or was aware of the content until it was presented to the Council by the City Attorney. There were questions raised by himself and others as to why District 1, 2 and 3 were chosen to have elections this year. Counsel told the Council that District 1 was for legal reasons and that all current Council Members should have the right to run again as our Attorney has also said tonight. When asked the same questions our expert consultant was in complete accord with that explanation. No current City Council person or staff members had anything to do with the selection of the three districts to have elections this year in spite of a hand delivered piece of paper to all the people in District 4 stating the difference. It is not true, it never was true and the implication that we are on the take from a developer we find to be extremely, extremely upsetting. However, the same people who have been hoodwinking the public from the very beginning and gotten everything they initially claimed in the lawsuit they wanted are now claiming that three current Council people are manipulating the voting of their interest; that is a lie. He understands the frustrations of Districts 4 and 5 having to wait until 2018 to vote for a City Council person. He understands that Mr. Burgess has also stated that if we approve this resolution tonight in its present form he will have his attorney continue the suit. He got everything he sued for but now he wants more. He and the people helping him that have a similar agenda are stirring

up the residents not because they want to help them. Again, the only thing that matters to them is their personal agendas and one can only wonder what those are particularly, the agendas of the one or two that don't even live here. One gentleman close to Mr. Burgess who coincidentally lives in District 4 stepped up at the last meeting and talked about the art of deflecting. The reason he was so knowledgeable about it is that he practices it every day. He continually bears false witness by saying that three Council Members are under the influence of a developer. He knows better but he continues to spread the lie. He often wonders how his constant barrage of half-truths and deflections from the truth designed to ruin reputations and undermine integrities coincides with his professional life. As he said before the City Attorney wrote this resolution with the meaning of the law in mind and the expert consultant confirmed that this is correct so he would be remise in not following the advice of the City's Attorney and expert. Therefore, he will not even, if it exposes us to further legal cost and he apologizes for that right now, but at some point in time we have to do what is right and this resolution is right. It is not a typographical error and it cannot be passed off by that. If we pass an Urgency resolution it does require a 4/0 vote. District 4 people got all shook up by this flyer that Mr. Westholder passed out to everybody and you are here. He would be remise if we change this to District 4 and didn't allow the other residents who are now not going to be able to vote to come here at this meeting and tell us the same thing. They will not have a chance to voice their opinion as you folks have had tonight. He said that it is not just, there is another area attached to Sun Lakes and none of these people, if we change this tonight, are going to have an opportunity to defend their right to vote and to him that would be wrong. He will not deny these people their right to come here and speak as you did.

Councilmember Franklin said a lot of people have had a lot of things to say tonight. Some of it very valid and some of it she thinks is incorrect and she thinks that it was not intentionally incorrect on behalf of some of the people that spoke in particular, when people were saying that they would not have representation. There are two on the Council that are At-large and do not represent districts. They will not represent districts until they run, if they run, in those particular districts. She knows that a lot of faces are going to be changing and a lot of people are going to be smirking about this but she does want to remind people that when this process was first started there were a lot of people here and one of her comments was that we needed to have community meetings, needed to be able to share the information with the public, and let people have a chance to voice their concerns and that was poo-pooed and we did not need community meetings. We are at the point now and many people have been here through all the meetings. One June 14th people were asked if they had any questions, we as the Council did ask questions but there were very few questions if any asked by the public after the comment was made about what districts would be up for voting. Not only was it spelled out specifically what districts would be up we also went through questions about what does that mean for those districts that would not be up. To say that it is time to make a change as a typo error or a clerical error is incorrect because this is not a typo error when people actually talked about it. It was not that it was written down different than what was said that night. The question was made whether or not we needed to have districts. We agreed to do districts, we agreed to go through and make sure that the ordinance was done. Anything that would be changed at this time could make it so if anything was questioned by the Registrar of Voters office could disregard this whole process and we would be back At-large for this year and people say that may not happen; we do not know that. We don't know what would happen. The way the paperwork was submitted to the Registrar of Voters office was the way it was decided on June 14th. She is not at this point willing to make a change to keep us from being able to vote on districts in November and if people say that they are not going to be represented, yes you are. She said that she has gone across this city and has been in every part of the city and she hit almost every single

block and she represents the whole city and she resents people saying that you don't represent me. You may not agree with her and that is okay but she still represents everybody in the city and to take the effort at this point to do anything that is going to jeopardize this be able to vote by districts in November she is not willing to do at this time.

Councilmember Peterson said so you are going to be represented by two At-large Council Members who promise to represent you. Were you represented in this monstrosity across the street when you came in here and asked for no building? Were you represented in a probation? Were you represented when you went from 57 houses to 91? There are a lot of things that you don't get representation for and in the last three years he has heard people come in here and complain and complain and ask for representation and he has watched Debbie Franklin go the opposite way and watched George Moyer go the opposite way and you are watching it first-hand tonight. He doesn't want to go against his colleagues but this is a wrong thing. This ordinance in putting District 3 before the people affects two people, Art Welch and Ed Miller, if they choose to run again. That is the effect of taking in number 3. But it affects 6300 people, 38% of which are Hispanic by not allowing District 4 to come in. He doesn't understand the reasoning from Mr. Moyer and his pompous attitude that he will not change his vote; he doesn't get it. He thinks that the people have been good tonight, he thinks the Council did a tremendous job the last time with trying to understand what was going on but tonight he fully understands that they know what is going on and then he looks over at the City Manager and his head is bobbing around like a bobble head every time one of them talks. He doesn't understand what is going on and he thinks what it really boils down to is the final attempt to keep the power amongst the majority and that is really what this is about. It is not about you the people, it is not about what it is you want, it is about maintaining the power and the status quo in this city because they don't want the change.

Councilmember Moyer said he doesn't believe he said quite what Mr. Peterson thought he said so he wanted to make it clear. What he said was that he would not vote in favor of an urgency ordinance change. If you want to change the ordinance to 1, 2 and 4, he has no problem with that on a regular basis but it would have to have a second reading because he wants the community to be able to address that issue too; that is what he said.

There was a dialogue between Councilmembers Moyer and Peterson in regards to the district and representation.

Mr. Morris asked for an opinion from the City Attorney. You are in a quandary over whether or not you could adopt it tonight but if you made it a clerical error, you wouldn't need all four of you and you could do it tonight and it could be considered your second reading.

City Attorney said with all due respect the record demonstrates clearly that this is not a clerical issue. She understands the sophistry that goes into making that recommendation. It is not a clerical error.

There was a dialogue between Councilmember Franklin and the City Attorney regarding the procedure for an urgency ordinance and the procedure of a regular ordinance with that being the ordinance that was introduced for first reading at the June 14th meeting.

Mayor Welch said that this City is 103 years old now and we have always had an at-large election and in looking out at this audience he sees several people that represented this community many

years and they seem to have no problems representing whomever lived in the city. It has been his privilege and honor to be up here but this is his second term of being on the City Council and he takes it very seriously as a challenge to represent all of the people in the city of Banning. We are very fortunate because we are a city of 30,000 people and we have a Council of 5 and he knows that his colleagues feel the same way when it comes to representing our city. If you lived in Moreno Valley one district population wise is the same as our total city so they have one representative representing 30,000 people. They are as diverse as we are. He doesn't think that there is a person out in this audience and he is not trying to make himself feel good but you could look at all four of us up here and Ed Miller if he was here and people who have been past representatives of yours up here, he doesn't think you could look at any of them and say you didn't pay attention to me or my neighborhood or our city; that is awful unfair. It is also a little demeaning to have someone sit smiling and giggling when he is speaking and he gave them the courtesy of not doing that. He feels kind of let down to be honest. He feels like what you are saying District 4 is that you are going to go unrepresented if not part of this ordinance tonight, you are going to go unrepresented for a period of two years. If that be the case, then you must feel that you have always been unrepresented and he is sorry for that because when these two people up here that have two years left on a term both of them were voted by people in your district and they were elected at-large to represent everyone. That is one of the things that we have been challenged with ever since this process started. Can we say that the two that have two years now represent the district they live in only? That is not what they were elected for or why they were elected or how they were elected. The only thing that he doesn't understand either is because these two are at-large and now this kind of sounds very personal and self-serving but he doesn't mean it that way but he can't run anymore because there is an at-large representative living in the same district. He knows how you guys feel that you want a representative but keep in mind this has been a long time coming. The school district was a topic of districting for quite some time before it happen. It takes time to do things and if it doesn't always go our way, it is not that someone is against you. It is that someone is trying to make a process work and all of us are working for Banning. He said he has a lot of objectives on his plate that he hopes he can get finished and he knows that he can't get them finished by the end of this year but that doesn't mean that if he is not part of the Council next year, that he is going to walk away from the city; it doesn't work that way. He said that he was just a little offended by a flyer that he saw today. He doesn't know where the special interest thing came from but he knows who wrote it and put it out to the public but as far as he is concerned he never had a special interest. He has been supported by developers because it cost a heck of a lot of money to run an election in a town this size which shouldn't and we have forced ourselves into it. We have people sitting out here that did 10, 12 years on the City Council and they still can't let go and he thinks that is wonderful but that doesn't mean you may have to try to control it; help make it happen.

Councilmember Peterson said that before he left for vacation on June the 9th he sent an email to the Mayor and asked him to please postpone the June 14th meeting since Ed Miller is out and he would not be there leaving the three Council Members and that he extend the same courtesy to him and Debbie when they couldn't make the meeting and rather than to have a meeting of three we agreed to cancel the meeting. However, Art called him back and said that there would be nothing important on June 14th and he read to him what was going to be on the agenda and he said there is nothing there that will affect you or that will be a big thing. You just go to Hawaii and enjoy yourself and we will take care of business. He said he would guarantee if he had been here on June 14th, we wouldn't be having this debate today. So he is upset that that went through and you guys are not hearing the people and he doesn't understand it and you don't hear the people on

many things and it defies everything. There are people here that he has never seen before but they are here expressing their opinion.

Councilmember Peterson made a motion that the Council amend the resolution to 1, 2 and 4 and also made a motion to have an urgency ordinance passed tonight. The motion died due to a lack of a second.

Mayor Welch asked the City Clerk to read the title of Ordinance No. 1497.

City Clerk mentioned that she did receive 8 emails from residents that she wanted to make sure that it got into the record and that copies were given to the Council. Seven of the emails were wanting District 4 and the other email was saying that it should go to a vote of the people.

City Clerk read: An Ordinance of the City Council of the City of Banning, California, Amending Chapter 2.04, City Council, of Title 2, Administration and Personnel, of the Banning Municipal Code By Adding New Section 2.04035 Changing the City's Electoral System So That Members of the City Council Will Be Elected by Districts and Establishing District Boundaries for Five Electoral Districts.

Motion Moyer/Franklin to waive further reading of Ordinance No. 1497. Motion carried, with Councilmember Peterson voting no and Councilmember Miller absent.

Motion Franklin/Moyer that Ordinance No. 1497 pass its second reading and be adopted. Motion carried, with Councilmember Peterson voting no and Councilmember Miller absent.

CONSENT ITEMS

City Attorney said now since the Council has approved the ordinance you only need to approve Resolution No. 2016-53 calling of the election by districts and take no action on Resolution No. 2016-55. There was some discussion in regards to the adoption of the appropriate resolutions.

5. Adoption of Resolution No. 2016-53, Calling for the Holding of a General Municipal Election to be Held on Tuesday, November 8, 2016, for the Election of Members of the City Council by Districts 1, 2 and 3 and for the Election at Large of the City Clerk and City Treasurer as Required by the Provisions of the Laws of the State of California Relating to General Law Cities and the Banning Municipal Code; and Adoption of Resolution No. 2016-55, Calling for the Holding of a General Municipal Election on Tuesday, November 8, 2016, for the Election At Large of Members of the City Council, City Clerk and City Treasurer as Required by the Provisions of the Laws of the State of California Relating to General Law Cities and the Banning Municipal Code.

Motion Moyer/Franklin to adopt Resolution No. 2016-53. Motion carried with Councilmember Peterson voting no and Councilmember Miller absent.

Resolution No. 2016-55 was not considered.

6. Adoption of Resolution No. 2016-54, Adopting Regulations for Candidates for Elective Office, Pertaining to Regulations for Candidates for Elective Office, Pertaining to the

Electorate and the Costs Thereof for the General Municipal Election to be Held in the City on Tuesday, November 8, 2016.

Motion Moyer/Franklin to adopt Resolution No. 2016-54. Motion carried, all in favor with Councilmember Miller absent.

2. Adopt Resolution No. 2016-50, Approving a twelve (12) month extension of time for Tentative Tract Map No. 33540 located generally north side of Gilman Street, and one block west of Wyte Way. (St. Boniface subdivision) APN's: 535-070-014, -025, 535-110-002, -006, -011, -012, 535-311-006 through -023, -029, 535-312-001 through -024. (Staff Report – Brian Guillot, Community Development Director)

Director Guillot gave the staff report as contained in the agenda packet and displayed a map of the area being considered for extension. He said that there were three public comments received on behalf of this project and he went over each of those communications received.

There was dialogue between the Council and Director Guillot regarding the concern with ingress and egress, the process of the tentative tract map and final map, conditions of approval, design review, options with approval and disapproval of the map extension, and the length of the extension for the tract map.

Motion Peterson/Moyer made a motion to give them 24 months of their 60 month request.

Mayor Welch opened the item for public hearing on this item for comments from the public.

Alicia Bartley, Gains & Stacey the legal counsel for the applicant Vintage addressed the Council thanking the Council for their motion to extend it for 24 months but urged the Council to grant them the full 5-year extension. Under the Subdivision Map Act as staff explained there is a total of 6 years of extensions that are available and one year has been granted. They are requesting 5 years and in this particular case they have the unique opportunity of working with the Morongo Band of Mission Indians and there has been a lot of negotiation back and forth as to how the development will have the least amount of impact on the St. Boniface School and cemetery site and most recently Vintage has agreed to donate some land to the Tribe and they are still working out the details on that and working with the Tribe is a very long process. To keep them from coming back year after year they are requesting the 5-year extension and think that granting one five-year extension is a better use of both your time and the Vintage's time and resources under the circumstances.

Councilmember Peterson asked that since she brought up the cemetery what exactly are you doing with it do they still plan on building that site and not let it sit there for five years.

Ms. Bartley said the plan is to actually dedicate about 15 acres of land surrounding that site and just giving it to the Tribe upon recordation of the final map. In regards to the other question as a developer it is in their best interest to get these conditions satisfied and get a final map recorded and move forward so that they can start making money off the land but they do ask for the 5 years just to give a cushion for unforeseen circumstances.

Councilmember Moyer asked if they had a time frame in mind.

Ms. Bartley said it is hard to say because there are a lot of conditions that have to be fulfilled prior to recording the final map and a lot of those conditions are outside of Vintage's control. She can assure the Council that they are working diligently and as hard as they can.

Mayor Welch said that there has been an on-going concern by the residents that live close to the project especially along Gilman road about ingress and egress. Anything you can encourage your people to do along with public meetings and meetings with staff to meet the needs of these people would be very welcomed. In looking at the map it looks like the number of streets in and out of that is very, very limited based on the size of the project.

Ms. Bartley said that is something she is happy to take back to her client and they can work with staff and have discussions about it.

Mayor Welch closed the item for further comment and closed the public hearing.

Councilmember Peterson recalled his previous motion for a two-year extension and made a motion that the City Council adopt Resolution No. 2016-50, approving a five (5) year extension of time for Tentative Tract Map No. 33540. Motion seconded by Councilmember Moyer. Motion carried, all in favor with Councilmember Miller absent.

Mayor Welch recessed the regular Council Meeting and call to order a joint meeting of the Banning City Council and the Banning City Council Sitting in its Capacity of a Successor Agency and the Banning Utility Authority.

REPORTS OF OFFICERS

1. Adoption of Resolutions approving: the Two-Year Budget for Fiscal Years 2016-17 and Fiscal Year 2017-2018 for the City of Banning, Banning Utility Authority and Successor Agency; the five-Year Capital Improvement Program for Fiscal Years 2016-2017 through 2020-2021; the Gann Limit (Appropriations Limit); and amending the Classification and Compensation Plan.
(Staff Report – Rochelle Clayton, Deputy City Manager/Administrative Services Dir.)

City Manager said it is his pleasure and privilege to present to the Council the two-year operating and capital improvement budget for the City of Banning for the years 2016-17 and 2017-18. The annual budget for the City of Banning is \$101,000,000 for both operating and all capital accounts. At this time he started his power-point presentation on this item (attached Exhibit "A"). He went over each of the slides regarding the budget.

Councilmember Peterson said in regards to the city hall can he please explain that.

Deputy City Manager said that there was a bond that was refinanced approximately 23 years ago and there is not very much time left on the lease but there was a bond that refinanced to fund the lease of this building. She thinks that it is inappropriately called a lease. So it was just how it was categorized in the system historically. She said that they will be analyzing all of the funds and make sure that they are appropriately named.

City Manager added that this expires in 2019 and that will be the last payment on that particular so called lease; it is a debt payment.

City Manager continued with his budget presentation at this time. In conclusion the budget is balanced and all of the budget units are balanced both the General Fund and all of the special funds and enterprise funds and no General Fund reserve money has been used to balance the budget. The General Fund reserve remains as it was at approximately \$3.89 million dollars in what is called "unrestricted reserve" and it is all General Fund money. That money can be used by the City Council direction only and only for items directed by the City Council that are outside the operating budget. That money is held for emergencies either catastrophes, disasters, or severe economic conditions and it is about 24% of the operating budget.

Councilmember Peterson asked the City Manager to tell the public how much we had three years ago. City Manager said zero.

City Manager went over the budget detail of the General Fund as contained in Exhibit "A" giving further explanation on the revenues and expenditures and the fund balance. He said that the City is in good fiscal shape and has very adequate cash balances in all of its accounts and feeling very confident about where we are going in the next two years.

Councilmember Moyer said that there are a couple of those cash balances that are much higher than they need to be and it was explained at the Finance Committee meeting and could he point a couple of those out for the Council.

City Manager said the Electric Utility Operations cash balance is high but part of that is required by the Public Utilities Commission and part of that is just necessity should we need to buy power on the open market without any notice, if we had a catastrophic failure of our own substations and if we had to spend huge amounts of money repairing our own capital infrastructure. There is a whole host of worst case scenarios that would require holding back money so that people have power every single day and every single hour and that is why that fund balance is large. In regards to Water Operations that looks large but some of that will be spent on capital projects as we move forward so some of those funds will be spent down. Measure A funds will be spent down when they come up with projects and they collect that money every year so it goes up and down. In regards to the Refuse budget that is \$830,000 and that is extremely high and the money is meant to be spent for public education outreach and contract management. Staff is not recommending it all or even spending a tiny chunk of it and will assign a small part of the Public Information Officer's salary to that budget and that is appropriate since they will be working on solid waste, public education and outreach as part of their PIO function. The Risk Management fund is rather large and staff will be working with the City Council on a policy in terms of what the Council is comfortable with having in that account. The risk management is for anything related to risk. The Council has a current policy that requires you hold \$500,000 in that account and he doesn't honestly think there is a reason to carry more than that. The \$500,000 is in case there is a deductible that the City must pay for that is not covered by our risk management agency and we are insured through a pooled risk management agency and they cover most of our expenses and we pay about \$1 million a year for our risk management activities. This is the cash balance that is still left over after we pay the \$1 million a year in operating costs for risk manage. The Fleet Maintenance fund has \$636,000 and that is a very good thing and what they will be asking the Fleet Manager to do is to create a vehicle replacement fund that we currently don't have and that

will replace 100% of our equipment. They will leave as much money in that fund as they can and the Council will see after the Fleet Manager completes the study what the vehicle replacement fund should look like and how it would fund all the equipment and vehicles in the City. The other big one is the Redevelopment Obligation Fund of \$2 million and again, will be resolved through TABs and through the Successor Agency and dissolution of the RDA and then the TABs bond proceeds are the actual capital projects that the Public Works Committee looked at and that will come back to the City Council on July 12 for approval.

Deputy City Manager added that the Water Operations and that is a lot of the routine maintenance and replacement planning and advance has been lacking. There is a shortage of staff in the Water Operations and we are recruiting for several positions right now and it has been more a reactive and we are reacting and fixing things after the fact instead of pro-actively in advance for replacement and routine maintenance. A lot of that money would be spent because a lot of that money in the Water Operations Fund is there to handle those projects but those are major projects.

City Manager said the Water Fund has to pay for maintenance of water wells. We have 23 wells so that is a maintenance activity. We have to replace wells from time to time; all of that is running through the Water Fund. Plus, we are short one or two front-line positions and that will be brought back to the Council for consideration.

Councilmember Peterson said that we are going to hire a PIO.

City Manager said that is in the recommendation and it was talked about at the May 24th meeting.

There was dialogue between Councilmember Peterson and staff in regards to the reason and what would be the duties of a Public Information Officer and why could not just be contracted out.

Councilmember Franklin said in the wake of what has happened in Beaumont in looking at our budget how does the Council and the public know that everything we are hearing is okay, other than the fact you told us so.

City Manager said what you see here is the most critical piece of information that he can give the Council. These are the cash balances in all of our funds. If those cash balances were extremely low, he would need to explain that to the Council in some detail. If you look at cities that are in trouble, they do not have cash balances at all. He thinks that we are doing really well. The audit is one way to get another signal about how we are doing. The projected revenues is another way to understand whether the City is doing well and he believes that our projected revenues will increase significantly in the next few years. We have very little debt load; extremely low. In our General Fund we have only one and that was the one that Councilmember Peterson asked about. That is the only debt load we have in the General Fund and it is less than \$200,000 a year.

City Manager said that the City of Banning has been selected as one of only four cities in the United States for a special video production through the International City Managers Association (ICMA). They would like to produce a five minute and thirty second professional video production of the City that we could market anywhere we wanted. We would control the content and control exactly how the video is presented and it would be distributed to all the ICMA members, vendors, interested investors or property owners and staff is asking for \$22,500 to implement this video production. It is a video that we would keep forever that we could change in the future. We can

market it any way we want and we also would be writing the entire script and deciding what is it in when they come to do the video production on September 9, 2016 which is Stagecoach Days Friday beginning activities. He feels that it is a unique opportunity for the City to do some branding/marketing and to explain and create what we believe the City's current and future is.

Councilmember Moyer said the budget includes projected income from Robertson's but the money we are currently holding is not included in this. Deputy City Manager said it is in fund balance.

Councilmember Peterson asked didn't you say that we already have \$1 million we are holding? City Manager said \$400,000. The fourth quarter is about to come in next week. Deputy City Manager said that we will be up to just over \$500,000 for this year.

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

Motion Moyer/Franklin that the City Council, Successor Agency and Utility Authority adopt: 1) Resolution No. 2016-59, approving the Two-Year Budget for the Fiscal Years 2016-2017 and 2017-2018 for the City of Banning; 2) Resolution No. 2016-11 UA, approving the Two-Year Budget for the Fiscal Years 2016-2017 and 2017-2018 for the Banning Utility Authority; 3) Adopt Resolution No. 2016-04 SA, approving the Two-Year Budget for the Fiscal Years 2016-2017 and 2017-2018 for the Banning Successor Agency; 4) Resolution No. 2016-60, approving the Gann Limit for Fiscal year 2016-2017; and 5) Resolution No. 2016-61, amending the Classification and Compensation Plan. Motion carried, all in favor with Councilmember Miller absent.

2. Discussion and Consideration of extending the deadline for Chamber of Commerce to comply with Demand Letter related to the Grand Jury Report to August 25, 2016 for payment of the overdue utility bills in the amount of \$15,795.

City Manager gave the staff report as contained in the agenda packet. He said that Mr. Duncan is in attendance if the Council has any questions of the Chamber.

Councilmember Peterson said this is an on-going thing with the Chamber and he is looking at this as no official request has actually been sent to the Council asking for an extension. Although the Mayor and the City Manager have sat with Mr. Duncan and had a meeting with him but he is not really comfortable with that since the Mayor has had an incestuous relationship with the Chamber for almost 20 years and not seeing any documents from the Chamber he doesn't know whether they can or they can't pay. Furthermore, it is publically known that the Mayor has made numerous remarks that he would like to forgive the Chamber's debt. The City Manager has also struck up a relationship with the Chamber and at this time he is not exactly sure what everybody's motive is. However, the reason specified in the Manager's staff report is that the Chamber cannot afford the payment of \$15,795. He feels that the Chamber has had two years to pay off this debt but for some reason has chosen not too; and why. He thinks that the Chamber honestly felt and they were confident that this debt would be forgiven. To date he has not been given a copy of the Chamber's latest profit and loss statement, or a copy of their current balance sheet and in the absence of these documents, how does he know what they can and cannot afford. To him it is another handshake deal being conducted right over our noses. The Grand Jury was clear, crystal clear regarding the recommendations and the demand letter prepared by the City Attorney was clear and crystal clear. The payment of \$15,795 is due and payable now. If the Chamber cannot pay the debt, then the

eviction process should be begin immediately. At this time Councilmember Peterson read a couple of paragraphs from the Bylaws of the Banning Chamber of Commerce in regards to Observance of Laws, and Power Vested in the Board. These were amended, approved and adopted by the Board of Directors on December 15, 2010 and signed by our Mayor, Arthur Welch.” The other thing that kinds of bothers him about this is that there was an article that came out in the Record Gazette Friday paper of June 19th and it was called “Banning’s Chamber Director Steps Down”. He read a few sentences from the article about Jim Smith resigning as Director but that he put a lot of things in play this year and that he was at the helm and he is just a volunteer now and not abandoning the Chamber. Councilmember Peterson said however, both stipulations were outlined in recommendations from a recent Grand Jury Report that suggests this City of Banning shouldn’t work with the Chamber if Smith is at the Chamber’s helm since he and a former business partner personally owes the City money. There is another paragraph where he says that he is still waiting for a copy of a signed lease agreement that should bear his signature in which the \$10,000 reserve account was added or amended. At this time Councilmember Peterson gave the City Clerk a copy of that amended lease with his signature so that it can be entered into the record for all to see as he says that no one has been able to present that to him to date. Councilmember Peterson said regarding the on-goings with James C. Smith saga and once again the Grand Jury was clear and crystal clear about James C. Smith. Mr. Smith was to be removed as the Chamber’s Executive Director because he owes the citizens of Banning more than \$100,000. The Grand Jury feels that the City’s relationship with the Chamber and James C. Smith poses a conflict of interest and is in direct conflict with the Chamber’s mission statement of cooperative interaction amongst business, government and community. He believes the City should cease and desist all relations with the Chamber until: 1) their debt to the City has been paid; and 2) James C. Smith should not be allowed a membership until his debt to the City has been paid. The City was awarded a judgement against Mr. Smith in 2010 and it is six years later and not one cent has been collected. He is confident that this is another debt that was waiting to be written off. The City Attorney whoever it may be coming in should be instructed to start the eviction process immediately and the City needs to cease and desist all future relations with the Chamber until the conditions of the Grand Jury are met. Like he said he is not for giving any type of an extension. As it is, \$15,795 is only 40% of the original debt that was over \$42,000 which included water and trash which was never in the total bill. So from \$42,000 to \$15,000 they have been aware that this has been an issue for two years now and certainly something certainly could have been done to come forward and bring in the \$15,000. He answer is no to the extension.

Councilmember Franklin said she would like to know if the Chamber has any way to make any payments and if they are reasonable able to comply within either that amount of time as requested or even sooner.

Ron Duncan, Banning Chamber of Commerce and resident addressed the Council stating that they are working on a couple of avenues to be able to pay the total debt. They don’t want to make payments; that is not their interest. They would like to be able to liquidate it and get it out of the way so that they are done with it. Their relationship with the City has for probably the last four years not been good and he doesn’t feel that it is really their fault. They have done numerous activities, put on numerous events for the City in which it has brought a lot of people here. They have enjoyed their working relationship with the City and would like to see that reestablished. As far as Jim Smith is concerned he and Jim sat down and talked about it and Jim decided to resign as a result of the Grand Jury Report. He said that Jim does a lot of fundraising things for different organizations within the city. That is one thing that he is very good at and they have appreciated

the fact that he has helped the Chamber with a lot of their events also. There are a couple of events still up and coming that he will be a part of until he is done and then he is done. But they are things that he put into motion and the Chamber is counting on him to finish them and at that point Jim will walk away and he is currently working for Diamond Hills as a used car sales manager and he will be there and that will be his job. As far as making payments are concerned they probably could but they have staff that has to be paid. The Chamber operates on a very small budget and it is not very good and the problem they have is that they have \$6,000 dollars in that account that will run them through until they have the Desert Edge Challenge in October and that will take care of paying Linda Montenegro's salary.

Councilmember Franklin asked Mr. Duncan if they anticipate that prior to August 25th that they will be able to pay the full amount. Mr. Duncan said they are very hopeful and some people have expressed an interest in giving some help and getting that done. They will like to be able to explore that and actually make it happen.

Councilmember Franklin said do you think even if you cut in half and said 30-days do you think that would be a possibility. Mr. Duncan said that would be tight and have talked to some of the principals involved in this and would like a little bit more time to be able to pull things together and that is why they are asking for the extension. He said that the Grand Jury gave them 90-days. When the City amended their letter from 60-days to 30-days that cut 30-days of their Grand Jury letter off so they are asking for that 30 plus 30.

Mr. Duncan said as a point of information for Councilmember Peterson he has had three conversations with the City Manager over the whole time that he has been here and the only conversations he has had with him have been with respect to the Chamber. The last conversation with him he made a request for copies of the bills. This is something that they have requested repeatedly with previous City Managers that they never received. They would like to be able to see an assessment and Mr. Rock was able to get those too him and they reviewed them and the Chamber is comfortable with them and understand now how the City arrived at the figure but up until then they had no idea what they owed.

Councilmember Peterson said back when he first discovered about the outstanding debt, golden handshake, etc. was back when Homer Croy was the Interim City Manager. He said that Stacey Baval had ran off all of the bills and gave them to Mr. Croy who gave them to Mr. Robinson.

Ms. Baval said that Homer Croy and June Overholt at the time asked her if she could provide documents and to provide them also for Mr. Peterson and all of the Council. She gave a full package of documents to Mr. Cory and who he gave them to she is not personally aware of that.

Councilmember Peterson said that was back in June of 2014 that he knows that the information was given to the Chamber and John was the President at that time so things may not have been passed on or whatever the case may be. But it has been an on-going thing and for him he doesn't have a lot of trust because of the way the negotiations went in the beginning which is not the fault of Mr. Duncan's but as an end result this is what has led us to where we are at today. He is so afraid that this thing will continue and somehow it gets swept under the carpet. He wants to protect what is left of the people's money.

Mr. Duncan said if they had understood all these years from 2006 that they should have paid utility bills, they would have. As you are well aware, they are current paying and they are current and stay current and there has been no problem since they were given a bill. They were given three bills in 2006 and have paid all three of those bills before the handshake situation took place. He said he is a businessman and for someone to do a handshake is a scary thing for him. They are trying to resolve these issues. He said that you made a request to the Grand Jury that we get rid of Jim Smith as result of problems with the City and the Grand Jury made that recommendation.

Councilmember Peterson said that he never made a request for the Chamber to get rid of Jim Smith. The only request that he made with the Grand Jury is to investigate the wrongdoings. He never made a request to the Grand Jury to ask that Jim Smith be removed.

Mr. Duncan said he will review that again on the Grand Jury tapes and ask them for a copy of that segment to be sent to him. He said if they can get a 60-day extension, they are pretty comfortable with the idea that they can pay the debt that they owe.

Councilmember Franklin asked Mr. Duncan if he would be willing to sign some kind of a contractual agreement that a payment will be made by a certain date.

Mr. Duncan said sure. Had they thought about it he would guess at that meeting it was probably like a handshake but they were not asked to submit anything and he thinks that he could have done that to the City Manager quite easily within the last week and said that they would like to ask for a 60-day extension and put it in writing.

Councilmember Peterson said that it would have just make it more viable had there been a written request for an extension and a current profit and loss statement provided and that would have been more realistic. Mr. Duncan said that he can supply those documents to the City tomorrow.

Councilmember Franklin asked when the City's response is due to the Grand Jury. City Manager said that the response to the Grand Jury will have to be considered by the Council at the July 12th meeting. The response would need to be done by July 25th.

Mayor Welch opened the item for public comments.

Laura Leindecker addressed the Council stating that she is on the Board of the Banning Chamber of Commerce and someone said to her last month that she tends to walk in the middle and not go towards one side for the other. She said she tends to weigh both sides before she voices her opinion and she does have patience. When Ron Duncan asked her in January to come on the Board of the Chamber of Commerce she really thought twice. Her business is public relations and she really respects the Chamber and she really wanted to see how she had seen it when she was there nearly 7 years ago with Joni Taylor and Ron Duncan. When she saw how other people were seeing it she didn't like it and when she started coming to these meetings and seeing it on television she didn't like it. So she is voicing her opinion and not standing in the middle and she has a lot of respect for Ron Duncan and that she why she said yes on coming on to the Board. She said she is involved in the Desert Edge Challenge which is October 29th and she is seeking sponsors and Linda is the office manager and she is doing the events because she has seen it run by the director in the past. The Chamber is going to go through transition and baby crawls and they will be there to help her

and Ron Duncan. She said that she doesn't stand in the middle. She waits and weighs both sides. She believes in Ron Duncan and hopes the Council believes in him also.

Gary Hironimus said that in the May 27th Record Gazette Chamber President Ron Duncan when asked about the Council's demand told reported David Heiss that he was confident that the Chamber would comply with the City's demands. Of course, he also claimed that the Lease Agreement didn't have anything in it about a \$10,000 maintenance fund so he called him out on that in the Record Gazette letter section reminding him that it did exist in the lease and that maybe he should read the documents before making public claims about what they do or do not contain. One week later on June 10th, Chamber Director at that time Jim Smith assured reported David Heiss again that the utility bill would be taken care of but he also made the same claim that there was nothing in the lease about a maintenance fund despite the fact that he was the one that signed the lease. It is not like the lease in question is real long and complex it is a fairly short lease document that most of us have now seen and yes the requirement was there. What is interesting to him is that Mr. Smith clearly remembered the part about the Chamber getting \$200,000 from the Gas Company but couldn't remember the part about the \$10,000 dollar Maintenance Fund. Don't you think with all that was going on in the Council and the Record Gazette maybe he would have gone back and re-read that lease before making more claims to the Record Gazette about what it did or did not have and \$16,000 in unpaid utility bills that both Ron Duncan and Jim Smith have said would be taken care of still not paid and they want an extension. Kind of curious is Vanir or Pearlman somehow involved with the Chamber. This has been going on for two years. Neither Ron Duncan nor Jim Smith can be trusted. They both knowingly have lied to the public in the paper about the maintenance fund requirement even both knew or at least should have known it was there in the lease. So whatever their excuse is now about needed more time he is having a hard time buying it. So unless the City is willing to extend the same kind of time frame to all its citizens for not paying their bills, he thinks the Council needs to move forward with exactly what the Chamber was told in the demand letter. Enough is enough.

Mr. Duncan said he was going to ignore that situation tonight. A copy of the lease was given to the City Clerk and he doesn't know if the Council has had the opportunity to look at the amendment. The amendment was signature six months after the date of the lease. The signature that is on the lease is not Jim Smith's signature. It is initials; in fact, it is two initials. Two different initials. It is initial JS and JS and those two initials are totally different than each other. City Manager had Jim Smith off the cuff sign his signature at that meeting, at the meeting they had with him previously and City Manager looked at it and whenever he delivered it to the Chamber, it is nothing like Jim Smith's signature. So somebody within this City forged that document. In the event that it was not taken care of maybe the City Attorney or something at that time realized it should have been put in there, they would have no problem signing that. At that point in time they had a little over \$200,000 in the bank account and to put \$10,000 a side for a maintenance fund would have been no big deal and they would have done it. He is upset about the fact that when you look at it, it is not Jim Smith's signature. Honestly he did not sign that document. The City needs to review that document and look at the signature on the original document.

Councilmember Peterson said to make accusations that somebody in the City forged the document for what purposes is pretty bizarre. He thinks that if Jim Smith feels as though it is not his signature, then he thinks it would be his responsibility to hire an expert in handwriting analysis and have him show and prove to the City that it is not.

City Manager said that Randy Anstine's signature was notarized on that lease amendment. Jim Smith's signature is not notarized.

There was some dialogue between Councilmember Peterson and Ron Duncan in regards to the signature of Jim Smith being forged.

Don Smith said in bringing this back to a business perspective you the Council are the Board of an Electric Utility Company which is a business and you are trying to collect what you believe to be a legitimate debt. It seems like the only issue remaining is collecting the \$15,000 because the signature exists or doesn't exist is actually the plaintiff's burden to prove and not the defendant. It doesn't matter they put the \$10,000 in the bank, they are doing it anyhow. So the issue remaining is how the City collects the \$16,000 that is owed to the Electric Fund. Ideally, how he likes to collect money is everybody pays him 100% of what they owe him on exactly the date they owe it to him. Unfortunately, he is in a profession where that doesn't happen so he is often dealing with people about how to get them to pay their debts so they don't have one anymore and he has collected his money which is what the City is trying to do. The first step, a very important step, is to get them to admit they owe you the money and it seems like you have accomplished that part of it and sounds like he is willing to write it down. Now he is telling you and he often hears this story too, that I owe you the money but I don't have it right now which he hears a lot and it is not his favorite thing to hear but now he has to go to the next step. What is your plan? What is our plan going to be for him to get his money? It often entails giving them a length of time to execute what appears to be a reasonable plan. He often tells people when their plan seems unreasonable to him that their plan is unreasonable and if you don't vacate my premises this weekend, he will be starting his eviction on Monday. On the other hand he often tells them that their plan seems reasonable, we are going to write your plan down, it is going to call for whatever it calls for to make it happen and he does his best to instead of spending legal fees and then collecting no money but getting his property back so he can at least rent it again and then collect money but he tries his best to actually come up with a plan that calls for him not spending those legal fees and collecting 100% of his money and he probably accomplishes that 95% of the time if you are willing to work the plan and hold their feet to the fire and make them follow the plan. So his advice is that it says they owe the money and maybe you should have more meetings to better understand their plan so that you can then follow their plan and see how it is going but if you can actually come up with a plan that calls for you getting your money, that is way better than a lawsuit.

Mayor Welch closed the item for public comments.

Motion Moyer/Franklin to continue this item to the next meeting and that the Chamber supply us with that commitment letter and a copy of their current profit and loss statement so that the Council can review it at that time and make a decision based on a written commitment and profit and loss statement. Motion carried, with Councilmember Peterson voting no and Councilmember Miller absent.

Mayor Welch adjourned the joint meeting and reconvened the regular City Council Meeting.

REPORTS OF OFFICERS

1. Discuss the City's Interest to Participate in Integrated Regional Water Management (IRWM) in the San Geronio Pass.

(Staff Report – Art Vela, Public Works Director)

Director Vela gave the staff report on this item as contained in the agenda packet and also gave a short power-point presentation to highlight some of the main items of the program.

Councilmember Peterson said that the one thing that is missing from the staff report is a recommendation.

Director Vela said his recommendation would be to participate in this program. Especially with this item here tonight and that would be just to continue working with these agencies. He would be back before Council with a memorandum of understanding or whatever that vehicle is to formally put this IRWM group together. So that would be the next formal step and then any expenditures incurred as part of participating in this would come back to Council as well.

Councilmember Franklin said she supports what Director Vela has talked about knowing that we can't apply for Prop 1 monies and for Cap and Trade in the area of water unless we are part of a plan. It is kind of disappointing that we were never included in either of the plans and we have been.

Motion Franklin/Moyer that staff continue efforts in the development of an Integrated Regional Water Management ("IRWM") Plan for the San Geronio Pass area and to work with neighboring water agencies in the development of a Regional Water Management Group ("RWMG") with the understanding that we are looking to try to get as much of the cost of putting the plan together waived or contributed by others as much as possible so that it is not Banning bearing the full burden. Mayor Welch opened the item for public comments; there were none. Motion carried, all in favor with Councilmember Miller absent.

Motion Peterson/Franklin to continue the City Council meeting matters after 10 p.m. Motion carried.

2. Adopt Resolution No. 2016-57, Approving the First Amendment to the Professional Services Agreement with V2C Group, Inc. for the Design of Improvements at Roosevelt Williams Park in the amount of \$14,800.
(Staff Report – Art Vela, Public Works Director)

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

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

Motion Franklin/Peterson that the City Council adopt: 1) Resolution No. 2016-57, Approving the First Amendment to the Professional Services Agreement with V2C Group, Inc. of Riverside, California in the amount of \$14,800; 2) Authorizing the Administrative Services Director to make necessary budget adjustments and appropriations and transfers related to the agreement; and 3) Authorizing the City Manager to execute the First Amendment to the Professional Services Agreement with V2C Group, Inc. Motion carried, all in favor with Councilmember Miller absent.

Mayor Welch recessed the regular City Council Meeting and called to order a Scheduled Meeting of the Banning Utility Authority.

