

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

April 25, 2017  
**5:00 p.m.**

Banning Civic Center  
Council Chambers  
99 E. Ramsey Street

*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 – Rev. Bill Dunn, St. Stephens Episcopal Church
- Pledge of Allegiance
- Roll Call – Councilmembers Andrade, Franklin, Peterson, Welch, Mayor Moyer

**II. REPORT ON CLOSED SESSION**

**III. PRESENTATIONS**

1. Banning Chamber of Commerce to Banning Police Activities League (B.P.A.L.) . . . . . **(ORAL)**
2. Proclamation – Mental Health Month to Shawn Harris . . . . . **1**

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

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

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



**V. PUBLIC COMMENTS/ /CORRESPONDENCE/CITY MANAGER REPORT/ SCHEDULE MEETINGS**

**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 for 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.

**REPORT BY CITY MANAGER**

**SCHEDULE MEETINGS**

1. Mid-Term Budget Workshop – May 23<sup>rd</sup> – 2:30 p.m.
2. Study Session on the Utility Rates – possible dates: May 15, 16, 18, 22
3. Planning Commissioner Interviews

**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 4: Items to be pulled \_\_\_, \_\_\_, discussion.**  
*(Resolutions require a recorded majority vote of the total membership of the City Council)*

1. Approval of Minutes – Special Meeting – 04/11/17(*Closed*) . . . . . **5**
2. Approval of Minutes – Regular Meeting – 04/11/17. . . . . **7**
3. Approval and Ratification of Accounts Payable and Payroll Warrants Issued  
in the Month of February 2017. . . . . **39**
4. Public Works Capital Improvement Project Status List. . . . . **73**

- **Open Consent Items for Public Comments**
- **Make Motion**

**VII. PUBLIC HEARINGS**

*(The Mayor will ask for the staff report from the appropriate staff member. The City Council will comment, if necessary, on the item. The Mayor will open the public hearing for comments from the public. The Mayor will closed the public hearing. The matter will then be discussed by members of the City Council prior to taking action on the item.)*

1. Discuss and Consider Amendments to Banning Municipal Code Chapter 3.24 – Purchasing System . . . . . **79**  
(Staff Report – Rochelle Clayton, Deputy City Manager)

Recommendations: That the City Council: 1) Approve and introduce the first Reading of Ordinance No. 1508, Amending Banning Municipal Code Chapter 3.24; and 2) Direct staff to schedule the second reading and adoption of Ordinance No. 1508 for the May 9, 2017, regular City Council Meeting.

**Mayor asks the City Clerk to read the title of Ordinance 1508**

*“An Ordinance of the City Council of the City of Banning, California, Amending Chapter 3.24 of the Banning Municipal code to Revise Definitions, Expand the Purchasing Officer’s duties, Modify Fiscal Parameters, Clarify Procurement Options and add to the Current List of Exceptions.”*

**Motion: I move to waive further reading of Ordinance 1508**

(Requires a majority vote of the Council)

**Motion: I move that Ordinance No. 1508 pass its first reading.**

**VIII. REPORTS OF OFFICERS**

1. Fiscal Year 2015 Comprehensive Annual Financial Reports (CAFRs) and Independent Auditor’s Reports for the City, Utility Authority and Housing Authority, by Lance, Soll & Lunghard, LLP . . . . . **123**  
(Staff Report – Rochelle Clayton, Deputy City Manager)

Recommendation: **Accept Fiscal Year 2015-16 Comprehensive Annual Financial Reports (CAFRs) and Independent Auditor’s Reports for the City, Banning Utility Authority and Banning Housing Authority, which were audited by Lance, Soll & Lunghard, LLP.**

2. Discuss and Consider Adopting Resolution 2017-42, Authorizing the City Manager or His Designee to Execute any Necessary Documents Required to Obtain Funds Available from the California Department of Transportation Low Carbon Transit Operations Program. . . . . 323  
(Staff Report – Heidi Meraz, Community Services Director)