BANNING UTILITY AUTHORITY (BUA)

REPORTS OF OFFICERS

1. Adopt Resolution No. 2016-09 UA, Approving a Professional Services Agreement with Babcock Laboratories, Inc. of Riverside, CA for Laboratory Analytical Testing Services in the amount of \$60,000.
(Staff Report – Art Vela, Public Works Director)

Director Vela gave the staff report as contained in the agenda packet. He noted a correction to the staff report in that initially they negotiated with Babcock on some of their unit prices for some of the water samples and they dropped their proposal down to the \$60,000 that you see in the report today. After the submittal of the staff report to the City Clerk they actually had the opportunity to further negotiate that cost down so their revised proposal is actually \$50,000 but the staff report shows \$60,000 but there is an option, if the Council desires, to reduce the purchase order amount to \$50,000. If it was approved as written today, they would have a \$10,000 allowance for any unforeseen issues. In going to \$50,000 staff would still have a little bit of wiggle room.

Councilmember Franklin asked is it often that we do have any supplement or additional fees and have to go above the amount contracted.

Director Vela said no, not really. It does happen once in a while if there is a false read or if the lab has issues doing the analytical or if the permit requirements tell us that if we exceed a limit we have to take a few tests right afterwards to make sure it is in the required limits. But they typically stay within budget on this contract. The only variable is that we have these Chromium 6 projects coming up.

Councilmember Franklin said so you are comfortable that the \$50,000 would cover any incidentals other than the Chromium 6. Director Vela said yes.

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

Motion Franklin/Peterson that the Banning Utility Authority: 1) Adopt Resolution No. 2016-09 UA, Approving the Professional Services Agreement with Babcock Laboratories, Inc. of Riverside, CA in the amount of \$50,000 for laboratory analytical testing services with the option to renew the services for an additional four (4) single years; 2) Authorizing the Administrative Services Director to make necessary budget adjustments, appropriations and transfers related to the Professional Services agreement for laboratory analytical testing services; and 3) Authorizing the City Manager to execute the Professional Services Agreement with Babcock Laboratories, Inc. of Riverside, CA for laboratory analytical testing services.

Next regular meeting of the Banning Utility Authority: Tuesday, July 12, 2016 at 6:00 p.m., Banning City Hall Council Chambers.

BANNING FINANCING AUTHORITY (BFA) – no meeting.

Mayor Welch adjourned the scheduled meetings and reconvened the regular City Council Meeting.

ITEMS FOR FUTURE AGENDAS

New Items –

Pending Items – City Council

1. Report on the Vanir Project
2. Presentation by Southern California Gas Company regarding their insurance policy for gas lines.

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

ADJOURNMENT

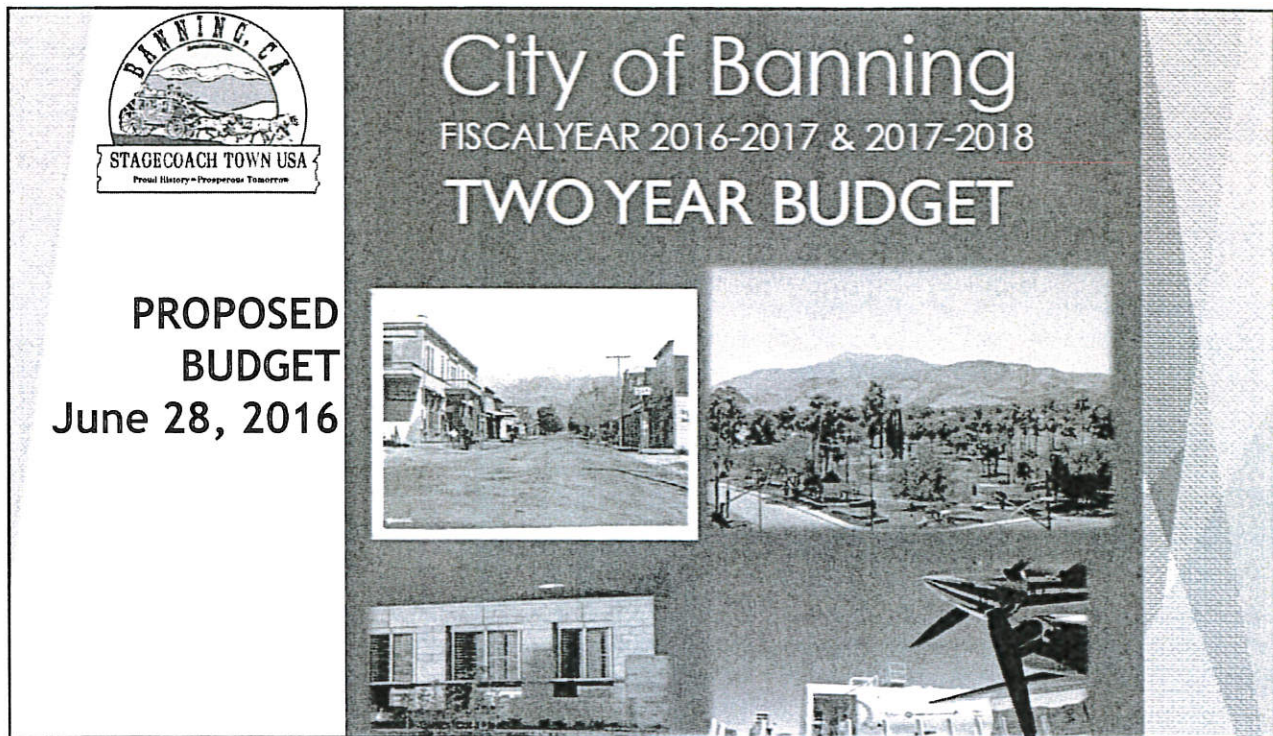
By common consent the meeting adjourned at 10:12 p.m.

Marie A. Calderon, City Clerk

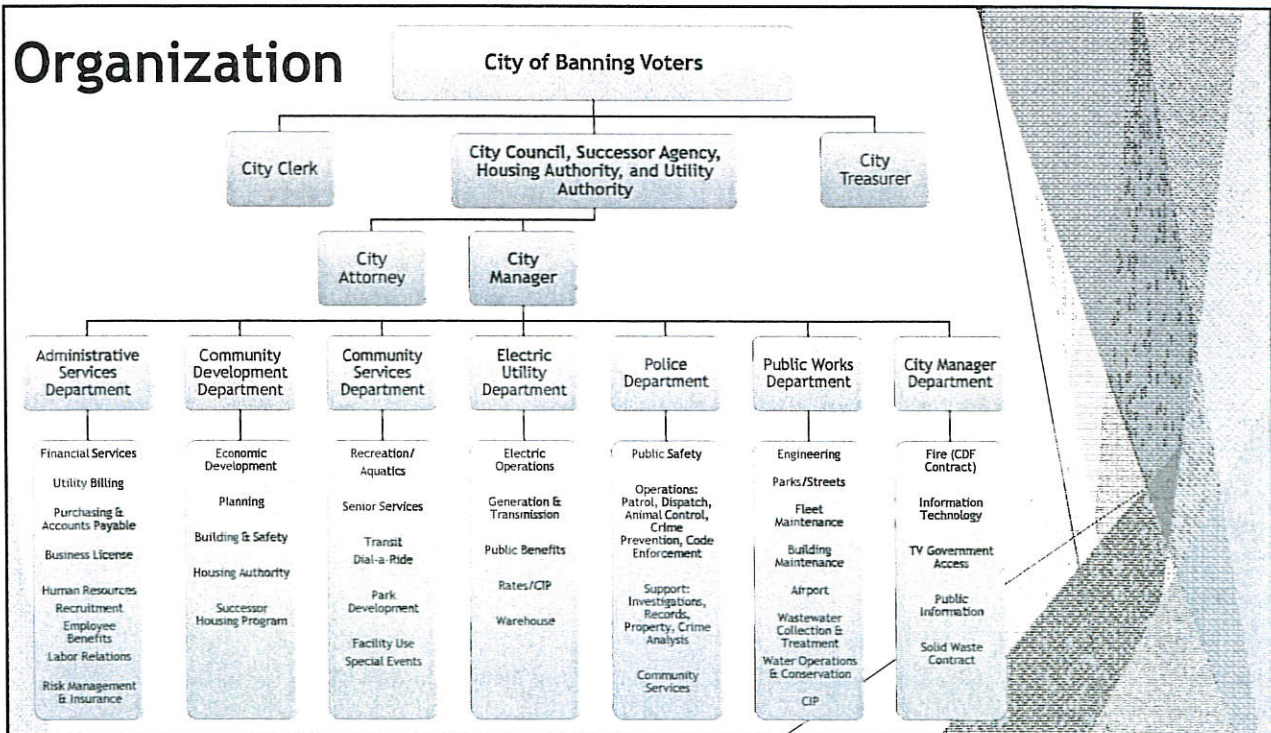
THE ACTION MINUTES REFLECT ACTIONS TAKEN BY THE CITY COUNCIL. A COPY OF THE MEETING IS AVAILABLE IN DVD FORMAT AND CAN BE REQUESTED IN WRITING TO THE CITY CLERK'S OFFICE.

EXHIBIT “A”
TO THE MINUTES OF
JUNE 28, 2016

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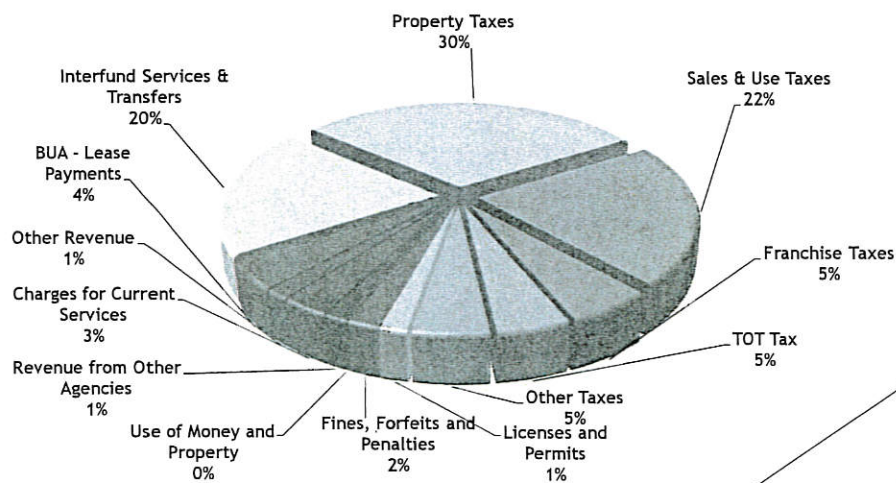
Organization



Fiscal Year 2016-17 Expenditures by Budget Unit

| 001 GENERAL FUND | | ENTERPRISE AND SPECIAL FUNDS | |
|----------------------------|-----------------------|---|----------------------|
| 2200 Police | \$ 7,255,810 | 670 Electric Utility Operations | \$ 40,632,108 |
| 2400 Fire | \$ 2,965,975 | 680 Wastewater Operations | \$ 3,794,002 |
| 4500 Central Services | \$ 992,596 | 660 Water Operations | \$ 11,599,857 |
| 1800 City Attorney | \$ 269,945 | 100 Gas Tax | \$ 829,916 |
| 1200 City Manager | \$ 191,028 | 101 Measure A | \$ 546,000 |
| 2700 Building and Safety | \$ 339,872 | 111 Landscape Maint. Assessment Dist. #1 | \$ 284,386 |
| 2740 Code Enforcement | \$ 324,319 | 003 Riverside County MOU | \$ 499,705 |
| 3600 Parks | \$ 572,258 | 375 Fair Oaks #2004-1 Debt Service | \$ 199,960 |
| 3000 Engineering | \$ 250,889 | 600 Airport | \$ 136,285 |
| 2800 Planning | \$ 614,409 | 610 Transit | \$ 1,696,034 |
| 3200 Building Maintenance | \$ 130,311 | 690 Refuse | \$ 3,350,020 |
| 4000 Recreation | \$ 508,561 | 300 City Admin COP Debt | \$ 437,000 |
| 4010 Aquatics | \$ 116,519 | 700 Risk Management | \$ 2,369,770 |
| 1000 City Council | \$ 119,430 | 702 Fleet Maintenance | \$ 1,305,405 |
| 1900 Fiscal Services | \$ 299,492 | 703 Information Services/Technology | \$ 621,562 |
| 1300 Human Resources | \$ 161,288 | 761 Utility Billing Administration | \$ 2,294,119 |
| 1910 Purchasing | \$ 100,905 | 805 Redevelop. Obligation Retirement Fund | \$ 4,091,890 |
| 2300 Animal Control | \$ 159,031 | 830 Debt Service Fund | \$ 3,854,292 |
| 1400 City Clerk | \$ 125,581 | 850 Successor Agency | \$ 5,877,829 |
| 1210 Economic Development | \$ 253,110 | 132 Air Quality Improvement Fund | \$ 3,000 |
| 5400 Community Enhancement | \$ 60,000 | 370 Area Police Computer Fund | \$ 90,605 |
| 2060 TV Government Access | \$ 60,000 | Other Capital/Special Projects | \$ 1,125,864 |
| | <u>\$ 15,901,329</u> | | <u>\$ 85,639,709</u> |
| TOTAL OF ALL FUNDS | \$ 101,541,038 | | |

General Fund Revenues FY 2016-17 Total = \$16,003,437



Summary of Major Increased/ Decreased General Fund Revenues

- ▶ Increase in sales tax revenue of approximately \$255,000 due to improving economy and the opening of new businesses including Hobby Lobby, Big 5, Marshalls, and Party City
- ▶ Increase in property tax revenue of approximately \$232,000 due to improving economy

Summary of Expenditures

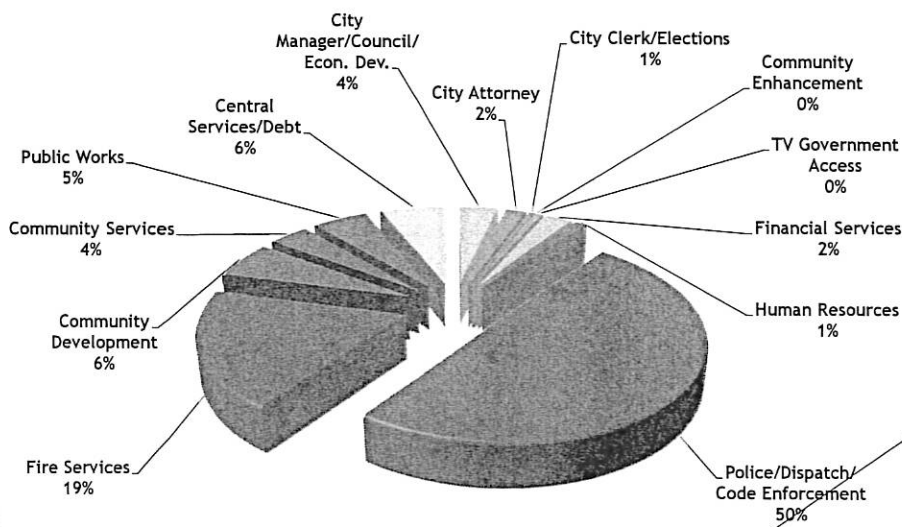
- ▶ FY2015-16 Salary & Benefit Savings of \$1,056,802 less Contract Employment and Overtime Costs
- ▶ Net Savings of \$829,030 to carry over in the General Fund for increased salary and benefits costs

Summary of Expenditures (continued)

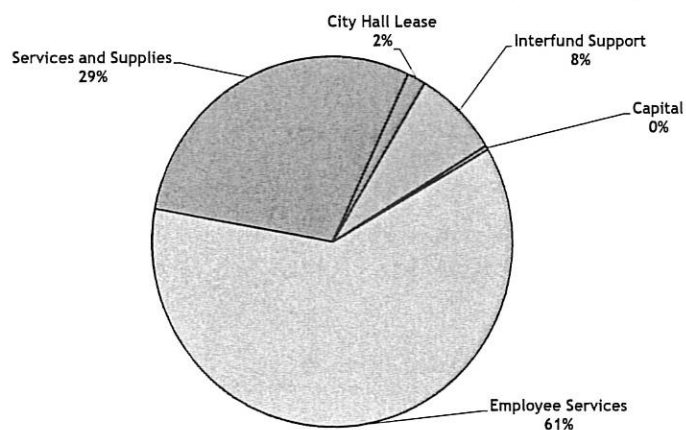
Three (3) Year Historical Carryover: The City typically ends each fiscal year with a positive general fund balance due to unspent budgeted funds and actual revenues that are higher than projections.

| Fiscal Year | Amount |
|-------------|-----------|
| FY2013-14 | \$224,510 |
| FY 2014-15 | \$286,585 |
| FY 2015-16 | \$231,069 |

General Fund Expenditures FY 2016-17 Total = \$15,901,329



General Fund Expenditures by Category FY 2016-17 Total = \$15,901,329



Summary of Major Increased/ Decreased General Fund Expenditures

- ▶ Increase in the Cal Fire contract of 5% or \$139,938
- ▶ Total Salary and benefit increases of \$1,300,268 over last year due to new labor negotiations with Police Officer's Association, PERS increases, positions previously left vacant (Economic Development Manager, Fleet Manager, Purchasing Manager) and are now filled and the creation of new positions (Community Service Officer, Customer Service and Billing Manager, Public Information Officer and Community Service Manager)

Summary of Major Increased/ Decreased General Fund Expenditures

- ▶ Increase to the Community Enhancement fund of \$25,000 per year for a 4th of July Celebration Event
- ▶ Savings to the General Fund of approximately \$200,000 per year by hiring an in house City Attorney
- ▶ Savings to the General Fund through new agreements with vendors and reduction in lobbying services totaling approximately \$70,000

Labor Agreements

- ▶ The City is in the final year of Memorandum of Understandings (MOUs) with the International Brotherhood of Electrical Workers (IBEW) Utility, IBEW General and the San Bernardino Public Employees Association (also known as Teamsters Local Union No. 1932) Management group. Negotiations are under way and staff will make every effort to have a new MOU for the City Council to consider sometime in the next few months.
- ▶ The Police Officers Association settled with the City effective March 28, 2016 for a three year period. The salary and benefit increases for this MOU are reflected in the draft budget.

Conclusion

- ▶ **General Fund FY 2016-2017 Budget is Balanced**
- ▶ **No General Fund Reserve Money Used**
- ▶ **Revenues Increasing**
- ▶ **Very Low Debt Service**

BUDGET DETAIL

General Fund

FISCAL YEARS 2016-17 & 2017-18 PROPOSED BUDGET
GENERAL FUND Revenues & Expenditures

| <u>REVENUE DETAIL</u> | FY 2016-2017 | FY 2017-2018 |
|--------------------------------------|--------------|--------------|
| Account Description | PROPOSED | PROPOSED |
| * PROPERTY TAXES | \$ 4,708,780 | \$ 4,939,069 |
| * SALES & USE TAXES | 3,155,136 | 3,310,361 |
| * OTHER TAXES | 1,839,800 | 1,886,500 |
| * MINING TAX | 400,000 | 400,000 |
| * FINES/FORFEITS/PENALTIES | 246,750 | 248,885 |
| * INTEREST | 42,000 | 42,500 |
| * OTHER INCOME (LEASE) | 3,000 | 3,000 |
| * REVENUE FROM STATE | 28,000 | 28,000 |
| * REVENUE FROM CRA/CITY | 110,000 | 110,000 |
| * CHARGES FOR RETURNED CHECK FEES-UT | 8,000 | 10,000 |
| * MISCELLANEOUS ES/SPC PRGRMS | 2,500 | 2,500 |

| <u>REVENUE DETAIL</u> | FY 2016-2017 | FY 2017-2018 |
|--|--------------|--------------|
| Account Description | PROPOSED | PROPOSED |
| * INTERNAL SERVICE REVENUES | 3,319,800 | 3,184,800 |
| * INTERFUND TRANSFERS | 73,000 | 73,000 |
| * INTERFUND TR LEASE PAYMENTS | 651,000 | 651,000 |
| ** T.V. GOVERNMENT PUB EDUC GRNT FEE | 60,000 | 60,000 |
| * SALES & USE PUBLIC SAFETY SALES TAX | 123,480 | 123,480 |
| * OTHER TAXES FRANCHISE FEE-TOWING SVC | 48,000 | 48,000 |
| * FINES/FORFEITS/PENALTIES | 8,400 | 8,400 |
| * REVENUE FROM STATE | 12,500 | 12,500 |
| * REVENUE FROM FEDERAL | 0 | 0 |
| * CHARGES FOR CURRENT SVC | 35,465 | 35,465 |
| * MISCELLANEOUS SPECIAL EVENTS REIMB | 96,166 | 96,166 |

| <u>REVENUE DETAIL</u> | | FY 2016-2017 | FY 2017-2018 |
|---|----------------------------------|----------------------|----------------------|
| Account Description | | PROPOSED | PROPOSED |
| ** | POLICE | 454,633 | 460,920 |
| ** | FIRE | 220,840 | 220,840 |
| ** | BUILDING SAFETY | 271,977 | 283,310 |
| ** | CODE ENFORCEMENT | 73,826 | 73,826 |
| ** | PLANNING | 147,112 | 160,708 |
| ** | ENGINEERING | 57,783 | 75,283 |
| ** | RECREATION | 63,100 | 63,100 |
| ** | AQUATICS | 55,000 | 55,000 |
| ** | DAY CARE | 6,000 | 6,000 |
| ** | SENIOR CENTER | 5,400 | 5,400 |
| *** | GENERAL FUND REVENUE | \$ 16,003,437 | \$ 16,354,002 |
| *** | GENERAL FUND EXPENDITURES | \$ 15,901,329 | \$ 16,385,893 |
| | NET SURPLUS/(LOSS) | \$ 102,108 | \$ (31,891) |
| PROJECTED FUND BALANCE AVAILABALE AT JULY 1, 2016: | | \$ | 7,166,330 |
| **FY18 includes a General Fund Transfer to Transit | | | |

| <u>PROJECTED FUND BALANCE</u> | | <u>JULY 1, 2016</u> | Fund Balance |
|-------------------------------|---------------------------------------|---------------------|---------------------|
| | | | |
| 001 | GENERAL FUND | \$ 7,166,330 | |
| | ENTERPRISE AND SPECIAL FUNDS | | |
| 670 | Electric Utility Operations | \$ 12,571,587 | |
| 680 | Wastewater Operations | \$ 1,417,889 | |
| 660 | Water Operations | \$ 9,582,969 | |
| 100 | Gas Tax | \$ 170,420 | |
| 101 | Measure A | \$ 1,074,873 | |
| 003 | Riverside County MOU | \$ 67,686 | |
| 111 | Landscape Maint. Assessment Dist. #1 | \$ 278,529 | |
| 132 | Air Quality Improvement Fund | \$ 33,429 | |
| 370 | Area Police Computer Fund | \$ 16,040 | |
| 375 | Fair Oaks #2004-1 Debt Service | \$ 197,711 | |
| 600 | Airport | \$ 86,492 | |
| 610 | Transit | \$ 1,583 | |
| 690 | Refuse | \$ 830,532 | |
| 300 | City Admin COP Debt | \$ 4,299 | |
| 700 | Risk Management | \$ 1,515,721 | |
| 702 | Fleet Maintenance | \$ 636,693 | |
| 703 | Information Services/Technology | \$ 69,998 | |
| 761 | Utility Billing Administration | \$ 166,244 | |
| 805 | Redevelop. Obligation Retirement Fund | \$ 2,041,571 | |
| 810 | Successor Housing Agency | \$ 334,761 | |
| 830 | Debt Service Fund | \$ 18,133 | |
| 850 | Successor Agency | \$ 62,594 | |
| 855 | 2007 TABS Bond Proceeds | \$ 5,496,139 | |
| 856 | 2003 TABS Bond Proceeds | \$ 306,790 | |
| 857 | 2003 TABS Bond Proceeds Low/Mod | \$ 534,601 | |



Questions??

MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

06/28/16
SPECIAL MEETING

A special meeting of the Banning City Council was called to order by Mayor Welch on June 28, 2016 at 10:13 p.m. at the Banning Civic Center Council Chambers, 99 E. Ramsey Street, Banning, California.

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

COUNCIL MEMBERS ABSENT: Councilmember Miller (*excused*)

OTHERS PRESENT: Michael Rock, City Manager
Rochelle Clayton, Administrative Services Dir./Deputy City Manager
Sonja De La Fuente, Executive Assistant/Deputy City Clerk
Marie A. Calderon, City Clerk

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

CLOSED SESSION

City Manager announced that there were five items for the closed session: 1) public employee performance evaluation Government Code Section 54957 Title: City Attorney; 2) public employee discipline/dismissal/release Government Code Section 54957; 3) conference with labor negotiator Government Code Section 54957.6 Agency designated representative: City Manager Unrepresented employee: Interim City Attorney; 4) public employee appointment Government Code Section 54957 Title: Interim City Attorney; and 5) public employment Government Code Section 54957 Title: City Attorney.

Meeting went into closed session at 10:14 p.m. and reconvened at 10:50 p.m.

REPORT ON CLOSED SESSION

City Manager reported that the Council did take one reportable action to terminate the services of Aleshire and Wynder, the City Attorney for the City of Banning from their Professional Services Agreement and the vote was 4/0. There was no other reportable action taken in the closed session.

ADJOURNMENT

By common consent the meeting adjourned at 10:53 p.m.

Marie A. Calderon, City Clerk

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MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

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Rochelle Clayton, Administrative Services Dir./Deputy City Manager
Sonja De La Fuente, Executive Assistant/Deputy City Clerk
Marie A. Calderon, City Clerk

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

REPORTS

1. Consideration of Interim City Attorney Services by the law firm of Jenkins & Hogin, LLP and approval of a Professional Services Agreement with said firm by adoption of Resolution No. 2016-56.
(Staff Report- Michael Rock, City Manager)

City Manager gave the staff report as contained in the agenda packet.

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

Motion Moyer/Franklin to approve the appointment of interim city attorney services by the law firm of Jenkins & Hogin, LLP, who shall assign John C. Cotti as Interim City Attorney, adoption of Resolution No. 2016-56 and approval of a Professional Services Agreement. Motion carried, all in favor with Councilmember Miller absent.

ADJOURNMENT

By common consent the meeting adjourned at 10:55 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.

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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: July 12, 2016

SUBJECT: Report of Investments for May 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 May 2016. As of May 31, 2016, the City's operating funds totaled \$78,262,277. Included in Successor Agency operating funds is \$899,173 of restricted CRA bond proceeds that are on deposit with LAIF and reflected separately on the Summary Schedule.

As of May 31, 2016 approximately 40% of the City's unrestricted cash balances were invested in investments other than LAIF.

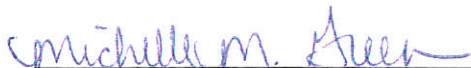
The May Investment Report includes the following documents:

- 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 0.552% in May. The average rate for all investments in May was 0.433%.

PREPARED BY:

Michelle M. Green
Deputy Finance Director

REVIEWED BY:

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

Interest

Rate

Amount

Wells Fargo Bank

0.180% * 3,256,615

Bank of America-Airport

0.020% 20,575

Bank of America-Parking Citations

0.020% 12,017

Bank of America-CNG Station

0.020% 26,680

Money Market and Bank Account Sub-Total

3,315,888

Government Pools

Account #1 Operating Amount

44,727,408

Account #1 CRA Bond Cash Bal.

899,173

Local Agency Investment Fund: Account #1

0.552% 45,626,581

Account #2 Successor Agency Cash Bal

0

Local Agency Investment Fund: Account #2

0.552% 0

Government Pool Sub-Total

45,626,581

Operating Cash Balance**48,946,674**Restricted Operating Funds

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

0.140%

1,128,304

California ISO Corp- Union Bank

109,705

Worker's Compensation Program- (PERMA)

2,006,901

Other Investments

Investments-US Bank/Piper Jaffray - See Page 2

0.256%

26,070,693

Operating Funds Total**78,262,277****Fiscal Agent**

US Bank

Amount

31,221,972

Fiscal Agent Total**31,221,972**

* 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> | | | | | | | | |
| 3,256,615 | Wells Fargo Bank-Operating | n/a | 0.18% | daily | varies | 3,256,615 | n/a | 3,256,615 |
| 20,575 | Bank of America-Airport | n/a | 0.02% | daily | varies | 20,575 | n/a | 20,575 |
| 12,017 | Bank of America-Parking Citations | n/a | 0.02% | daily | varies | 12,017 | n/a | 12,017 |
| 26,680 | Bank of America-Parking Citations | n/a | 0.02% | daily | varies | 26,680 | n/a | 26,680 |
| Sub-total | | | | | | | | |
| | | | | | | | | 3,315,888 |
| <u>Government Pools</u> | | | | | | | | |
| 45,626,581 | L.A.I.F. account #1 | n/a | 0.552% | daily | varies | 45,626,581 | n/a | 45,626,581 |
| 0 | L.A.I.F. account #2 | n/a | 0.552% | daily | varies | 0 | n/a | 0 |
| | | | | | | | | 45,626,581 |
| <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 | | 2,000,360 |
| 1,700,000 | FHLMC Mtn | n/a | 0.700% | 12/30/2016 | 6/30/2014 | 1,700,000 | | 1,701,972 |
| 2,000,000 | Federal Home Loan Bks | n/a | 1.100% | 3/29/2018 | 7/1/2015 | 2,000,000 | | 2,000,460 |
| 2,000,000 | Federal Home Loan Bks | n/a | 1.050% | 10/5/2018 | 10/5/2015 | 2,000,000 | | 1,992,420 |
| 18,375,481 | Money Market | n/a | 0.010% | daily | varies | 18,375,481 | 0 | 18,375,481 |
| US Bank/Piper Jaffray Average Rate= | | | | | | | | |
| | | | 0.256% | | | | | 26,070,693 |

Average Rate All= 0.433%

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 49 days and does not include Bond Reserve Fund Investments.

City of Banning Investment Report

May 31, 2016

Individual Investments with Fiscal Agent

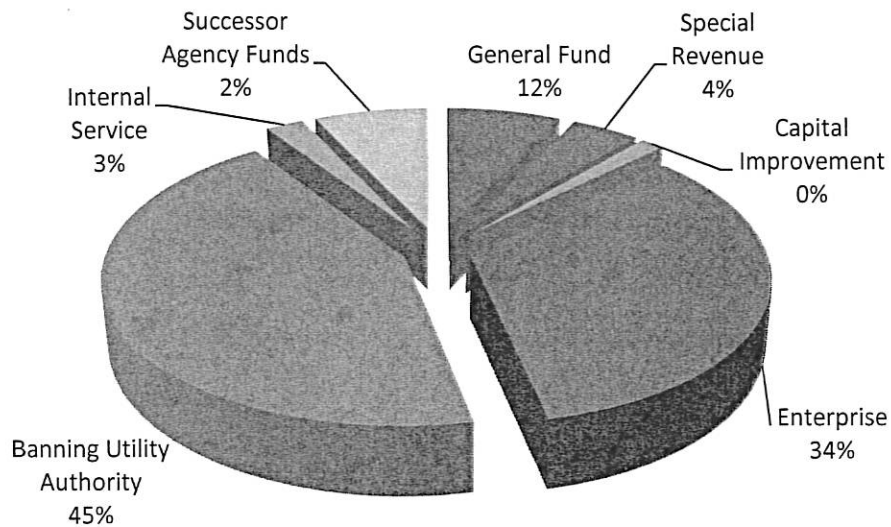
| Bond Issue Description | Bond Maturity Date | Investment Description | Current Yield | Bond Reserve Bond Maturity Date | Minimum Reserve Requirement | May-16 | 5/31/2016 Market Value |
|---|--------------------|--------------------------------|---------------|---------------------------------|-----------------------------|-----------------|------------------------|
| COB IMPROVEMENT DISTRICT LIMITED OBLIGATION BONDS SERIES 2005A | | | | | | | |
| 2005 Fair Oaks Ranch Estates | 2035 | US Bank Mmkt 5-Ct | 0.100% | daily | 188,024 | 18.28 | 223,077 |
| COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION, SERIES 2003 | | | | | | | |
| 2003 CRA Tax Allocation Bonds | 2028 | U S Treasury Bill | 4.61% | 1/29/2015 | 971,250 | | 991,593 |
| | | US Bank Mmkt 5-Ct | 0.100% | daily | | 1.72 | 21,040 |
| | | US Bank Mmkt 5-Ct | 0.100% | daily | | 21.31 | 260,064 |
| | | US Bank Mmkt 5-Ct | 0.090% | daily | | | 34 |
| | | US Bank Mmkt 5-Ct | 0.080% | daily | | | 12 |
| Surplus Fund | | | | | | | |
| COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING TAX ALLOCATION PARITY BONDS, SERIES 2007 | | | | | | | |
| Redevelop Fund | 2037 | US Bank Mmkt 5-Ct | 0.100% | daily | | 625.06 | 7,626,404 |
| Principal Fund | | US Bank Mmkt 5-Ct | 0.100% | daily | | 31.97 | 390,096 |
| Reserve Fund | | US Bank Mmkt 5-Ct | 0.100% | daily | 1,875,100 | 153.74 | 1,875,740 |
| Special Fund | | US Bank Mmkt 5-Ct | 0.100% | daily | | 0.01 | 69 |
| Surplus Fund | | US Bank Mmkt 5-Ct | 0.090% | daily | | | 11 |
| BUA - WASTEWATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2005 SERIES | | | | | | | |
| Interest Account | | US Bank Mmkt 5-Ct | 0.140% | daily | | 7.01 | 7 |
| Principal Account | | US Bank Mmkt 5-Ct | 0.100% | daily | | | 82,500 |
| | | US Bank Mmkt 5-Ct | 0.100% | daily | | 267.83 | 3,267,862 |
| BUA - WATER ENTERPRISE REVENUE BONDS REFUNDING AND IMPROVEMENT PROJECTS 2015 SERIES | | | | | | | |
| Principal Account | | First Amer Treas Oblig Fd Cl D | 0.000% | daily | | | 227,500 |
| Project Fund | | First Amer Treas Oblig Fd Cl D | 0.000% | daily | | | 3,007,573 |
| BFA - ELECTRIC SYSTEM REVENUE BONDS 2007 SERIES | | | | | | | |
| BFA - ELECTRIC SYSTEM REVENUE BONDS 2015 SERIES | | | | | | | |
| Revenue Fund | | First Amer Treas Oblig Fd Cl D | 0.000% | daily | | | 2,079,729 |
| 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 | | | 10,043 |
| *Paid Semi-Annually-Deposited into Money Mkt Account | | | | Total | | 1,126.93 | 31,221,972 |

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 April 2015 to March 2016. *(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 30th 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 REPORT

TO: CITY COUNCIL

FROM: Michael Rock, City Manager

PREPARED BY: Alejandro Diaz, Chief of Police
Phil Holder, Captain
Debbie Shubin, Code Enforcement Officer

MEETING DATE: July 12, 2016

SUBJECT: Adopt Resolution 2016-67: Nuisance abatement charges to be added to the tax rolls of Riverside County, California.

RECOMMENDATION:

The City Council adopt Resolution 2016-67, a resolution providing for certain nuisance charges to be added to the tax rolls of Riverside County, California.

JUSTIFICATION:

The City has incurred costs in the process of abating certain nuisances. Adoption of this Resolution provides for the collection of such costs. Presentation of such Resolution to the City Council is done on an annual basis and can be considered "standard operating procedure" for the purposes of cost recovery.

BACKGROUND:

The City Council adopted Ordinance 1326 (Exhibit "B"); the Ordinance establishes the procedures for creating assessment liens: authorizing the County Board of Supervisors to levy and collect such charges. According to the terms of the Ordinance, and the procedures required by the Riverside County Auditor's Office, it is necessary for the City Council to adopt a Resolution each year requesting the Board of Supervisors to place the liens on the tax rolls. Liens on all subject parcels have been previously recorded against the properties in the office of the County Recorder.

FISCAL IMPACT:

The total amount of the assessment to be placed on the tax roll is \$19,901.73. The assessment will be placed on the Auditor-Controller's Tax Rolls in August of this year and collected with the ad valorem taxes and any other assessments against the properties. The City participates in the Teeter Plan, whereby the County will reimburse the City 100% of the \$19,901.73 amount placed on the tax rolls for the weed abatement.

ATTACHMENTS:

1. Exhibit "A" is a list of properties, identified by APN, that will have liens placed on them for non-payment of weed abatement services.
2. Exhibit "B" is a copy of Ordinance No. 1326.

Prepared and Reviewed by:



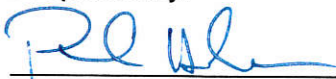
Alex Diaz
Chief of Police

Approved by:



Michael Rock
City Manager

Prepared by:



Phil Holder
Captain

RESOLUTION NO. 2016-67

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, PROVIDING FOR CERTAIN NUISANCE ABATEMENT CHARGES TO BE ADDED TO THE TAX ROLLS OF RIVERSIDE COUNTY, CALIFORNIA.

WHEREAS, pursuant to the authority contained in Chapter 8.48 of the code of the City of Banning, California, and in California Government Code Section 38773 and 38773.1, the City of Banning did cause a nuisance to be abated on certain properties in the City of Banning, California, and have had liens levied against them for nuisance abatement charges; and

WHEREAS, all proceedings required by Ordinance No. 1326, of the City of Banning, have been duly compiled.

NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS:

SECTION 1: That the report of the Police Department, on file with each proceeding along with their report of the cost of abatement be, and the same is hereby approved. That a copy of said account containing a list of all properties by assessment number and the cost of abating the nuisance thereon, is marked "Exhibit A", attached hereto, and made part hereof by reference.

SECTION 2: That the parcel numbers shown on "Exhibit A", are hereby certified to be correct according to the latest records of the Riverside County Assessor.

SECTION 3: That the maintenance of the public nuisance on each of the properties shown by assessment number on "Exhibit A" attached hereto, did constitute a health and safety hazard.

SECTION 4: That the amount shown on said "exhibit A" shall be a lien on the respective properties shown by assessment number, and said liens were levied without regard to property valuation.

SECTION 5: Request is hereby made of the Riverside County Board of Supervisors that the amount shown on said "Exhibit A" be added to the current tax rolls for the respective parcels indicated thereof, and collected along with other taxes assessed against said parcels.

PASSED, APPROVED, AND ADOPTED this 12th day of July 2016.

Art Welch, Mayor
City of Banning

APPROVED AS TO FORM
AND LEGAL CONTENT

ATTEST

Interim John Cotti,
City Attorney

Marie A. Calderon, City Clerk
City of Banning

CERTIFICATION

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the forgoing Resolution No. 2016-67 was duly adopted by the City Council of the City of Banning at the regular meeting thereof held on the 12th day of July, 2016, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

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

| APN | "EXHIBIT A" | ASSESSMENT |
|-------------|-------------|------------|
| | FUND NO. | |
| 532-120-004 | 68-2053 | 521.16 |
| 532-160-008 | 68-2053 | 521.16 |
| 532-180-004 | 68-2053 | 591.16 |
| 534-151-005 | 68-2053 | 899.66 |
| 534-152-022 | 68-2053 | 473.01 |
| 534-152-023 | 68-2053 | 473.01 |
| 534-152-024 | 68-2053 | 473.03 |
| 534-152-025 | 68-2053 | 473.01 |
| 534-253-007 | 68-2053 | 956.76 |
| 540-165-007 | 68-2053 | 351.39 |
| 540-201-002 | 68-2053 | 328.86 |
| 540-201-003 | 68-2053 | 328.87 |
| 541-110-011 | 68-2053 | 483.89 |
| 541-133-014 | 68-2053 | 648.12 |
| 541-133-016 | 68-2053 | 464.39 |
| 541-191-015 | 68-2053 | 534.66 |
| 541-191-016 | 68-2053 | 724.04 |
| 541-191-020 | 68-2053 | 648.39 |
| 541-233-015 | 68-2053 | 356.16 |
| 541-233-016 | 68-2053 | 356.16 |
| 541-233-019 | 68-2053 | 521.16 |
| 534-251-019 | 68-2053 | 408.16 |
| 540-124-002 | 68-2053 | 1018.56 |
| 541-045-002 | 68-2053 | 415.89 |
| 541-051-012 | 68-2053 | 751.56 |
| 541-055-012 | 68-2053 | 298.16 |
| 541-055-017 | 68-2053 | 360.89 |
| 541-055-018 | 68-2053 | 360.89 |
| 541-082-009 | 68-2053 | 628.16 |
| 541-082-011 | 68-2053 | 738.16 |
| 541-082-021 | 68-2053 | 629.16 |
| 541-093-015 | 68-2053 | 908.56 |
| 541-132-024 | 68-2053 | 398.16 |
| 541-133-014 | 68-2053 | 354.16 |
| 541-133-016 | 68-2053 | 353.16 |
| 541-134-009 | 68-2053 | 354.16 |
| 541-170-007 | 68-2053 | 795.89 |

| | |
|-------|----------|
| TOTAL | 19901.73 |
|-------|----------|

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ORDINANCE NO. 1326

AN ORDINANCE OF THE CITY OF BANNING
PROVIDING FOR THE RECOVERY OF COSTS AND
ATTORNEYS' FEES FOR NUISANCE ABATEMENT AS
CONTAINED IN CHAPTER 11C OF THE BANNING CITY
CODE

THE CITY COUNCIL OF THE CITY OF BANNING DOES ORDAIN AS FOLLOWS:

SECTION 1. Existing Article IV: Cost of Recovery is repealed in its entirety.

SECTION 2. New Article IV: Cost of Recovery is hereby added to Chapter 11C of the Banning City Code as follows:

Section 11C-47. Nuisances – General.

In addition to other penalties provided by law, any condition caused or permitted to exist in violation of any provision of this Code shall be deemed a public nuisance and may be summarily abated as such by the City, and each day such condition continues shall constitute a new and separate offense.

Section 11C-48. Nuisance Abatement.

(a) The abatement of any public nuisance by the City as prescribed in this Code shall be at the sole expense of the persons creating, causing, committing or maintaining such nuisance. The cost of abatement of any public nuisance and related administrative costs shall include, but not be limited to: inspection costs; investigation costs; attorneys' fees and costs; and costs to repair and eliminate all substandard conditions. All such fees and costs shall be a personal obligation against any person held responsible for creating, causing, committing or maintaining a public nuisance.

(b) The prevailing party in any action, administrative proceeding or special procedure to abate a public nuisance pursuant to this section may recover its reasonable attorneys' fees in those individual actions or proceedings wherein the City elects, at the initiation of that individual action or proceeding, to seek recovery of its own attorneys' fees. In no action, administrative proceeding, or special proceeding shall an award of attorneys' fees to any prevailing party exceed the amount of reasonable attorneys' fees incurred by the City in the action or proceeding.

(c) The City may collect the cost of abatement of any nuisance and related administrative costs, including but not limited to inspection costs, investigation costs, attorneys' fees and costs, and costs to repair and eliminate all substandard conditions by either: (i) obtaining a court order stating that this reimbursement requirement is a personal obligation of any person held responsible for creating, causing, committing or maintaining a public nuisance, recoverable by the City in the same manner as any civil judgment; (ii) recording a nuisance abatement lien pursuant to this Code against the parcel of land on which the nuisance is maintained, or (iii)

imposing a special assessment pursuant to this Code against the parcel of land on which the nuisance is maintained.

Section 11C-49. Nuisance Abatement Lien.

(a) Prior to the recordation of the lien against the parcel of land on which the nuisance is maintained, the owner of record of the parcel of land shall receive notice. The notice of the recordation of the lien against the parcel of land on which the nuisance is maintained shall be served on the owner of record of the parcel of land on which the nuisance is maintained, based on the last equalized assessment roll, or the supplemental roll, whichever is more current. Such notice shall be served in the same manner as a summons in a civil action in accordance with Sections 415.10 et seq. of the Code of Civil Procedure. The date upon which service is made shall be entered on or affixed to the face of the copy of the notice at the time of service. However, service of such notice without such date shall be valid and effective.

(b) A nuisance abatement lien shall be recorded in the Riverside County Recorder's office and from the date of recording shall have the force, effect, and priority of a judgment lien.

(c) A nuisance abatement lien authorized by this section shall specify the amount of the lien, the name of the agency on whose behalf the lien is imposed, the date of the abatement order, the street address, legal description and assessor's parcel number of the parcel on which the lien is imposed, and the name and address of the recorded owner of the parcel.

(d) In the event that the lien is discharged, released, or satisfied, either through payment or foreclosure, notice of the discharge containing the information specified in subsection (b) of this section of this Code shall be recorded by the City. A nuisance abatement lien and the release of the lien shall be indexed in the grantor-grantee index.

(e) A nuisance abatement lien may be foreclosed by the City as a money judgment. The City may recover from the property owner any costs incurred regarding the processing and recording of the lien and providing notice to the property owner as part of its foreclosure action to enforce the lien or as a condition of removing the lien upon payment.

Section 11C-49.1. Special Assessment.

(a) As an alternative to the recordation of a nuisance abatement lien, the City may make the cost of abatement a special assessment against the parcel of land on which the nuisance is maintained.

(b) Notice shall be given by certified mail, to the property owner, if the property owner's identity can be determined from the county assessor's or county recorder's records. Notice pursuant to this section of this Code shall be given at the time of imposing the assessment and shall specify that the property may be sold after three years by the tax collector for unpaid delinquent assessments. The tax collector's power of sale shall not be affected by the failure of the property owner to receive notice pursuant to this section of this Code.

(c) The assessment may be collected at the same time and in the same manner as ordinary municipal taxes are collected, and shall be subject to the same penalties and the same procedure and sale in case of delinquency as provided for with ordinary municipal taxes. All laws applicable to the levy, collection and enforcement of municipal taxes shall be applicable to the special assessment. However, if any real property to which the cost of abatement relates has been transferred or conveyed to a bona fide purchaser for value, or if a lien of a bona fide encumbrancer for value has been created and attaches thereon, prior to the date on which the first installment of the taxes would become delinquent, then the cost of abatement shall not result in a lien against the real property but instead shall be transferred to the unsecured roll for collection.

(d) The City shall duly execute a report detailing the amount of the special assessment and shall send same to the tax division of the County Auditor-Controller's office, whereupon it shall be the duty of the Auditor-Controller to add the amounts of the respective assessments to the next regular tax bills levied against the respective lots and parcels of land for municipal purposes; and, thereafter, the amounts shall be collected at the same time and in the same manner as ordinary municipal taxes are collected, and shall be subject to the same penalties and the same procedure under foreclosure and sale in case of delinquency as provided for ordinary municipal taxes.

(e) City may conduct a sale of vacant residential developed property for which the payment of that assessment is delinquent, subject to the requirements applicable to the sale of property pursuant to Section 3691 of the Revenue and Taxation Code.

(f) Notices or instruments relating to the abatement proceeding or special assessment shall be entitled to recordation.

Section 11C-49.2. Graffiti Abatement – General Provisions.

(a) The abatement of any nuisance resulting from the defacement of the property of another by graffiti or any other inscribed material as prescribed in this Code shall be at the sole expense of the person, minor or other person creating, causing or committing the nuisance.

(b) If the person creating, causing or committing the nuisance is a minor, the parent or guardian having custody and control of the minor shall be jointly and severally liable with the minor. The City shall make the expense of abatement of any nuisance, resulting from the defacement by a minor of the property of another by graffiti or any other inscribed material, a lien against the property of a parent or guardian having custody and control of the minor and/or a personal obligation against the parent or guardian having custody and control of the minor.

(c) The prevailing party in any action, administrative proceeding or special procedure to abate a nuisance pursuant to this section may recover its reasonable attorneys' fees in those individual actions or proceedings wherein the City elects, at the initiation of that individual action or proceeding, to seek recovery of its own attorneys' fees. In no action, administrative proceeding, or special proceeding shall an award of attorneys' fees to any prevailing party exceed the amount of reasonable attorneys' fees incurred by the City in the action or proceeding.

(d) The City may collect the cost of abatement of any nuisance, resulting from the defacement of the property of another by graffiti or any other inscribed material, and related administrative costs by either: (i) obtaining a court order stating that this reimbursement requirement is a personal obligation of the minor or other person or parent or guardian having custody and control over the minor who committed the defacement, recoverable by the City in the same manner as any civil judgment; (ii) recording a nuisance abatement lien against a parcel of land owned by the minor or other person or parent or guardian having custody and control over the minor who committed the defacement; or (iii) making the cost of abatement of a nuisance resulting from the defacement of the property of another, a special assessment against a parcel of land owned by the minor or other person or parent or guardian having custody and control over the minor who committed the defacement.

Section 11C-49.3. Graffiti – Nuisance Abatement Lien.

(a) Prior to the recordation of a graffiti nuisance abatement lien, notice shall be given to the person or parent or guardian having custody and control over the minor who committed the defacement by graffiti or any other inscribed material. Such notice shall be served in the same manner as a summons in a civil action in accordance with Sections 415.10 et seq. of the Code of Civil Procedure. The date upon which service is made shall be entered on or affixed to the face of the copy of the notice at the time of service. However, service of such notice without such date shall be valid and effective.

(b) A graffiti nuisance abatement lien shall be recorded in the Riverside County Recorder's office and from the date of recording shall have the force, effect, and priority of a judgment lien.

(c) A graffiti nuisance abatement lien authorized by this section shall specify the amount of the lien, the name of the agency on whose behalf the lien is imposed, the date of the abatement order, the street address, legal description and assessor's parcel number of the parcel on which the lien is imposed, and the name and address of the recorded owner of the parcel.

(d) If the lien is discharged, released, or satisfied, either through payment or foreclosure, notice of the discharge containing the information specified in subsection (b) of this section of this Code shall be recorded by the City. A graffiti nuisance abatement lien and the release of the lien shall be indexed in the grantor-grantee index.

(e) A graffiti nuisance abatement lien may be satisfied through foreclosure in an action brought by the City. The City may recover from the property owner any costs incurred regarding the processing and recording of the lien and providing notice to the property owner as part of its foreclosure action to enforce the lien or as a condition of releasing the lien upon payment.

Section 11C-49.4. Graffiti – Special Assessment.

(a) As an alternative to the recordation of a graffiti nuisance abatement lien, the City may make the cost of the abatement of any nuisance resulting from the defacement by a minor or other person of property of another by graffiti or other inscribed material, and related

administrative costs, a special assessment against a parcel of land owned by the minor or other person or by the parent or guardian having custody and control of the minor.

(b) The assessment may be collected at the same time and in the same manner as ordinary municipal taxes are collected, and shall be subject to the same penalties and the same procedure and sale in case of delinquency as provided for ordinary municipal taxes. All laws applicable to the levy, collection and enforcement of municipal taxes shall be applicable to the special assessment. However, if any real property to which the cost of abatement relates has been transferred or conveyed to a bona fide purchaser for value, or if a lien of a bona fide encumbrancer for value has been created and attaches thereon, prior to the date on which the first installment of the taxes would become delinquent, then the cost of abatement shall not result in a lien against the real property but instead shall be transferred to the unsecured roll for collection.

(c) Notices or instruments relating to the abatement proceeding or special assessment may be recorded.

(d) Upon entry of a second or subsequent civil or criminal judgment within a two-year period finding a minor or other person or parent or guardian having custody and control of a minor responsible for a condition that may be abated as a nuisance pursuant to subsection (a) of this section of this Code, the court may order such minor or other person or parent or guardian having custody and control of such minor to pay treble the costs of the abatement."

Section 11C-49.5. General Penalty.

(a) In addition to any other remedy provided by law, the City may recover any fee, cost or charge, including any attorneys' fees incurred in the enforcement of any provision of the Zoning Code, the Housing Code, Building Code, Electrical Code, Plumbing Code, Mechanical Code or the Uniform Code for the Abatement of Dangerous Buildings as provided in this Code. The amount of any such fee, cost, or charge, including any attorneys' fees shall not exceed the actual cost incurred performing the inspections and enforcement activity, including but not limited to permit fees, fines, late charges and interest.

(b) Subsection (a) of this section of this Code, shall not apply to any enforcement, abatement, correction or inspection activity regarding a violation of any provision of sections of the Zoning Code, the Housing Code, Building Code, Electrical Code, Plumbing Code, Mechanical Code or the Uniform Code for the Abatement of Dangerous Buildings as provided in this Code in which the violation was evident on the plans that received the building permit.

(c) Subsection (a) of this section of this Code shall not apply to owneroccupied residential dwelling units.

SECTION 3. The City Clerk shall cause this Ordinance to be published in a newspaper of general circulation printed and published in the county and circulated in the City within fifteen (15) days after its passage, in accordance with Section 36933 of the Government Code, shall certify to the adoption and publication of this Ordinance, and shall cause this Ordinance and its certification, together with proof of publication, to be entered in the Book of Ordinances of the Council of this City.

SECTION 4. Severability. If any section, subsection, clause or phrase of this Ordinance is for any reason held to be unconstitutional, or otherwise invalid such decision shall not affect the validity of the remaining sections of this Ordinance. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, clause and phrase thereof irrespective of the fact that any one or more other sections, subsections, clauses, or phrases be declared invalid.

INTRODUCED at the regular meeting of the 9th day of August, 2005.

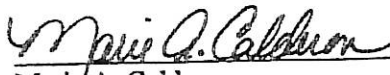
PASSED, APPROVED AND ADOPTED by the City Council of the City of Banning at a regular meeting held on this 13th day of September, 2005.


John Machisic, Mayor

APPROVED AS TO FORM
AND LEGAL CONTENT:


Julie Hayward Biggs
City Attorney

ATTEST:


Marie A. Calderon
City Clerk

CERTIFICATION:

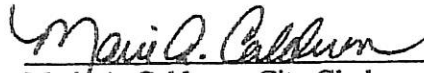
I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that Ordinance No. 1326 was duly introduced at a regular meeting of the City Council of the City of Banning, held on the 9th day of August, 2005, and was duly adopted at a regular meeting of said City Council on the 13th day of September, 2005, by the following vote, to wit:

AYES: Councilmembers Hanna, Palmer, Salas, Welch, Mayor Machisic

NOES: None

ABSENT: None

ABSTAIN: None


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

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

TO: CITY COUNCIL, UTILITY AUTHORITY, AND
SUCCESSOR AGENCY BOARD

FROM: Michael Rock, City Manager

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

MEETING DATE: July 12, 2016

SUBJECT: Consider Extending Deadline for Chamber of Commerce to
Comply with Demand Letter to August 26, 2016 for Payment of
Overdue Utility Bills

RECOMMENDATION:

Consider extending the Banning Chamber of Commerce's deadline for payment of the overdue utility bills in the amount of \$15,795 to August 26, 2016, instead of June 27, 2016, as set forth in the Demand Letter dated May 27, 2016.

BACKGROUND:

On April 25, 2016, the Riverside County Grand Jury issued its 2015-2016 Grand Jury Report on the City of Banning and the Banning Chamber of Commerce. The report made several findings, conclusions, and recommendations as to the City's relationship with the Banning Chamber of Commerce.

On May 24, 2016, a \$10,000 maintenance fund was established by the Chamber of Commerce and proof of the deposit was verified by the City Attorney.

On May 27, 2016, on direction from the Council, the City Attorney provided the Chamber of Commerce with a demand Letter requiring payment of the overdue utility bills within 30 days of receipt.

On June 21, 2016, the President of the Chamber of Commerce verbally requested an extension to August 26, 2016 for payment of the utility bills due to the fact that they had

just deposited \$10,000 into a maintenance fund on May 24, 2016, and needed a bit more time to secure all funds to pay the utility bills.

At the June 28, 2016, City Council Meeting, Council requested the Chamber of Commerce supply the City with a written request for an extension and commitment to pay along with a copy of their current profit and loss statement so they may make a decision based on written documentation.

On July 1, 2016, the Chamber of Commerce provided the City with a letter requesting consideration of an extension to August 26, 2016, along with a copy of their current bank account balance, maintenance fund balance, and Profit and Loss Statement.

OPTIONS:

1. Grant an extension on payment of the overdue utility bills in the amount of \$15,795 to August 26, 2016.
2. Require the Banning Chamber of Commerce to comply with the Demand Letter dated May 27, 2016 requiring payment within 30 days.

ATTACHMENTS:

1. Grand Jury Report
2. Demand Letter from City Attorney to Chamber of Commerce
3. Chamber of Commerce Insurance Policy
4. Chamber of Commerce Maintenance Fund
5. Letter of Request for Extension from Chamber of Commerce
6. Chamber of Commerce Bank Account Balance
7. Chamber of Commerce Profit & Loss Statement

Reviewed & Approved by:



Michael Rock
City Manager

Prepared by:



Sonja De La Fuente
Executive Assistant/Deputy City Clerk

ATTACHMENT 1

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2015-2016 GRAND JURY REPORT

City of Banning Banning Chamber of Commerce

Background

The City of Banning (Banning) is located in the San Geronimo Pass, between Mt. San Geronimo to the north and Mt. San Jacinto to the south in Riverside County, approximately 30 miles east of the City of Riverside. It has a population of approximately 30,000. The railroad replaced the stagecoach in 1876; however, Banning is still known as "STAGECOACH TOWN, U.S.A." and is famous for its annual Stagecoach Days Celebration featuring a parade, carnival, and rodeo.

Banning was incorporated in 1913 as a general law city with a Council-Manager form of government. Banning has five elected council members, one of which is appointed mayor by the Council every year. The City Manager is the Chief Administrative Officer and is appointed by the City Council. The four year elected term of a Council member is staggered, with three members elected during one election cycle and two at another. Elections are consolidated with the general election in November of even-numbered years. Banning does not have council districts; Council members are elected city-wide, and represent all citizens.

The Banning Chamber of Commerce (Chamber) has operated as a not for profit entity since 1989. The mission of the Chamber as stated on its website "is dedicated to promoting a vibrant business environment by cooperative interaction among businesses, government and community." Some of the activities of the Chamber are promoting tourism in Banning, providing information to visitors and new residents to the community, maintaining a close relationship with state and county agencies regarding issues that affect the community, and participating and co-sponsoring a variety of community events.

Methodology

Evidence for this report was obtained through the review of documents and testimony of officials, past and present, of Banning and the Chamber. Documents reviewed included the following:

- a. Lease Agreement between the Community Redevelopment Agency of the City of Banning and the Banning Chamber of Commerce dated June 14, 2005.
- b. Amendment Number One to the Lease Agreement, with attachments, dated June 6, 2006.
- c. Sublease and Consent Justification by Southern California Gas Company dated May 30, 2006.
- d. Copy of Southern California Gas Company Check #623189 in the amount of \$212,616.00 payable to the "Banning Chamber of Commerce" dated June 5, 2006.
- e. Email from a member of the Banning City Council to former Banning City Manager dated September 3, 2014.
- f. Abstract of Judgment – Civil and Small Claims dated May 12, 2010, and issued on March 8, 2011.
- g. City of Banning, Office of the City Manager document dated July 16, 2014.
- h. Letter from the Banning Chamber of Commerce to Banning City Manager dated August 25, 2014.
- i. Memorandum from City of Banning Administrative Services Director/Deputy City Manager to City of Banning Interim City Manager dated July 7, 2014.

Individuals interviewed were:

- a. Two members of the Banning City Council.
- b. The President of the Chamber.
- c. The Executive Director of the Chamber.

Findings

1. In January 2006 the Chamber was given a 50 year lease by the Community Redevelopment Agency of the City of Banning for the property located at 60 East Ramsey Street in Banning, California. The rent agreed to was \$1.00 per year, for a period of 50 years. The lease requires the Chamber to name Banning as an additional insured and the payee on an insurance policy for the building. An amendment to the lease was subsequently signed by the same parties, which transferred an existing lease between Banning and the Southern California Gas Company to the Chamber. As part of the amendment the Chamber is required to establish a minimum \$10,000 maintenance fund. Neither action has been taken by the Chamber. During an interview, the Executive Director of the Chamber stated that he was not aware of any amendment to the lease and therefore had no knowledge of the requirement to establish a maintenance fund. He also stated he was unaware of the lease requirement to modify the insurance coverage. The Executive Director did not provide evidence to indicate the maintenance fund had been created, or that the insurance coverage had been modified. The Executive Director, while serving as President, was the representative who signed the lease and the amendment to the lease on the part of the Chamber. To date, the Banning City Council has not required that the maintenance fund be established or the Chamber to modify their insurance coverage naming Banning as the payee for any claim for damages to the building.
2. Utility bills incurred between 2006 and 2013 were not paid by the Chamber. A review of documents and interviews with City Council members and officers of the Chamber revealed that these bills were waived based upon a handshake agreement between the Banning City Council and the Chamber.

After waiver of these utility bills was made public, Banning legal counsel determined only the previous three years could be collected. The amount for the previous three years was \$15,795.25. The Banning City Council directed that correspondence with the Chamber be initiated requesting repayment of the \$15,795.25. In response to the request, the Chamber offered to make repayment at the rate of \$32.10 per month over the remaining 492 months (41 years) of the current lease. This offer was not accepted by Banning and a member of the City Council was appointed to continue negotiations with the Chamber regarding repayment of the debt for the utility bills. After more than one year no agreement has been reached regarding the repayment and the debt remains.

3. The sublease with the Southern California Gas Company that was transferred to the Chamber had 13 years remaining at a payment of \$2,047.50 per month, for a total of \$319,410.00. This is the amount that Banning ceded to the Chamber. This is in addition to a lease on the property for \$1.00 per year for 50 years. The Chamber made a proposal to the Southern California Gas Company for a reduced rental rate if the Southern California Gas Company paid the entire 13 years in remaining rent in advance. The Southern California Gas Company agreed to this offer and issued a check in the amount of \$212,616.00 payable to the "Banning Chamber of Commerce" dated June 6, 2006.
4. The Executive Director of the Chamber has a judgment against him in the amount of \$74,434.37 payable to Banning. This judgment was dated May 12, 2010, and was issued on March 8, 2011. To date this judgment has not been paid and Banning has not collected on the judgment.

Recommendations

Banning City Council Banning Chamber of Commerce, Board of Directors

1. Unless the Chamber complies with the requirements of the Lease and of Amendment Number One to the Lease Agreement to add Banning to their insurance policy as the payee for any claim on the property, and to establish a minimum \$10,000 maintenance fund, Banning should formally cancel the existing lease between the Community Redevelopment Agency of Banning and the Chamber. Action taken on this lease is to be made part of the open agenda at the next Banning City Council meeting following either compliance by the Chamber, or 90 days, whichever comes first.

That Banning discuss its lease proposals in the open agenda portion of the Banning City Council meetings prior to agreeing to such proposals. Those discussions to include total costs to Banning both in waived rent to the lessee, as well as in waived rents that result from modifying existing leases.

That Banning formalize its financial dealings and not utilize handshakes or past practices with other entities.

That Banning develop written policies and procedures necessary to review contracts and/or leases to ensure compliance.

2. That Banning reach an agreement with the Chamber for the payment of the past due utility bills in the amount of \$15,795.25. That such agreement be reached no later than 90 days after the receipt of this report, and made a part of the open agenda at the next Banning City Council meeting after agreement has been reached.
3. If the lease between the Community Redevelopment Agency of Banning and the Chamber is cancelled, that Banning seek repayment from the Chamber of the remaining prorated amount of the sublease with the Southern California Gas Company.
4. That Banning take the necessary legal action against the Executive Director of the Chamber for the payment of the judgment against him payable to Banning. Payment to include any and all interest accrued to date on the original judgment amount. Action taken by Banning to be made part of the open agenda at the next City Council meeting following payment of judgment by the Executive Director of the Chamber, or 90 days, whichever comes first.
5. That Chamber Directors request the resignation of the Executive Director unless the amount due under the judgment against him is paid to Banning. The current situation poses a conflict of interest and is in direct conflict with the Chamber mission statement of "cooperative interaction among business, government and community."

Report Issued: 04/25/2016
Report Public: 04/27/2016
Response Due: 07/25/2016

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ATTACHMENT 2

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**ALESHIRE &
WYNDER LLP**
ATTORNEYS AT LAW

ORANGE COUNTY | LOS ANGELES | RIVERSIDE | CENTRAL VALLEY

ataylor@awattorneys.com
(949) 250-5427

18881 Von Karman Avenue,
Suite 1700
Irvine, CA 92612
P (949) 223-1170
F (949) 223-1180

AWATTORNEYS.COM

May 26, 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 full amount of the past due utility bills. Besides seeking payment of said amount in full through those court proceedings, if this amount is not paid in full, the City will also seek eviction of the Chamber from the premises. This demand is made without limiting the remedies the City may seek in litigation.

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.

Banning Chamber of Commerce
May 26, 2016
Page 2


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

Recently, the Chamber provided the City Manager with some documentation concerning these items, which I am currently reviewing. If the Chamber has any additional documentation to show compliance with the above-referenced Lease provisions, please provide that to me promptly.

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

SHIP DATE: 26MAY16
ACTWGT: 1.00 LB
CAD: 104617392/INET3730
BILL SENDER

¹⁰ **BANNING CHAMBER OF COMMERCE**

60 E. RAMSEY STREET
NO. C

BANNING CA 92220
(91) 848-4695

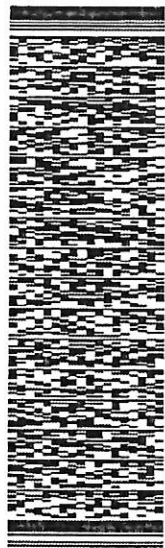
(951) 849-4695
INV.

REF: 01102-0001

PO:

DEPT:

540J16323/727F



J161016426501u

FRI - 27 MAY 4:30P

STANDARD OVERNIGHT

TRK# 7763 8728 7700
0201

DSR

WMPSA

92220
CA-US
ONT



After printing this label:

1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

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ATTACHMENT 3



Mercury Casualty Company

Producer's Copy

California Businessowners Policy

Effective Date 04/13/2016

Page 1

Renewal Declaration

*** REMINDER — THIS POLICY IS DIRECT BILL ***

This declaration supersedes any previous declaration bearing the same number for this policy period.
Coverage will lapse and no longer be in effect if payment is not received by the due date.

Named Insured: BANNING CHAMBER OF COMMERCE

| Mailing Address | Producer |
|--|---|
| BANNING CHAMBER OF COMMERCE 60 E RAMSEY ST BANNING CA 92220-4856 | LITTLE & SONS INS SVCS INC 906 BEAUMONT AVE BEAUMONT CA 92223 |

Client Number: 546859

| Policy Number | Policy Period From To | Company Name | Producer No. | Producer Phone |
|---|--------------------------|--------------------------|--------------|----------------|
| CCP0047882 | 04/13/2016 - 04/13/2017 | Mercury Casualty Company | 4960 | 951-769-8800 |
| At 12:01AM Standard Time At Your Mailing Address Shown Above. | | | | |

Business Description: CHAMBER OF COMMERCE OFFICE

Form of Business: CORPORATION

TOTAL PROPERTY PREMIUM \$1,996

TOTAL LIABILITY PREMIUM \$365

OTHER PREMIUM \$0

TOTAL PREMIUM \$2,361

LITTLE & SONS INS.

MAR 08 2013

906 BEAUMONT AVE.
BEAUMONT, CA 92223

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU
TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

Insurance is provided with respect to those premises described herein and with respect to those coverages and kinds of property for
which a specific limit of liability is shown, subject to all the terms of this policy including forms and endorsements made a part hereof.

LOCATION OF PREMISES

| PREMISES LOCATION | CLASSIFICATION |
|---------------------------------------|--|
| 1 1 60 E Ramsey St - Banning CA 92220 | Offices Not Otherwise Classified - High Hazard |

| SECTION | PROPERTY COVERAGE | PREMISES | COVERAGE | LIMIT OF INSURANCE | VALUATION | DEDUCTIBLE | PREMIUM |
|---------|-------------------|----------|----------|--------------------|------------------|------------|---------|
| 1 | 1 | Building | | \$530,000 | Replacement Cost | \$500 | \$943 |

UW: JAK



Mercury Casualty Company

Producer's Copy

California Businessowners Policy

Effective Date: 04/13/2016

Page 2

Policy Number: CCP0047882

Insureds Name: BANNING CHAMBER OF COMMERCE

1 1 Business Personal Property \$52,000 Replacement Cost \$500 \$911

Automatic Increase - Building Limit 6% and Business Personal Property 4%
Business Income is provided under BP 00 03 for Actual Loss Sustained.

ADDITIONAL COVERAGE(S)

| PREM | BLDG | COVERAGE | LIMIT OF INSURANCE | DEDUCTIBLE | PREMIUM |
|------|------|---------------------|--------------------|------------|---------|
| | | Equipment Breakdown | | | \$117 |
| 1 | 1 | Additional Insured | | | \$25 |

TOTAL PROPERTY PREMIUM \$1,996

| SECTION II | | LIABILITY COVERAGE | |
|------------|------|--|--|
| PREM | BLDG | COVERAGE | PREMIUM |
| | | Bodily Injury & Property Damage Liability - Combined Single Limits | \$1,000,000 Per Occurrence/\$2,000,000 Aggregate |
| | | Personal & Advertising Injury | \$1,000,000 Per Occurrence/\$2,000,000 Aggregate |
| | | Products & Completed Operations | \$1,000,000 Per Occurrence/\$2,000,000 Aggregate |
| | | Medical Expenses | \$5,000 Each Person/\$10,000 Each Accident |
| | | Mercury Plus Liability Endorsement | \$125 |
| | | Additional Coverages: | |
| | | Hired Auto Liability | \$1,000,000 \$70 |
| | | Non-Owned Auto Liability | \$1,000,000 \$70 |
| | | TOTAL LIABILITY PREMIUM | \$365 |

Schedule of Forms and Endorsements

It is hereby understood and agreed, in consideration of the premium charged, that the following endorsements are attached to and form part of the aforementioned Policy.

BP0567 0106 Exclusion of Terrorism

BP0003 0713 Businessowners Coverage Form

BP0404 0702 Hired Auto and Non-Owned Auto Liability

BP0417 0110 Employment - Related Practices Exclusion

BP0439 0702 Abuse or Molestation Exclusion

BP0446 1102 Ordinance or Law Coverage

BP0493 0106 Total Pollution Exclusion with Hostile Fire Exception

BP0501 0702 Calculation of Premium

BP0517 0106 Exc - Silica or Silica-Related Dust

BP 0524 0108 Exclusion of Certified Acts of Terrorism

BP 0542 0108 Exclusion of Punitive Damages Related to an Act of Terror

BP05770106 Fungi or Bacteria Exclusion

BPIN01 0713 Businessowners Coverage Form Index

ILN 018 0903 California Fraud Statement

MCC EB BOP 0710 Mercury Casualty Company Equipment Breakdown Coverage

UW: JAK



Mercury Casualty Company

Producer's Copy

California Businessowners Policy

Effective Date: 04/13/2016

Page 3

Policy Number: CCP0047882

Insureds Name: BANNING CHAMBER OF COMMERCE

MCC Mold EXC Property 1

MC BOP 25 0613 Businessowners Amendatory Endorsement

MC BOP 29 0710 Mercury Casualty Businessowners Amendatory Endorsement

MC BOP Liability Plus 0512 Mercury Plus Liability Endorsement

Refer to Mercury Plus Liability Endorsement for Coverage Limits Automatically Included

PREM BLDG

1 1 BP0155 0912 California Changes

1 1 BP0412 0106 Limitation of Coverage to Designated Premises or Project

Description of Premises or Project

CHAMBER OF COMMERCE OFFICE 60 W RAMSEY ST, BANNING CA 92220

SCHEDULED ADDITIONAL INSURED

PREM BLDG

1 1 BP0448

CITY OF BANNING, EACH OF ITS OFFICERS, OFFICIALS, EMPLOYEES,
AGENTS & VOLUNTEERS

99 E RAMSEY ST
BANNING CA 92220

Lessor's Risk Liability Is Extended To Tenants Square Footage 1,800 Square Feet.

\$100

FULL POLICY TERM PREMIUM

\$2,361

CREDITS:

Prem: 1 Bldg: 1 Deductible Credit

Checks or drafts are accepted in payment only if they are honored when first presented.

In Consideration of the Provisions and Stipulations Herein or Added Hereto and of the Premium Above Specified (or specified in endorsement attached hereto), this Company, for the term from Inception date shown above (At 12:01 A.M. Standard Time) to expiration date shown above (At 12:01 A.M. Standard Time) at location of property involved, to an amount not exceeding the limit of liability specified, does insure the Insured named in the Declarations above and legal representatives, to the extent of the actual cash value of the property at the time of loss, but not exceeding the amount which it would cost to repair or replace the

UW: JAK



Mercury Casualty Company

Producer's Copy

California Businessowners Policy

Effective Date: 04/13/2016

Page 3

Policy Number: CCP0047882

Insureds Name: BANNING CHAMBER OF COMMERCE

MCC Mold EXC Property 1

MC BOP 25 0613 Businessowners Amendatory Endorsement

MC BOP 29 0710 Mercury Casualty Businessowners Amendatory Endorsement

MC BOP Liability Plus 0512 Mercury Plus Liability Endorsement

Refer to Mercury Plus Liability Endorsement for Coverage Limits Automatically Included

PREM BLDG

1 1 BP0155 0912 California Changes

1 1 BP0412 0106 Limitation of Coverage to Designated Premises or Project

Description of Premises or Project

CHAMBER OF COMMERCE OFFICE 60 W RAMSEY ST, BANNING CA 92220

SCHEDULED ADDITIONAL INSUREDS

PREM BLDG

1 1 BP0448

CITY OF BANNING, EACH OF ITS OFFICERS, OFFICIALS, EMPLOYEES,
AGENTS & VOLUNTEERS

99 E RAMSEY ST
BANNING CA 92220

Lessor's Risk Liability Is Extended To Tenants Square Footage 1,800 Square Feet.

\$100

FULL POLICY TERM PREMIUM

\$2,361

CREDITS:

Prem: 1 Bldg: 1 Deductible Credit

Checks or drafts are accepted in payment only if they are honored when first presented.

In Consideration of the Provisions and Stipulations Herein or Added Hereto and of the Premium Above Specified (or specified in endorsement attached hereto), this Company, for the term from inception date shown above (At 12:01 A.M. Standard Time) to expiration date shown above (At 12:01 A.M. Standard Time) at location of property involved, to an amount not exceeding the limit of liability specified, does insure the insured named in the Declarations above and legal representatives, to the extent of the actual cash value of the property at the time of loss, but not exceeding the amount which it would cost to repair or replace the

TJW: YAK

101



Mercury Casualty Company

Producer's Copy

California Businessowners Policy

Effective Date: 04/13/2016

Page 4

Policy Number: CCP0047882

Insureds Name: BANNING CHAMBER OF COMMERCE

property with material of like kind and quality within a reasonable time after such loss, without allowance for any increased cost of repair or reconstruction by reason of any ordinance or law regulating construction or repair; and without compensation for loss resulting from interruption of business or manufacture, nor in any event for more than the interest of the insured, against all LOSS BY FIRE, LIGHTNING AND OTHER PERILS INSURED AGAINST IN THIS POLICY INCLUDING REMOVAL FROM PREMISES ENDANGERED BY THE PERILS INSURED AGAINST IN THIS POLICY, EXCEPT AS HEREINAFTER PROVIDED to the property described herein while located or contained as described in this policy, or pro rata for five days at each proper place to which any of the property shall necessarily be removed for preservation from the perils insured against in this policy, but not elsewhere.

Assignment of this policy shall not be valid except with the written consent of this Company.

This policy is made and accepted subject to the foregoing provisions and stipulations and those hereinafter stated, which are hereby made a part of this policy, together with such other provisions, stipulations and agreements as may be added hereto, as provided by this policy.

M-1 (6/83)

UW: JAK

ATTACHMENT 4

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Search Transactions

| | |
|---|-------------------------------|
| Date Range * | |
| All transactions <input type="button" value="v"/> | |
| Transaction Type * | |
| All <input type="button" value="v"/> | |
| Amount or Range | |
| <input type="text"/> | |
| Transaction Number or Range | |
| <input type="text"/> | |
| * Indicates required field | |
| VIEW TRANSACTIONS | EXPORT AS CSV |
| Change export format | |

Transactions

| | | | | |  |
|------------|----------------|---------|-----------|-----------|---|
| Date ▾ | Description ↕ | Debit ↕ | Credit ↕ | Balance | Show <input type="button" value="50"/> <input type="button" value="v"/> |
| 05/31/2016 | SERVICE CHARGE | 3.00 | | 10,009.43 | |
| 05/24/2016 | DEPOSIT | | 10,000.00 | 10,012.43 | |
| 04/30/2016 | SERVICE CHARGE | 3.00 | | 12.43 | |

Additional items prior to 04/30/2016 may be available in the transaction archive.

[Contact Us](#)

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REGULAR SAVINGS-BUSINESS (10)
4500299320

THE BANK OF HEMET

5/24/2016 1:52:47 PM

Savings 4500299320 - BANNING SGP AREA CHAMBER OF COMMERCE

| | Relationship | Date of Birth | Phone Number | Tax Identification |
|--------------------------------------|--------------|---------------|--------------|--------------------|
| BANNING SGP AREA CHAMBER OF COMMERCE | Owner | | ***** | EIN **-***** |
| 60 EAST RAMSEY | | | | |
| BANNING CA 92220 | | | | |

Additional Relationships

Tax Name: BANNING SGP AREA CHAMBER OF
COMMERCE
See Mailing Information

Mailing Label

BANNING SGP AREA CHAMBER OF COMMERCE
P O BOX 665
BANNING CA 92220

Memo Balances

| | | | |
|-----------------------------|--------------------|--------------------------------|--------------------|
| Current Balance: | \$12.43 | Current Balance: | \$12.43 |
| Plus Presentments: | \$10,000.00 | Plus Presentments: | \$10,000.00 |
| Memo Ledger Balance: | \$10,012.43 | Memo Available Balance: | \$10,012.43 |

Presentments

| Description | Memopost | Expiration | Ledger Adjustment | Available Adjustment |
|--|---------------------------|--------------|-------------------|----------------------|
| Source: Teller-Terminal 226575 (40) TRANSFER TO BK OF HEMET P2 TLR TO | May 24, 2016 1:51 p.m. | May 24, 2016 | \$10,000.00 | \$10,000.00 |

Current & Previous Cycle

| Description | Debits | Credits | Date | Balance |
|-------------------------|--------|---------|--------------|---------|
| Balance Forward: | | | Mar 31, 2016 | \$15.43 |
| Service Charge | \$3.00 | | Apr 30, 2016 | \$12.43 |
| Balance This Statement: | | | May 23, 2016 | \$12.43 |

ATTACHMENT 5

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Board of Directors

Ron Duncan
President

Onoalyse Lyons
Vice President

Reako Davis
Secretary/ Treasurer

Diana Benhar
Board Member

Bill Dickson
Board Member

Thomas Watkins
Board Member

Heather Perry
Board Member

Robin Calder
Board Member

Juan De La Fuente
Board Member

Laura Leindecker
Board Member

Linda Montenegro
Office Manager

Tona Ott
Front Office Support

07-01-2016

City of Banning
99 E. Ramsey Street
Banning, CA 92220

Attention: Michael Rock, City Manager

Thank you, for your consideration of an extension of the demand letter to August 26th 2016 in order for The Banning Chamber of Commerce to secure funds to pay the utility bill Debt in the amount of \$15,795.00.



Ron Duncan

President

Banning Chamber of Commerce
60 E. Ramsey St. Banning, CA 92220
P: (951) 849-4695/ Fax: (951) 849-9395
bcinfo1@verizon.net
banningchamber@gmail.com
www/banningchamber.net

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ATTACHMENT 6



Checking (XXXXXX8901)

6/29/2016 11:00 AM PDT (Refresh)

Account Information

Summary Details

| Balance | |
|--|-----------------|
| Previous Day Transactions (-400.00/+0.00): | -400.00 |
| Current Balance: | 4,252.72 |
| Total Float: | .00 |
| Pending Transactions (-103.50/+0.00): | -103.50 |
| Other Transfers: | .00 |
| Today's Float: | .00 |
| Available Balance: | 4,149.22 |
| Total Funds Available: | 4,149.22 |

ATTACHMENT 7

Banning Chamber of Commerce

Profit & Loss YTD Comparison

May 2015 through May 2016

| | May '15 - May 16 | Jul '15 - May 16 |
|---------------------------------|------------------|------------------|
| Ordinary Income/Expense | | |
| Income | | |
| Sponsorship | 35,800.00 | 35,800.00 |
| Desert Edge Expenses | -1,495.00 | -1,495.00 |
| diposit | 738.75 | 738.75 |
| Reimburse Payroll Expenses TANF | 0.00 | 1,134.00 |
| Adventure Pass | 0.00 | 10.00 |
| Directory & Maps Commission | 0.00 | 2,000.00 |
| Membership Dues | 31,579.00 | 59,289.00 |
| Newsletter Ads | 6,695.00 | 6,695.00 |
| Special Events | 29,577.00 | 55,513.00 |
| Total Income | 102,894.75 | 159,684.75 |
| Gross Profit | 102,894.75 | 159,684.75 |
| Expense | | |
| bond | 50.00 | 50.00 |
| Event Refund | 170.00 | 170.00 |
| Event Donation Costs | 90.00 | 90.00 |
| Fire Extinguisher Expense | 52.92 | 52.92 |
| Donations | 25.00 | 25.00 |
| Outside Contractor Expense | 19,926.75 | 19,926.75 |
| Alarm Service | 39.50 | 39.50 |
| Office Maintenance | 896.00 | 896.00 |
| Insurance -Non Owner | 1,739.25 | 1,739.25 |
| Automobile Expense | 0.00 | 556.02 |
| Outside Service | 175.00 | 255.00 |
| Reimbursements | 186.82 | 1,271.32 |
| Accounting Fees | 985.00 | 1,915.00 |
| Advertising | 3,094.50 | 3,094.50 |
| Credit Card Fees | 424.81 | 739.79 |
| Building Maint & Repairs | 2,245.90 | 2,440.01 |
| Commissions | 670.00 | 670.00 |
| Computer Expense | 938.50 | 1,971.00 |
| Dues,Fees, Subscriptions | 205.00 | 205.00 |
| Event Insurance | 0.00 | 889.00 |
| Insurance - Liability, D and O | 1,686.82 | 3,828.64 |
| Insurance - Worker's Comp | 852.10 | 1,267.05 |
| Internet Service | 1,484.35 | 2,918.19 |
| Merchant Fees | 101.83 | 101.83 |
| Office Supplies | 1,784.67 | 3,132.06 |
| Payroll Expenses | 30,366.81 | 75,592.01 |
| Postage, Mailing Service | 581.69 | 972.62 |
| Printing and Copying | 2,440.80 | 2,527.20 |
| Professional Fees | 2,248.11 | 2,894.61 |
| Security and Protection | 481.83 | 837.33 |
| Special Event Expense | 7,320.60 | 12,839.19 |
| Telephone, Telecommunications | 2,607.75 | 4,231.60 |
| Utilities | 5,546.36 | 10,309.85 |
| Total Expense | 89,418.67 | 158,448.24 |
| Net Ordinary Income | 13,476.08 | 1,236.51 |
| Other Income/Expense | | |
| Other Income | | |
| Other Income | 0.00 | 250.40 |
| Interest Income | 0.00 | 2.67 |
| Total Other Income | 0.00 | 253.07 |
| Other Expense | | |
| Other Expense | 619.25 | 703.25 |
| Franchise Tax Board | | |
| Taxes | 0.00 | 10.00 |
| Franchise Tax Board - Other | 10.00 | 360.00 |

7:13 PM

06/13/16

Accrual Basis

Banning Chamber of Commerce
Profit & Loss YTD Comparison
May 2015 through May 2016

| | <u>May '15 - May 16</u> | <u>Jul '15 - May 16</u> |
|---------------------------|-------------------------|-------------------------|
| Total Franchise Tax Board | 10.00 | 370.00 |
| Penalties & Fees | 34.00 | 36.00 |
| Total Other Expense | 663.25 | 1,109.25 |
| Net Other Income | -663.25 | -856.18 |
| Net Income | <u>12,812.83</u> | <u>380.33</u> |

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CITY OF BANNING CITY COUNCIL REPORT

TO: CITY COUNCIL

FROM: Michael Rock, City Manager

PREPARED BY: John C. Cotti, Interim City Attorney

MEETING DATE: July 12, 2016

SUBJECT: Discussion and Consideration of a Draft Response to the 2015-2016 Riverside County Civil Grand Jury Report entitled "City of Banning – Banning Chamber of Commerce."