Recommendation: **City Council discuss and consider adopting Resolution 2017-42, authorizing the City Manager to execute for and on behalf of the City of Banning any actions necessary for the purpose of obtaining financial assistance for fiscal year 2016/17 through the California Department of Transportation (Caltrans) Low Carbon Transit Operations Program.**

3. Discuss and Consider Adopting Resolution 2017-43, Declaring the Intention to Levy and Collect Assessments, Approving the Engineer’s Report and Setting the Date for the Public Hearing for Landscape Maintenance District No. 1. . . . . 329  
(Staff Report – Art Vela, Public Works Director)

Recommendation: **City Council discuss and consider adopting Resolution 2017-43, declaring the intention to levy and collect assessments, approving the engineer’s Report and setting the Sate for the Public Hearing for Landscape Maintenance District No. 1.**

4. Discuss and Consider Adopting Resolution 2017-39, Establishing a Pre-Approved Professional Engineering Vendor List for the Remainder of Fiscal Year 2017 through Fiscal year 2020 . . . . . 343  
(Staff Report – Art Vela, Public Works Director)

Recommendation: **The City Council adopt Resolution 2017-39, establishing a pre-approved professional engineering vendor list established through a formal request for proposals (RFP) for various engineering services for the remainder of fiscal year 2017 through fiscal year 2020.**

5. Discuss and Consider Adopting Resolution 2017-44, Declaring that it Shall Be a Goal of the City of Banning to Close the Banning Municipal Airport, as Soon as Legally Permitted and Directing the City Manager to Implement All Necessary Administrative Measures Accordingly . . . . . 403  
(Staff Report – Art Vela, Public Works Director)

Recommendation: **The City Council discuss and consider the adoption of Resolution 2017-44, declaring that it shall be a goal of the City of Banning to close the Banning Municipal Airport (BMA) as soon as legally permitted, and directing the City Manager to implement necessary administrative measures accordingly.**

6. 2017 Legislative Platform . . . . . 443  
(Staff Report – Philip Southard, Public Information Officer)  
Recommendation: **That the City Council approve the 2017 Legislative Platform to allow the Mayor, in coordination with City staff, to advocate on behalf of the City regarding pending legislation.**
7. Report on Utility Bill Complaints from Vista Serena Residents . . . . . 453  
(Staff Report – Rochelle Clayton, Deputy City Manager)  
Recommendation: **This is information only; receive and file report.**
8. Clearing of Oleander Bushes from Caltrans Right of Way . . . . . 465  
(Staff Report – Rochelle Clayton, Deputy City Manager)  
Recommendation: **This is information only; receive and file report.**

**BANNING UTILITY AUTHORITY- no meeting.**

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

**IX. ITEMS FOR FUTURE AGENDAS**

New items –

Pending Items – City Council

**X. ADJOURNMENT**

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

**NOTICE:** Any member of the public may address this meeting of the Mayor and City 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]



## PROCLAMATION

*WHEREAS, mental health is part of a person's overall health and wellness; and  
WHEREAS, one in five adults experiences a mental health condition in any given year and one in 17 adults live with mental illness such as major depression, bipolar disorder, or schizophrenia; and*

*WHEREAS, approximately one-half of chronic mental illness begins by the age of 14 and three-quarters; and*

*WHEREAS, long delays – sometimes decades – often occur between the onset of symptoms and when individuals get help; and*

*WHEREAS, early identification and treatment can make a difference in successful management of mental illness and recovery; and*

*WHEREAS, it is important to maintain mental health and learn the symptoms of mental illness in order to get help when it is needed; and*

*WHEREAS, every person and community can make a difference in helping end the silence and stigma that for too long has surrounded mental illness and discouraged people from getting help; and*

*WHEREAS, public education and civic activities can encourage mental health and help improve the lives of individuals and families affected by mental illness.*