RECOMMENDATION:

Approve the response to the 2015-2016 Riverside County Civil Grand Jury Report entitled "City of Banning – Banning Chamber of Commerce."

BACKGROUND:

California Penal Code Section 925(a) authorizes civil grand juries to "investigate and report upon the operations, accounts, and records of the officers, departments, functions, and the method or system of performing the duties of any such city or joint powers agency and make such recommendations as it may deem proper and fit."

On April 27, 2016, the Riverside County Civil Grand Jury issued its report entitled "City of Banning – Banning Chamber of Commerce." (Attachment 1). The Report focuses on the Chamber of Commerce's compliance with its lease with the former Banning Community Redevelopment Agency, including provisions relating to the establishment of a maintenance fund, the payment of utilities and the naming of the City as an additional insured under the Chamber's insurance policy, among other issues. At the conclusion of the Report, the Grand Jury issued four findings and five recommendations relative to Chamber lease.

Penal Code Sections 933(c) and 933.05 require a written response to the findings and recommendations contained in a Civil Grand Jury Report following the release of the report to the public.

As to each finding, State law requires that the City indicate whether it agrees or disagrees with each finding. As to each recommendation, State law requires the City to state whether the recommendation: 1) has been implemented; 2) has not yet been implemented, but will be in the future; 3) requires further analysis; or 4) will not be implemented because it is not warranted or is not reasonable.

The attached draft Response to the Grand Jury report addresses each of the Grand Jury's findings and recommendations (Attachment 2).

OPTIONS:

1. Approve the draft response to the Grand Jury;
2. Direct City staff to revise the draft response as appropriate.

FISCAL IMPACT:


There are no fiscal impacts associated with the item.

ATTACHMENTS:


1. 2015/16 Grand Jury Report: City of Banning/Banning Chamber of Commerce
2. Draft Response to the 2015/16 Grand Jury Report

Prepared and Reviewed by:

Approved by:



John C. Cotti
Interim City Attorney



Michael Rock
City Manager

ATTACHMENT 1

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2015-2016 GRAND JURY REPORT

City of Banning Banning Chamber of Commerce

Background

The City of Banning (Banning) is located in the San Geronimo Pass, between Mt. San Geronimo to the north and Mt. San Jacinto to the south in Riverside County, approximately 30 miles east of the City of Riverside. It has a population of approximately 30,000. The railroad replaced the stagecoach in 1876; however, Banning is still known as "STAGECOACH TOWN, U.S.A." and is famous for its annual Stagecoach Days Celebration featuring a parade, carnival, and rodeo.

Banning was incorporated in 1913 as a general law city with a Council-Manager form of government. Banning has five elected council members, one of which is appointed mayor by the Council every year. The City Manager is the Chief Administrative Officer and is appointed by the City Council. The four year elected term of a Council member is staggered, with three members elected during one election cycle and two at another. Elections are consolidated with the general election in November of even-numbered years. Banning does not have council districts; Council members are elected city-wide, and represent all citizens.

The Banning Chamber of Commerce (Chamber) has operated as a not for profit entity since 1989. The mission of the Chamber as stated on its website "is dedicated to promoting a vibrant business environment by cooperative interaction among businesses, government and community." Some of the activities of the Chamber are promoting tourism in Banning, providing information to visitors and new residents to the community, maintaining a close relationship with state and county agencies regarding issues that affect the community, and participating and co-sponsoring a variety of community events.

Methodology

Evidence for this report was obtained through the review of documents and testimony of officials, past and present, of Banning and the Chamber. Documents reviewed included the following:

- a. Lease Agreement between the Community Redevelopment Agency of the City of Banning and the Banning Chamber of Commerce dated June 14, 2005.
- b. Amendment Number One to the Lease Agreement, with attachments, dated June 6, 2006.
- c. Sublease and Consent Justification by Southern California Gas Company dated May 30, 2006.
- d. Copy of Southern California Gas Company Check #623189 in the amount of \$212,616.00 payable to the "Banning Chamber of Commerce" dated June 5, 2006.
- e. Email from a member of the Banning City Council to former Banning City Manager dated September 3, 2014.
- f. Abstract of Judgment – Civil and Small Claims dated May 12, 2010, and issued on March 8, 2011.
- g. City of Banning, Office of the City Manager document dated July 16, 2014.
- h. Letter from the Banning Chamber of Commerce to Banning City Manager dated August 25, 2014.
- i. Memorandum from City of Banning Administrative Services Director/Deputy City Manager to City of Banning Interim City Manager dated July 7, 2014.

Individuals interviewed were:

- a. Two members of the Banning City Council.
- b. The President of the Chamber.
- c. The Executive Director of the Chamber.

Findings

1. In January 2006 the Chamber was given a 50 year lease by the Community Redevelopment Agency of the City of Banning for the property located at 60 East Ramsey Street in Banning, California. The rent agreed to was \$1.00 per year, for a period of 50 years. The lease requires the Chamber to name Banning as an additional insured and the payee on an insurance policy for the building. An amendment to the lease was subsequently signed by the same parties, which transferred an existing lease between Banning and the Southern California Gas Company to the Chamber. As part of the amendment the Chamber is required to establish a minimum \$10,000 maintenance fund. Neither action has been taken by the Chamber. During an interview, the Executive Director of the Chamber stated that he was not aware of any amendment to the lease and therefore had no knowledge of the requirement to establish a maintenance fund. He also stated he was unaware of the lease requirement to modify the insurance coverage. The Executive Director did not provide evidence to indicate the maintenance fund had been created, or that the insurance coverage had been modified. The Executive Director, while serving as President, was the representative who signed the lease and the amendment to the lease on the part of the Chamber. To date, the Banning City Council has not required that the maintenance fund be established or the Chamber to modify their insurance coverage naming Banning as the payee for any claim for damages to the building.
2. Utility bills incurred between 2006 and 2013 were not paid by the Chamber. A review of documents and interviews with City Council members and officers of the Chamber revealed that these bills were waived based upon a handshake agreement between the Banning City Council and the Chamber.

After waiver of these utility bills was made public, Banning legal counsel determined only the previous three years could be collected. The amount for the previous three years was \$15,795.25. The Banning City Council directed that correspondence with the Chamber be initiated requesting repayment of the \$15,795.25. In response to the request, the Chamber offered to make repayment at the rate of \$32.10 per month over the remaining 492 months (41 years) of the current lease. This offer was not accepted by Banning and a member of the City Council was appointed to continue negotiations with the Chamber regarding repayment of the debt for the utility bills. After more than one year no agreement has been reached regarding the repayment and the debt remains.

3. The sublease with the Southern California Gas Company that was transferred to the Chamber had 13 years remaining at a payment of \$2,047.50 per month, for a total of \$319,410.00. This is the amount that Banning ceded to the Chamber. This is in addition to a lease on the property for \$1.00 per year for 50 years. The Chamber made a proposal to the Southern California Gas Company for a reduced rental rate if the Southern California Gas Company paid the entire 13 years in remaining rent in advance. The Southern California Gas Company agreed to this offer and issued a check in the amount of \$212,616.00 payable to the "Banning Chamber of Commerce" dated June 6, 2006.
4. The Executive Director of the Chamber has a judgment against him in the amount of \$74,434.37 payable to Banning. This judgment was dated May 12, 2010, and was issued on March 8, 2011. To date this judgment has not been paid and Banning has not collected on the judgment.

Recommendations

Banning City Council

Banning Chamber of Commerce, Board of Directors

1. Unless the Chamber complies with the requirements of the Lease and of Amendment Number One to the Lease Agreement to add Banning to their insurance policy as the payee for any claim on the property, and to establish a minimum \$10,000 maintenance fund, Banning should formally cancel the existing lease between the Community Redevelopment Agency of Banning and the Chamber. Action taken on this lease is to be made part of the open agenda at the next Banning City Council meeting following either compliance by the Chamber, or 90 days, whichever comes first.

That Banning discuss its lease proposals in the open agenda portion of the Banning City Council meetings prior to agreeing to such proposals. Those discussions to include total costs to Banning both in waived rent to the lessee, as well as in waived rents that result from modifying existing leases.

That Banning formalize its financial dealings and not utilize handshakes or past practices with other entities.

That Banning develop written policies and procedures necessary to review contracts and/or leases to ensure compliance.

2. That Banning reach an agreement with the Chamber for the payment of the past due utility bills in the amount of \$15,795.25. That such agreement be reached no later than 90 days after the receipt of this report, and made a part of the open agenda at the next Banning City Council meeting after agreement has been reached.
3. If the lease between the Community Redevelopment Agency of Banning and the Chamber is cancelled, that Banning seek repayment from the Chamber of the remaining prorated amount of the sublease with the Southern California Gas Company.
4. That Banning take the necessary legal action against the Executive Director of the Chamber for the payment of the judgment against him payable to Banning. Payment to include any and all interest accrued to date on the original judgment amount. Action taken by Banning to be made part of the open agenda at the next City Council meeting following payment of judgment by the Executive Director of the Chamber, or 90 days, whichever comes first.
5. That Chamber Directors request the resignation of the Executive Director unless the amount due under the judgment against him is paid to Banning. The current situation poses a conflict of interest and is in direct conflict with the Chamber mission statement of "cooperative interaction among business, government and community."

Report Issued: 04/25/2016
Report Public: 04/27/2016
Response Due: 07/25/2016

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ATTACHMENT 2

July 12, 2016

Harold W. Hopp, Presiding Judge
Riverside County Superior Court
4050 Main Street
Riverside, CA 92501

Re: Response to the Riverside County Civil Grand Jury's Report
Regarding the Banning Chamber of Commerce

Dear Judge Hopp:

On April 27, 2016, the Riverside County Civil Grand Jury issued its report entitled "City of Banning – Banning Chamber of Commerce." The Report focuses on the Chamber of Commerce's compliance with its lease with the former Banning Community Redevelopment Agency, including provisions relating to the establishment of a maintenance fund, the payment of utilities and the naming of the City as an additional insured under the Chamber's insurance policy, among other issues. At the conclusion of the Report, the Grand Jury issued four findings and five recommendations relative to Chamber lease. We appreciate the opportunity to provide the following responses to these findings and recommendations in accordance with Penal Code §933.05.

The City responds to the specific findings in the Report as follows:

Response to Finding No. 1:

The City agrees with Finding No. 1 in the following respects. The Chamber and the former Community Redevelopment Agency entered into a lease agreement for the City-owned property located at 60 East Ramsey Street on January 18, 2006. The parties entered into Amendment No. 1 to Lease Agreement on May 30, 2006 (the "Lease"). Section 6(b) of the Lease requires the Chamber to establish a \$10,000 maintenance fund to ensure the maintenance of the property in good, clean and sanitary condition. Section 7 of the Lease requires the Chamber to have a policy of insurance that names the City of Banning as an additional insured.

Compliance with these Lease provisions is discussed below.

Response to Finding No. 2:

The City agrees with Finding No. 2. The Chamber failed to pay utility charges during the period between 2006 and 2013. The City corresponded with the Chamber on several occasions. Most recently, on May 26, 2016, the City through legal counsel demanded that the Chamber pay \$15,795.25 in past due utility charges.

Response to Finding No. 3:

The City agrees with Finding No. 3 except to note that the Lease permits the Chamber to sublease portions of the Property. Because the Chamber's sublease with Southern California Gas Company was authorized by the Lease, the City has not ceded rental income to the Chamber.

Response to Finding No. 4:

The City agrees with finding No. 4. The City notes, however, that the process to collect the outstanding judgment from the former Executive Director has begun.

The City responds to the specific recommendations in the Report as follows:

Response to Recommendation No. 1:

In Recommendation No. 1, the Grand Jury recommends that the City take formal action to terminate its lease with the Chamber if the Chamber fails to establish a maintenance fund and add the City as a payee under its insurance policy.

Recommendation No. 1 has been implemented. On May 24, 2016, the Chamber established a \$10,000 maintenance fund as required by Lease section 6(b). The Chamber also provided satisfactory evidence of insurance that names the City of Banning as an additional insured under the insurance policies as required by Sections 7 of the Lease.

Additionally, the City is also updating its lease and contract policies and procedures to ensure compliance with the provisions in all contracts and leases.

Response to Recommendation No. 2:

The Grand Jury's second recommendation suggests that the City reach an agreement with the Chamber for the payment of past due utility bills in the amount of \$15,795.25. Implementation of the recommendation is ongoing.

On May 26, 2016, the City formally demanded that the Chamber pay its outstanding utility bill obligation in full within 30 days. On June 28, 2016, the Chamber's President, Ron Duncan, publicly requested from the Council an extension of time to comply with the demand. The Council delayed action on the Chamber's request until July 12, 2016, in order for the Chamber to justify its request. During the discussion, however, Mr. Duncan indicated his belief that the outstanding debt would be paid in full within 60 days.

Response to Recommendation No. 3:

Recommendation No. 3 is not applicable as the City does not intend to cancel the Chamber's lease at this time.

Response to Recommendation No. 4:

Implementation of Recommendation No. 4 is ongoing. In order to collect the debt, the City hired attorneys specializing in the debt collection (the McIntyre Law Group). MLG has been tasked with filing of a writ of execution on the outstanding judgment along with an application for earnings withholding (i.e., wage garnishment) until the entire outstanding debt is paid in full.

Response to Recommendation No. 5:

The Grand Jury's fifth recommendation requests the resignation of the Chamber's Executive Director. It is the City's understanding that Jim Smith, the Chamber's Executive Director, resigned and is no longer Executive Director.

The Honorable Harold W. Hopp
Riverside County Superior Court
July 12, 2016
Page 4

We thank you for the opportunity to respond to the Report. Should you have any further questions or desire any further information, please contact me or City Manager Michael Rock.

Sincerely,

Art Welch, Mayor
City of Banning

c: Honorable City Council
David T. Gluth, Foreperson
Michael Rock, City Manager
John C. Cotti, Interim City Attorney

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CITY OF BANNING SUCCESSOR AGENCY REPORT

TO: **SUCCESSOR AGENCY**

FROM: **Michael Rock, City Manager**

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

MEETING DATE: **July 12, 2016**

SUBJECT: **Discussion and Consideration of Adopting Resolution 2016-05 SA, "Approving and Obligating the Remaining Balance of \$3,867,000 Tax Allocation Bond Proceeds"**

RECOMMENDATION:

The Successor Agency adopt Resolutio 2016-05 SA:

1. Approving and obligating the remaining balance of the Tax Allocation Bond Proceeds in the amount of \$3,867,000.
2. Authorizing the Administrative Services Director to make necessary budget adjustments, appropriations and transfers related to the Tax Allocation Bond Proceeds in the amount of \$3,867,000.

JUSTIFICATION:

Obligating the Tax Allocation Bond ("TABs") proceeds balance to a specific project is necessary in order to utilize the remaining balance of said proceeds.

BACKGROUND:

On October 13, 2016, the Successor Agency authorized the refinance of outstanding obligations related to the TABs 2003 and 2007 series under Resolution 2015-08 SA. During discussions with the City's financial advisor in matters related to the Successor Agency, Urban Futures, staff was informed that during the refinancing of the TABs any un-obligated proceeds would be utilized to pay down the bond debt and therefore would no longer be available for projects. Consequently, the City had two options in

which to utilize the remaining funds including: 1) paying down the debt or 2) obligating the remaining funds to projects.

On December 8, 2015, the Successor Agency reviewed a summarized history of the bonds, see Resolution 2015-11 SA attached hereto, and discussed specific projects recommended by staff that could be funded by the bond proceeds. During the discussion it was agreed that the bond proceed balance would be used for projects and that staff would return at a later date with specific projects to be considered for funding.

On March 23, 2016, the Public Works Advisory Committee met and discussed options of possible projects to be funded by the remaining TABs balance and concluded with a recommendation to City Council to allocate \$3,257,000 of the remaining TABs bond proceeds balance to the East Ramsey Street Improvement project.

The project scope of work includes the design and construction of:

- a. 1,500 feet of a distribution water main along Ramsey Street from Hathaway Street to the Caltrans facility.
- b. Widening of Ramsey Street from Hathaway Street to the Caltrans facility including a new asphalt concrete street section, curb and gutter, sidewalks, raised median, street lights, storm drain improvements and utility relocations.
- c. Widening of Hathaway Street from Ramsey Street to Nicolet Street including a new asphalt concrete street section, curb and gutter, sidewalks, raised median, street lights, and utility relocations.

If approved, this project will be forwarded to the Oversight Board for the inclusion in the Recognized Obligation Payment Schedule ("ROPS").

Additionally, \$610,000 will be required to be allocated to pay the Income Tax Component of Contribution ("ITCC") to Southern California Edison ("SCE") for expenditures related to "in aid of construction" associated with the relocation of SCE transmission poles during and in preparation for the construction of the new mid-county courthouse.

The allocation to the Ramsey Street Improvement project (\$3,257,000) and the ITCC payment (\$610,000) make up the remaining TABs proceeds balance of \$ 3,867,000.

FISCAL IMPACT:

There is no fiscal impact related to this item. The ITCC payment and project phases (design and construction) will be brought forward to the Successor Agency for review and award at a later date.

OPTIONS:

1. Adopt Resolution No. 2016-05 SA
2. Successor Agency may choose to take no action.
3. Successor Agency may direct the approval of an alternative project.

ATTACHMENTS:

1. Resolution No. 2016-05 SA
2. Resolution No. 2015-11 SA

Reviewed 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 2016-05 SA)

RESOLUTION 2016-05 SA

RESOLUTION OF THE SUCCESSOR AGENCY TO THE DISSOLVED COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF BANNING, CALIFORNIA, APPROVING AND OBLIGATING THE REMAINING TAX ALLOCATION BOND PROCEEDS BALANCE TO THE EAST RAMSEY STREET IMPROVEMENT PROJECT

WHEREAS, on October 13, 2016, the Successor Agency authorized the refinance of outstanding obligations related to the TABs 2003 and 2007 series under Resolution 2015-08 SA; and

WHEREAS, the City's financial advisor in matters related to the Successor Agency, Urban Futures Inc., staff was informed that during the refinancing of the TABs any un-obligated proceeds would be utilized to pay down the bond debt and therefore would no longer be available for projects, therefore, the City had two options in which to utilize the remaining funds including paying down the debt or obligating the remaining funds to projects; and

WHEREAS, on December 8, 2015, the Successor Agency reviewed a summarized history of the bonds, see Resolution 2015-11 SA attached hereto, and discussed specific projects recommended by staff that could be funded by the bond proceeds and in conclusion it was agreed that the bond proceeds balance would be used for projects and that staff would return at a later date with specific projects to be considered for funding; and

WHEREAS, on March 23, 2016, the Public Works Advisory Committee met and discussed options of possible projects to be funded by the remaining TABs balance and concluded with a recommendation to City Council to allocate \$3,257,000 of the remaining TABs bond proceeds balance to the East Ramsey Street Improvement project; and

WHEREAS, additionally, \$610,000 will be required to be allocated to pay the Income Tax Component of Contribution ("ITCC") to Southern California Edison ("SCE") for expenditures related to "in aid of construction" associated with the relocation of SCE transmission poles during and in preparation for the construction of the new mid-county courthouse; and

WHEREAS, this resolution will be forwarded to the Oversight Board for the inclusion in the Recognized Obligation Payment Schedule ("ROPS"); and

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

SECTION 1. The Successor Agency adopts Resolution 2016-05 SA approving and obligating the remaining balance of the Tax Allocation Bond Proceeds in the amount of \$3,867,000.

SECTION 2. The Administrative Services Director is authorized to make necessary budget adjustments, appropriations and transfers related to the Tax Allocation Bond Proceeds.

PASSED, ADOPTED AND APPROVED this 12th day of July, 2016.

Art L. Welch, Mayor
City of Banning

ATTEST:

Marie A. Calderon, Secretary
Successor Agency

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

John C. Cotti, Interim City Attorney
Jenkins & Hugin, LLC

CERTIFICATION:

I, Marie Calderon, Secretary of the Successor Agency to the Dissolved Community Redevelopment Agency of the City of Banning, California, do hereby certify that the foregoing Resolution 2016-05 SA, was duly adopted by the Successor Agency of the City of Banning, California, at a Regular Meeting thereof held on the 12th day of July, 2016, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Marie A. Calderon, Secretary
Successor Agency

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ATTACHMENT 2

(Resolution 2015-11 SA)

RESOLUTION NO. 2015-11 SA

**RESOLUTION OF THE SUCCESSOR AGENCY TO THE DISSOLVED
COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING
DESIGNATING AND ALLOCATING PROCEEDS FROM TAX ALLOCATION
BONDS AND APPROVING CERTAIN RELATED ACTIONS**

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

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

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

WHEREAS, the former redevelopment agency issued its \$14,095,000 2003 Tax Allocation Bonds (the "TABs") on December 16, 2003; and

WHEREAS, the 2003 TABs included a refunding of the \$2,325,000 unpaid balance then outstanding on the former redevelopment agency's 1992A TABs and a new money component consisting of a net \$10,358,728 (the "2003 TABs Net Proceeds"); and

WHEREAS, the 2003 TABs Net Proceeds included an \$8,286,982 contribution to the Redevelopment Fund and a \$2,071,746 contribution to the Housing Fund; and

WHEREAS, since the 2003 TABs were issued, all but approximately \$846,000 of the 2003 TABs Net Proceeds (all from the Redevelopment Fund) were expended for redevelopment projects and activities; and

WHEREAS, the former redevelopment agency issued its \$29,965,000 2007 TABs on May 15, 2007; and

WHEREAS, the 2007 TABs were issued on par with the 2003 TABs and included a new money component consisting of a net \$24,940,342 (the "2007 TABs Net Proceeds") and all of the 2007 TABs Net Proceeds were contributed to the Redevelopment Fund; and

WHEREAS, since the 2007 TABs were issued, all but approximately \$7,521,000 were expended for redevelopment projects and activities including, but not limited to:

1. Projects to benefit Low to Moderate Income Housing

2. Revitalization of the Downtown
 - a. New streetscapes.
 - b. New commercial facades.
 - c. Purchase of vacant parcels for additional off-street parking.
 - d. Development of the art park.
 - e. Restoration of the Fox Theatre.
 - f. Paving of alleyways for pedestrian passage.
 - g. Forgivable loans for specialty tenant improvements and signage.
3. Economic Incentives
 - a. Assembly of land for Drag City and associated industrial.
 - b. Assembly of land for additional hotel/restaurant development at the Highland Springs/I-10 interchange.
 - c. Construction of off-site improvements for development generating new jobs and/or sales tax.
4. Public Improvements
 - a. Extension of roadways and utilities to large vacant commercial/industrial tracts.
 - b. Beautification of major corridors through the project area – Ramsey Street gateways and I-10 Interchanges.
 - c. Traffic signalization along Lincoln Street for future industrial development.
 - d. Improvement to park and recreational facilities in the project area.
 - e. Completion of curb and gutter along the length of Ramsey Street and in residential neighborhoods.
 - f. Creation of railroad quiet zones in the project area.

WHEREAS, on a combined basis, the Successor Agency has approximately \$8,367,000 of unused bond proceeds from the 2003 and 2007 TABs and of this amount, \$2,500,000 has been designated for improvements to Roosevelt Williams Park and \$2,000,000 has been designated for improvements to the Ramsey and Hargrave Streets intersection project; and

WHEREAS, approximately the \$3,867,000 of undesignated and unallocated balance is currently available for redevelopment projects and activities that may include the examples listed above or other redevelopment projects and activities that are of benefit to the Merged Redevelopment Project Area; and

WHEREAS, the Merged Redevelopment Project Area, a map of which is included as Exhibit “A” to the staff report that accompanies this Resolution, was created during February 2002 and is comprised of component areas, the first of which was adopted in 1978 and currently includes 3,283 acres consisting primarily of residential property and commercial property developed with neighborhood retail and service uses; and

WHEREAS, on October 13, 2015, the Successor Agency approved Resolution No. 2015-08SA, authorizing the refinancing of outstanding obligations related to the 2003 and 2007

TABs ("2016 Refunding TABs", which were formerly called the 2015 Bonds) and approving an indenture and authorizing certain actions relating thereto including, but not limited to, initiating validation proceedings in the Superior Court of the State of California County of Sacramento in connection with the 2016 Refunding TABs, the indenture and in particular the validation of the pledge of tax revenues to debt service the 2016 Refunding TABs (the "Validation Legal Action"); and

WHEREAS, the affirmative outcome of the Validation Legal Action is a prerequisite to moving forward with and closing the 2016 Refunding TABs; and

WHEREAS, on October 22, 2015, the Successor Agency's Oversight Board approved its Resolution No. 2015-05 OB, authorizing the 2016 Refunding TABs; and

WHEREAS, the Oversight Board's Resolution has been submitted to the California Department of Finance (the "DOF") for its review and approval, which is currently pending; and

WHEREAS, it is anticipated that the 2016 Refunding TABs will close within approximately two months from the later of the affirmative outcome of the Validation Legal Action or the date of DOF's approval of Resolution No. 2015-05 OB, both of which are anticipated during the first part of calendar year 2016; and

WHEREAS, as a part of the due diligence process associated with the 2016 Refunding TABs, it is customary that any unused, undesignated and unallocated bond proceeds from the refunded bonds are contributed to the refunding process for the purpose of reducing the amount of the principal borrowing; and

WHEREAS, in this case, unless the Successor Agency can designate and allocate \$3,867,000 of its currently unspent, undesignated and unallocated bond proceeds from the 2003 and 2007 TABs, any undesignated and unallocated bond proceeds are subject to being contributed to the 2016 Refunding TABs and thus no longer be available for redevelopment projects and activities; and

WHEREAS, the Successor Agency may utilize the \$3,867,000 currently unspent, undesignated and unallocated bond proceeds from the 2003 and 2007 TABs as a contribution to the 2016 Refunding TABs or, subject to bond counsel concurrence, may designate and allocate the funds to redevelopment projects and activities; and

WHEREAS, staff recommends that the \$3,867,000 currently unspent, undesignated and unallocated bond proceeds from the 2003 and 2007 TABs be designated for and allocated to the following projects:

1. Ramsey Street Medians:

The scope of work will include: design and construction of landscape and hardscape improvements along the existing medians on Ramsey Street from 22nd Street to Highland Home Road; construction of curb and gutters, a dedicated left turn pocket at the Ramsey Street and Omar Street intersection; and the construction of a monument sign at the Ramsey Street and Highland Springs intersection. The proposed project would meet activities 4b and 4e of the above listed activities. The estimated total project cost is \$2,500,000.

2. Water Main Improvements on Ramsey Street:

The scope of work will include: design and construction of a new 12 inch water main along Ramsey Street from Sunset Avenue to Highland Home Road. The new water main would replace approximately 5,400 linear feet of 4 inch water main installed in 1931, which does not have the required fire flow capacity for new commercial developments along the south side of Ramsey Street within the project limits. The proposed project would meet activity 3c of the above listed activities. The total project cost is estimated to be \$1,367,000.

WHEREAS, during December 2015 Norton Rose Fulbright, bond counsel for the 2016 Refunding TABs, is anticipated to provide the Successor Agency with its opinion on the availability of bond proceeds for the proposed projects described

WHEREAS, subject to the availability of the bond proceeds for projects,, the next step will be to forward the approved projects to the Oversight Board for inclusion in the Recognized Obligation Payment Schedule (the "ROPS"), which will be filed with DOF by February 1, 2016 and once the ROPS is approved the funding will be transferred to the City of Banning for use on the selected projects; and

WHEREAS, this Resolution has been reviewed with respect to applicability of the California Environmental Quality Act (the "CEQA"), the State CEQA Guidelines (California Code of Regulations, Title 14, § 15000 *et seq.*, hereafter the "Guidelines"), and the City's environmental guidelines; and

WHEREAS, this Resolution does not constitute a "project" for purposes of CEQA, as that term is defined by Guidelines § 15378, because this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per § 15378 (b) (5) of the Guidelines; and

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

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

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

SECTION 2. The \$3,867,000 currently unspent, undesignated and unallocated bond proceeds from the 2003 and 2007 TABs are designated for and allocated to the following projects:

1. Ramsey Street Medians:

The scope of work will include: design and construction of landscape and hardscape improvements along the existing medians on Ramsey Street from 22nd Street to Highland Home Road; construction of curb and gutters, a dedicated left turn pocket at the Ramsey Street and Omar Street intersection; and the construction of a monument sign at the Ramsey Street and Highland Springs intersection. The proposed project would meet activities 4b and 4e of the above listed activities. The estimated total project cost is \$2,500,000.

2. Water Main Improvements on Ramsey Street:

The scope of work will include: design and construction of a new 12 inch water main along Ramsey Street from Sunset Avenue to Highland Home Road. The new water main would replace approximately 5,400 linear feet of 4 inch water main installed in 1931, which does not have the required fire flow capacity for new commercial developments along the south side of Ramsey Street within the project limits. The proposed project would meet activity 3c of the above listed activities. The total project cost is estimated to be \$1,367,000.

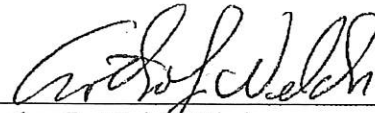
SECTION 3. The specification of the foregoing project does not prevent the City Council from modifying these projects, or developing alternative substitute or additional projects which meet the purposes of the 2003 and 2007 TABs, as directed by the City Council..

SECTION 4. The City Manager, in the capacity as Executive Director of the Successor Agency, is authorized and directed to take any required actions and execute such documents as are necessary to effectuate the intent of this Resolution.

SECTION 5. This Resolution is not a “project” for purposes of CEQA, as that term is defined by Guidelines § 15378, because this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per § 15378 (b) (5) of the Guidelines.

SECTION 6. This Resolution shall take effect upon the date of its adoption.

PASSED, APPROVED, AND ADOPTED this 8th day of December, 2015.



Arthur L. Welch, Chairman
City of Banning Successor Agency

ATTEST:



Marie A. Calderon, Secretary
Successor Agency

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



David J. Aleshire, Agency Counsel
Aleshire & Wynder, LLP

CERTIFICATION:

I, Marie A. Calderon, Secretary for the Successor Agency to the Dissolved Community Redevelopment Agency of the City of Banning, California, do hereby certify that the foregoing Resolution, No. 2015-11 SA, was duly adopted by the Successor Agency at a joint meeting thereof held on the 8th day of December 2015, by the following vote, to wit:

AYES: Boardmembers Franklin, Miller, Moyer, Peterson, Chairman Welch
NOES: None
ABSENT: None
ABSTAIN: None



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

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CITY OF BANNING CITY COUNCIL REPORT

TO: CITY COUNCIL

FROM: Michael Rock, City Manager

PREPARED BY: Fred Mason, Electric Utility Director
Brandon Robinson, Associate Electrical Engineer

MEETING DATE: July 12, 2016

SUBJECT: Discuss and Consider Resolution 2016-64, "Awarding the Construction Contract for Project 2016-04EL 'Installation of a Warehouse Security System'"

RECOMMENDATION:

Adopt City Council Resolution 2016-64:

- I. Approving the award of the Construction Contract for Project 2016-04EL "Installation of a Warehouse Security System" to Style Electric of Murrieta, California, in the amount not to exceed \$92,504 including taxes and allowing a 10% contingency of 9,251.
- II. Authorizing the City Manager to execute the applicable construction contracts, professional services agreements, and amendments related to Project 2016-04EL "Installation of a Warehouse Security System" and to approve change orders within the 10% contingency.
- III. Authorizing the Administrative Services Director to make the necessary budget adjustments, appropriations, and transfers related to the project.

JUSTIFICATION:

Approval of this resolution would support the City of Banning Electric Utility ("Utility") in providing video surveillance around the perimeter of the Corporate Yard and Fueling Station, and providing security card readers at the new Corporate Yard Warehouse.

BACKGROUND:

In April of 2010, the City Council adopted Resolution 2010-27 which authorized the use of Electric Bond funds for the construction of a new Corporate Yard Warehouse to replace the existing dilapidated structure. Resolution 2015-12 was adopted by the Banning City Council on March 24, 2015 authorizing construction of the new Corporate Yard Warehouse. The Utility and City of Banning Information Technology Department ("IT") had met in the past to discuss options for securing the Warehouse and other improvements recently completed at the Corporate Yard. IT had suggested the implementation of the same or similar security card reader system currently installed at Banning City Hall and the City of Banning Utility Office. The Utility also met with the City of Banning Police personnel to discuss the need for video surveillance at the Corporate Yard to protect new and existing assets. It was recommended that the Utility use the same type of Closed Circuit Television system that is being utilized by the Banning Police Department to streamline surveillance data so that it may be accessed within the same system as other City-owned surveillance cameras.

The video surveillance system at the Corporate Yard shall include a network video recorder that will support up to 20 digital IP cameras. This new surveillance system will enable staff to review images from all angles around the perimeter of the Corporate Yard Warehouse and perimeter and interior of the Corporate Yard when conducting accident and incident investigations. A total of fourteen (14) security card readers will be installed at the new Corporate Yard Warehouse limiting access to certain areas/rooms to authorized City staff.

The Utility advertised Project No. 2016-04EL "Installation of a Warehouse Security System" on June 3 and June 10, 2016 in the Press Enterprise, Desert Sun, City of Banning website and various online industry plan rooms.

On June 29, 2016 the City Clerk received one (1) bid, publicly opened and read out loud the following results:

| <u>Company</u> | <u>Bid Results</u> |
|-------------------|--------------------|
| 1. Style Electric | \$92,504.01 |

A copy of the bid results are provided in Exhibit "A" and the documents for the lowest responsive bidder, Style Electric, can be found attached as Exhibit "B". Based on staff's research and evaluation, we believe this is a fair and equitable proposal.

As stated above, the Utility advertised this project through several outlets and received inquiries about plans and specifications from multiple vendors such as Corrections Technology Group, Cyberwatch Security Communication Inc., M. Brey Electric Inc., Access professional Systems, Anixter Inc., Vision Security Systems, and Telenet VoIP Inc. Also, the following plan rooms received plans and distributed them among their subscribers: The Bluebook, Bid America, and CMD Group.

In addition, the bid due date was extended from the original date of Tuesday June 21, 2016 at 3:00 p.m. Pacific Time to Wednesday June 29, 2016 at 3:30 p.m. Pacific Time to allow additional time to submit addenda for the project, due to numerous Requests for Information (RFIs) received from various interested vendors.

Staff contacted several of the vendors that obtained plans and specifications for the project to inquire as to why bids from those particular vendors were not submitted by the due date. Some of the vendors informed staff that the scope of work was outside of their normal duties as a contractor. One vendor explained that his firm did not get a chance to do a field walk to get all of the information that they needed to bid, and therefore did not bid the job to avoid the chance of submitting an inaccurate bid. One other vendor explained that their firm realized that the City of Banning was quite a distance from their home office, which would significantly increase costs for crews to travel to and from the job each day, and therefore declined to bid. These are some of the reasons that Utility staff received to explain the low bidder turnout.

FISCAL IMPACT:

The Utility would require an appropriation from the Electric Fund to account 673-7000-473.90-15 Building Improvements in the amount of \$101,755 for costs associated with Project 2016-04EL "Installation of a Warehouse Security System."

OPTIONS:

1. Adopt Resolution 2016-64 approving the award of the Construction Contract for Project 2016-04EL "Installation of a Warehouse Security System" to Style Electric of Murrieta, California, in the amount not to exceed \$92,504 including taxes and allow a 10% contingency of \$9,251.
2. Do not approve the award of the Construction Contract for Project 2016-04EL "Installation of a Warehouse Security System" to Style Electric and elect to re-bid the project.

ATTACHMENTS

Exhibit A: Summary of All Bids


Exhibit B: Style Electric Bid Documents

Reviewed by:



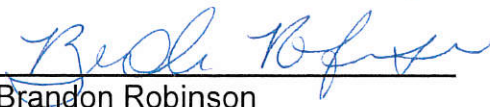
Fred Mason
Electric Utility Director

Approved by:



Michael Rock
City Manager

Prepared by:



Brandon Robinson
Associate Electrical Engineer

RESOLUTION NO. 2016-64

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, APPROVING THE AWARD OF THE CONSTRUCTION CONTRACT FOR PROJECT 2016-04EL "INSTALLATION OF A WAREHOUSE SECURITY SYSTEM" AND REJECTING ALL OTHER BIDS

WHEREAS, the City of Banning owns and operates its Municipal Electric Utility; and

WHEREAS, it is essential that the City of Banning continues to maintain and upgrade Electric Utility facilities to support City operations; and

WHEREAS, the City of Banning adopted Resolution 2010-27 which authorized the use of Electric Bond funds for the construction of a new Corporate Yard Warehouse to replace the existing dilapidated structure; and

WHEREAS, the City of Banning adopted Resolution 2015-12 which authorized the construction of the new Corporate Yard Warehouse; and

WHEREAS, the City of Banning Electric Utility requires video surveillance around the perimeter and interior of the Corporate Yard as well as security card readers at the new Corporate Yard Warehouse; and

WHEREAS, staff solicited proposals for Project 2016-04EL "Installation of a Warehouse Security System" and received and evaluated bids, attached herewith as Exhibits A; and

WHEREAS, Style Electric is the lowest responsive and responsible bidder to complete the scope of work related to Project 2016-04EL "Installation of a Warehouse Security System" attached herewith as Exhibits B; and

WHEREAS, the Utility requires an appropriation from the Electric Fund to account 673-7000-473.90-15 Building Improvements in the amount of \$101,755;

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

SECTION 1. Adopt Resolution 2016-64 approving the award of the Construction Contract for Project No. 2016-04EL "Installation of a Warehouse Security System" to Style Electric of Murrieta, California, in the amount not to exceed \$92,504 including taxes and allowing a 10% contingency of 9,251.

SECTION 2. Authorize the City Manager to execute the applicable construction contracts, professional services agreements, and amendments related to Project 2016-

04EL "Installation of a Warehouse Security System" and to approve change orders within the 10% contingency.

SECTION 3. Authorize the Administrative Services Director to make the necessary budget adjustments, appropriations, and transfers related to the project.

PASSED, ADOPTED AND APPROVED this 12th day of July 2016.

Arthur L. Welch, Mayor
City of Banning

ATTEST:

Marie A. Calderon, City Clerk

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

John C. Cotti, Interim City Attorney
Jenkins & Hogin, LLC

Exhibit “A”

**SUMMARY OF BIDS RECEIVED
CITY OF BANNING**

PROJECT NO.: 2016-04EL

DESCRIPTION: Installation of a Warehouse Security System

BID OPENING DATE: June 29, 2016 TIME: 3:30 p.m.

| NAME OF BIDDER: | Addendum 1 | Addendum 2 | BID BOND | TOTAL BID AMOUNT: |
|-----------------|---------------|---------------|-------------|----------------------|
| Style Electric | ✓ | ✓ | ✓ | \$92,504.01 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

VERIFIED BY:

Jennifer McCoy
Bob Refin

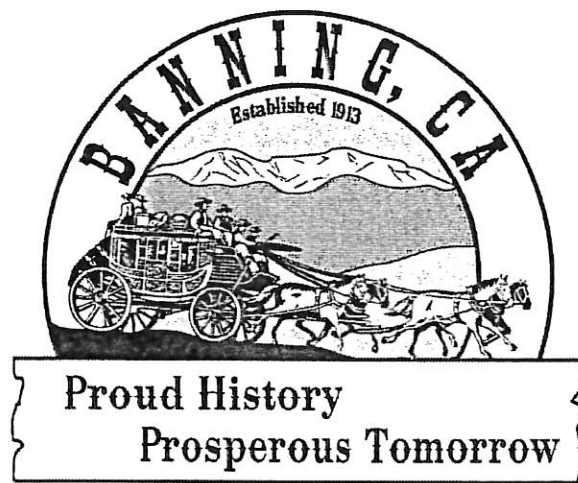
Exhibit “B”

CONTRACT DOCUMENTS

FOR

**Project No. 2016-04EL, "Installation of a Warehouse Security
System"**

IN THE CITY OF BANNING



PREPARED BY:

**ELECTRIC UTILITY DEPARTMENT
176 E. LINCOLN STREET
BANNING, CALIFORNIA 92220
JUNE 2016**

SECTION I - PROCEDURAL DOCUMENTS

SECTION 1.1
OF
PROCEDURAL DOCUMENTS

INVITATION FOR BIDS

Sealed Bids for **Project No. 2016-04EL, "Installation of a Warehouse Security System"** will be received by the CITY OF BANNING ("Owner") until **3:00 p.m.**, Pacific Standard Time on **Tuesday, June 21, 2016**, and then publicly opened and read aloud at the location listed below:

**CITY CLERK'S OFFICE
BANNING CITY HALL
99 E. RAMSEY STREET**

The principal items of work includes the furnishing of all labor, materials, equipment, services, and incidentals necessary for the installation of a keypad entry devices, perimeter surveillance cameras, and required power and communication wiring at the Corporate Yard and Warehouse at 176. E. Lincoln St. in the City of Banning, California, as set forth in the Construction Documents which include, but are not limited to, the Drawings, Addenda and Specifications. The work shall be completed per the current Greenbook and the City of Banning Specifications.

Copies of the Project Bid Documents may be obtained on the City of Banning website in PDF format at <http://ci.banning.ca.us/bids.aspx>.

Any questions pertaining to this Invitation to Bid shall be directed to Brandon Robinson at brobinson@ci.banning.ca.us no later than June 16, 2016 at 2pm.

Bidders on this work will be required to comply with the California Labor Code Section 1410 et. seq., California Labor Code Section 1777.6, and implementing regulations concerning equal opportunity for Apprentices. This project is also subject to compliance monitoring and enforcement by the California Department of Industrial Relations (DIR) through Senate Bill 854: Prevailing Wage Compliance Monitoring.

All contractors and subcontractors who bid on this work must be registered with DIR pursuant to California Labor Code section 1725.5, with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a).

The Director of the Department of Industrial Relations has ascertained the general prevailing rate of per diem wages and the general rate for holiday and over-time work in the locality in which the work is to be performed for each craft or type of workmen needed to execute the Contract or Work as hereinafter set forth (see Labor code 1770 et seq.). Copies of rates are on file at the office of the Owner, which copies shall be made available to review to any interested party on request. The successful Bidder shall post a copy of such determinations at the job site. Attention is called to the fact that not less than the minimum salaries and wages shall be paid on this

Project by all Contractors and Subcontractors. The Contractor will be required to pay the higher of State or Federal prevailing wage rates.

Bids are required for the entire work described herein. This contract is subject to the State contract nondiscrimination and compliance requirements pursuant to Government Code Section 12990.

The City of Banning hereby notifies all bidders that it will affirmatively insure that in any contract entered into pursuant to this advertisement, disadvantaged business enterprises will be afforded full opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in being considered for an award.

Each Bid shall be submitted on a form furnished as part of the Contract documents. All Bids shall be accompanied by cash, cashiers or certified check payable to the order of the City of Banning, amounting to ten percent (10%) of the Bid, or by a bond in said amount and payable to said Owner signed by the bidder and a corporate surety. The amount so posted shall be forfeited to the Owner if the bidder depositing the same does not, within fifteen (15) days after written notice has been mailed to bidder that the contract has awarded to such bidder, enter into a contract with the Owner.

The Contractor will be required to submit a certificate of insurance, which indemnifies the Owner for damage to any portion of the work resulting from fire, explosion, hail, lightning, flood, vandalism, malicious mischief, wind, collapse, riot, aircraft, or smoke. The Contractor will also be required to submit a Payment Bond and a Contract Performance Bond, each in the amount of one hundred (100) percent of the Contract Price, with a corporate surety approved by the Owner. All Bonds must be in the form required by the Owner (substitutions are not permitted) and the Company must be authorized to conduct/transact business in the State of California.

PAYMENT

Progress payments will be made in accordance with the provisions of the General Conditions and/or Specifications and on itemized estimates duly certified and approved by the Owner submitted in accordance therewith, based on labor and materials incorporated into said Work during the preceding month by the Contractor.

Payment shall not be made more often than once each thirty (30) days. Final payment shall be made thirty-five (35) days subsequent to recordation of Notice of Completion.

The agency shall hold retention from the prime contractor and shall make prompt and regular incremental acceptances of portions, as determined by the agency of the contract work, and pay retention to the prime contractor based on these acceptances. The prime contractor or subcontractor shall return all monies withheld in retention from all subcontractors within 30 days after receiving payment for work satisfactorily completed and accepted, including incremental acceptances of portions of the Contract work by the agency. Any delay or postponement of payment may take place only for good cause and with the Agency's prior written approval. Any

violation of these provisions shall subject the violating prime contractor to the penalties, sanctions, and other remedies specified in Section 7108.5 of the California Business Professions Code. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies otherwise available to the contractor or subcontractor in the event of a dispute involving late payment or nonpayment by the contractor, deficient subcontractor performance, and/or noncompliance by a subcontractor.

SUBSTITUTION OF SECURITIES

The Contractor may, at his sole cost and expense, substitute securities equivalent to any moneys withheld by the Owner to ensure performance under the contract. Such securities shall be deposited with the Owner or with a state or federally chartered bank as escrow agent who shall pay such moneys to the Contractor upon satisfactory completion of the contract.

The Contractor shall be the beneficial owner of any securities substituted for moneys withheld and shall receive interest thereon, if any. Securities eligible for substitution shall include those listed in Public Contract Code Section 22300.

REQUIRED LICENSE CLASSIFICATION

Under Section 7059 of the Business and Professions Code, the bidder (or a subcontractor listed by the bidder) must have a license classification, which is sufficient to perform a majority of the project. The Owner has determined that a Class A license is necessary to bid this project. If the bidder is a specialty contractor, the bidder is alerted to the requirements of Business and Professions Code Section 7059.

AWARD AND EXECUTION

The award of contract, if made, will be within forty-five (45) calendar days from the date of the bid opening.

The Contractor shall execute the Contract within fifteen (15) calendar days after he has been notified in writing of the award.

The Owner hereby reserves the right to reject any and all proposals, to waive any irregularity, award any combination of schedules and to award the contract to the lowest responsive and responsible bidder. In case the lowest bid proposal is higher than the Engineer's estimate, the owner reserves the right to negotiate a contract with the lowest responsive and responsible bidder. No bidder may withdraw his bid for a period of forty-five (45) calendar days after the bid opening.

CITY OF BANNING, CALIFORNIA

Dated: May 31, 2016

By: _____

Title: CITY CLERK

SECTION 1.2 OF

PROCEDURAL DOCUMENTS

INSTRUCTIONS TO BIDDER

Bids will be received by the CITY OF BANNING, herein called the "Owner", at the office of the City Clerk, 99 East Ramsey Street, Banning, CA 92220, **Tuesday, June 21, 2016**, and then at said office publicly opened and read aloud.

Each Bid must be submitted in a sealed envelope, addressed to the Owner at the above-referenced address. Each sealed envelope containing a Bid must be plainly marked on the outside as **Project No. 2016-04EL, "Installation of a Warehouse Security System"** and the envelope should bear on the outside the name of the Bidder, his address, his license number and the project number, if applicable. If forwarded by mail, the sealed envelope containing the Bid must be enclosed in another envelope addressed to the Owner at the above-referenced address.

All Bids must be made on the required Bid form (Section 1.3). All blank spaces for Bid prices must be filled in, in ink or typewritten, and the Bid form, including all attachments, must be fully completed and executed when submitted.

The Owner may waive any informalities or minor defects or reject any and all Bids. Any Bid may be withdrawn prior to the above scheduled time for the opening of Bids or authorized postponement thereof. Any Bid received after the time and date specified shall not be considered. No Bidder may withdraw a Bid within forty-five (45) calendar days after the actual date of the opening thereof. Should there be reasons why the contract cannot be awarded within the specified period; the time may be extended by mutual agreement between the Owner and the Bidder.

Bidders must satisfy themselves of the character of the work to be performed by examination of the site and review of the Contract Documents, including Addenda. After Bids have been submitted, the Bidder shall not assert that there was a misunderstanding concerning the nature of the work to be done.

The Plans and Specifications are hereby made a part of this contract.

Deadline for submittal of bid Request For Information (RFIs) is June 16, 2016 at 2:00 p.m. local time. Submit all inquiries to Brandon Robinson, City of Banning Electric Utility, 176 E. Lincoln St., Banning, CA 92220, by e-mail at brobinson@ci.banning.ca.us.

The owner shall provide to Bidders prior to Bidding, all information that is pertinent to, and delineates and describes, the land owned and rights-of-way acquired or to be acquired.

The Contract Documents contain the provisions required for the construction of the Project. Information obtained from an officer, agent, or employee of the Owner or any other person shall not affect the risks or obligations assumed by the Contractor or relieve him from fulfilling any of the conditions of the Contract.

Each Bid shall be submitted on a form furnished as part of the Contract Documents. All Bids shall be accompanied by cash, cashier's or certified check payable to the order of the "City of

Banning" amounting to ten percent (10%) of the bid, or by a bond in said amount and payable to the Owner, signed by the bidder and a corporate surety, or by the bidder and two sureties who shall justify before any officer competent to administer an oath, in double said amount and over and above all statutory exemptions. The amount so posted shall be forfeited to the Owner in case the bidder depositing the same does not, within fifteen (15) days after written notice has been mailed to Bidder that the contract has been awarded to such bidder, enter into a contract with the Owner.

As soon as the Bid prices have been compared, the Owner will return the Bid Bonds of all except the three lowest responsive and responsible Bidders. When the Agreement is executed, the bonds of the two remaining unsuccessful Bidders will be returned. The Bid Bond of the successful Bidder will be retained until all Contract Documents have been executed and approved, after which it will be returned.

Bonds must be in the form required by the Owner (substitutions are not permitted) and the company must be authorized to conduct/transact business in the State of California.

The Contractor will be required to submit a Payment Bond and a Contract Performance Bond (on the required form), in the amount of 100% of the Contract Price, with a corporate surety approved by the Owner.

The Contractor may, at his sole cost and expense, substitute securities equivalent to any moneys withheld by the Owner to ensure performance under the contract. Such securities shall be deposited with the Owner or with a state or federally chartered bank as escrow agent who shall pay such moneys to the Contractor upon satisfactory completion of the contract.

The Contractor shall be the beneficial owner of any securities substituted for moneys withheld and shall receive interest thereon, if any. Securities eligible for substitution shall include those listed in Public Contract Code Section 22300.

Attorneys-in-fact who sign Bid Bonds or Payment Bonds and Contract Performance Bonds must file with each Bond a certified and effective dated copy of their power of attorney.

The party to whom the Contract is awarded will be required to execute the Agreement and submit the Insurance Certificates on the required forms within fifteen (15) calendar days from the date when Notice of Award is delivered to the Bidder. Please see the attached appendix A "City of Banning Insurance Requirements for Contractors" for additional information.

The Notice of Award shall be accompanied by the necessary Agreement and Insurance Certificate forms. In case of failure of the bidder to execute the Agreement, the Owner may at his option consider the bidder in default; in which case the Bid Bond accompanying the proposal shall become the property of the owner and award the contract to the next lowest bidder.

The Owner, within fifteen (15) days of receipt of acceptable Insurance Certificates and Agreement signed by the party to whom the Contract was awarded, shall sign the Agreement and return to such party an executed duplicate of the Agreement. Should the Owner not execute the Agreement within such period, the Bidder may by Written Notice withdraw his signed

Agreement. Such notice of Withdrawal shall be effective upon receipt of the notice by the Owner.

The Notice to Proceed shall be issued within ten (10) days of the execution of the agreement by the Owner. Should there be reasons why the Notice to Proceed cannot be issued within such period; the time may be extended by mutual agreement between the Owner and Contractor. If the Notice to Proceed has not been issued within the above-specified period or within the period mutually agreed upon, the contractor may terminate the Agreement without further liability on the part of either party.

The Owner may make such investigations as he deems necessary to determine the ability of the Bidder to perform the work, and the Bidder shall furnish to the Owner all such information and data for this purpose as the Owner may request. The Owner reserves the right to reject any Bid if the evidence submitted by, or investigation of, such Bidder fails to satisfy the Owner that such Bidder is properly qualified to carry out the obligation of the Agreement and to complete the Work contemplated therein.

A conditional or qualified Bid will not be accepted. Award, if made, will be made to the lowest responsive and responsible Bidder, as determined by the Owner.

All applicable laws, ordinances, and the rules and regulations of all authorities having jurisdiction over construction of the Project shall apply to the Contract throughout.

Each Bidder is responsible for inspecting the site and for reading and being thoroughly familiar with the Contract Documents. The failure or omission of any Bidder to do any of the foregoing shall in no way relieve any Bidder from any obligation in respect to his Bid.

All Bidders shall supply the names and addresses of major material suppliers, subcontractors and references as required as set forth in the Bid.

SECTION 1.3
OF
PROCEDURAL DOCUMENTS

BID

Proposal of John D. Hilberg,
hereinafter called "bidder", organized and existing under the laws of the State of California,
doing business as Style Electric.
*insert "a corporation", "a partnership", or "an individual", as applicable.

To the CITY OF BANNING, hereinafter called "Owner":

In compliance with your Invitation for Bids and Instruction to Bidders, Bidder hereby proposes to perform all work for the **Project No. 2016-04EL, "Installation of a Warehouse Security System"** in strict accordance with the Contract Documents, within the time set forth therein, and at the prices stated below.

By submission of this Bid, the Bidder certifies, and in the case of a joint Bid each party thereto certifies as to his own organization that this Bid has been arrived at independently, without consultation, communication, or agreement as to any matter relating to this Bid with any other Bidder or with any competitor.

Bidder hereby agrees that the Owner shall have a period of forty-five (45) calendar days after opening of bids within which to accept or reject the bids.

Bidder agrees to commence work under this contract on or before a date to be specified in the Notice to Proceed and to achieve Substantial Completion **within Thirty (30) calendar days**. Final Completion shall be achieved within seven (7) calendar days following receipt of Substantial Completion punch-list.

Bidder agrees that if the project is not fully completed within said time, he shall pay as liquidated damages, the sum of \$500.00 for each calendar day thereafter as provided in the General Conditions, and that this amount shall be presumed to be the amount of damages sustained by Owner in the event of such a breach by Bidder, as it would be impractical or extremely difficult to fix the actual damage.

BID SCHEDULE

Project No. 2016-04EL, "Installation of a Warehouse Security System"

The Bid Schedule includes Bid Items 1 through 12. The work of each Bid Item is specified or shown in the Contract documents.

Bidder will perform and complete the work in accordance with the Contract documents for the following Lump Sum and Unit Prices.

A Lump Sum or Unit Price, as applicable, shall be offered for each Bid Item; failure to do so shall render the Bid non-responsive. All prices shall be in legible figures (not words) written in ink or typed. Unit Prices shall be multiplied by the Estimated Quantity ("Est. Qty.") to calculate the Extended Amount.

Lump Sum Items: the bidder is to provide the price to perform all work as specified or shown herein, including labor, materials, equipment and all overhead and profit, as well as any other ancillary costs associated with completing this work.

Unit Price Items: the bidder is to provide a unit price and should include all labor, materials, equipment and all overhead and profit, as well as any other ancillary costs associated with completing the work. The Contractor will be compensated for the actual unit quantities performed in accordance with the terms and conditions set forth in the Contract.

Bid **Lump Sum** and **Unit Prices** shall include all applicable taxes.

The **Schedule II Bid Price** shall be the sum of the amounts for Bid Items 1 through 12.

Having carefully examined the Contract documents, as well as the site of the work, and the availability of materials and labor, Bidder proposes to perform the work identified in the Contract documents under the terms and conditions contained herein for the prices and amounts set forth below.

Bid Schedule II pertains to all work as shown on the project drawings and described in the project specifications.

| Bid Item | Description | Est. Qty. | Unit | Unit Price | Total |
|----------|--|-----------|------|------------|------------|
| 1 | Power Supply and Exit Device for Door 100A | 1 | LS | | \$3,649.66 |
| 2 | Mortise Lock and Mortise Hinges for Doors 108A, 108B, 109A, 110A, 122A, 117C, and 113A | 1 | LS | | \$8,857.97 |

| Bid Item | Description | Est. Qty. | Unit | Unit Price | Total |
|-----------|--|-----------|------|------------|--------------------|
| 3 | Electric Strikes for Doors 110E, 116A, and 117B | 1 | LS | | \$1,801.80 |
| | Electric Strikes for Doors 116B, and 206A including door frame preparation | 1 | LS | | \$1,201.20 |
| 4 | Electrified Cylindrical Lockset and electrified hinge for Door 110D | 1 | LS | | \$600.60 |
| 5 | Installation of one (1) 4-Door TCP/IP Kit | 1 | LS | | \$4,378.06 |
| 6 | Installation of four (4) dual reader boards | 1 | LS | | \$3,680.83 |
| 7 | Installation of fourteen (14) ProxyPro card readers with keypads | 1 | LS | | \$6,472.54 |
| 8 | Electrify on Door 100A with Von Duprin Power Supply and exit device | 1 | LS | | Included in Item 1 |
| 9 | Installation of a digital NVR with 8 IP camera licences | 1 | LS | | \$24,372.48 |
| 10 | Six (6) Digital Watchdog individual licenses | 1 | LS | | \$693.72 |
| 11 | Four (4) outdoor zoom dome cameras with 3x zoom lens | 1 | LS | | \$6,356.50 |
| 12 | Ten (10) zoom bullet cameras with 10x zoom lens | 1 | LS | | \$18,767.88 |
| 13 | One (1) 16-port PoE Switch Gigabit | 1 | LS | | \$512.63 |
| 14 | 3000 ft of OM3 50 Micron Fiber Optic Cable | 1 | LS | | \$8,698.78 |
| 15 | Ten (10) Fiber Connectors | 1 | LS | | \$187.44 |
| 16 | Three (3) 10-Port Gigabit Websmart PoE+ Switches | 1 | LS | | \$1,371.92 |
| 17 | All other Miscellaneous Hardware and Mounting Equipment for Cameras | 1 | LS | | \$900.00 |
| BID PRICE | | | | \$ | 92,504.01 |

BID AMOUNT IN WORDS: Ninty two thousand five hundred four dollars and one cent,

NOTE: This Bid Schedule will be included by the Contractor as a part of their bid. The City of Banning reserves the right to reduce quantities without a change in the Contractor's Bid Prices, due to a possible reduction in funding, at the time of contract award.

ADDENDA

Bidder acknowledges receipt of the following Addenda:

Addendum No.: 1

DATED: 6/28/16

Addendum No.: 2

DATED: 6/28/16

Addendum No.: _____

DATED: _____



Confirmed by Bidder: _____

(Signature of authorized representative)

Print Name: John O. Hilberg

Corporate Title: Owner

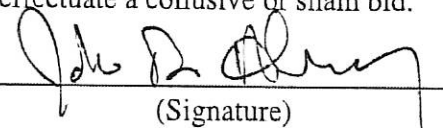
NON COLLUSION AFFIDAVIT

STATE OF CALIFORNIA

COUNTY OF Riverside

John D. Hilberg, being first duly sworn, the party making the
(Name of Bidder)

foregoing bid; that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and, further, that the bidder has not directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.


(Signature)

(Typed Name)

SUBSCRIBED BEFORE ME on this _____ day of _____, 2016.

Notary Public

My commission Expires:

BID SECURITY OR BOND

There is enclosed herewith bid security or bond in the following form (check one):

- ☐ Cash (10%)
- ☒ Cashier's Check or Certified Check (10%)
- ☐ Bond - 1 Surety (10%)

in the sum of \$9,250.40 (10) percent of the base bid of \$92,504.01 (\$), made payable to the order of the City of Banning, and the undersigned agrees that in case of his failure to execute the necessary Contract and furnish the required bonds and insurance certificates, the cashier's check or surety bond and the money payable thereon shall be and remain the property of the CITY OF BANNING.

WITHDRAWAL OF BID

The Bidder agrees that this Bid shall be good and may not be withdrawn for a period of forty-five (45) calendar days after the scheduled closing time for receiving Bids.

VISITING THE SITE

The undersigned has thoroughly examined the Location Map and Addenda (if any), has visited the site, and is thoroughly familiar with the contents and all of the conditions thereof. The undersigned is aware of and will observe all security regulations enforced at this facility. Contractor understands that the project site consists of various locations, throughout the City.

DESIGNATION OF SUBCONTRACTORS

In compliance with the provisions of Section 4100 - 4108 of the Public Contract Code of the State of California, and any amendments thereto, each Bidder shall set forth below, the name and location of the mill, shop, or office of each subcontractor who will perform work or labor, or render service to the Contractor in an amount in excess of one-half ($\frac{1}{2}$) of one (1) percent of the total Bid to be performed under the Contract, he shall be deemed to have agreed to perform such portion himself and he shall not be permitted to subcontract that portion of the work except under conditions permitted by law.

LIST OF SUBCONTRACTORS

Subletting or subcontracting of any portion of the work as to which no subcontractor was designated in the original Bid shall only be permitted in case of public emergency or necessity, or otherwise permitted by law, and then only after a finding reduced to writing as a public record of the Owner.

LIST OF SUBCONTRACTORS

| | | |
|--|--|---|
| NAME: Vision Security Systems | License No and Classification #783394 (C-10) | DBE/MBE __Yes <input checked="" type="checkbox"/> No |
| ADDRESS: 23800 Sunnymead Blvd. Ste. G | Telephone: 951-924-1560 Fax: 951-924-7881 | Ownership (Circle One) Minority Women <u>Not Applicable</u> |
| City, Zip: Moreno Valley, CA. 92553 | Bid Item No. | % of Total bid |

| | | |
|------------|-------------------------------|--|
| NAME: | License No and Classification | DBE/MBE __Yes __No |
| ADDRESS: | Telephone: Fax: | Ownership (Circle One) Minority Women Not Applicable |
| City, Zip: | Bid Item No. | % of Total bid |

| | | |
|------------|-------------------------------|--|
| NAME: | License No and Classification | DBE/MBE __Yes __No |
| ADDRESS: | Telephone: Fax: | Ownership (Circle One) Minority Women Not Applicable |
| City, Zip: | Bid Item No. | % of Total bid |

LIST OF MATERIAL SUPPLIERS

| | | |
|----------------------------------|----------------------------|---|
| NAME: Edist | MATERIAL(S) TO BE SUPPLIED | |
| ADDRESS: 1630 S. Grove Ave #A | Telephone: 866-361-2652 | Ownership (Circle One) Minority Women <u>Not Applicable</u> |
| City, Zip: Ontario, CA. 91761 | Bid Item No. | % of Total bid |

| | | |
|--|----------------------------|---|
| NAME: Volutone | MATERIAL(S) TO BE SUPPLIED | |
| ADDRESS: 320 S. Milliken Ave. Ste E | Telephone: 800-339-9981 | Ownership (Circle One) Minority Women <u>Not Applicable</u> |
| City, Zip: Ontario, CA. 91761 | Bid Item No. | % of Total bid |

| | | |
|--------------------------------------|----------------------------|---|
| NAME: ADI | MATERIAL(S) TO BE SUPPLIED | |
| ADDRESS: 1737 Atlanta Ave. Ste H1 | Telephone: 951-787-6790 | Ownership (Circle One) Minority Women <u>Not Applicable</u> |
| City, Zip: Riverside, CA. 92507 | Bid Item No. | % of Total bid |

LIST OF MATERIAL SUPPLIERS - cont.

| | | |
|------------|----------------------------|---|
| NAME: | MATERIAL(S) TO BE SUPPLIED | |
| ADDRESS: | Telephone: | Ownership (Circle One) Minority Women Not Applicable |
| City, Zip: | Bid Item No. | % of Total bid |

| | | |
|------------|----------------------------|---|
| NAME: | MATERIAL(S) TO BE SUPPLIED | |
| ADDRESS: | Telephone: | Ownership (Circle One) Minority Women Not Applicable |
| City, Zip: | Bid Item No. | % of Total bid |

| | | |
|------------|----------------------------|---|
| NAME: | MATERIAL(S) TO BE SUPPLIED | |
| ADDRESS: | Telephone: | Ownership (Circle One) Minority Women Not Applicable |
| City, Zip: | Bid Item No. | % of Total bid |

LIST OF MATERIALS

The Contractor shall submit this sheet with his Bid, completed, to list details of materials he intends to use. It shall be understood that where the Contractor elects not to use the material manufacturers called for in the Contract documents he will substitute only items of equal quality, durability, functional character and efficiency as determined by the Engineer. It is the Contractor's responsibility to ascertain prior to bidding the acceptability of substitutes. No adjustment to the Contract price will be made for Contractor's failure to seek approval of substitutes prior to submitting its bid, except as permitted herein. Only one manufacturer shall be listed for each item.

| Item # | Item or Material Description | Qty | Manufacturer | Make & Model Number | Vendor / Supplier |
|--------|------------------------------------|-----|--------------------|---|-------------------|
| 1 & 8 | Exit Devices Power Supply | 1 | Von Duprin | 50EL98NL-0P3-26P PS873-PS914 | Edlist |
| 2 | mortise Lock & Hinge | 7 | Schlage Stanley | L90800J-ULL406426 23-030-1C0622 CEFB317954260 | Edlist |
| 3 & 4 | Electric Strike | 6 | Trine | EN400-12-DAU-USS32 | Edlist |
| 5 | 4-Door TC Kit | 1 | Pro3200 | NC-PRO32E104 | ADI |
| 6 | Dual Card Reader Boards | 4 | Pro3200 | NC-PRO32R2 | ADI |
| 7 | Card Reader KeyPad | 14 | ProxPro | HU-5355AGK00 | Edlist |
| 9 & 10 | NVR & Lic's | 1 | BlackJack | DW-BTER2U48T | Edlist |
| 11 | Outdoor Zoom dome Camera | 4 | ACTi | ACTi 5MP | Edlist |
| 12 | Zoom bullet cameras | 10 | ACTi | ACTi 10MP | Edlist |
| 14 | OM3 50 Micron Fiber Optic Cable | 3 | Clearline | 6030125MOM3P | Volutone |
| | | | | | |

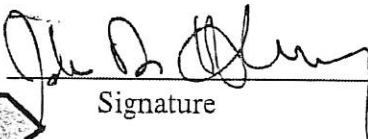
No change shall be allowed of any material manufacturer listed above after receipt of Bids unless the manufacturer so listed cannot furnish materials meeting the Specifications. Should such change be allowed, there will be no increase in the amount of the Bid originally submitted.

ANTI-TRUST CLAIM

In submitting a Bid to a public purchasing body, the Bidder offers and agrees that if the Bid is accepted, it will assign to the purchasing body all rights, title and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Chapter 2 of Part 2 of Division 7 of the Business and Professions Code) arising from purchases of goods, materials, or services by the Bidder for sale to the purchasing body pursuant to the Bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the Bidder.

DECLARATION OF ACCURACY

I, the undersigned, declare under penalty of perjury that the information presented in this bid, including without limitation the Contractor's license number and expiration date, are true and correct to the best of my knowledge. The bid of any Bidder not signed by the Bidder, or not containing the Bidder's license number and license expiration date, or containing information which is subsequently proven false, shall be considered nonresponsive and shall be rejected.


Signature
Owner

Title

6/29/16

Date

671451

Contractor's License No.

20-4652078

Federal ID No. (If applicable)

(SEAL - if Bid is by a corporation)

ATTEST

P.O. Box 201

Address

Murrieta, CA 92564

City, State, Zip

951-696-4604

Telephone

C-10

Type of License

09-30-2017

Expiration Date of License

CERTIFICATION
LABOR CODE - SECTION 1861

I, the undersigned Contractor, am aware of the provisions of Section 3700 et. Seq. of the Labor Code which requires every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code, and I, the undersigned Contractor, agree to and will comply with such provisions before commencing the performance of the Work of this Contract.

Contractor agrees to utilize federal job classifications for the submittal of the certified payrolls and further agrees to pay all of its employees the higher of the prevailing State or Federal wages.

CONTRACTOR:

Style Electric
Firm Name

John. D. Hilberg
By

Owner
Title

QUESTIONNAIRE REGARDING BIDDERS

Number of years engaged in the contracting business under present business name 23yrs
_____.

List of at least the last three contracts performed which show experience in working on a project of a nature similar to that covered in this proposal. If none, so indicate. Attach separate list of references if necessary.

| | Year | Type of Work | Contract Amt. | Location | Contact person/phone |
|---|--------------|-----------------------------------|---------------|---------------------------------|-------------------------------|
| 1 | 2015 2016 | Security fire, Access, Cameras | \$363,669.43 | San Leandro, CA. Gilbert AZ. | Jeff Seabrook 909-821-1664 |
| 2 | 2015 2016 | Card Access Cameras | \$32,318.72 | LA, CA | Danny Candier 213-804-9608 |
| 3 | | | | | |
| 4 | | | | | |
| 5 | | | | | |
| 6 | | | | | |
| 7 | | | | | |

State of California Contractor's License No.: 671451, 783394


Contractor's License Expiration Date: 9/30/2017, 8/31/2017

SECTION 1.4
OF
PROCEDURAL DOCUMENTS

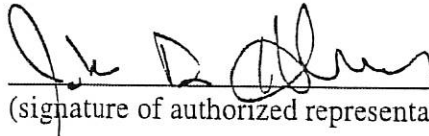
BID SUBMITTAL CHECKLIST

Bidder confirms that the following documents are fully completed, included in and made a part of its Bid.

- ☒ Bid – Page I-8
- ☒ Bid Schedule – I-9 & I-10
- ☒ Addenda Acknowledgement – I-11
- ☒ Non-Collusion Affidavit – I-12
- ☒ Bid Security or Bond – I-13, I-22 & I-23
- ☒ List of Subcontractors – I-14
- ☒ List of Material Suppliers – I-15 & I-16
- ☒ List of Materials – I-17¹⁸
- ☒ Declaration of Accuracy – I-18¹⁹
- ☒ Labor Code Certification – I-19²⁰
- ☒ Questionnaire Regarding Bidders – I-20²¹
- ☒ Corporate Certificate – I-28²⁹
- ☐ Preliminary Project Schedule
- ☒ Bid Submittal Checklist – I-21²²



Confirmed by Bidder


(signature of authorized representative)

Print Name: John D. Hilberg

Corporate Title: Owner

SECTION 1.5
OF
PROCEDURAL DOCUMENTS

BID BOND

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned, John D. Hilberg, as Principal, and Style Electric, as Surety, are hereby held and firmly bound unto the CITY OF BANNING as Owner in the penal sum of \$ 9,250.40 for payment of which, well and truly to be made, we hereby jointly and severally bind ourselves, successors and assigns.

Signed, this 29 day of June, 2016. The Condition of the above obligation is such that whereas the Principal has submitted to the CITY OF BANNING a certain Bid; attached hereto and hereby made a part hereof to enter into a contract in writing for the

Project No. 2016-04EL, "Installation of a Warehouse Security System"

NOW, THEREFORE,

- A. If said Bid shall be rejected, or
- B. If said Bid shall be accepted and the Principal shall execute and deliver, within fifteen (15) days after the Notice of Award, a contract in the form attached hereto (properly completed in accordance with said Bid) and shall furnish a Bond for his faithful performance of said Contract and for the payment of all persons performing labor or furnishing materials in connection therewith, the required Insurance Certificates, and shall in all other respects perform the agreement created by the acceptance of said Bid, then this obligation shall be void, otherwise the same shall remain in force and effect; it being expressly understood and agreed that the liability of the Surety for any and all claims there under shall, in no event, exceed the penal amount of this obligation as herein stated.

The Surety, for value received, hereby stipulates and agrees that the obligation of said Surety and its Bond shall be in no way impaired or affected by any extension of the time within which the Owner may accept such Bid; and said Surety does hereby waive notice of any such extension.

In the event suit is brought upon this bond by the Obligee and judgment is recovered, the Surety shall pay all costs incurred by the Obligee in such suit, including a reasonable attorney's fee to be fixed by the court.

IN WITNESS WHEREOF, the Principal and the Surety have hereunto set their hands and seals, and such of them as are corporations have caused their corporate seals to be hereto affixed and these presents to be signed by their proper officers, the day and year first set forth above.

Two Witnesses
(If Individual):

Principal: _____

By: _____

Title _____

ATTEST (If Corporation):

By _____

Title _____

(Corporate Seal)

SURETY: _____

ATTEST:

By _____

Title _____

(Corporate Seal)

By: _____

Title _____

IMPORTANT: Surety companies executing Bonds must possess a certificate of authority from the California Insurance Commissioner authorizing them to write surety insurance defined in Section 105 of the California Insurance code.

Any claims under this bond may be addressed to:

(Name and Address of Surety)

(Name and address of Agent or Representative in California, if different from above)

(Telephone number and address of Surety and Agent or Representative in California)

CORPORATE CERTIFICATE

I, John D. Hilberg, certify that I am the Corporate Secretary of
the Style Electric Corporation named as
CONTRACTOR in the foregoing contract; that John D. Hilberg
Style Electric, who signed said contract on behalf of the CONTRACTOR was then
Style Electric of said corporation; and that said contract was
duly signed for and in behalf of said corporation by authority of its governing
body and is within the scope of its corporate powers.



Name: John D. Hilberg

(SEAL)

ATTEST:

Name _____
(Please Print)

Title _____

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INTENTIONALLY***



CITY OF BANNING CITY COUNCIL REPORT

TO: CITY COUNCIL

FROM: Michael Rock, City Manager

PREPARED BY: Art Vela, Director of Public Works/ City Engineer
Holly Stuart, Management Analyst

MEETING DATE: July 12, 2016

SUBJECT: Discussion and Consideration of Adopting Resolution 2016-62, "Awarding a Professional Services Agreement to Holt Architecture of Rancho Mirage, CA in the amount of \$75,000 for Architectural Planning and Programming of City Facilities"

RECOMMENDATION:

The City Council adopt Resolution 2016-62:

1. Approving a Professional Services Agreement with Holt Architecture of Rancho Mirage, CA in the amount of \$75,000 for Architectural Planning and Programming of City Facilities.
2. Authorizing the Administrative Services Director to make necessary budget adjustments, appropriations and transfers related to the agreement.
3. Authorizing the City Manager to execute the Professional Services Agreement with Holt Architecture for Architectural Services for Improvements to Facilities.

JUSTIFICATION:

The approval of the Professional Services Agreement will allow for the commencement of the first phase (planning and programming of space) to improving the City facilities to meet the goal of improving the efficiency of current and future operations.

BACKGROUND:

On April 9, 2016, staff published a public notice soliciting statements of qualifications from qualified licensed professional architectural firms that have experience in the programming, design and development of government facilities to perform a needs assessment and evaluation of existing facilities. Notices were published in the Press Enterprise and City of Banning website.

As a result, the Public Works Department received four (4) responses from the following companies:

| <u>Companies</u> | <u>Ranking</u> |
|--------------------------|-----------------------|
| 1) Holt Architecture | 883.3 |
| 2) DLR Group | 861.7 |
| 3) WMM Associates | 810.0 |
| 4) Chan Young Architects | 763.3 |

A committee consisting of three (3) members was assembled to evaluate the four (4) statements based on project approach, technical competency, project team and experience, and overall responsiveness in order to identify the highest qualified and rated firm.

The scope of work includes preparing a space programming assessment to determine exact needs and requirements of all City Hall, Community Center, Water/Wastewater Department Yard and Corporate Yard Administration building functions/services. The project will cover a detailed space-by-space definition of the elements needed for facilities based on current usage, desired new amenities and potential for future growth and needs.

It is estimated this project will be completed approximately six (6) months from the issuance of the notice to proceed.

FISCAL IMPACT:

The architectural services project was approved as part of the 2016/2017 budget on June 28, 2016 and the Professional Services Agreement with Holt Architecture shall be funded by the following:

| <u>Fund (Account)</u> | <u>Amount</u> |
|---|----------------------|
| 1. General Facilities (430-2900-441.33-11) | \$15,000 |
| 2. Water Operations (660-6300-471.90-78) | \$20,000 |
| 3. Wastewater Operations (680-8000-454.90-78) | \$10,000 |
| 4. Electric Operations (673-7000-473.33-11) | <u>\$30,000</u> |
| | \$75,000 |

OPTIONS:

1. Adopt Resolution 2016-62
2. Reject Resolution 2016-62

ATTACHMENTS:

1. Resolution 2016-62
2. Holt Architecture Statement of Qualifications dated April 28, 2016
3. Fee Schedule dated June 21, 2016

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

(Resolution 2016-62)

RESOLUTION 2016-62

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, AWARDING A PROFESSIONAL SERVICES AGREEMENT TO HOLT ARCHITECTURE OF RANCHO MIRAGE, CA IN THE AMOUNT OF \$75,000 FOR ARCHITECTURAL PLANNING AND PROGRAMMING OF CITY FACILITIES

WHEREAS, in order to update City facilities to address current and future operational needs a facility needs assessment must be completed; and

WHEREAS, on April 9, 2016, staff published a public notice soliciting statements of qualifications from qualified licensed professional architectural firms that have experience in the programming, design and development of government facilities to perform a needs assessment and evaluation of existing facilities; and

WHEREAS, the Public Works Department received four (4) responses from Holt Architecture, DLR Group, WMM Associates, and Chan Young Architects; and

WHEREAS, a committee consisting of three (3) members was assembled to evaluate the four (4) statements based on project approach, technical competency, project team and experience, and overall responsiveness in order to identify the highest qualified and rated firm; and

WHEREAS, Holt Architecture was the highest ranked firm; and

WHEREAS, the scope of work will include preparing a space programming assessment to the needs and requirements of all City Hall, Community Center, Water/Wastewater Department Yard and Corporate Yard Administration building functions and services and will also include a detailed space-by-space definition of the elements needed for facilities based on current usage, desired new amenities and potential for future growth and needs; and

WHEREAS, the architectural services project was approved as part of the 2016/2017 budget on June 28, 2016 and the Professional Services Agreement with Holt Architecture shall be funded by the following:

| <u>Fund (Account)</u> | <u>Amount</u> |
|---|---------------|
| 1. General Facilities (430-2900-441.33-11) | \$15,000 |
| 2. Water Operations (660-6300-471.90-78) | \$20,000 |
| 3. Wastewater Operations (680-8000-454.90-78) | \$10,000 |
| 4. Electric Operations (673-7000-473.33-11) | \$30,000 |

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

SECTION 1. The Banning City Council adopts Resolution 2016-62 approving a Professional Services Agreement with Holt Architecture of Rancho Mirage, CA in the amount of \$75,000 for Architectural Services for Improvements to City Facilities.

SECTION 2. The Administrative Services Director is authorized to make necessary budget adjustments, appropriations and transfers related to the agreement for Architectural Services Improvements to City Facilities.

SECTION 3. The City Manager is authorized to execute the Professional Services Agreement with Holt Architecture for Architectural Services Improvements to Facilities, in a form approved by the City Attorney.

PASSED, ADOPTED AND APPROVED this 12th day of July, 2016.

Art L. Welch, Mayor
City of Banning

ATTEST:

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

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

John C. Cotti, Interim City Attorney
Jenkins & Hugin, LLC

CERTIFICATION:

I, Marie Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution 2016-62, was duly adopted by the City Council of the City of Banning, California, at a Regular Meeting thereof held on the 12th day of July, 2016, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

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

ATTACHMENT 2

(Holt Architecture Statement of Qualifications dated April 28, 2016)

CITY OF BANNING

QUALIFICATIONS TO PROVIDE ARCHITECTURAL SERVICES
FOR IMPROVEMENTS TO CITY FACILITIES

Submitted by
HOLT ARCHITECTURE

70225 Highway 111, Suite D
Rancho Mirage, CA 92270

760/328.5280 | holtarchitecture.com

April 28, 2016



COVER LETTER

City of Banning, City Clerk's Office
Attn: Holly Stuart, Management Analyst
99 E Ramsey Street
PO Box 998
Banning, CA 92220

April 28, 2016

Re: Qualifications to Provide Architectural Services for Improvements to City Facilities

Dear Ms. Stuart and Members of the Evaluation Committee,

Holt Architecture is pleased to provide you with our qualifications to provide architectural services for improvements to the Banning City Hall, Corporate Yard Administration Building, Community Center and Water Department Yard. Having designed the Banning Police Department which was completed in 2010, we offer local experience that is both recent and relevant, and we are very excited about this opportunity to work with the City of Banning once again.