***NOW, THEREFORE, BE IT RESOLVED,** that I, George Moyer, Mayor of the City of Banning along with the City Council do hereby recognize May 2017 as “**MENTAL HEALTH MONTH**” and call upon the citizens, government agencies, public and private institutions, businesses and schools in the city of Banning to recommit our community to increase awareness and understanding of mental health, expand the dialogue about the steps our citizens can take to promote mental health and wellness, and foster an understanding about the need for appropriate and accessible services for the mental health needs of all people.*

*IN WITNESS WHEREOF, I have set my hand and caused the seal of the City of Banning, California to be affixed this 25<sup>th</sup> day of April, 2017.*

**ATTEST:**

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

\_\_\_\_\_  
George Moyer, Mayor

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INTENTIONALLY***





March 7, 2017

Honorable George Moyer  
Mayor of Banning  
99 E. Ramsey Street  
Banning, CA 92220

Dear Mayor Moyer,

Each year the County of Riverside joins the nation in recognizing May is Mental Health Month. This annual campaign seeks to promote a greater understanding of mental health issues and recovery. I am writing to ask that you and your City Council Members once again join us by presenting a proclamation announcing that "May is Mental Health Month" at one of your upcoming City Council Meetings. I have taken the liberty of enclosing an example proclamation for your reference.

In conjunction with the Riverside County Behavioral Health Commission, the Riverside University Health System – Behavioral Health will be hosting the following events throughout Riverside County in celebration of May is Mental Health Month:

**Desert Region Art Show**  
**Tuesday, May 9, 2017**  
**1 p.m. - 4 p.m.**  
**Riverside County Fairgrounds**  
**Taj Majal Building**  
**82-503 Hwy 111**  
**Indio, CA**

**Mid-County Region**  
**Wellness & Resource Fair**  
**Saturday, May 13, 2017**  
**12 p.m. - 4 p.m.**  
**Foss Field Park**  
**101 N. "D" Street**  
**Perris, CA**

**Western Region**  
**Wellness & Resource Fair**  
**Thursday, May 25, 2017**  
**1 p.m. - 5 p.m.**  
**Fairmount Park**  
**2601 Fairmount Boulevard**  
**Riverside, CA**

We would like the opportunity to display your city's proclamation at all three events. We encourage your attendance, as your city's participation will help further promote mental health awareness throughout the county. Event information will be available on our Department's website: [www.rcdmh.org](http://www.rcdmh.org).

In the past, members of the Behavioral Health Commission have made themselves available to attend city council meetings in order to personally accept proclamations on behalf of the Riverside University Health System – Behavioral Health. The Behavioral Health Commission Liaison, Maria Roman, will coordinate with the City Clerk regarding the presentation date and volunteer to accept the proclamation on behalf of the Department.



March 7, 2017

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We hope to have this accomplished prior to the Art Show on May 9, 2017 so the proclamations can be publicly displayed. Should you be unable to present the proclamation at a City Council meeting, please feel free to mail the proclamation to: 2085 Rustin Avenue, Riverside, CA 92507, Attention: Maria Roman, Behavioral Health Commission Liaison. You may also contact Ms. Roman to discuss and coordinate alternate pick-up options.

Thank you in advance for your support of our efforts in recognizing "May is Mental Health Month" and in promoting greater community awareness of mental health issues throughout Riverside County. Please contact Maria Roman, Behavioral Health Commission Liaison at (951) 955-7141 or [Myroman@rcmhd.org](mailto:Myroman@rcmhd.org) should you have any questions or need additional information.

Sincerely,

A handwritten signature in cursive script, appearing to read "Steve Steinberg".

Steve Steinberg, Director  
Riverside University Health System – Behavioral Health

Enclosure: Sample Proclamation

MINUTES  
CITY COUNCIL  
BANNING, CALIFORNIA

04/11/17  
SPECIAL MEETING

A special meeting of the Banning City Council was called to order by Mayor Moyer on April 11, 2017 at 3:00 p.m. at the Banning Civic Center Council Chambers, 99 E. Ramsey Street, Banning, California.

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

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT: Michael Rock, City Manager  
John Cotti, Interim City Attorney  
Rochelle Clayton, Deputy City Manager/Admin Service Director  
Sonja De La Fuente, Executive Assistant/Deputy City Clerk  
Marie A. Calderon, City Clerk

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

CLOSED SESSION

Interim City Attorney Cotti stated that there are seven items on the closed session agenda Conference with real property negotiators pursuant to Government Code Section 54956.8 for the property identified as APNs: 541-141-005 and 541-141-006; two items of potential initiation of litigation to discuss with legal counsel pursuant to Government Code Section 54956.9 (d)(4) regarding the Flume and an item regarding an issue with SCE (Southern California Edison); existing litigation pursuant to Government Code Section 54956.9 (d) (1): SoCal Environmental Justice Alliance v. City of Banning, et al.: Riverside Superior Court Case No. RIC1214264; anticipated litigation pursuant to Government Code Section 54956.9 (d)(2) – Banning Library District challenge to the City's approval of the Rancho San Gorgonio Project; public employment personnel matter for the City Attorney pursuant to Government Code Section 54957 regarding City Attorney; and existing litigation pursuant to Government Code Section 54956.9 (d)(1) regarding City of Banning v. Banning Office Ventures and Vanir.

Meeting went into closed session at 3:31 p.m. and reconvened to open session 4:48 p.m.

## PRESENTATION

1. Presentation of New Fire Engine 20 – City Hall Parking Lot

At this time the Council viewed the new Fire Engine 20 located in the police department parking lot.

## ADJOURNMENT

By common consent the meeting adjourned at 4:56 p.m.

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Marie A. Calderon, City Clerk

MINUTES  
CITY COUNCIL  
BANNING, CALIFORNIA

04/11/17  
REGULAR MEETING

A regular meeting of the Banning City Council was called to order by Mayor Moyer on April 11, 2017 at 5:02 p.m. at the Banning Civic Center Council Chambers, 99 E. Ramsey Street, Banning, California.

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

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT: Michael Rock, City Manager  
John C. Cotti, Interim City Attorney  
Rochelle Clayton, Deputy City Manager/Administrative Services Dir.  
Alex Diaz, Police Chief  
Fred Mason, Electric Utility Director  
Heidi Meraz, Community Services Director  
Art Vela, Public Works Director  
Philip Southard, Public Information Officer  
Tim Chavez, Battalion Chief  
Patty Nevins, Interim Community Development Director  
Ted Shove, Economic Development Manager  
Sonja De La Fuente, Executive Assistant/Deputy City Clerk  
Marie A. Calderon, City Clerk

The invocation was given by Rev. Tate Crenshaw, Life Point Church. Councilmember Welch led the audience in the Pledge of Allegiance to the Flag.

REPORT ON CLOSED SESSION

Interim City Attorney Cotti stated that the Council did have seven items on the closed session agenda. The first one involved a conference with their real property negotiators for the property identified as APNs: 541-141-005 and 541-141-006 and the Council took no reportable actions. Items two and three involved the potential initiation of litigation involving two cases and the Council took no reportable actions. The Council received an update in Items No. 4 and 5 involving on-going litigation with the Rancho San Gorgonio Project in the case entitled SoCal Environmental Justice Alliance v. City of Banning and the Council took no reportable actions. The Council had also discussed the employment of the City Attorney in the personnel matter and took no reportable actions. The Council discussed the on-going piece of litigation entitled City of Banning v. Vanir Group of Companies and Banning Office Ventures and the Council took no reportable actions.

## PRESENTATIONS

### 1. Proclamation to Bill Dickson

The City Council at this time presented a proclamation to Bill Dickson for his distinguished service and dedication to our community and the Pass Area and wished him success in all his future endeavors.

Mr. Dickson said that somebody asked him once why he does so much volunteering and he said he can answer that by one thing, "Do some of it because you are going to walk away with far more than you ever give." There has been so many different programs and when you get involved and see all the good things that the City is doing and by being involved you really get a better view of things. There are so many things that go unsaid but there is always something going on that is benefitting somebody in the city. He encouraged everyone to get involved with your city because you are going to walk away with a full heart.