Our portfolio includes a myriad of renovation and new construction projects for municipal clients throughout Southern California, many of which have similarities to the projects for which you seek architectural services. Over the past few years we have proudly served the Cities of Riverside, Indio, El Centro, Yucaipa, Fontana and Ontario, and the Counties of Riverside and Imperial. We are also currently pre-approved to provide on-call services for the County of San Bernardino, Riverside Transit Agency, City of Moreno Valley, City of Lake Elsinore, County of Imperial and County of Riverside.

The City of Banning is ideally located just over 30 miles from each of our two offices in Riverside and Rancho Mirage. Our close proximity to the City will allow us to be on site as often as needed to ensure successful and expedient project delivery.

The subconsultants included on this team have been carefully selected based upon their relevant experience and our working history with each firm. In addition to our own status as a Certified Micro Small Business Enterprise, all of our subconsultants are also certified as small businesses.

Thank you for reviewing our qualifications to provide architectural services for your various improvement projects. We would love the opportunity to help update your facilities to make them efficiently meet your operational needs. Should you have any questions or require any additional information, please do not hesitate to contact us.

Sincerely,

Timothy M. Holt, AIA, NCARB - Senior Principal
760/328.5280 office | 760/408.6604 cell | tholt@holtarchitecture.com
3891 11th Street 70225 Highway 111, Suite D
Riverside, CA 92501 Rancho Mirage, CA 92270

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| REFERENCES | PAGE 16 |
| STRATEGY AND IMPLEMENTATION PLAN | PAGE 17 |
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| FEE PROPOSAL | SEPARATE ENVELOPE |

QUALIFICATIONS OF FIRM/PROJECT TEAM

ABOUT THE FIRM

Established by Timothy Holt in 1982, Holt Architecture is a full-service architectural firm with over 30 years' experience in the planning and design of projects spanning numerous market sectors. Our firm operates out of offices in both Rancho Mirage and Riverside, California, enabling us to efficiently and effectively serve clients across a broad geographic scope.

Over the years, we have built a strong portfolio of projects reflecting the following markets:

- Civic
- Law Enforcement
- Healthcare
- K-12 Education
- Higher Education
- Religious
- Youth Services
- Detention
- Parks and Recreation
- Community Services
- Libraries
- Animal Care
- Fleet Services
- Laboratory Facilities
- Specialty

By specializing in an array of project types, we are able to serve the various needs of our loyal client base. We have established our reputation based on a distinctive combination of consistent creative design excellence and efficient project execution.

With a staff of ten professionals, we're small enough to qualify as a Micro Small Business Enterprise, yet our portfolio boasts projects ranging from minor tenant improvements to major, ground-up facilities. As a smaller firm, our clients benefit from our highly personal service and our ability to adjust to the unique requirements of every client.

Our design philosophy stems from our view that each project has unique objectives, and we make it our mission to discover creative architectural solutions that fully satisfy those needs. While projects may have similarities to one another, it is important to approach and respond to the unique aspects of each individual project. We can refer to successful solutions of past projects to enhance the final outcome of current projects while simultaneously looking for new ways to incorporate improvements. Our specific goal is to perform the best possible professional services, striving for design excellence, economy, efficiency and flexibility.

QUALIFICATIONS TO COMPLETE THE SCOPE OF SERVICES

Our firm employs multi-disciplinary staff members who have each worked on numerous projects that are similar to those in this RFQ. We primarily work with public agency clients and have a thorough understanding of their unique budget and scheduling needs. Having worked recently in the City of Banning, we also understand the local and regional agency requirements.

STATEMENT OF UNDERSTANDING

We understand that the City of Banning is looking to update several facilities including the City Hall, Corporate Yard Administration Building, Community Center and the Water Department Yard. It is the City's intention to make these facilities more efficient and better meet operational needs. The City is seeking an architectural firm to program, design and develop these facilities. Services to be performed include:

- Needs Assessment
- Existing Facility Evaluation
- Programming and Preparation of Development Architectural Program for City Facilities
- Project Administration and Management Services
- Site Analysis and Feasibility Studies
- Preparation of Conceptual/Schematic Drawings
- ADA Compliance Review and Planning
- Schedule Developing
- Cost Estimate Services
- Security Enhancements
- Information Technology Improvements (Communication)

LOCATION OF FIRM/STAFF

Holt Architecture is headquartered in Rancho Mirage, California and operates a branch office in Riverside. The addresses of the offices are as follows:

| Rancho Mirage (headquarters) | Riverside |
|---|---|
| 70225 Highway 111, Suite D Rancho Mirage, CA 92270 | 3891 11 th Street Riverside, CA 92501 |

Our staff will perform the services in this RFQ out of the Rancho Mirage office.

QUALIFICATIONS OF FIRM/PROJECT TEAM

CURRENT AND PAST PUBLIC-AGENCY CLIENTS

Holt Architecture has been providing professional architectural services to public agency clients for over 30 years. As such, our list of public projects is extremely extensive. In an effort to keep our response direct and concise, we have elected to show **one representative project for each public agency client** listed in the chart below. Many contacts for projects shown are no longer available; please refer to the "References" section for currently available contacts.

Holt Architecture served as the **Prime Architect** and provided **complete architectural services** for each representative project shown.

| Client | Representative Project | Staffing |
|---|--|--|
| Boys & Girls Club of the Coachella Valley | Mecca Boys & Girls Club A 30,600 SF new construction clubhouse Cost: \$5.6 M Fee: \$480,000 | Tim Holt, Tom Howell, Jose Deleon, Ruben Coronado, Kristine Luong |
| City of Banning | Banning Police Department A 32,000 SF new construction police department that houses essential services Cost: \$12.9 M Fee: \$967,000 | Tim Holt, Tom Howell, Jose Deleon, Ruben Coronado, Kristine Luong |
| City of Blythe | Blythe Police Station An 18,000 SF renovation and addition Cost: \$11.2 M Fee: \$312,000 | Tim Holt, Tom Howell, Jose Deleon, Ruben Coronado, Kristine Luong |
| City of Calipatria | Calipatria City Hall and Fire Station An 11,400 SF new construction facility Cost: \$2.993 M Fee: \$223,500 | Tim Holt, Tom Howell, Jose Deleon, Ruben Coronado, Kristine Luong |
| City of El Centro | El Centro City Hall A 13,800 SF new addition and interior renovation Cost: \$4.14 M Fee: \$331,200 | Tim Holt, Tom Howell, Jose Deleon, Ruben Coronado, Kristine Luong |
| City of Fontana | Emergency Operations Center A 12,200 SF interior renovation of existing building Cost: \$4.88 M Fee: \$556,000 | Tim Holt, Tom Howell, Matt Acton, Jose Deleon, Kristine Luong |
| City of Holtville | Holtville Public Safety Building A new 12,400 SF fire and police department facility Cost: \$3.2 M Fee: \$ 256,000 | Tim Holt, Tom Howell, Ruben Coronado, Jose Deleon |
| City of Indio | Council Chambers Renovation A 5,800 SF interior renovation Cost: \$1.1 M Fee: \$99,000 | Tim Holt, Tom Howell, Matt Acton, Jose Deleon, Steven Porter, Kristine Luong |
| City of Murrieta | Murrieta Police Department A new 36,000 SF secure police station Cost: \$10 M Fee: \$810,000 | Tim Holt, Tom Howell, Jose Deleon, Ruben Coronado |
| City of Rancho Mirage | Whitewater Memorial Park A 3,200 SF restroom building renovation Cost: \$742,000 Fee: \$82,400 | Tim Holt, Tom Howell, Ruben Coronado |
| City of Ontario | Police Department Renovation An interior renovation of existing facility Cost: \$3.5 M Fee: \$347,500 | Tim Holt, Tom Howell, Matt Acton, Jose Deleon, Kristine Luong |

QUALIFICATIONS OF FIRM/PROJECT TEAM

| Client | Representative Project | Staffing |
|---|---|--|
| City of Riverside | Grier Pavilion A 4,800 SF renovation of the seventh floor outdoor patio on top of City Hall in Riverside Cost: \$1.35 M Fee: \$121,500 | Tim Holt, Tom Howell, Jose Deleon |
| City of Yucaipa | Yucaipa Police Department A new 22,500 SF police station Cost: \$9.9 M Fee: \$792,000 | Tim Holt, Tom Howell, Matt Acton, Ruben Coronado, Jose Deleon, Steven Porter, Kristine Luong |
| Coachella Valley Mosquito and Vector Control District | Administrative/Operations Building A 16,668 SF administration building with a board room Cost: \$4.9 M Fee: \$395,000 | Tim Holt, Tom Howell, Jose Deleon |
| College of the Desert | Alumni Center A 3,500 SF Measure B bond project housing COD's Alumni Foundation offices Cost: \$1.9 M Fee: \$187,000 | Tim Holt, Tom Howell, Jose Deleon, Ruben Coronado, Kristine Luong |
| Copper Mountain College | Library, Student Center and Cafeteria A 34,050 SF "mini campus" within the main Copper Mountain College campus Cost: \$10.7 M Fee: \$856,000 | Tim Holt, Tom Howell |
| County of Riverside | Department of Public Social Services - Jurupa A 154,000 SF child and adult protective services facility that included renovation and new construction Cost: \$10.35 M Fee: \$776,000 | Tim Holt, Tom Howell, Jose Deleon, Ruben Coronado |
| County of Riverside Animal Services | Blythe Animal Shelter An 8,240 SF comprehensive animal services center Cost: \$1.65 M Fee: \$132,000 | Tim Holt, Tom Howell, Jose Deleon, Ruben Coronado, Kristine Luong |
| County of Riverside Economic Development Agency | Indio Workforce Development Center A 106,000 SF renovation to provide joint-use public office space Cost: \$9.9 M Fee: \$792,000 | Tim Holt, Tom Howell, Ruben Coronado, Jose Deleon |
| County of Riverside Fire Department | Ben Clark Training Center - Fire A 26,000 SF fire training facility Cost: \$10.2 M Fee: \$765,000 | Tim Holt, Tom Howell, Matt Acton, Ruben Coronado, Jose Deleon, Steven Porter, Kristine Luong |
| County of Riverside Sheriff's Department | Coroner Forensic Center East A 14,700 SF full-service coroner facility Cost: \$3.18 M Fee: \$272,000 | Tim Holt, Tom Howell, Jose Deleon |
| County of Riverside Transportation Department | Cabazon Fleet Services/Corporate Yard A full-service fleet services facility on a 7-acre lot Cost: \$4.5 M Fee: \$360,000 | Tim Holt, Tom Howell, Jose Deleon, Ruben Coronado, Kristine Luong |

QUALIFICATIONS OF FIRM/PROJECT TEAM

| Client | Representative Project | Staffing |
|---|--|--|
| County of Riverside Veteran's Services | Office of Veteran's Services A 4,500 SF interior and exterior renovation that received a "Beautification Award" from Keep Riverside Clean and Beautiful Cost: \$675,000 M Fee: \$78,000 | Tim Holt, Tom Howell, Matt Acton, Ruben Coronado, Kristine Luong |
| Riverside Transit Agency | New Parking Facility A new 150 vehicle parking facility Cost: \$680,000 Fee: \$59,000 | Tim Holt, Tom Howell, Jose Deleon |
| Town of Yucca Valley | Yucca Valley Town Hall An interior renovation of existing facility Cost: \$800,000 Fee: \$68,000 | Tim Holt, Tom Howell |

QUALIFICATIONS OF FIRM/PROJECT TEAM

PRIMARY CONTACT

Timothy Holt, AIA, NCARB - Senior Principal
70225 Highway 111, Suite D
Rancho Mirage, CA 92270
760/328.5280 (office) | 760/408.6604 (cell)
tholt@holtarchitecture.com

OVERVIEW OF KEY PERSONNEL

| Firm | Team Member | Role/Responsibilities |
|-----------------------------------|--|---|
| Holt Architecture | Timothy Holt, AIA, NCARB (Primary Contact) | Senior Principal |
| | Thomas Howell, AIA, NCARB | Principal Architect |
| | Matt Acton, LEED® Green Associate™ | Project Designer |
| | Ruben Coronado | Project Manager |
| | Jose Deleon | Construction Documents Coordinator |
| | Kristine Luong | Materials Specialist |
| | Steven Porter | Job Captain |
| Design West Engineering | Steven Johnson, PE | Mechanical Engineer |
| | Leo Maya, PE | Electrical Engineer |
| Wiseman+Rohy Structural Engineers | Steve Rohy, SE | Structural Engineering Principal in Charge |
| | Jim Wiseman, SE | Structural Engineer |
| IDLA, Inc. | Ian Davidson, ASLA, RLA | Landscape Architect |
| VCA Engineers, Inc. | Virgil C. Aoanan, PE, SE, QSD | Civil Engineer |
| AVS Engineers | Daniel Leung, PM | Security/IT Principal in Charge/Project Manager |
| | Tim Lincoln, PE | Security/IT Project Engineer |

QUALIFICATIONS OF FIRM/PROJECT TEAM

SUBCONSULTANTS

| Subconsultant | Role | Length of Working History with Holt Architecture | Reason Selected for this Project Team |
|--|--|--|--|
| Design West Engineering >> Certified Small Business | Mechanical/Electrical/Plumbing Engineering | 15 years | <ul style="list-style-type: none"> • Highly qualified firm for moderate-sized public sector projects • Familiarity with staff members who perform mostly public work • Most qualified local firm • Small business status |
| Wiseman+Rohy Structural Engineers >> Certified Small Business | Structural Engineering | 6 years | <ul style="list-style-type: none"> • Familiarity between project team members • Small business status • Highly qualified for public projects |
| IDLA, Inc. >> Certified Small Business | Landscape Architecture | 16 years | <ul style="list-style-type: none"> • Familiarity and length of working history with firm • Current availability • Highly qualified for projects in RFQ • Small business status • Local firm |
| VCA Engineers, Inc. >> Certified Small Business | Civil Engineering | 7 years | <ul style="list-style-type: none"> • Successful working relationship • Small business • Qualified project portfolio • Current availability for all projects listed |
| AVS Engineers >> Certified Small Business | Security/IT Design | 3 years | <ul style="list-style-type: none"> • Highly qualified for public projects • Local • Available • Small business status • Excellent working relationship |

QUALIFICATIONS AND UNDERSTANDING

PROPOSED STRATEGIES FOR ACHIEVING RFQ OBJECTIVES

One of the contributing factors to our firm's continual success in delivering projects on time and on budget is our highly organized project approach. Our projects are divided into six phases, including Schematic Design, Design Development, Contract Documents, Bidding and Negotiation, Construction Administration and Post Construction Walk-Through. Each phase is comprised of specific tasks and milestones, organized as follows:

Programming

We will interview various end users of the City and determine an appropriate square footage for each of the functions identified. We will then create a tabulation in chart form to illustrate our findings.

Schematic Design

We will conduct a verification of the architectural program and subsequent meetings with the County. Design Documents will be prepared, which will include floor plans, exterior elevations and any other drawings necessary to convey the design intent. The Holt staff will work with the County to establish the appropriate size, number of spaces, adjacencies and any other special circumstances that may be critical to the overall design. The Schematic Design shall be approved by the County prior to the commencement of the Design Development phase. Once the Schematic Design is complete, the drawings will be sufficient for the preparation of a conceptual cost projection to assist the County in making an informed decision with respect to the project budget.

Design Development

Upon Client approval of the Schematic Design, the drawings will be further developed into plans, sections and elevations. Overall building scale and detailed elements will be refined. Building sections will allow us to investigate structural efficiency, as well as how the structure is integrated with interior and exterior architectural details. Mechanical systems, ductwork and plumbing are considered in this phase, ensuring all of the necessary parts of the building work together.

Contract Documents

Once Design Documents have been approved, we will prepare Contract Documents. The Contract Documents are the detailed drawings and specifications issued to a General Contractor for the construction of the project, as well as to the building department to obtain construction permits.

Contract Documents include the construction drawings, which consist of all required zoning information and site plans, architectural and structural design, plumbing, electrical, and fire protection design, as well as written project specifications. All aspects of the project will be designed in accordance with prevailing building codes.

Bidding & Negotiation

Holt Architecture shall assist the County in preparing bid documents for prospective General Contractors. These bid documents shall consist of the Contract Documents, along with instructions for providing a breakdown of costs and anticipated schedule, so they may be compared with those of other bidders. We will evaluate the bids and make recommendations for the selection of a General Contractor.

A "kick-off" meeting is then arranged with the design team, the County and the General Contractor to review the Contract Documents, answer any final questions and clarify the intent of any particular aspects of the documents prior to the start of construction.

Construction Administration

During construction, we will visit the site at critical stages to observe the progress and quality of the work. We will notify the County of any part of the work that is not in conformance with the Contract Documents and take appropriate action to coordinate with the General Contractor, after conferring with the County.

We will also process payment requisitions from the General Contractor based on the amount of work completed or materials stored on site. Shop drawings will also be reviewed and approved for various aspects of the work that may require fabrication.

QUALIFICATIONS AND UNDERSTANDING

Post Construction Walk-Through

It is important to remember that a new building is a custom product, and often times they will have kinks to work out. As an added service to our clients, we provide a one month post-construction walk-through to ensure the project is functioning as intended and to correct any problems that may have arisen. We make it a priority to ensure that our clients are satisfied with their project well into occupancy, and this added service assists in that effort.

PROJECT UNDERSTANDING

We understand that the City of Banning is looking to update several facilities including the City Hall, Corporate Yard Administration Building, Community Center and the Water Department Yard. It is the City's intention to update these facilities to make them more efficient and better meet operational needs. The City is seeking a professional architectural firm to program, design and develop these facilities. Services to be performed include:

- Needs Assessment
- Existing Facility Evaluation
- Programming and Preparation of Development Architectural Program for City Facilities
- Project Administration and Management Services
- Site Analysis and Feasibility Studies
- Preparation of Conceptual/Schematic Drawings
- ADA Compliance Review and Planning
- Schedule Developing
- Cost Estimate Services
- Security Enhancements
- Information Technology Improvements (Communication Technology)

ABILITY TO DEVELOP DETAILED SCOPE, INCLUDING SCHEDULE AND BUDGET, IN COLLABORATION WITH THE CITY

We will work closely with the City to develop each project's scope, budget and schedule. We will begin each project with a comprehensive planning session involving all project team members to identify required and desired spaces for the facility. The list will be refined in to "must have" items and "nice to have" items. A budget and schedule will be prepared based upon this preliminary planning information. Our staff will then work with the City to refine the scope to best suit the City's needs for the project.

Keeping Projects Within Budget and Schedule

Holt Architecture boasts an impressive track record of delivering projects on time and within budget. We are able to keep projects under budget by accurately estimating project costs up front. In addition to relying upon our own internal Construction Cost Database, which is based upon current local conditions, we also use as references:

- R.S. Means Construction Cost Data
- McGraw-Hill Current Construction Costs
- F.W. Dodge Construction Cost Summaries

Our recent experiences have proven the accuracy of our cost estimating procedures. We typically experience low bids from the competitive marketplace within two to three percent of our final cost projections. We are willing to stand firmly behind these projections and feel that they provide our clients with the best forecast possible.

Our ability to deliver projects on time is connected to our Project Organization and Quality Control Program, which hold us to meeting pre-determined project milestones to ensure that a project is not delayed. By closely adhering to these programs we are able to give our clients the projects they want, when they want them and within their original budget.

QUALIFICATIONS AND UNDERSTANDING

Banning Police Department | Banning, CA

CLIENT
City of Banning

SIZE
32,000 SF

COST
\$12.9 M

COMPLETION
2010

The design of the Banning Police Department creates a substantive civic building that offers a strong presence to the public and complements the aesthetic of the neighboring City Hall. The 32,000 SF building houses the essential services of 911 dispatch, holding cells, booking rooms, evidence storage, administrative spaces, exercise facilities and community meeting rooms. An extensive masonry retaining wall encircles the entire north side of the site, enclosing the upper-level parking and providing added security for squad cars. An additional parking lot across the street to the east of the building is also secured through a perimeter masonry wall and serves employees of both City Hall and the Banning Police Department.

The design offers various levels of entry on either side. The main public entrance to the south is located on the lower level of the two floors where visitors are directed to the upper level administrative services. The north entrance has the appearance of a ground floor entrance but is actually the top level of the building. Underneath, squad cars are given private, secured entry for the transport of persons in custody.



QUALIFICATIONS AND UNDERSTANDING

Cabazon Fleet Services | Cabazon, California

CLIENT
County of Riverside

SIZE
7-Acre Site

COST
\$4.5 M

COMPLETION
2009

The Cabazon Fleet Services facility is a full-service facility serving County of Riverside fleet vehicles. The site houses a fueling station, car wash and complete vehicle maintenance/repair station. The facility can accommodate approximately 150 fleet vehicles per day.



QUALIFICATIONS AND UNDERSTANDING

Administrative/Operations Building and Bio Control Facility | Indio, California

CLIENT

Coachella Valley
Mosquito and Vector
Control District

SIZE

Phase 1: 6,668 SF
Phase 2: 19,526 SF

COST

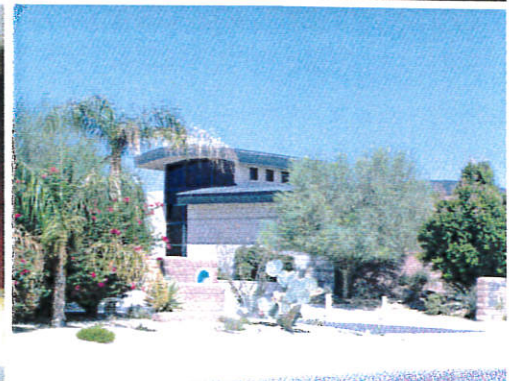
Phase 1: \$2.9 M
Phase 2: \$3.7 M

COMPLETION

Phase 1: 1999
Phase 2: 2005

Phase I included the Administrative Office Building, which contains the reception area, administrative offices, and Board Room, the staff offices, locker rooms, laboratory and storage areas, the Maintenance Building used to service District vehicles and all on-site parking areas, landscaping and amenities. The buildings feature split-face masonry wall construction, deeply recessed, energy-efficient glazing, standing seam metal roofs, and a comprehensive security system. The exterior features natural desert scape with a low water consumption irrigation system and covered parking.

Phase 2 included the Bio Control Facility and Research Ponds. The building is both a District laboratory and a storage warehouse for the fish tank functions. Additionally, there are a number of mosquito/fish ponds adjacent to the Laboratory Building.



QUALIFICATIONS AND UNDERSTANDING

Mecca Boys & Girls Club | Mecca, CA

CLIENT
Boys & Girls Club of
Coachella Valley

SIZE
30,600 SF

COST
\$5.6 M

COMPLETION
2011

The new Mecca Boys and Girls Club is a landmark facility for the roughly 2,500 youth of the 8,000-person blighted agricultural town. Currently, Mecca has little to offer its young constituents in regards to safe recreation facilities, and many choose to patronize parks in neighboring towns. The addition of the new Boys and Girls club both revitalizes an impoverished area and provides children and teens with a safe and secure place to enjoy after school and on weekends. The 30,000 SF club has a gymnasium, boxing ring, library, teen center, exercise and weight room areas, state-of-the-art-technology, a community room and outdoor recreation sports, including basketball courts.



QUALIFICATIONS AND UNDERSTANDING

Jurupa Self-Sufficiency Center | Jurupa, California

CLIENT

Riverside County
Economic Development
Agency

SIZE

52,800 SF

COST

\$11.45 M

COMPLETION

2007

This 52,800 SF design-build project accommodates the County of Riverside's offices for GAIN and TAMD and was designed to assist residents of Riverside in preparing for the local job market. Designed in a contemporary Spanish architectural expression, this building establishes the design standard for the County's redevelopment of the Mission Boulevard improvement district. Holt Architecture was selected based on qualifications of having previously completed several successful municipal buildings for the County.



QUALIFICATIONS AND UNDERSTANDING

Additional Public Agency Projects

- Animal Samaritans
- Boys & Girls Club - Coachella Clubhouse
- Smilow Family Teen Center
- Boys & Girls Club - Mecca Clubhouse
- Coachella Valley Mosquito and Vector Control District - Phase 1 Administrative/Operations Buildings
- Coachella Valley Mosquito and Vector Control District - Phase 2 Bio Control Facility and Research Ponds
- Banning Police Station
- Blythe Police
- Blythe Fire
- Calipatria City Hall and Fire Station
- El Centro City Hall
- Holtville Public Safety Building
- Murrieta Police Department
- Rancho Mirage Annex
- Whitewater Park
- Grier Pavilion
- Riverside Council Chambers
- Orange Square Lobby
- Mission Square Multi-Purpose Room
- Yucaipa Police Department
- College of the Desert:
 - >> Alumni Center
 - >> Diesel Mechanic Building
 - >> Science Lab
 - >> Student Center
 - >> Walter N. Marks Center for the Arts
- Copper Mountain College
- Blythe County Administrative Center
- Hemet Department of Public Social Services
- Indio County Administrative Center
- Larson Justice Center
- Jurupa Self-Sufficiency Center
- Coroner Forensic Center East
- Jurupa Sheriff's Evidence Warehouse
- Lake Elsinore Sheriff Station
- Blythe Animal Shelter
- Southwest Communities Animal Shelter
- Office of Veteran's Services
- Bermuda Dunes Public Safety Building
- Blythe Fleet Services
- Eastern Riverside County Emergency Operations Center



Ben Clark Training Center - Fire Training Facility

- Indio Workforce Development Center
- Law Offices of the Public Defender
- Riverside Centre: 4th Floor
- Riverside Centre: 5th Floor
- US Attorney's Office
- David C. Christenson Code Enforcement Office
- East County Detention Center
- Indio Juvenile Hall
- Riverside Juvenile Hall Master Plan
- James A. Venable Community Center
- Highgrove Community Park
- La Ladera Park
- North Shore Beach and Yacht Club Community Center
- Rubidoux Community Resource Center
- Thousand Palms Park, Community Center & Library
- Veterans Memorial Park
- Ben Clark Training Center - Master Plan
- Ben Clark Training Center - Sheriff
- Ben Clark Training Center - Fire
- Fontana Emergency Operations Center
- Ontario Police Department Headquarters Renovation
- Indio Police Department Headquarters Renovation
- Yucca Valley Town Hall
- Riverside Transit Agency New Parking Facility

REFERENCES

County of Riverside Economic Development Agency

Tim Miller, Assistant Director
951/955.4838
tmliller@rivcoeda.org

Boys and Girls Club of the Coachella Valley

Jim Ducatte, Director
760/836.1160 Ext. 102
jducatte@bgcofcv.org

Operation SafeHouse

Kathy McAdara, Executive Director
951/351.4418
safehouse9@aol.com

City of Indio

Tim Wassil, Director
760/391.4018
twassil@indio.org

City of Yucaipa

Ray Casey - City Manager
(909) 797-2489
rcasey@yucaipa.org

STRATEGY AND IMPLEMENTATION PLAN

Our Strategy and Implementation Plan is directly reflective of our **Proposed Strategies for Achieving RFQ Objectives** listed in the **Qualifications and Understanding** section of this proposal. The seven phases under which we will perform the work on the projects include:

1. Programming
2. Schematic Design
3. Design Development
4. Contract Documents
5. Bidding & Negotiation
6. Construction Administration
7. Post Construction Walk-Through

Please refer to the aforementioned section for a detailed description of what is entailed in each phase.

LEED Certification

Situated in a unique desert climate that hosts extreme temperatures throughout the year, we are acutely aware of the benefits that both passive and active energy conservation measures can have on a facility, the environment and the population. We have been incorporating energy-saving measures into our projects throughout our 30-year history, since long before "going green" became an industry trend. From simple steps like the incorporation of bike racks to promote reduction in fuel use to major photovoltaic installations, we can guide our clients to do their part to help the environment without sacrificing the quality or integrity of their project. Our long-standing membership with the United States Green Building Council (USGBC) serves as further testament to our dedication to sustainable design.

Many clients are attracted to the idea of sustainable design, but are leery of the time, effort and financial contribution required to obtain LEED certification. Whether or not our clients choose to go LEED, we are extremely knowledgeable of the program's parameters and can design any facility to comply with LEED standards. This allows us to give our clients a sustainable project that can still lower their energy costs, improve the indoor environment for constituents and reduce their overall footprint. In a nutshell, they can enjoy the benefits of green design without actually achieving LEED certification.

Construction Estimating

We have worked with a wide range of project budgets and are able to design within any budget, large or small. Our track record of cost estimates is exceptionally close to final bid amounts. Tom Howell, who oversees our Bidding and Construction Administration phases, prepares all of our cost estimates. With over 20 years of experience in the construction industry, he maintains relationships with involved contractors, subcontractors, suppliers and manufacturers' representatives, as well as maintains the office Construction Cost Database.

ADA Requirements for Public Buildings

As with any project, the project team is tasked with delivering a project suitable for the needs of the client while maintaining compliance with any and all code requirements. To ensure we not only achieve this goal, but do so in a time efficient manner, we have developed the following methodology:

As-Built Conditions

We take the time to analyze any as-built construction drawings that may be available on the existing building to begin to understand where there may be non-compliance with today's code requirements. From here, we initiate the development of as-built drawings suitable to begin conceptual design based upon the project's program requirements.

Field Measure/Field Verify

While the initial stages of conceptual design are taking place, we will send members of the project team to the site to field measure and field verify all existing dimensions and other items identified during the As-Built document analysis. This is the most important step to eliminating any "guesswork" that can lead to costly mistakes during time of construction.

Schematic Design

Armed with an in-depth understanding of the existing building/space and a conceptual design idea, we will work closely with the owner's project team during the schematic design phase to develop a plan that meets the project's program requirements while complying with applicable code requirements. It is also during this phase that we will develop a plan to address any special compliance issues that may have arisen during the building analysis.

STRATEGY AND IMPLEMENTATION PLAN

Construction Administration

As detailed in our Project Approach, we frequently visit our projects during construction to observe the progress and quality of the work. We work closely with the construction team and are highly responsive to their inquiries and RFIs. We help them to be proactive in addressing unforeseen conditions that occur in the field and work in a collaborative manner to deliver quality solutions while containing budgetary costs.

Our approach to Construction Administration is so successful that we are often brought on by clients during this phase of a project when they are not satisfied with this aspect of their design team's performance. We recently completed Construction Administration only for the El Centro Regional Outpatient Clinic and Southwest Communities Animal Shelter.

TECHNOLOGY

Holt Architecture employs a variety of three-dimensional modeling software programs to design and produce our projects. Sketchup is used for the Schematic Design phase to develop renderings and models. After the initial design is complete, plans and Construction Documents are then produced in ArchiCAD.

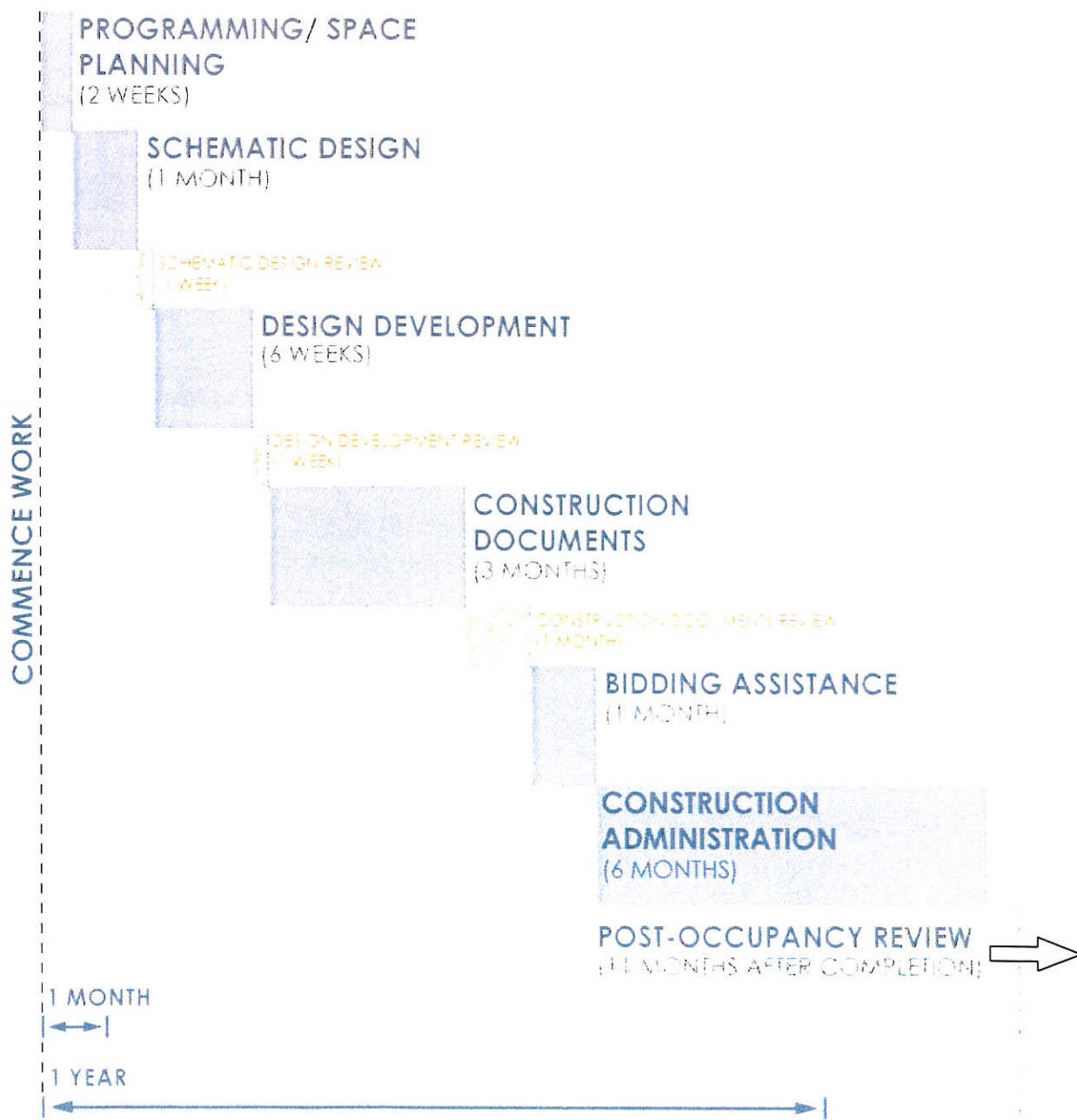
All employees have their own individual work stations. Additionally, we are also equipped with several traveling computers and presentation equipment that can be taken to client meetings.

Our office is equipped with several multi-functional printing stations that have the capability of scanning, copying and faxing in addition to high-volume printing. We are also able to produce large-format prints in-house through the use of two separate plotters.

We maintain an FTP site to aid in file sharing with consultants and clients. We also maintain accounts with several printing companies in Riverside County for when additional assistance is needed.

STRATEGY AND IMPLEMENTATION PLAN

Below is a sample of a typical project schedule. Individual projects vary greatly based upon size and complexity. The duration of each phase would be adjusted according to each individual project, but the percentage of time dedicated to each phase would be relative to what is displayed in the chart.



PROPOSED QUALITY ASSURANCE PROGRAM (QA/QC)

QA/QC - Quality assurance and quality control is built into our process. There are multiple facets of our quality assurance system, beginning with our planning software, the issues tracking matrix, and regular meetings, all discussed previously. We also utilize clash detection software to analyze the architectural, structural, and mechanical models to ensure there are no conflicts between building components. However, technology and process are nothing without an experienced team to employ them properly.

THE STAFF IN THIS STATEMENT OF QUALIFICATIONS WILL BE DEDICATED TO YOUR PROJECT THROUGH FRUITION. THEY WILL CONTINUALLY FOCUS ON PROJECT QUALITY AND CLIENT SERVICE.

Another critical component of our quality control system is a weekly project update prepared by the project manager to inform the client and consultants of the status of ongoing and resolved issues, schedule and budget. This allows our clients to follow our progress and comment on any concerns promptly.

A checklist developed by the firm's Quality Control Committee is used by the project manager and the project architect to assure that information needed is included and coordinated throughout the documents. Our team will also perform a quality control review using senior staff not involved in the day-to-day of the project at major project milestones.

RESUMES: HOLT ARCHITECTURE

Timothy M. Holt, AIA, NCARB | Principal in Charge



EDUCATION

- Bachelor of Architecture
– University of Michigan

REGISTRATION

- Architect: CA #12576
- NCARB #23931

AFFILIATION

- American Institute of Architects - National and California Desert Chapter
- Construction Specifications Institute
- National Council of Architectural Registration Board
- The American Architectural Foundation
- International Conference of Building Officials
- Architectural Review Board for City of Rancho Mirage
- Consultant to the San Bernardino Diocesan Building Committee

YEARS WITH FIRM

36

Tim established Holt Architecture in 1993 after serving eleven years as the architectural division of The Holt Group, a comprehensive A/E firm run by Tim and his two brothers. With a rich history in architectural design backed by a comprehensive understanding of the engineering and construction divisions, Tim offers a unique perspective that is beneficial to the firm's projects and is evident through a multitude of long-term repeat clients. As Principal in Charge, Tim is responsible for overseeing all work performed by the Holt team to ensure that clients' goals are met and exceeded. He actively participates in project planning, evaluation, and design and monitors each project from feasibility/programming through project close-out.

SELECTED EXPERIENCE LIST

- SafeHouse of the Desert - Thousand Palms, CA
- Mecca Boys & Girls Club - Mecca, CA
- Coachella Boys & Girls Club - Coachella, CA
- Boys & Girls Club Smilow Family Teen Center - Indio, CA
- Larson Justice Center - Indio, CA
- Ben Clark Training Center - Riverside, CA
- Yucaipa Police Department - Yucaipa, CA
- Banning Police Department - Banning, CA
- Murrieta Police Department - Murrieta, CA
- Blythe Police Department - Blythe, CA
- Lake Elsinore Sheriff Station - Lake Elsinore, CA
- Hemet Sheriff Station - Hemet, CA
- Holtville Public Safety Building - Holtville, CA
- Riverside Juvenile Hall Master Plan - Riverside, CA
- Law Offices of the Public Defender - Riverside, CA
- US Attorney's Office - Riverside, CA
- Palm Desert Library/College of the Desert - Palm Desert, CA
- College of the Desert Diesel Mechanics Building - Palm Desert, CA
- Palo Verde College Learning Resource Center - Blythe, CA
- Yucaipa Police Department - Yucaipa, CA
- Highgrove Park - Highgrove, CA
- La Ladera Park - Menifee, CA
- North Shore Beach and Yacht Club Community Center - Mecca, CA
- Animal Samaritans - Thousand Palms, CA
- Southwest Communities Animal Shelter - Wildomar, CA
- Kaiser Permanente - Palm Desert, CA
- Promontory Point Medical Office Complex - Palm Desert, CA
- East County Detention Center - Indio, CA
- Grier Pavilion - Riverside, CA
- East County Emergency Operations Center - Indio, CA

RESUMES: HOLT ARCHITECTURE

Thomas C. Howell, AIA, NCARB | Project Architect



EDUCATION

- Bachelor of Science in Architectural Studies - University of Illinois
- Master of Architecture - Southern California Institute of Architecture

REGISTRATION

- Architect. CA #31626
- NCARB #160933

AFFILIATION

- American Institute of Architects
- International Conference of Building Officials
- HomeAid Inland Empire, Executive Board
- Cal Baptist University, Construction Management Advisory Board

YEARS WITH FIRM

18

Tom brings over 20 years' experience to the firm and has contributed to many of the firm's notable projects. Clients benefit from his highly analytical project approach. Tom is primarily responsible for Construction Documents, existing facility documentation and Construction Administration. His responsibilities include client contact during the transition from Design Development, coordination between consultants and office staff in detailing drawings and preparing specifications, cost estimating, bidding/negotiation and oversight of construction.