### 2. Proclamation – DMV Donate Life California Month to Barbara Do Couto

Barbara DoCouto received the proclamation and stated that she truly appreciates the support of the City of Banning. As a donor mom knowing that something positive has come from her daughter Debbie's passing in such a tragic time in her family's life has been comforting. She was able to save 52 people but unfortunately there are 22 people each day that pass away waiting for a life-saving transplant. Each of us here today can make a difference by joining the over 13 million Californian's who have checked yes at the DMV on-line at [www.donateLIFEcalifornia.org](http://www.donateLIFEcalifornia.org). She invited the Mayor and City Council Members and the public to join them at the 15<sup>th</sup> Annual Donate Life Run/Walk on Saturday, April 29<sup>th</sup> at Cal State Fullerton.

### 3. Stagecoach Days Update by Amy Pippenger

Ms. Pippenger presented a plaque to the Mayor and City Council Members for last year's Stagecoach Days with appreciation for the outstanding contribution and continuous support generously provided by the City of Banning.

Ms. Pippenger, Chair of Banning Stagecoach Days addressed the Council giving a quick synopsis of what occurred at last year's event, everything that happened in the last 6 to 8 months and what will be coming up in the next few months leading up to Stagecoach Days. At this time she started her power-point presentation stating that this year's Stagecoach Days is September 8-10. This year they will have three-days of rodeo and information will be on the website soon at [www.stagecoachdays.org](http://www.stagecoachdays.org). She said that the 2016 Stagecoach Days rodeo queens are Sarah L'Huller, Queen; Kory Baudouine, Jr. Miss; Sydney Webb, Little Miss; Maddison Miner, Tiny Miss; and Abigail Ramirez, Tiny Princess. They have been doing a lot of events throughout the city and Sarah L'Huller and Kory Baudouine have also been going to rodeos throughout Utah, Nevada, Arizona and California representing the city of Banning and the younger queens do most of the local events with the older queens. Their 2017 Rodeo Queen applications will be available April 15<sup>th</sup> on their website. Last year they partnered with Banning Unified School District and

had tryouts and Megan Berres was chosen to sing the National Anthem on Friday night and did an amazing job. On Friday they did a tribute to our military and local cancer survivors and on Saturday night they did a tribute to law enforcement and fire personnel. They also presented an award to Bill Dickson for all of his years of volunteering with Stagecoach Days and appreciate all he has done. Sydney Webb won the Linda Escandel Award for exemplifying a cowgirl lifestyle. They encourage local participation in the rodeo by awarding custom belt buckles and offering a small amount of money. The Junior Rodeo last year was held on Sunday and this year it will be held on Sunday, Sept. 10<sup>th</sup> from 7 a.m. to 1 p.m. The parade for 2017 will be televised live to approximately a million homes throughout Riverside County. They partnered with the City of Banning, Banning Unified School District, and Mt. San Jacinto Community College and there may be opportunities for commercials for all businesses and/or schools or anyone that wants to enter the parade and that information is on their website. She also went over the various stage performances that will be held. They have a new carnival this year and presale wristbands for Friday and Sunday are \$18.00 and Saturday the wristbands are available but are \$25.00 and will be on sale beginning July 1, 2017. They partnered with Banning Unified School District to bring back the First Street Dance which was missing for many years and will be held again this year. There will be a Pancake Breakfast and Soap Box Derby on May 6, 2017 and information can be found on their website along with other community events and all of these events help them to do improvements at Dysart Park but also to pay for Stagecoach Days. The Ms. Hatterino Contest and Mr. Whiskerino will be coming up June 16<sup>th</sup> at the Station Tap House Bar and Grill this year. She stated that Jennifer Hall, 2015 Miss Stagecoach Days Rodeo Queen, spent 3 days repainting the entire entrance sign at Dysart Park and they need to get someone up there this year to replace the dates on that sign. They rebuilt the VIP Section for the rodeo with the help of Do It Best, Jason Pippenger and Chris Carper, Advanced Builders and a few volunteers repainted the mobile home, painted the return for the arena, repainted the announcers booth and American Air installed two air-conditioners donated by Walmart and Do It Best, and fraternity guys from Cal State San Bernardino that needed community service hours repainted the bucking shoots. For the last three years the rodeo has been sold out so people had to be turned away so they are looking at getting more bleachers and solving the seating issues this year. This year they partnered with the So Cal Rough Stock Series and there are seven rodeos and this is a way to entice more quality contestants. In regards to the finances: expenses were \$149,462.00; income of \$161,239.00; net profit of \$11,777.00. They are a non-profit and many of them are volunteers dedicating a lot of time and money towards making Stagecoach Days the best it can be for the community. This year is their 60<sup>th</sup> Anniversary and their theme is "Roping in 60 Years of Tradition".

#### 4. Lobbyist Update by Innovative Federal Strategies

Letitia White, Innovative Federal Strategies addressed the Council introducing her colleague Christian Roddrick and they view themselves as an extension of your staff in Washington. Together with the rest of the folks at Innovative Federal Strategies they work to represent the City's priorities before Capitol Hill and the federal government. The last time she was here she talked a little bit about Washington and living in interesting times and it hasn't got any less interesting. They are a bipartisan firm with 160 years of federal experience. They are fortunate to have met with the City's department heads and get an update on a number of items that are pending before the City. They are glad to hear that the City is finalizing a legislative priority agenda which would be enormously helpful to them. As you know, they believe communication is critical and they do send weekly reports and monthly updates and participate in regular phone calls with City staff. They sort of describe what they do for the City in Washington in four broad



categories: 1) Monitor and identify opportunities, as well as, threats to the community; 2) Identify federal funding opportunities mostly through federal grants and provide those to the City's team; 3) They advocate for federal programs and legislation that is helpful to the City; and 4) Work on special projects that impact the community. They are particularly pleased that after four hard years of diligent work and working closely with their community tribe advocate they were finally able to get the economic development through the Tribal Land Exchange Act signed by President Obama in December. One would think that a very bipartisan, non-controversial bill like their Exchange Bill would have sailed through the Congress but unfortunately these senators found an opportunity from time to time to take our Bill hostage and use it to negotiate other legislation that was on their agenda nevertheless, through diligent work and a timely phone call from our former Mayor to Senator Boxer they were able to get this legislation passed. She understands from staff and from the Tribe's lawyer that everything is in place and the swap is complete so she is really, really thrilled about that. They recently got involved in a new issues the closing of the City's regional airport. They have done some research and don't believe that legislation is necessary to make that change but stand ready to be helpful if that does become necessary and will work closely with the staff and their efforts with the FAA to get that accomplished. For a long time they have been working very closely with Mayor Pro Franklin on the Flume issue. So they have met with the staff from FERC, participate weekly on the flume phone call, and they continue to work with the committee staff to keep them posted on the on-going issue. They are looking forward to the new administration appointing new committee people at FERC, as well as, new personnel at the Forest Service and once those new people are in place in the Administration they will work with their congressional delegation to educate them about the problem that they are having getting the Forest Service to move forward on working with them to improve our flume and they are happy to be involved.

Councilmember Franklin said you mentioned that it is interesting times in Washington, D.C. and have they been able to see any kind of trend or anything in particular that we need to be aware of that we may not have our eyes on at this point?