SELECTED EXPERIENCE LIST

- SafeHouse of the Desert - Thousand Palms, CA
- Palm Desert Library/College of the Desert - Palm Desert, CA
- Mecca Boys & Girls Club - Mecca, CA
- Coachella Boys & Girls Club - Coachella, CA
- Boys & Girls Club Smilow Family Teen Center - Indio, CA
- East County Detention Center - Indio, CA
- Ben Clark Training Center - Riverside, CA
- Yucaipa Police Department - Yucaipa, CA
- Banning Police Department - Banning, CA
- Murrieta Police Department - Murrieta, CA
- Blythe Police Department - Blythe, CA
- Holtville Public Safety Building - Holtville, CA
- Riverside Juvenile Hall Master Plan - Riverside, CA
- Law Offices of the Public Defender - Riverside, CA
- US Attorney's Office - Riverside, CA
- Our Lady of Perpetual Help Catholic School - Indio, CA
- Sacred Heart School - Palm Desert, CA
- College of the Desert Science Laboratory - Palm Desert, CA
- College of the Desert Alumni Center - Palm Desert, CA
- College of the Desert Walter N. Marks Center for the Arts - Palm Desert, CA
- College of the Desert Diesel Mechanics Building - Palm Desert, CA
- Palo Verde College Learning Resource Center - Blythe, CA
- Yucaipa Police Department - Yucaipa, CA
- Highgrove Park - Highgrove, CA
- North Shore Beach and Yacht Club Community Center - Mecca, CA
- Animal Samaritans - Thousand Palms, CA
- Southwest Communities Animal Shelter - Wildomar, CA
- Blythe Animal Shelter - Blythe, CA
- Kaiser Permanente - Palm Desert, CA
- Promontory Point Medical Office Complex - Palm Desert, CA
- Desert Christian Academy - Bermuda Dunes, CA
- Our Saviors Lutheran Church - Palm Springs, CA

RESUMES: HOLT ARCHITECTURE

Matt Acton, LEED® Green Associate™ | Project Designer



EDUCATION

- Bachelor of Science in Architecture - University of Michigan, Ann Arbor

AFFILIATION

- NCARB IDP
- USGBC LEED® Green Associate™

YEARS WITH FIRM

4



Matt's involvement with a project spans from Schematic Design through Design Documents. He works closely with clients to conceptualize their vision for the project while offering unique and creative solutions to enhance the project in every way possible. Matt contributes equally to the big picture planning and the small details of a project. Clients greatly benefit from his intimate involvement on all levels of design.

SELECTED EXPERIENCE LIST

- Riverside Juvenile Hall Master Plan - Riverside, CA
- Desert Christian Academy - Indio, CA
- Urban Youth Academy Master Plan - San Bernardino, CA
- Palm Springs Air Museum Donor Room - Palm Springs, CA
- Law Offices of the Public Defender - Riverside, CA
- East County Detention Center - Indio, CA
- East County Emergency Operations Center - Indio, CA
- North Shore Beach and Yacht Club Master Plan - Mecca, CA
- Ben Clark Training Center Classroom Project - Riverside, CA
- Hope Centre - Palm Desert, CA
- Riverside County Primary Emergency Operations Center - Perris, CA
- Yucaipa Police Department - Yucaipa, CA
- Indio Criminal Justice Law Building Bridging Document - Indio, CA
- Sunrise Country Club - Rancho Mirage, CA
- Rancho Mirage Animal Surgery Center - Rancho Mirage, CA
- Our Lady of Perpetual Help Pre-School Multi-Purpose Building - Indio, CA
- Mission Square Boardroom Improvement - Riverside, CA
- Orange Square Public Utilities Lobby Improvement - Riverside, CA
- Indio Council Chambers Renovation - Indio, CA
- Shepherd's Canyon Retreat - Wickenburg, AZ

RESUMES: HOLT ARCHITECTURE

Ruben Coronado | Project Manager



EDUCATION

- Associate of Science – ITT Technical Institute

AFFILIATION

- NCARB/IDP
- California Architecture Board
- American Institute of Architects, Associate Member

YEARS WITH FIRM

15

Ruben's overall objective in his role as Project Manager is to interpret the Conceptual Design of a project and turn it into reality. He is primarily responsible for construction documents, existing facility documentation and construction administration. He interacts with clients during the transition from Design Development and coordinates the preparation of detailed drawings and specifications with consultants. Ruben is also responsible for cost estimating, bidding/negotiation, and the observation of projects from construction through close-out. Ruben frequently visits project sites to ensure accuracy of construction and adherence to schedule.

SELECTED EXPERIENCE LIST

- Milan Institute - La Quinta, CA
- El Centro Regional Medical Center - El Centro, CA
- Sacred Heart School - Palm Desert, CA
- Mecca Boys & Girls Club - Mecca, CA
- Coachella Boys & Girls Club - Coachella, CA
- SafeHouse of the Desert - Thousand Palms, CA
- East County Detention Center - Indio, CA
- Palm Desert Library/College of the Desert - Palm Desert, CA
- College of the Desert Science Laboratory - Palm Desert, CA
- College of the Desert Alumni Center - Palm Desert, CA
- College of the Desert Walter N. Marks Center for the Arts - Palm Desert, CA
- Yucaipa Police Department - Yucaipa, CA
- Highgrove Park - Highgrove, CA
- La Ladera Park - Menifee, CA
- North Shore Beach and Yacht Club Community Center - Mecca, CA
- Veterans Memorial Park - Jurupa, CA
- Whitewater Park - Rancho Mirage, CA
- James A Venable Community - Cabazon, CA
- Law Offices of the Public Defender - Riverside, CA
- Banning Police Department - Banning, CA
- US Attorney's Office - Riverside, CA

RESUMES: HOLT ARCHITECTURE

Jose Deleon | Construction Documents Coordinator



EDUCATION

- Associate of Science, ITT Tech Institute of Technology

AFFILIATION

- NCARB/IDP

YEARS WITH FIRM

12

Jose's project involvement starts at Schematic Design and lasts through Construction Administration. He is responsible for the development of all project-related documents. Jose's detail-oriented approach is highly beneficial to both clients and the Holt Architecture team.

SELECTED EXPERIENCE LIST

- East County Emergency Operations Center - Indio, CA
- Sacred Heart School - Palm Desert, CA
- Mecca Boys & Girls Club - Mecca, CA
- SafeHouse of the Desert - Thousand Palms, CA
- Palm Desert Library/College of the Desert - Palm Desert, CA
- College of the Desert Science Laboratory - Palm Desert, CA
- East County Detention Center - Indio, CA
- College of the Desert Alumni Center - Palm Desert, CA
- Yucaipa Police Department - Yucaipa, CA
- Banning Police Department - Banning, CA
- Holtville Public Safety Building - Holtville, CA
- Riverside Juvenile Hall Master Plan - Riverside, CA
- Ben Clark Training Center - Riverside, CA
- Jurupa Sheriff Evidence Warehouse and Lobby - Jurupa, CA
- Law Offices of the Public Defender - Riverside, CA
- US Attorney's Office - Riverside, CA
- Blythe Fleet Services - Blythe, CA
- Cabazon Fleet Services - Cabazon, CA
- Animal Samaritans - Thousand Palms, CA
- Kaiser Permanente - Palm Desert, CA
- Promontory Point Medical Office Complex - Palm Desert, CA
- Desert Christian Academy - Bermuda Dunes, CA
- Our Saviors Lutheran Church - Palm Springs, CA
- Hope Lutheran Church - Palm Desert, CA
- Blythe RCIT (Riverside County Information Technology) - Blythe, CA

RESUMES: HOLT ARCHITECTURE

Kristine Luong | Materials Specialist



EDUCATION

- Bachelor of Fine Arts in Interior Design – American Intercontinental University

YEARS WITH FIRM

10

Kristine is committed to enhancing the function, safety, and aesthetics of interior spaces. Her selection of products and materials is based on how different colors, textures, lighting, and space work together to satisfy the needs of a building's occupants. Kristine works closely with the client throughout the design and construction process including programming, formulating a design plan and presenting finish materials to clients.

SELECTED EXPERIENCE LIST

- East County Detention Center - Indio, CA
- Sacred Heart School - Palm Desert, CA
- Sunrise Country Club - Rancho Mirage, CA
- Mecca Boys & Girls Club - Mecca, CA
- Coachella Boys & Girls Club - Coachella, CA
- SafeHouse of the Desert - Thousand Palms, CA
- Palm Desert Library/College of the Desert - Palm Desert, CA
- College of the Desert Science Laboratory - Palm Desert, CA
- College of the Desert Alumni Center - Palm Desert, CA
- College of the Desert Walter N. Marks Center for the Arts - Palm Desert, CA
- Yucaipa Police Department - Yucaipa, CA
- Law Offices of the Public Defender - Riverside, CA
- US Attorney's Office - Riverside, CA
- Ben Clark Training Center - Riverside, CA
- Yucaipa Police Department --Yucaipa, CA
- Banning Police Department - Banning, CA
- Animal Samaritans - Thousand Palms, CA
- Desert Christian Academy - Bermuda Dunes, CA
- Our Lady of Perpetual Help Catholic School - Indio, CA
- Sacred Heart School - Palm Desert, CA
- Mecca Boys & Girls Club - Mecca, CA

RESUMES: HOLT ARCHITECTURE

Steven Porter | Job Captain



EDUCATION

- Associate of Arts in Architecture, College of the Desert

YEARS WITH FIRM

5

Steven brings over ten years' experience in CAD drafting for both the architectural and landscape disciplines and is extensively knowledgeable in site planning. In his role as CAD Operator, Steven's responsibilities include drafting, assisting teammates with design, preparing complete Construction Documents, preliminary site planning and design, and frequent communication with clients and consultants.

Years with Firm

##

SELECTED EXPERIENCE LIST

- Milan Institute - La Quinta, CA
- North Shore Fire Station - Mecca, CA
- Oasis Fire Station - Thermal, CA
- Law Offices of the Public Defender - Riverside, CA
- Probation Department at L.O.P.D. - Riverside, CA
- Supervisor Benoit's Office Remodel - Riverside, CA
- Imperial County Treasurer / Tax Collector's Office
- Imperial County Administration Center
- Indio AEOC - Indio, CA
- Desert Hot Springs Family Care Center - Desert Hot Springs, CA
- Yucaipa Police Department - Yucaipa, CA
- Sacred Heart Solar - Palm Desert, CA
- Trinity Lutheran Church - Site Improvements
- East County Detention Center Site Preparation and Demolition Project - Indio, CA
- Ben Clark Training Center Fire & Sheriff - Riverside, CA
- Riverside County - Orange Square Lobby - Riverside, CA
- Hope Lutheran Church - Worship Center Tenant Improvements - Palm Desert, CA
- Comprehensive Cancer Center Expansion - La Quinta, CA
- Indio Date Festival Fairgrounds Site Improvements - Indio, CA
- City of Calipatria Capital Improvements - Calipatria, CA
- Department of Public Social Services Tenant Improvements
- Blythe Sheriff Station Parking Lot Improvements - Blythe, CA

RESUMES: DESIGN WEST ENGINEERING

Steven Johnson, PE | Senior Mechanical Engineer



EDUCATION

- Bachelor of Science in Mechanical Engineering, Cal Poly Pomona

REGISTRATION

- California PE #M33209

AFFILIATION

- IESNA Board Member

YEARS WITH FIRM

14

Steven Johnson joined Design West Engineering in 2002 and now directs the Mechanical, Plumbing, and Fire Protection Department. He ensures that each project manager is maintaining the quality of design and level of service that Design West is known for. He manages and oversees mechanical and plumbing design teams of virtually every type and for every sector of the industry, including K-12, higher education, municipal, healthcare, and industrial to name a few. After Steven joined Design West, he quickly proved himself a competent and successful Project Manager and in 2007 took over the responsibility of managing the day-to-day production for his department from the founding Principals. Mr. Johnson also oversees the fire sprinkler design team, the commissioning and LEED consulting division, the BIM team with the BIM Manager reporting directly to him, and applications of DWE's Energy Division. He is passionate to see forward-thinking design implemented into their projects through the most up-to-date technologies. Energetic and resourceful, he brings to his job an unparalleled knowledge of the industry and complete dedication to his clients. Steven has his B.S. in Mechanical Engineering from Cal Poly Pomona and maintains his Professional Engineering License in California, Nevada, Arizona, Florida, Missouri, Washington, Pennsylvania, and Kansas.

SELECTED EXPERIENCE LIST

- Big Bear Public Works and Corporate Yard Facility
- City of La Habra City Hall Renovation
- City of Arcadia City Hall Renovation
- City of Eastvale Jurupa Community Center
- Temecula Community Center
- Redlands Community Center
- Mead Valley Community Center
- Coachella Corporate Yard MEP Upgrades
- Athens Services Corporate Yard
- Riverside County Pedley Corporate Yard Relocation
- MTA Division 3 Maintenance Building
- MTA Division 3 Maintenance Building II
- Riverside County Law Offices of the Public Defender
- Riverside County EDA Offices, Riverside Centre
- Riverside County EDA Offices, Spruce St.
- San Bernardino County Joshua Tree Government Center Office
- San Bernardino County Employment Development Department Office
- San Bernardino County Public Works HVAC Upgrade Office
- San Bernardino County Hall of Record Systems Upgrade Office
- San Bernardino County Government Center Systems Upgrade Office
- San Bernardino Water District Headquarters Energy Upgrade
- El Toro Water District Headquarters Expansion, Lake Forest
- Crestline Water District Headquarters Remodel
- Monte Vista Water District Headquarters Office
- Riverside County Flood Control Offices
- Riverside County Palm Springs Probation Office
- Los Angeles County Inglewood DPSS Office

RESUMES: DESIGN WEST ENGINEERING

Leo Maya, P.E., LEED AP BD+C | Senior Electrical Engineer



EDUCATION

- Bachelor of Science in Electrical Engineering, Arizona State University (in Progress)

REGISTRATION

- California PE #E19480
- LEED AP BD+C

AFFILIATION

- IESNA Board Member

YEARS WITH FIRM

11

With over 20 years of design and project management experience, Leo Maya has worked on a wide array of projects including large commercial and industrial buildings, health care and institutional facilities, data centers, sports field lighting, street and area lighting, golf course electrical systems, custom residences, and various dry utility designs. Mr. Maya joined the Design West team in 2005 and in 2009 took over the responsibility of running the electrical production. Apart from standard electrical and lighting design, he oversees the electrical BIM design team, solar photovoltaic design; specialized analyses including arc flash, coordination studies and load flow evaluation; all low voltage applications including fire alarm, security, data and signal, and A/V systems. His continuing education in the field of electrical engineering and lighting design, along with his membership and board position for IESNA (Illuminating Engineers Society of North America) keep him up to date with the latest lighting and energy efficient technologies. Beyond his technical prowess, it is Mr. Maya's dedication to maintaining long-term client relationships and his diverse background that have made him such a valuable asset to the Design West team. This dedication to customer service is evident in the work ethic and the character displayed by his whole team.

SELECTED EXPERIENCE LIST

- Big Bear Public Works and Corporate Yard Facility
- City of La Habra City Hall Renovation
- City of Arcadia City Hall Renovation
- City of Eastvale Jurupa Community Center
- Temecula Community Center
- Redlands Community Center
- Mead Valley Community Center
- Coachella Corporate Yard MEP Upgrades
- Athens Services Corporate Yard
- Riverside County Pedley Corporate Yard Relocation
- MTA Division 3 Maintenance Building in Los Angeles
- MTA Division 3 Maintenance Building II in Los Angeles
- Riverside County Law Offices of the Public Defender
- Riverside County EDA Offices, Riverside Centre
- Riverside County EDA Offices, Spruce St.
- San Bernardino County Joshua Tree Government Center Office
- San Bernardino County Employment Development Department Office
- San Bernardino County Public Works HVAC Upgrade Office
- San Bernardino County Hall of Record Systems Upgrade Office
- San Bernardino County Government Center Systems Upgrade Office
- San Bernardino Water District Headquarters Energy Upgrade
- El Toro Water District Headquarters Expansion, Lake Forest
- Crestline Water District Headquarters Remodel
- Monte Vista Water District Headquarters Office
- Riverside County Flood Control Offices
- Riverside County Palm Springs Probation Office
- Los Angeles County Inglewood DPSS Office

RESUMES: WISEMAN + ROHY STRUCTURAL ENGINEERS

Jim Wiseman, SE | Principal - Structural Engineering



Jim will be directly involved with overseeing the production of drawings from initial client contact through efficient layout to management of the project. He will establish and enforces Quality Control and Quality Assurance guidelines, and is responsible for developing company-wide standards to maintain consistent and efficient engineering.

SELECTED EXPERIENCE LIST

- GSA Childcare Building – San Diego
- DPSS Riverside County Offices
- Central Area Police Headquarters – San Diego
- County Assessors Offices – San Marcos
- Encinitas Fire Station
- INS Facility – Chula Vista

EDUCATION

- Bachelor of Science in Architectural Engineering (Structural), California Polytechnic State University San Luis Obispo

REGISTRATION

- National Council of Engineering Examiners - #19303
- Registered Structural Engineer: CA #S-4215, AZ #36003, NV #15715
- Registered Civil Engineer: FL #56622, GA #26920, IA #16463, MI #47562, NM #17082, TX #97765

AFFILIATION

- Structural Engineers Association of CA & San Diego
- American Concrete Institute (ACI)
- American Institute of Steel Construction (AISC)
- American Institute of Timber Construction (AITC)

YEARS WITH FIRM

23

RESUMES: WISEMAN + ROHY STRUCTURAL ENGINEERS

Steve Rohy, SE | Principal in Charge - Structural Engineering



EDUCATION

- Bachelor of Science in Architectural Engineering (Structural), 1992 - California Polytechnic State University, San Luis Obispo, CA

REGISTRATION

Registered Structural Engineer:

- California #S-4341
- Idaho #S-11706

Registered Civil Engineer:

- Colorado #39469
- Oregon #75625
- Washington #42184

AFFILIATION

- Structural Engineers Association of CA & San Diego
- American Institute of Steel Construction (AISC)
- American Welding Society (AWS)
- Earthquake Engineering Research Institute (EERI)

YEARS WITH FIRM

24

Steve is directly involved with overseeing the production of drawings from initial client contact through efficient layout to management of the project. He establishes and enforces Quality Control and Quality Assurance guidelines for the company and projects. He develops company-wide standards to maintain consistent and efficient engineering, and implements 'Lean Thinking' principles for multi-disciplinary efficiency.

SELECTED EXPERIENCE LIST

- San Jacinto Valley Animal Campus – Riverside County
- Court Intake Addition – AOC Traffic Court Building – San Diego
- San Diego Juvenile Court Entry Structure
- Suburban San Diego Consolidation State Office Building
- DEA Facility Santa Ana
- DEA Facility Sacramento

RESUMES: IDLA, INC.

Ian Davidson, ASLA, RLA | Landscape Architect



EDUCATION

- Master of Business Administration
Claremont Graduate School
- Bachelor of Landscape Architecture
University of Arizona

REGISTRATION

- Registered Landscape Architect California – #2651

AFFILIATION

- Rotary Club – Past President
- ASLA - Member
- California Park and Recreation Society

YEARS WITH FIRM

25

Ian Davidson, RLA, ASLA is the President and Owner of IDLA. He believes in a high degree of principal participation and his hands-on approach gives the advantage of principal level personnel working directly with clients. As the Principle in Charge and Project Manager of Landscape Architecture, Mr. Davidson will oversee all aspects of the project landscape from design through construction.

SELECTED EXPERIENCE LIST

- Rialto Library Expansion, Rialto, CA. Landscape Architect for the expansion and renovation of a branch library. Conceptual drawings for an interior courtyard area and an addition.
- Rialto Community Center, Rialto, CA. Landscape Architect for the new construction of a community center.
- Main Street Pedestrian Mall, Riverside, CA. Principal in Charge of the redevelopment of a walking mall through downtown Riverside that includes improvements such as hardscape, accented intersections, new water main and fire service, electrical infrastructure for special events, a free speech stage, all new period and accent lighting, continuous sound, a 50' x 100' granite civic plaza and three fountains
- Palm Springs Family Care Center, Palm Springs, CA. Landscape Architect for a new 25,000-SF public health clinic. Mr. Davidson provided landscape design and planning, which incorporated courtyards, accent pavements, lighting and signage.
- Mecca Family Center and Community Health Center, Mecca, CA. Landscape Architect for project sponsored by the County of Riverside in order to provide medical and social services to the communities of Mecca, Thermal, and Oasis.
- Library and Sheriff's Office, Mecca, CA. Landscape Architect for a mixed-use facility comprised of a new library, sheriff's office, and an office for the Southern Coachella Valley Community Service District
- Hemet Library, Hemet, CA. Landscape Architect, provided site planning, schematic design, design development, and construction documents for this new library on County owned land.
- Mead Valley Community Center, Riverside County, CA. Designed the complete renovation of an existing landscape at a community center and designed an upgrade to existing ball fields.
- Social Services and Community Health Center, Mecca, CA. Principal in Charge of this new medical and social services building.
- Riverside School for Performing and Media Arts, Riverside, CA. Mr. Davidson was the Project Manager and Principal in Charge of this project. He prepared a Preliminary Design, Conceptual Landscape Master Plan, and Construction Documents for this project.

RESUMES: VCA ENGINEERS, INC.

Virgil C. Aoanan, PE, SE, QSD | Civil Engineer



EDUCATION

- Bachelor of Science in Civil Engineering | 1979
University of Hawaii

REGISTRATION

- 1983 Civil Engineer, California No. 36079
- 1994 Structural Engineer, California No. 3903
- 1990 Professional Engineer, New York No. 067561
- 1994 Civil and Structural Engineer, Washington No. 23349
- 2012 CASQA Qualified SWPPP Developer and Practitioner (QSD and QSP)

YEARS WITH FIRM

13

Mr. Aoanan has over thirty years of hands-on experience in civil and structural engineering related to planning, design, management, and construction of aviation, commercial, education, healthcare, housing industrial, institutional, military, municipal, recreation and transportation facilities. He has prepared and executed engineering construction documents (plans, specifications, calculations, requisitions, contracts) in multiple capacities as project manager, project engineer, lead engineer, design engineer, and construction engineer in both the civil and structural disciplines. As a Civil Engineer, Mr. Aoanan is intimately familiar with design issues related to: site development, site and facility condition assessments, public works improvements (B-Permits) storm wet utility design and capacity studies (sanitary sewer, potable and fire water), water management (LID, SWPPP, SUSMP), grading and earthwork calculations, site sustainable design (LEEDS, CHPS), site infrastructure design, capital improvement programming, roadway and streetscapes geometrics, composite utilities coordination and right of way, onsite traffic/parking circulation and analysis, hydrology and hydraulics studies and design, ADA path of travel requirements. In addition, Mr. Aoanan has also extensive design experience not only in on-site improvements as described above but also in off-site improvements involving municipal and jurisdictional interfaces such as the City of Los Angeles B-Permit, California State Water Resources Control Board, California Coastal Commission or similar requirements. As a Structural Engineer, he directly managed and participated in the structural analysis, design, and construction of various types of buildings and structures, new, renovated, and/or seismically retrofitted. These building types and structures include reinforced concrete (cast in place and tilt-up), masonry, wood, and steel.

SELECTED EXPERIENCE LIST

- City of Los Angeles, LAPD Metro Detention Center – Los Angeles, CA
- City of Los Angeles, Altadena Sheriff's Station – Altadena, CA
- City of Los Angeles, New Harbor Replacement Station and Jail – San Pedro, CA
- City of Los Angeles, New Rampart Area Police Station – Los Angeles, CA
- City of Santa Clarita, New Fire Station 150 – Santa Clarita, CA
- County of Los Angeles, Pitchess Detention Center Women's Jail – Castaic, CA
- County of Los Angeles, Sybil Brand Institute Existing Detention and Jail Modernization – Monterey Park, CA
- County of Los Angeles, Mira Loma Detention Center Rehabilitation – Lancaster, CA
- County of Los Angeles, Hall of Justice Repair and Reuse Site and Parking Structure – Los Angeles, CA
- County of Los Angeles, Centinella Probation Office – Los Angeles, CA
- County of Riverside, New East County Detention Center – Indio, CA
- Fontana Courthouse Jury Assembly Building – Fontana, CA

RESUMES: AVS ENGINEERING

Daniel Leung | Principal in Charge/Project Manager - Security/IT Design



EDUCATION

- Cal. State University, Los Angeles, B.S. in Electrical Engineering, Honors 1988

REGISTRATION

- California Contracting Licenses:
Low-voltage (C7)
High-voltage (C10)

AFFILIATION

- American Correctional Asso.
- American Jail Association

TECHNICAL EXPERTISE

- Locking and Access Control
- Building Perimeter Alarms
- CCTV and Digital Recording
- Wireless Personal Alarms
- Intercom and Paging
- Inmate Video Visitation
- Touchscreens & Ctrl Panels
- Fire Alarm System

YEARS WITH FIRM

16

Daniel Leung has devoted over 26 years of his professional career to the design, engineering and installation of security electronics, communications and life safety systems. As the Principal-in-Charge in most of the projects successfully completed by his firm, Daniel has focused on delivering the best quality design services and top quality production in every aspect of the project, proactively handling all design, installation and system commissioning issues. As one of the most recognized professionals in the security design and contracting industry, Daniel has been retained by the Counties of San Bernardino, Sacramento, and Santa Clara to provide on-call security and low voltage consulting services for the last several years.

Daniel's extensive experience will bring in-depth knowledge of the existing systems, and current policies and procedures that must be met within all types of governmental facilities. As a Principal-in-Charge, Daniel also provides the necessary leadership that translates into an excellent client-team communication and understanding of the project at hand, and his attention to detail and concern for his clients has helped him built a long lasting relationship and earned him a reputation of trusted advisor and consultant.

SELECTED EXPERIENCE LIST

- On-call County-wide Security Design and Consulting, San Bernardino, California
- On-call County-wide Security Design and Consulting, Sacramento, California
- On-Call County-wide Security Design and Consulting, Santa Clara, California
- East County Detention Center Expansion, Indio, California
- Riverside Juvenile Hall Security Upgrade
- Murrieta district Attorney and Public Defender Building, Riverside, California
- Riverside Animal Shelter, Riverside, California
- Riverside Mental Health Facility, Riverside, California
- Adelanto Detention Center Expansion, Adelanto, California
- West Valley Detention Center Security and Fire Alarm Upgrade, San Bernardino, California
- Public Works Building Fire Alarm Upgrade, San Bernardino, California
- Santa Clarita Community Center, Santa Clarita, California
- Cucamonga County Water Treatment Plants Rancho Cucamonga, California

RESUMES: AVS ENGINEERING

Tim Lincoln, PE | Project Engineer - Security/IT Design



EDUCATION

- Cal. State Polytechnic University, Pomona, CA
- B.S. in Electrical Engineering

REGISTRATION

- P.E. License
- California E14844
- Nevada 18212

AFFILIATION

- American Correctional Asso. American Jail Association

TECHNICAL EXPERTISE

- Locking and Access Control
- Building & Perimeter Alarms
- CCTV & Digital Recording
- Wireless Personal Alarms
- Intercom and Paging
- Inmate Video Visitation
- Touchscreens & Ctrl. Panels
- Fire Alarm System

YEARS WITH FIRM

10

With 26+ years of managing, designing, and installation of integrated electronic security systems in criminal justice facilities, Tim brings in-depth engineering knowledge, familiarity with all the specialized criminal justice construction codes and invaluable management skills to his projects which allows him to perform thorough inspection and effectively enforce the design of each unique project.

Specializing in criminal justice electronics technology, Tim draws from his experience as a design engineer, construction manager, and contractor to design and manage unsurpassed integrated electronic systems for each unique facility. Tim's knowledge of security operations, electronics technology and practical construction provide him with the tools to understand integrated security systems for any type of correctional facility, and he is involved in all aspects of the projects from design through factory testing to final installation acceptance.

SELECTED EXPERIENCE LIST

- East County Detention Center Expansion, Indio, California
- Riverside Juvenile Hall Security Upgrade
- Murrieta District Attorney and Public Defender Building, Riverside, California
- Riverside Animal Shelter, Riverside, California
- Riverside Mental Health Facility, Riverside, California
- Adelanto Detention Center Expansion, Adelanto, California
- West Valley Detention Center Security and Fire Alarm Upgrade, San Bernardino, California
- Public Works Building Fire Alarm Upgrade, San Bernardino, California
- Santa Clarita Community Center, Santa Clarita, California
- Cucamonga County Water Treatment Plants, Rancho Cucamonga, California
- Expo Metro New Light Rail O&M Facility, Santa Monica, California



FEE PROPOSAL

Hourly Rates

HOLT ARCHITECTURE STAFF

| | |
|---------------------------|--------|
| Senior Principal | 190.00 |
| Principal Architect | 168.00 |
| Project Architect | 145.00 |
| Project Manager | 130.00 |
| Designer | 90.00 |
| CAD Technician | 80.00 |
| Word Processing | 60.00 |
| Office Technician/Courier | 50.00 |

CONSULTANTS

Services performed by Consultants outside the Scope of Work delineated in Professional Services Agreement such as Structural, Mechanical, Electrical Plumbing and Civil Engineering; Soils Testing; and Landscape Architecture.

Cost + 15%

REIMBURSABLE EXPENSES

| | |
|---|------------|
| Vehicle Mileage | 0.75 Mile |
| Postage/Delivery Service, Outside Reprographic Service, Photography, Permits & Fees | Cost + 15% |

Copies, Printing & Scanning

| | B/W | Color |
|------------|-------|-------|
| 8 1/2 x 11 | .20 | .50 |
| 11 x 17 | .50 | 1.00 |
| 18 x 24 | 2.00 | 4.00 |
| 24 x 36 | 4.00 | 6.00 |
| 30 x 42 | 6.00 | 9.00 |
| 36 x 48 | 12.00 | 16.00 |

*Rates Effective through 12/31/2016

ATTACHMENT 3

(Fee Schedule dated June 21, 2016)

Revision #01: June 21, 2016 (changes are highlighted in yellow for convenience)
Original: June 17, 2016

Art Vela, Public Works Director/City Engineer
City of Banning
99 E. Ramsey Street
Banning, CA 92220

RE: Master Plans for various City of Banning Facilities

Mr. Vela:

On behalf of Holt Architecture, I am pleased to provide you with this Proposal to prepare Preliminary Conceptual Documents for the addition of a New Facility and the remodeling of four Existing Facilities.

The Proposed Scope of Services is as follows:

1. Facilities for the Master Plan Study:

- a. New Water Yard Building.
- b. Interior Improvements for the existing City Hall.
- c. Interior Improvements for the existing Community Center.
- d. Interior Improvements for the existing Senior Center.
- e. Interior Improvements for the existing Corporate Yard Building.

2. Architectural Services and Deliverables:

- a. Preliminary Facility Documentation – basic measurement and preparation of 2D electronic plan file for each Facility.
- b. Architectural Program for each Facility.
- c. Three (3) Conceptual Space Plan Options for each Facility based upon Architectural Program.
- d. Opinion of Probable Cost for each Facility based upon Owner preferred Space Span.
- e. Preliminary Project Schedule for each Facility.
- f. One (1) Preliminary Phasing Plan and Schedule for the overall sequence of Projects.

3. Exclusions:

- a. Detailed Evaluations and/or Surveys of the existing Facilities and/or related Sites.
- b. Hazardous Material Investigations.
- c. Engineering Services.

- 4. Proposed Schedule:** We suggest that you allow 4 to 6 months to complete the above effort, to allow a reasonable time for stakeholder review and approval.



Mr. Art Vela, Public Works Director/City Engineer
RE: Master Plans for various City Facilities – Proposal Revision #01
Page | 2

5. Compensation: Based upon the above Scope and Schedule, our compensation is on a not to exceed basis, as follows:

| | |
|---|-----------|
| a. Preliminary Facility Documentation | 11,250.00 |
| b. Architectural Programs | 15,000.00 |
| c. Conceptual Space Plan Options | 30,000.00 |
| o One (1) for Senior Center & Community Center | |
| o Three (3) for Water Yard, Corporate Yard, & City Hall | |
| d. Opinion of Probable Costs | 11,250.00 |
| e. Preliminary Project Schedules | 3,000.00 |
| f. Preliminary Phasing Plan | 3,000.00 |
| g. Reimbursable Allowance | 1,500.00 |

| | |
|--------------|--------------------|
| TOTAL | \$75,000.00 |
|--------------|--------------------|

Reimbursable expenses will accompany the monthly invoices per the attached 2016 Hourly Rate & Expense Schedule.

If the Scope of Work (in terms of affected Building Area, Site Area, or Schedule) increases by more than 10%, the Architect's compensation shall be adjusted accordingly. This Proposal is valid for 60 Calendar Days.

We appreciate the opportunity to be of service to you. Please contact me with any questions regarding this proposal.

Sincerely,

Holt Architecture

Thomas C. Howell, A.I.A.
Project Architect

cc: TMH/jc/kmd

Attachment: 2016 Hourly Rate & Reimbursement Schedule

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CITY OF BANNING CITY COUNCIL REPORT

TO: CITY COUNCIL

FROM: Michael Rock, City Manager

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

MEETING DATE: July 12, 2016

SUBJECT: Discussion and Consideration of Adopting Resolution 2016-65, "Accepting Community Development Block Grant Program Funds for Fiscal Year 2016-2017 in the amount of \$172,331 for the Community/ Senior Center Rehabilitation Project (5.BN.34-15)"

RECOMMENDATION:

The City Council adopt Resolution 2016-65:

1. Accepting Community Development Block Grant Program ("CDBG") Funds for Fiscal Year 2016-2017 in the amount of \$172,331 for the Community/Senior Center Rehabilitation Project (5.BN.34-15).
2. Authorizing the Administrative Services Director to make necessary budget adjustments, appropriations and transfers related to the 2016-2017 CDBG funds in the amount of \$172,331.
3. Authorizing the Mayor to execute the Supplemental Agreement for the 2016-2017 CDBG Program.

JUSTIFICATION:

The submittal of the Community/Senior Center Rehabilitation project application for CDBG 2016/2017 program funding was approved by City Council on December 8, 2015 under Resolution 2015-106. The execution of the 2016-2017 CDBG Supplemental Agreement is required in order for the City to obtain and utilize the CDBG funds.

BACKGROUND:

On an annual basis, the City of Banning has participated in the federally funded CDBG program. On December 8, 2015, the City Council adopted Resolution 2015-106 approving the Community/Senior Center Rehabilitation project and application submittal to the Riverside County Economic Development Agency ("EDA") for consideration.

The City received a letter dated June 23, 2016 from the EDA confirming the approval of the project and funding. In order to utilize Fiscal Year 2016-2017 CDBG program funds, the City is required to execute a Supplemental Agreement attached hereto by reference. The CDBG FY 2016-2017 funding will be allocated to the Community/Senior Center Rehabilitation Project (5.BN.34-16) in the amount of \$172,331.

The scope of work for the renovations at the Community/Senior Center includes new gym flooring; ADA restroom and doorway improvements; remodel of restrooms; replacement of interior and exterior doors; replacement of cabinetry in meeting rooms; new lighting and paint throughout the facilities.

FISCAL IMPACT:

The original request submitted to the County was in the amount of \$200,000; however, the City anticipates receiving \$172,331 through CDBG program, Fiscal Year 2016-2017 per the Supplement Agreement.

OPTIONS:

1. Adopt Resolution 2016-65
2. City Council may choose to take no action resulting in the loss of available funding.

ATTACHMENTS:

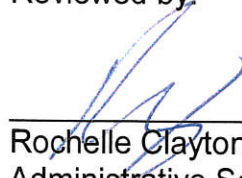
1. Resolution 2016-65
2. 2016-2017 CDBG Supplemental Agreement

Reviewed 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 2016-65)

RESOLUTION 2016-65

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, ACCEPTING COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM FUNDS FOR FISCAL YEAR 2016-2017 IN THE AMOUNT OF \$172,331 FOR THE COMMUNITY/SENIOR CENTER REHABILITATION PROJECT (5.BN.34-15)

WHEREAS, the City of Banning submits applications for projects/activities under the Community Development Block Grant ("CDBG") program to the Riverside County Economic Development Agency annually; and

WHEREAS, the submittal of the Community/Senior Center Rehabilitation project application for CDBG 2016/2017 program funding was approved by City Council on December 8, 2015 under Resolution No. 2015-106; and

WHEREAS, the project submitted herein meets the CDBG program guidelines and/or requirements; and

WHEREAS, the scope of work for the renovations at the Community/Senior Center includes new gym flooring; ADA restroom and doorway improvements; remodel of restrooms; replacement of interior and exterior doors; replacement of cabinetry in meeting rooms; new lighting and paint throughout the facilities; and

WHEREAS, it is necessary that the 2016/2017 CDBG Supplemental Agreement be approved by the City Council through resolution in order for the City to utilize the federally funded CDBG grant funds.

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

SECTION 1. The Banning City Council adopts Resolution No. 2016-65 and accepts Community Development Block Grant Program Funds for Fiscal Year 2016-2017 in the amount of \$172,331 for the Community/Senior Center Rehabilitation Project (5.BN.34-15).

SECTION 2. The Administrative Services Director is authorized to make necessary budget adjustments, appropriations and transfers related to the 2016-2017 Community Development Block Grant funds in the amount of \$172,331.

SECTION 3. The Mayor is authorized to execute the Supplemental Agreement for the 2016-2017 Community Development Block Grant program.

PASSED, ADOPTED AND APPROVED this 12th day of July, 2016.

Art L. Welch, Mayor
City of Banning

ATTEST:

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

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

John C. Cotti, Interim City Attorney
Jenkins & Hugin, LLC

CERTIFICATION:

I, Marie Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2016-65, was duly adopted by the City Council of the City of Banning, California, at a Regular Meeting thereof held on the 12th day of July, 2016, by the following vote, to wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

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

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ATTACHMENT 2

(2016-2017 CDBG Supplement Agreement)

**SUPPLEMENTAL AGREEMENT FOR THE USE OF
2016-2017 COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS**

This Supplemental Agreement ("Agreement") is entered into this _____ day of _____, 2016, by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California, herein called, "COUNTY," and the **CITY OF BANNING**, herein called "CITY." COUNTY and CITY are collectively referred to as "Parties" and individually as "Party."

The COUNTY and CITY mutually agree as follows:

1. GENERAL. COUNTY and CITY have executed a Cooperation Agreement, dated July 15, 2015 ("Cooperation Agreement"), whereby CITY elected to participate with COUNTY, which has qualified as an "Urban County" for purposes of receiving Community Development Block Grant (CDBG) funds ("CDBG"), and to assist and undertake essential community development and housing assistance activities pursuant to the Housing and Community Development Act of 1974, Title 1, as amended, Public Law 93-383 hereinafter referred to as "Act." Said Cooperation Agreement, dated July 15, 2015, is incorporated herein by reference and made a part of this Agreement as if each and every provision was set forth herein.

2. PURPOSE. CITY promises and agrees to undertake and assist with the community development activities, within its jurisdiction, by utilizing the sum of **\$172,331**, CDBG Entitlement Funds, as specifically identified in Exhibit(s) A, attached hereto, and are incorporated herein by this reference, for the following project(s) (collectively, the "Projects"):

A. **5.BN.34-16 Banning Community Senior Center Rehabilitation Project \$172,331**

3. TERM OF AGREEMENT. The term of this Agreement for the implementation of the Project(s) shall be for a period of one (1) year from July 1, 2016 to termination on June 30, 2017. City shall proceed consistent with the completion schedule set forth in Exhibit(s) A, attached hereto and incorporated herein. In the event the Project(s) are not

1 substantially completed by the time set forth in the applicable completion schedules due to a
2 force majeure event (See Section 24 below), the COUNTY may consider extending the schedule
3 for the completion of the project(s). Times of performance for other activities may also be
4 extended in writing by COUNTY. If substantial progress toward completion in conformance
5 with the completion schedule, as determined by COUNTY in its discretion, of the project(s) are
6 not made during the term of this Supplemental Agreement, COUNTY may suspend or terminate
7 this Supplemental Agreement pursuant to the termination procedures set forth in the section
8 titled "Termination," and the entitlement funds associated with the Projects may be
9 reprogrammed by the COUNTY after appropriate notice is provided to the City.

10 4. DISPOSITION OF FUNDS.

11 A. COUNTY's Board of Supervisors shall determine the final disposition and
12 distribution of all funds received by COUNTY under the Act consistent with Sections 2 and 3 of
13 this Supplemental Agreement. COUNTY, through its Economic Development Agency, shall
14 make payment of the CDBG funds to CITY as set forth in the attached Exhibit(s) A. It is the
15 CITY's responsibility to monitor all project activities set forth in the attached Exhibit(s) A, and
16 to ensure compliance with applicable federal regulations and the terms of this Supplemental
17 Agreement.

18 B. CITY shall comply with timely drawdown of CDBG Entitlement funding
19 by expeditiously implementing and completing the COUNTY-approved, CDBG-funded Projects.
20 CITY acknowledges that CITY's drawdown performance directly impacts the COUNTY's
21 overall program drawdown rate. If the CITY's unobligated CDBG fund balance, as of January
22 31, 2017, exceeds one hundred and seventy-five percent (175%) of the CITY's 2016-2017
23 CDBG allocation, the COUNTY may, in its sole discretion, take the necessary administrative
24 actions to reduce the CITY's CDBG fund balance. Necessary actions include, but are not limited
25 to, reprogramming the excess CDBG fund balance to other eligible activities as selected by
26 COUNTY. COUNTY may, in its sole and absolute discretion, authorize CITY in writing, prior
27 to January 31, 2017, to exceed the CDBG fund balance requirement.
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1 C. CITY shall comply with timely drawdown of CDBG funds by submitting
2 monthly requests for reimbursement or other COUNTY approved reimbursement schedules. All
3 disbursements of CDBG funds will be on a reimbursement basis and made within thirty (30)
4 days after the COUNTY has received the CITY's reimbursement request including
5 documentation supporting expenditures.

6 D. All authorized obligations incurred in the performance of the
7 Supplemental Agreement for projects eligible under the following CDBG regulations must be
8 reported in writing to COUNTY no later than June 1, 2017:

- 9 1. Acquisition [24 Code of Federal Regulations (CFR) 570.201 (a)]
- 10 2. Clearance Activities [24 CFR 570.201 (d)]
- 11 3. Interim Assistance [24 CFR 570.201 (f)]
- 12 4. Code Enforcement [24 CFR 570.202 (c)]

13 All public service activities [24 CFR 570.201 (e)] and other eligible activities under this
14 Supplemental Agreement must be implemented, completed, and obligations reported in writing
15 to the COUNTY by the CITY no later than the completion schedules set forth in the attached
16 Exhibits to this Supplemental Agreement. "CFR" as used herein refers to the Code of Federal
17 Regulations.

18 5. COOPERATION WITH HOUSING ACTIVITIES. CITY shall cooperate with
19 COUNTY in undertaking essential community development and housing assistance activities,
20 specifically urban renewal and public assistance housing, and shall assist COUNTY in
21 implementing and undertaking the goals and strategies identified in the 2014-2019 Five Year
22 Consolidated Plan, pursuant to 24 CFR Part 91 and other requirements of the Community
23 Development Block Grant Program.

24 6. LEAD AGENCY FOR COMPLIANCE WITH THE CALIFORNIA
25 ENVIRONMENTAL QUALITY ACT (CEQA). Pursuant to Section 15051(d) of Title 14 of the
26 California Administrative Code, the CITY is designated as the lead agency for the projects that
27 are the subject matter of this Supplemental Agreement.
28

1 7. HOLD HARMLESS AND INDEMNIFICATION. In contemplation of the
2 provisions of Section 895.2 of the California Government Code imposing certain tort liability
3 jointly upon public entities solely by reason of such entities being parties to an agreement as
4 defined by Section 895 of the Code, the Parties hereto, pursuant to the authorization contained in
5 Section 895.4 and 895.6 of the Code, agree that each Party shall be liable for any damages
6 including, but not limited to, claims, demands, losses, liabilities, costs and expenses including
7 reasonable attorneys' fees, resulting from the negligent or wrongful acts or omissions of their
8 employees or agents in the performance of this Agreement, and each Party shall indemnify,
9 defend and hold harmless the other Parties from such claims, demands, damages, losses or
10 liabilities for their negligence

11 8. INSURANCE. Without limiting or diminishing the CITY obligation to
12 indemnify or hold the COUNTY harmless, CITY shall procure and maintain or cause to be
13 maintained, at its sole cost and expense, the following insurance coverage's during the term of
14 this Agreement.

15 a. Workers' Compensation:

16 If the CITY has employees as defined by the State of California, the CITY shall
17 maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of
18 the State of California. Policy shall include Employers' Liability (Coverage B) including
19 Occupational Disease with limits not less than \$1,000,000 per person per accident. The policy
20 shall be endorsed to waive subrogation in favor of the County of Riverside.

21 b. Commercial General Liability:

22 Commercial General Liability insurance coverage, including but not limited to,
23 premises liability, contractual liability, products and completed operations liability, personal and
24 advertising injury, and cross liability coverage, covering claims which may arise from or out of
25 CITY'S performance of its obligations hereunder. Policy shall name the County of Riverside as
26 Additional Insured. Policy's limit of liability shall not be less than \$1,000,000 per occurrence
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1 combined single limit. If such insurance contains a general aggregate limit, it shall apply
2 separately to this agreement or be no less than two (2) times the occurrence limit.

3 c. Vehicle Liability:

4 If vehicles or mobile equipment are used in the performance of the obligations
5 under this Agreement, then CITY shall maintain liability insurance for all owned, non-owned or
6 hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single
7 limit. If such insurance contains a general aggregate limit, it shall apply separately to this
8 agreement or be no less than two (2) times the occurrence limit. Policy shall name the County of
9 Riverside as Additional Insured.

10 d. General Insurance Provisions - All lines:

11 (i). Any insurance carrier providing insurance coverage hereunder
12 shall be admitted to the State of California and have an A M BEST rating of not less than A: VIII
13 (A:8) unless such requirements are waived, in writing, by the County Risk Manager. If the
14 County's Risk Manager waives a requirement for a particular insurer such waiver is only valid
15 for that specific insurer and only for one policy term.

16 (ii). The CITY'S insurance carrier(s) must declare its insurance self-
17 insured retentions. If such self-insured retentions exceed \$500,000 per occurrence such
18 retentions shall have the prior written consent of the County Risk Manager before the
19 commencement of operations under this Agreement. Upon notification of self-insured retention
20 unacceptable to the COUNTY, and at the election of the Country's Risk Manager, CITY'S
21 carriers shall either; 1) reduce or eliminate such self-insured retention as respects this Agreement
22 with the COUNTY, or 2) procure a bond which guarantees payment of losses and related
23 investigations, claims administration, and defense costs and expenses.

24 (iii). CITY shall cause CITY'S insurance carrier(s) to furnish the
25 County of Riverside with either 1) a properly executed original Certificate(s) of Insurance and
26 certified original copies of Endorsements effecting coverage as required herein, and 2) if
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1 requested to do so orally or in writing by the County Risk Manager, provide original Certified
2 copies of policies including all Endorsements and all attachments thereto, showing such
3 insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall
4 contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given
5 to the County of Riverside prior to any material modification, cancellation, expiration or
6 reduction in coverage of such insurance. In the event of a material modification, cancellation,
7 expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the County
8 of Riverside receives, prior to such effective date, another properly executed original Certificate
9 of Insurance and original copies of endorsements or certified original policies, including all
10 endorsements and attachments thereto evidencing coverage's set forth herein and the insurance
11 required herein is in full force and effect. *CITY shall not commence operations until the*
12 *COUNTY has been furnished original Certificate (s) of Insurance and certified original copies of*
13 *endorsements and if requested, certified original policies of insurance including all*
14 *endorsements and any and all other attachments as required in this Section. An individual*
15 *authorized by the insurance carrier to do so on its behalf shall sign the original endorsements*
16 *for each policy and the Certificate of Insurance.*

17
18 (iv). It is understood and agreed to by the parties hereto that the CITY'S
19 insurance shall be construed as primary insurance, and the COUNTY'S insurance and/or
20 deductibles and/or self-insured retention's or self-insured programs shall not be construed as
21 contributory.

22 (v). If, during the term of this Agreement or any extension thereof,
23 there is a material change in the scope of services; or, there is a material change in the equipment
24 to be used in the performance of the scope of or, the term of this Agreement, including any
25 extensions thereof, exceeds five (5) years, the COUNTY reserves the right to adjust the types of
26 insurance required under this Agreement and the monetary limits of liability for the insurance
27 coverage's currently required herein, if, in the County Risk Manager's reasonable judgment, the
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1 amount or type of insurance carried by the CITY has become inadequate.

2 (vi). CITY shall pass down the insurance obligations contained herein
3 to all tiers of subcontractors working under this Agreement.

4 (vii). The insurance requirements contained in this Agreement may be
5 met with a program(s) of self-insurance acceptable to the COUNTY.

6 (viii). CITY agrees to notify COUNTY of any claim by a third party or
7 any incident or event that may give rise to a claim arising from the performance of this
8 Agreement.

9 9. RECORDS AND INSPECTIONS.

10 A. CITY shall establish and maintain financial, programmatic, statistical, and
11 other supporting records of its operations and financial activities in accordance with the Uniform
12 Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2
13 CFR 200.333), and 24 CFR Part 84 and 85, as amended, and 24 CFR Section 570.502 (a), as
14 they relate to the acceptance and use of federal funds under this Agreement. Said records shall be
15 retained for a period of four (4) years from the date that the activity or program funded with the
16 CDBG Grant is closed out by the COUNTY and reported as complete in the Comprehensive
17 Annual Performance and Evaluation Report (CAPER). Exceptions to the four (4) year retention
18 period requirement, pursuant to 2 CFR 200.333 include the following:

19 i. if any litigation, claim, or audit is started prior to the expiration of
20 the four (4) year period;

21 ii. when the CITY is notified in writing by the COUNTY, HUD, or
22 other Federal agency to extend the retention period;

23 iii. records for real property and equipment acquired with CDBG
24 funds must be retained for four (4) years after final disposition;

25 iv. when the records are transferred by the CITY to the COUNTY,
26 HUD, or other Federal agency, the four (4) year period is not applicable.
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1 B. CITY shall obtain an external audit in accordance with the Uniform
2 Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2
3 CFR 200.500). Audits shall usually be performed annually but not less frequently than every two
4 years. Nonprofit institutions and government agencies that expend less than \$750,000 a year in
5 Federal awards are exempt from Federal audit requirements, but records must be available for
6 review by appropriate officials of the Federal grantor agency or subgranting entity. The audit
7 report shall be submitted to the COUNTY within 180 days after the end of the COUNTY'S fiscal
8 year.

9 C. CITY shall maintain a separate account for the CITY'S CDBG Entitlement
10 funds received as set forth in Exhibit(s) A, attached hereto.

11 D. Pursuant to 2 CFR 200.336, CITY shall, during the normal business hours,
12 make available to COUNTY, the U.S. Department of Housing and Urban Development (HUD),
13 or other authorized representative, for the examination and copying, all of its records and other
14 materials with respect to matters covered by this Agreement and provide reasonable access to
15 CITY staff for the purpose of interview and discussion related to the records and documents.

16 E. CITY shall not retain any program income as defined in 24 CFR 570.500
17 570.500. Said program income shall be used only for the activities that are the subject of this
18 Agreement. Further, all provisions of this Agreement shall apply to such activities.

19 F. The CITY shall ensure that at least fifty-one percent (51%) of the persons
20 benefiting from all CDBG-funded activities or projects designated as serving limited clientele
21 [24 CFR 570.208(a)(2)(i)] are of low and moderate-income and meet the applicable household
22 income guidelines. The CITY shall provide the required income certification and direct benefit
23 documentation, in writing, to the COUNTY pursuant to the reporting requirement of each
24 activity as set forth in Exhibit(s) A, attached hereto. In the event that CITY engages the services
25 of a sub-contractor to implement CDBG-funded activities, the CITY must collect, in writing, all
26 required income certification and direct benefit documentation from subcontractors prior to
27 submittal to the COUNTY pursuant to the reporting requirement of each activity as set forth in
28

1 Exhibit(s) A, attached hereto.

2 10. COMPLIANCE WITH LAWS. CITY shall comply with all applicable federal,
3 state, and local laws, regulations, and ordinances and any amendments thereto and the federal
4 regulations and guidelines now or hereafter enacted pursuant to the Act. More particularly, CITY
5 is to comply with those regulations found in the Uniform Administrative Requirements, Cost
6 Principles, and Audit Requirements for Federal Awards (2 CFR Part 200), and 24 CFR Part 84
7 and 85, as amended, or any subsequent replacement. CITY is to abide by the provisions of the
8 Community Development Block Grant Manual, prepared by COUNTY and cited in the above-
9 mentioned Cooperation Agreement. CITY shall comply, if applicable, with Section 3 of the
10 Housing & Urban Development Act of 1968, as amended, attached hereto as Exhibit "S" and
11 incorporated herein by this reference. CITY shall also comply with the provisions of 24 CFR
12 570.200 (j), attached hereto as Exhibit "R," and incorporated herein by this reference, pertaining
13 to inherently religious activities.

14 11. INDEPENDENT CONTRACTOR. The CITY is, for purposes relating to this
15 Supplemental Agreement, an independent contractor and shall not be deemed an employee of the
16 COUNTY. It is expressly understood and agreed that the CITY (including its employees, agents
17 and subcontractor's) shall in no event be entitled to any benefits to which the COUNTY
18 employees are entitled, including but not limited to overtime, any retirement benefits, worker's
19 compensation benefits, and injury leave or other leave benefits. There shall be no employer-
20 employee relationship between the parties; and the CITY shall hold the COUNTY harmless from
21 any and all claims that may be made against the COUNTY based upon any contention by a third
22 party that an employer-employee relationship exists by reason of this Supplemental Agreement.
23 It is further understood and agreed by the parties that the CITY in the performance of this
24 Supplemental Agreement is subject to the control or direction of the COUNTY merely as to the
25 results to be accomplished and not as to the means and methods for accomplishing the results.

1 12. TERMINATION.

2 A. CITY. CITY may not terminate this Agreement except upon express
3 written consent of COUNTY, pursuant to 2 CFR 200.339 (a)(3).

4 B. COUNTY. Notwithstanding the provisions of Paragraph 12a above,
5 COUNTY may suspend or terminate this Supplemental Agreement upon a ten (10) day written
6 notice to CITY of action being taken and the reason for such action including, but not limited to,
7 the following reasons:

8 (1) In the event CITY fails to perform the covenants herein contained
9 at such times and in such manner as provided in this Supplemental Agreement; and

10 (2) In the event there is a conflict with any federal, state or local law,
11 ordinance, regulation or rule rendering any of the provisions of this Supplemental Agreement
12 invalid or untenable; or

13 (3) In the event the funding from the Department of Housing and
14 Urban Development referred to in Sections 1 and 2 above is terminated or otherwise becomes
15 unavailable.

16 C. This Agreement may be terminated and/or funding suspended, in whole or
17 in part, for cause in accordance with the Uniform Administrative Requirements, Cost Principles,
18 and Audit Requirements for Federal Awards (2 CFR 200.339). Cause shall be based on the
19 failure of the CITY to materially comply with either the terms or conditions of this Agreement.
20 Upon suspension of funding, the CITY agrees not to incur any costs related thereto, or connected
21 with, any area of conflict from which the COUNTY has determined that suspension of funds is
22 necessary. CITY acknowledges that failure to comply with Federal statutes, regulations, or the
23 terms and conditions of this Agreement may be considered by the COUNTY in evaluating future
24 CDBG and non-CDBG funding applications submitted by CITY.

25 D. Upon suspension or termination of this Supplemental Agreement, CITY
26 shall return any unencumbered funds which it has been provided by COUNTY. In accepting said
27 funds, COUNTY does not waive any claim or cause of action it may have against CITY for
28

1 breach of this Supplemental Agreement.

2 E. Reversion of Assets

3 1. Upon expiration or termination of this Supplemental Agreement,
4 the CITY shall transfer to the COUNTY any CDBG funds on hand at the time of expiration of
5 the Supplemental Agreement as well as any accounts receivable held by CITY which are
6 attributable to the use of CDBG funds awarded pursuant to this Supplemental Agreement.

7 2. Any real property under the CITY'S control that was acquired or
8 improved in whole or in part with CDBG funds (including CDBG funds provided to the CITY in
9 the form of a loan) in excess of \$25,000 is either:

10 (i) Used to meet one of the National Objectives pursuant to 24
11 CFR 570.208 until five years after expiration of this agreement, or for such longer period of time
12 as determined to be appropriate by the COUNTY; or

13 (ii) Not used in accordance with Clause (i) above, in which
14 event the CITY shall pay the COUNTY an amount equal to the current market value of the
15 property less any portion of the value attributable to expenditures of non-CDBG funds for the
16 acquisition of, or improvement to, the property.

17 13. NONDISCRIMINATION. CITY shall abide by 24 CFR 570.601 and 570.602 of
18 Title 24 of the Code of Federal Regulations which requires that no person in the United States
19 shall on the grounds of race, color, national origin, or sex, be excluded from participation in, be
20 denied the benefits of, or be subjected to discrimination under any program or activity funded in
21 whole or in part with Community Development funds. CITY shall abide by and include in any
22 subcontracts to perform work under this Supplemental Agreement, the following clause:

23 "During the performance of this Supplemental Agreement, CITY and its subcontractors
24 shall not unlawfully discriminate against any employee or applicant for employment
25 because of race, religion, color, national origin, ancestry, physical handicap, medical
26 condition, marital status, age (over 40) or sex. CITY and subcontractors shall insure that
27 the evaluation and treatment of their employees and applicants for employment are free
28

1 of such discrimination. CITY and subcontractors shall comply with the provisions of the
2 Fair Employment and Housing Act (California Government Code Section 12900 et seq.).
3 The applicable regulations of the Fair Employment and Housing Commission are
4 implementing California Government Code Section 12990 et seq., set forth in Chapter 1
5 of Division 4.1 of Title 2 of the California Administrative Code are incorporated into this
6 Agreement by reference and made a part hereof as if set forth in full. CITY and its
7 subcontractors shall give written notice of their obligations under this clause to labor
8 organizations with which they have a collective bargaining or other agreement."

9 14. PROHIBITION AGAINST CONFLICTS OF INTEREST

10 A. CITY and its assigns, employees, agents, consultants, officers and elected
11 and appointed officials shall become familiar with and shall comply with the Uniform
12 Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2
13 CFR Part 200) and the CDBG regulations prohibiting conflicts of interest contained in 24 CFR
14 570.611.

15 B. The Subrecipient shall maintain a written code or standards of conduct
16 that shall govern the performance of its officers, employees or agents engaged in the award and
17 administration of contracts supported by Federal funds.

18 C. No employee, officer or agent of the Subrecipient shall participate in the
19 selection, or in the award, or administration of, a contract supported by Federal funds if a conflict
20 of interest, real or apparent, would be involved.

21 D. No covered persons who exercise or have exercised any functions or
22 responsibilities with respect to CDBG-assisted activities, or who are in a position to participate
23 in a decision-making process or gain inside information with regard to such activities, may
24 obtain a financial interest in any contract, or have a financial interest in any contract, subcontract,
25 or agreement with respect to the CDBG-assisted activity, or with respect to the proceeds from the
26 CDBG-assisted activity, either for themselves or those with whom they have business or
27 immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes
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1 of this paragraph, a “covered person” includes any person who is an employee, agent, consultant,
2 officer, or elected or appointed official of the Grantee, the Subrecipient, or any designated public
3 agency.

4 E. CITY understands and agrees that no waiver of exception can be granted
5 to the prohibition against conflict of interest except upon written approval of HUD pursuant to
6 24 CFR 570.611 (d). Any request by CITY for an exception shall first be reviewed by COUNTY
7 to determine whether such request is appropriate for submission to HUD in the COUNTY’S sole
8 and absolute discretion. In determining whether such request is appropriate for submission to
9 HUD, COUNTY will consider the factors listed in 24 CFR 570.611 (d)(2).

10 F. Prior to the distribution of any CDBG funding under this Supplemental
11 Agreement, CITY shall provide COUNTY, in writing, a list of all employees, agents,
12 consultants, officers and elected and appointed officials who are in a position to participate in a
13 decision making process, exercise any functions or responsibilities, or gain inside information
14 with respect to the CDBG activities funded under this Agreement. CITY shall also promptly
15 disclose to COUNTY any potential conflict, including even the appearance of conflict that may
16 arise with respect to the CDBG activities funded under this Supplemental Agreement.

17 G. Any violation of this Section 14 shall be deemed a material breach of this
18 Supplemental Agreement, and the Supplemental Agreement shall be immediately terminated by
19 the COUNTY.

20 15. PROJECT ELIGIBILITY. As to CITY or its claimants, COUNTY shall bear no
21 liability for any later determination by the United States Government, the U.S. Department of
22 Housing and Urban Development, or any other person or entity that CITY is or is not eligible
23 under 24 CFR Part 570 to receive CDBG entitlement funds from the COUNTY.

24 16. USE OF PROPERTY. Whenever federal CDBG funds or program income are
25 used, in whole or in part, for the purchase of equipment or personal property, the property shall
26 not be transferred from its originally funded use, by CITY or the CITY’S subcontractor
27 implementing the CDBG-funded activity, for a period of five (5) years from the close-out date of
28

the grant from which CDBG assistance was provided. The CITY shall maintain a current inventory for COUNTY monitoring and review.

17. EMPLOYMENT OPPORTUNITIES TO BE CAUSED BY PROJECT. CITY agrees to notify in writing, and to cause any subcontractor implementing CDBG-funded Projects to notify, in writing, the Riverside County Workforce Development Center of any and all job openings that are caused by the CDBG-funded Projects under this Supplemental Agreement.

18. PUBLICITY. Any publicity generated by CITY for the Projects funded pursuant to this Supplemental Agreement will make reference to the contribution of the COUNTY, the Economic Development Agency, and the Community Development Block Grant Program in making the project possible.

19. PROGRAM MONITORING AND EVALUATION. CITY and its subcontractors shall be monitored and evaluated in terms of its effectiveness and timely compliance with the provisions of this Supplemental Agreement and the effective and efficient achievement of the CDBG National Objectives as set forth in Exhibit(s) A, attached hereto. Quarterly reports shall be due on the last day of the month immediately following the end of the quarter being reported. The quarterly written reports shall include, but shall not be limited to, the following data elements:

A. Title of program, listing of components, description of activities/operations.

B. The projected goals, indicated numerically, and also the goals achieved (for each report period). In addition, identify by percentage and description, the progress achieved towards meeting the specified goals and identify any problems encountered in meeting goals.

C. If the CDBG-funded activity meets a National Objective under 24 CFR 570.208 (a)(2)(i), CITY will report the following:

1) Total number of direct beneficiaries (clientele served) with household incomes at:

- Above 80% MHI
- Between 50% and 80% MHI (Low-Income)
- Between 30% and 50% MHI (Very Low-Income)
- Less than 30% MHI (Extremely Low-Income)

2) Total number and percent (%) of the clientele served that have household incomes at or below 80% MHI

3) Racial ethnicity of clientele

4) Number of Female-Headed Households

D. CITY shall report, in writing, and cause its subcontractors to report, in writing, beneficiary statistics monthly to the Economic Development Agency (EDA) on the pre-approved *Direct Benefit Form* and *Self-Certification Form* (certifying income, family size, and racial ethnicity) as required by HUD. Updated forms are to be provided to CITY by EDA should HUD implement changes during the term of this Supplemental Agreement. CITY and subcontractors will collect and provide all necessary data required by HUD pertaining to the Specific Outcome Indicators as identified in HUD's Community Planning and Development (CPD) Outcome Performance Measurement System.

20. SOURCE OF FUNDING. CITY acknowledges that the source of funding pursuant to this Supplemental Agreement is Community Development Block Grant funds (CFDA 14.218), and the Grant Award Number is B-16-UC-06-0506.

21. ENTIRE AGREEMENT. This Supplemental Agreement, including any attachments or exhibits hereto constitutes the entire Supplemental Agreement of the parties with respect to its subject matter and supersedes all prior and contemporaneous representations, proposals, discussions and communications, whether oral or in writing. No oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto. Each of the attachments and exhibits attached hereto is incorporated herein by this reference.

22. MINISTERIAL ACTS. The Assistant County Executive Officer/EDA or designee(s) are authorized to take such ministerial actions as may be necessary or appropriate to

1 implement the terms, provisions, and conditions of this Supplemental Agreement as it may be
2 amended from time-to-time by COUNTY.

3 23. PRIOR AUTHORIZATION. CITY shall obtain COUNTY's written approval
4 from the COUNTY'S Economic Development Agency prior to implementing the following
5 "high risk" activities funded with CDBG assistance:

- 6 A. Construction of public facilities (project plans and specifications);
- 7 B. Acquisition of real property;
- 8 C. Historic Preservation;
- 9 D. Relocation; and
- 10 F. Economic Development

11 24. FORCE MAJEURE.

12 A. Performance by either party hereunder shall not be deemed to be in default
13 where delays or defaults are due to war, insurrection, strikes, lock-outs, riots, floods,
14 earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics, quarantine
15 restrictions, freight embargoes, lack of transportation, governmental restrictions or priority,
16 litigation, unusually severe weather, inability to secure necessary labor, material or tools, delays
17 of any contractor, sub-contractor or supplier, acts of the other party, acts or failure to act of a
18 public or governmental agency or entity, or any causes beyond the control or without the fault of
19 the party claiming an extension of time to perform.

20 B. An extension of time for any such cause (a "Force Majeure Delay") shall
21 be for the period of the enforced delay and shall commence to run from the time of the
22 commencement of the cause, if notice by the party claiming such extension is sent to the other
23 party within thirty (30) calendar days of knowledge of the commencement of the cause.
24 Notwithstanding the foregoing, none of the foregoing events shall constitute a Force Majeure
25 Delay unless and until the party claiming such delay and interference delivers to the other party
26 written notice describing the event, its cause, when and how such party obtained knowledge, the
27 date the event commenced, and the estimated delay resulting therefrom. Any party claiming a
28

1 Force Majeure Delay shall deliver such written notice within thirty (30) calendar days after it
2 obtains knowledge of the event.

3 25. JURISDICTION AND VENUE: Any action at law or in equity arising under this
4 Supplemental Agreement or brought by a party hereto for the purpose of enforcing, construing or
5 determining the validity of any provision of this Supplemental Agreement shall be filed in the
6 consolidated Courts of Riverside County, State of California, and the parties hereto waive all
7 provisions of law providing for the filing, removal or change of venue to any other court or
8 jurisdiction

9 26. SEVERABILITY. Each paragraph and provision of this Supplemental
10 Agreement is severable from each other provision, and if any provision or part thereof is
11 declared invalid, the remaining provisions shall remain in full force and effect.

12 27. WAIVER. Failure by a party to insist upon the strict performance of any of
13 the provisions of this Supplemental Agreement by the other party, or the failure by a party to
14 exercise its rights upon the default of the other party, shall not constitute a waiver of such party's
15 rights to insist and demand strict compliance by the other party with the terms of this
16 Supplemental Agreement thereafter.

17 28. NOTICES. Each notice, request, demand, consent, approval or other
18 communication (hereinafter in this Section referred to collectively as "notices" and referred to
19 singly as a "notice") which the CITY or COUNTY is required or permitted to give to the other
20 party pursuant to this Agreement shall be in writing and shall be deemed to have been duly and
21 sufficiently given if: (a) personally delivered with proof of delivery thereof (any notice so
22 delivered shall be deemed to have been received at the time so delivered); or (b) sent by Federal
23 Express (or other similar national overnight courier) designating early morning delivery (any
24 notice so delivered shall be deemed to have been received on the next Business Day following
25 receipt by the courier); or (c) sent by United States registered or certified mail, return receipt
26 requested, postage prepaid, at a post office regularly maintained by the United States Postal
27 Service (any notice so sent shall be deemed to have been received two days after mailing in the
28

United States), addressed to the respective parties as follows:

| <u>COUNTY</u> | <u>CITY</u> |
|--|---------------------|
| Assistant County Executive Officer/EDA | Alex Diaz |
| Economic Development Agency | City of Banning |
| P.O. Box 1180 | 99 E. Ramsey Street |
| Riverside, CA 92502 | Banning, CA 92220 |

29. LOBBYING. CITY certifies to the best of its knowledge and belief, that:

a. No federally-appropriated funds have been paid or will be paid, by or on behalf of the CITY, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

b. If any funds other than federally-appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the CITY shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

c. CITY shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into.

30. INTERPRETATION AND GOVERNING LAW. This Supplemental Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the

1 laws of the State of California. This Supplemental Agreement shall be construed as a whole
2 according to its fair language and common meaning to achieve the objectives and purposes of the
3 parties hereto, and the rule of construction to the effect that ambiguities are to be resolved
4 against the drafting party shall not be employed in interpreting this Supplemental Agreement, all
5 parties having been represented by counsel in the negotiation and preparation hereof.

6 31. AUTHORITY TO EXECUTE. The persons executing this Supplemental
7 Agreement or exhibits attached hereto on behalf of the parties to this Supplemental Agreement
8 hereby warrant and represent that they have the authority to execute this Supplemental
9 Agreement and warrant and represent that they have the authority to bind the respective parties
10 to this Supplemental Agreement to the performance of its obligations hereunder.

11 32. EFFECTIVE DATE. The effective date of this Supplemental Agreement is the
12 date the parties sign the Supplemental Agreement. If the parties sign the Supplemental
13 Agreement on more than one date, then the last date the Supplemental Agreement is signed by a
14 party shall be the effective date.

15 33. COUNTERPARTS. This Supplemental Agreement may be signed by the
16 different parties hereto in counterparts, each of which shall be an original but all of which
17 together shall constitute one and the same agreement.

18 34. LETTER TO PROCEED. CITY shall not initiate nor incur expenses for the
19 CDBG-funded Projects or activities covered under the terms of this Supplemental Agreement as
20 set forth in Exhibit(s) A, attached hereto, prior to receiving written authorization from COUNTY
21 to proceed.

22 35. ASSIGNMENT. The CITY shall not make any assignment or transfer in any form
23 with respect to this Supplemental Agreement, without prior written approval of the COUNTY.

24 36. MODIFICATION OF AGREEMENT. This Supplemental Agreement may be
25 modified or amended only by a writing signed by the duly authorized and empowered
26 representative of COUNTY and CITY respectively.

[Signatures on Following Page]

IN WITNESS WHEREOF, the COUNTY and the CITY have executed this Agreement as of the dates set forth below.

COUNTY OF RIVERSIDE,
a political subdivision of the
State of California

CITY OF BANNING,
a general law city

BY: _____
Suzanne Holland,
Assistant Director of EDA

BY: _____
Mayor

Date: _____

Date: _____

APPROVED AS TO FORM:
Gregory P. Priamos, County Counsel

ATTEST:

By: _____
Jhaila R. Brown,
Deputy County Counsel

BY: _____
City Clerk

APPROVED AS TO FORM:

BY: _____
City Attorney

**SUPPLEMENTAL AGREEMENT
SCOPE OF WORK
(NON-PUBLIC SERVICE)**

I. GENERAL INFORMATION

CITY NAME: City of Banning DUNS #: 99169823
ADDRESS: 99 E. Ramsey Street
Banning, CA 92220
PROGRAM CONTACTS: Alex Diaz, Executive Director
PHONE: (951) 922-3130 FAX: (951) 922-3141
E-MAIL: _____
PROJECT NAME: Banning Community Senior Center Rehabilitation Project
PROJECT LOCATION: 789 N. San Geronio Ave., Banning, CA 92220
LEVEL OF ENVIRONMENTAL CLEARANCE: Categorical Exclusion 24 CFR 58.35
CDBG ELIGIBILITY CODE: 570.201 (c) Public Facilities
PROJECT FUNDING SUMMARY: **\$172,331**

Project to be administered by County (EDA) on behalf of City: YES ☐ NO ☒

II. SCOPE OF SERVICE

A. Activities

City will be responsible for administering a **2016-2017** Community Development Block Grant for the **Banning Community Senior Center Rehabilitation Project** in a manner satisfactory to the County of Riverside and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant program:

Activity #1 *The City of Banning will rehabilitate the Community Senior Center to include new gym and kitchen floors, ADA restrooms, improvements to interior and exterior doors, replacement of cabinetry in meeting rooms, new lighting, and painting of the facility. CDBG funds will be used for the cost of design, construction, and project administration.*

B. National Objective

All activities funded with CDBG funds must comply with one of more of the CDBG program's National Objective Criteria as required under 24 CFR 570.200(a)(2). City certifies that the activity(ies) carried out under this Agreement will meet the following National Objective:

National Objective Criteria: 570.208 (a)(1)(i)

CFR Reference: Low Mod Area

C. Levels of Accomplishment – Goals and Performance Measures

The City agrees to implement and complete the following activity(ies):

Activity #1 Prepare design and specifications for facility improvements.

Activity #2 Implement and complete construction activities.

CPD OUTCOME PERFORMANCE MEASUREMENT

Objectives (select one): ☒ Creating Suitable Living Environments
☐ Providing Decent Affordable Housing
☐ Creating Economic Opportunities

Outcome (select one): ☒ Availability/Accessibility
☐ Affordability
☐ Sustainability (promoting livable or viable communities)

D. City Capacity

By executing this Supplemental Agreement, the City certifies that it has the appropriate number of trained and knowledgeable staff, adequate facilities, proper equipment, required licensing and permitting, and sufficient amount of financial resources necessary to implement and carry out the activities funded with CDBG funds.

City will immediately notify County of any significant changes in organizational management, assigned staff, change in facilities, loss or change in matching funds, or any other event that could potentially impact the City or subrecipient's performance under this Agreement. Any changes in the above items are subject to the prior approval of the County.

E. Performance Monitoring

The County of Riverside will monitor the performance of the City and its subrecipients against goals and performance standards as stated above. Substandard performance as determined by the

County will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the City within a reasonable period of time after being notified by the County, contract suspension or termination procedures will be initiated.

F. Program Budget

It is expressly agreed and understood that the total amount to be paid by the County under this Agreement shall not exceed **\$172,331**. Drawdowns for the payment of eligible expenses shall be made against the line item budgets specified in this Section and in accordance with performance. Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the **Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards** (2 CFR Part 200), and 24 CFR Part 84 and 85, as amended.

The County may require a more detailed budget breakdown than the one contained herein, and the City shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the County. Any amendments to the budget must be approved in writing by both the County and City.

| Line Item | CDBG Granted Funds | Total of Non-CDBG Funds | Total Activity/Project Budget | Notes |
|------------------------------|--------------------|-------------------------|-------------------------------|-------|
| Design/Engineering Costs | \$25,000 | \$8,617 | | |
| Project Administration Costs | \$147,331 | | | |
| Construction Costs | | | | |
| Acquisition Costs | | | | |
| Relocations Costs | | | | |
| Capital Equipment Costs | | | | |
| Code Enforcement | | | | |
| Clearance | | | | |
| Interim Assistance | | | | |
| Indirect Costs: | | | | |
| TOTAL CDBG BUDGET | \$172,331 | \$8,617 | \$180,948 | |

G. Total Amount of Non- CDBG Leveraging

| TYPE | SOURCE | AMOUNT | SOURCE | AMOUNT | SOURCE | AMOUNT | TOTAL |
|-------------|-------------------|--------|--------|--------|--------|--------|---------|
| FEDERAL | | | | | | | |
| STATE/LOCAL | City Gen. Fund | | | | | | \$8,617 |
| PRIVATE | | | | | | | |
| OTHER | | | | | | | |

TOTAL: \$8,617

III. ADMINISTRATIVE REQUIREMENTS

A. Accounting Standards

The City agrees to comply with the **Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards** (2 CFR Part 200), and 24 CFR Part 84 and 85, as amended, and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

B. Cost Principles

The City shall administer its program in conformance with the **Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards** (2 CFR Part 200), and 24 CFR Part 84 and 85, as amended. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

C. Documentation and Record Keeping

1. Records to be Maintained

The Subrecipient shall maintain all records required by the Federal regulations specified in 24 CFR 570.506, that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

- i. Records providing a full description of each activity undertaken;
- ii. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- iii. Records required to determine the eligibility of activities;
- iv. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- v. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- vi. Financial records as required by 24 CFR 570.502, and 2 CFR 200; and
- vii. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Records Retention

The City shall retain all CDBG-related financial records, supporting documents, contracts, and agreements for a period of four (4) years. The retention period begins on the date of the submission of the County's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported for the final time. The City will retain all National Objective documentation, including low-moderate income certification, ethnicity, and other pertinent data for a period of four (4) years after submission of the County's annual performance and evaluation report to HUD. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues.

3. Client Data

The City shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to County monitors or their designees for review upon request.

4. Disclosure

The City understands that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration of the County's or City's responsibilities with respect to services provided under this contract, is prohibited by applicable federal and State law unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs

The City's obligation to the County shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the County), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the City has control over CDBG funds, including program income.

6. Audits & Inspections

All City records with respect to any matters covered by this Agreement shall be made available to the County, HUD, and the Controller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the City within 30 days after receipt by the City. Failure of the City to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The City hereby agrees to have an annual agency audit conducted in accordance with current County policy concerning subrecipient audits and **Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards** (2 CFR Part 200.500) and HUD's single audit regulations (24 CFR Part 44.6).

IV. PROJECT IMPLEMENTATION AND SCHEDULE

Unless pre-approved by County, City will perform and complete the activities described in Section II in conformance with the schedule of tasks and milestones listed below:

| <u>Tasks / Milestone</u> | <u>Start Date</u> | <u>Completion Date</u> |
|--|----------------------------|------------------------|
| Complete Online Training | June 2016 | July 2016 |
| Implement Project Activities | Upon Notification from EDA | |
| Execute Supplemental Agreement & Notice to Incur Cost | August 2016 | September 2016 |

| <u>Tasks / Milestone</u> | <u>Start Date</u> | <u>Completion Date</u> |
|---|-------------------|--|
| Submit Quarterly Performance Reports to County | | October 15, 2016 January 15, 2017 April 15, 2017 |

| | |
|--|-------------------------------------|
| County Monitoring of City Program/Performance | To be determined by Program Manager |
|--|-------------------------------------|

Specific Project Activities

1. City executes Sponsor's Agreement; receives authorization to incur cost letter
 2. City prepares final construction/equipment documents (incorporating Special Federal Provisions) for EDA review and approval
 3. EDA authorizes City to advertise for bids
 4. EDA reviews and approves bidding process
 5. City awards construction/equipment contract
 6. City and EDA conduct "pre-construction meeting"
- EDA authorizes City to issue "Notice to Proceed"
- City Submits Reimbursement Requests

Monthly Submittal ☐

Other Schedule ☒

April 15, 2017 (FINAL)

| | |
|------------------------------|----------------|
| CDBG-funded Project Complete | March 31, 2017 |
|------------------------------|----------------|

| | |
|--|-----|
| City Submits Monthly Direct Benefit Reports | N/A |
|--|-----|

V. SPECIAL CONDITIONS /PERFORMANCE REQUIREMENTS

City is not permitted to proceed with bidding or contracting, for design or construction services, prior to contacting the County to obtain Special Federal Provisions for bidding and contract procurement. EDA must review and approve (in writing) all construction bid documents prior to notice inviting bids.

EXHIBIT "R"

CONSTITUTIONAL PROHIBITION

Page 1 of 2

In accordance with First Amendment Church/State Principles, as a general rule, CDBG/ESG assistance may not be used for religious activities or provided to primarily religious entities for any activities, including secular activities. The following restrictions and limitations therefore apply to the use of CDBG/ESG funds.

(1) CDBG/ESG funds may not be used for the acquisition of property or the construction or rehabilitation (including historic preservation and removal of architectural barriers) of structures to be used for religious purposes or which will otherwise promote religious interests. This limitation includes the acquisition of property for ownership by primarily religious entities and the construction or rehabilitation (including historic preservation and removal of architectural barriers) of structures owned by such entities (except as permitted under paragraph (j) (2) of this section with respect to rehabilitation and under paragraph (j) (4) of this section with respect to repairs undertaken in connection with public services) regardless of the use to be made of the property or structure. Property owned by primarily religious entities may be acquired with CDBG/ESG funds at no more than fair market value for a non-religious use.

(2) CDBG/ESG funds may be used to rehabilitate buildings owned by primarily religious entities to be used for a wholly secular purpose under the following conditions:

(i) The building (or portion thereof) that is to be improved with the CDBG/ESG assistance has been leased to an existing or newly-established wholly secular entity (which may be an entity established by the religious entity);

(ii) The CDBG/ESG assistance is provided to the lessee (and not the lessor) to make the improvements;

(iii) The leased premises will be used exclusively for secular purposes available to persons regardless of religion;

(iv) The lease payments do not exceed the fair market rent of the premises as they were before the improvements are made;

(v) The portion of the cost of any improvements that also serve a non-leased part of the building will be allocated to and paid for by the lessor;

(vi) The lessor enters into a binding agreement that unless the lessee, or a qualified successor lessee, retains the use of the leased premises for a wholly secular purpose for at least the useful life of the improvements, the lessor will pay to the lessee an amount equal to the residual value of the improvements;

EXHIBIT "R"

CONSTITUTIONAL PROHIBITION

Page 2 of 2

(vii) The lessee must remit the amount received from the lessor under subparagraph (2)(vi) of this section to the recipient or subrecipient from which the CDBG/ESG funds were derived.

The lessee can also enter into a management contract authorizing the lessor religious entity to use the building for its intended secular purpose, e.g., homeless shelter, provision of public services. In such case,

the religious entity must agree in the management contract to carry out the secular purpose in a manner free from religious influences in accordance with the principles set forth in paragraph (j)(3) of this section.

(3) As a general rule, CDBG/ESG funds may be used for eligible public services to be provided through a primarily religious entity, where the religious entity enters into an agreement with the recipient or subrecipient from which the CDBG/ESG funds are derived that, in connection with the provision of such services:

(i) It will not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion.

(ii) It will not discriminate against any person applying for such public services on the basis of religion and will not limit such services or give preference to persons on the basis of religion;

(iii) It will provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing, and exert no other religious influence in the provision of such public services;

(iv) The portion of a facility used to provide the public services shall contain no religious symbols or decorations, other than those permanently affixed to or part of the structure.

(4) Where the public services provided under paragraph (j)(3) of this section are carried out on property owned by the primarily religious entity, CDBG/ESG funds may also be used for minor repairs to such property which are directly related to carrying out the public services where the cost constitutes in dollar terms only an incidental portion of the CDBG/ESG expenditure for the public services.

EXHIBIT "S"

Page 1 of 2

Economic Opportunities for Section 3 Residents and Section 3 Business Concerns

Sec. 135.38 Section 3 clause.

All section 3 covered contracts shall include the following clause (referred to as the section 3 clause):

A. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

EXHIBIT "S"

Page 2 of 2

D. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

G. With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).