Ms. White said the big concern that she had really in February when the President sent up his top-line budget which she included in the last monthly report, he is talking about some very draconian cuts in programs that we care deeply about like, CDBG. Programs that end up either going to the State to administer through the State Grant Program or emergency dollars and the types of funding she thinks is very helpful to the City. So they have talked to a number of members of Congress including Ken Calvert, Paul Cook and Pete Aguilar. No one seems to believe that those cuts will make it through Congress and as you have seen they were not able to get the votes to repeal and replace Obamacare. She thinks the Administration is now waking up to the fact that the government doesn't run like a company. So one of the things that you are seeing is lots of communication with the White House and the House and the Senate. There is an open line of dialogue which she thinks is enormously helpful. That was the thing that probably caught her eye the most that would be concerning to our community because those seed monies and that federal funding and some of those grants that we get every year are sort of critical in keeping our City moving forward. The next best opportunity she thinks that is out there is with the infrastructure bill. We are seeing a lot of bipartisan support and discussions about a major infrastructure bill. The President has talked about this in his campaign but has not sent anything to the Hill yet but a trillion dollar bill to fix roads, highways, rail, water projects and hospitals so he originally said this would be done with no new money bringing some foreign money from corporations back to the United States with a lower tax rate and that would create about \$300

billion dollars and then public/private partnerships to do the rest of his infrastructure package and again, this is a trillion dollars over ten years. The President had a meeting and an interview with the New York Times and he is starting to sort of roll back a little bit of it being all non-new money and she thinks that if that is the case and he puts together a plan, you will see a lot of bipartisan support for a major infrastructure package. The interesting thing is that in the Senate, Environment and Public Works Committee which will do the transportation bill on the Senate side and our new Senator Kamala Harris sits on that committee, they are really, really emphasizing rural communities that have gotten less than their fair share of federal resources so a lot of the Senators on that committee come from rural states but we have even see Senator Harris talk about the fact that some of the rural areas in California haven't gotten their fair share as well. So it is going to be interesting to see how this unfolds but she thinks that is one initiative where you will see a lot of bipartisan support.

Councilmember Franklin ask if she had heard of any acts that he has already signed that has any direct impact on our community.

Ms. White said no, he hasn't signed any legislation yet. He has done a lot of executive orders with most of them rolling back executive orders that the last Administration did. The one that she thinks we might care about the most is the "Waters of the U.S.". That was something they were paying close attention to. It was a regulation where the EPA pretty much had a lot of over say for "Waters of the U.S." which would affect even babbling brooks, to be honest. The courts put a stay of action on it and then President Trump had an executive order to overturn it.

Councilmember Peterson thanked Ms. White for all the help in regards to the Morongo/Fields issue and to Drew Tatum. Also, where Councilmember Franklin had brought up a few issues, one of them that he has heard that is coming down the pipe is that an executive order has been rescinded regarding Community Block Grants to the states.

Ms. White said she knows that President Trump has sent forward a document in his high-level budget that would eliminate CDBG's but the Congress would have to act on that and her sense in talking to members and staff is that they have no intention of zeroing that program. She thinks that they are willing to potentially look at small cuts of 3% or 4% which they have been sort of taking the domestic programs in a little downward turn over the last four years but CDBG's is one of the programs that they advocate very, very strongly for and in fact, there may be an opportunity coming up for the City to submit written testimony to the House and Senate Appropriations Committees that oversee and fund that program and strongly suggest doing that.

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

## ANNOUNCEMENTS/REPORTS

### City Council

Councilmember Peterson –

- He said that he has several issues that he wants to bring up and some issues he thinks were brought up at the last meeting by a few citizens that he wants to elaborate on today. Recently



as most people know our City Manager Michael Rock was investigated and found to have improperly interfered in the November 2016 Banning City Council Election with a declared goal to keep him from being re-elected. From that an investigation was ordered by the City Council and one of the things that came up in that investigation is the credibility of the witnesses. At this time Councilmember Peterson read, "Section 8 – Credibility of the Witness" (attached Exhibit "A"). That being said on February 14<sup>th</sup> our Mayor read the following statement: "In November 2015, the City hired Michael Rock as its City Manager and Mr. Rock continues to serve in that capacity. In late summer 2016 an allegation was made that Mr. Rock attempted to persuade a community member to run as a write-in candidate in the November 2016 General Election against Councilmember Peterson. In response, the City initiated an investigation into the validity of that allegation. There has been a substantial amount of public discussion about this issue including at several Council meetings. Consequently, as a Council, we have decided to issue this statement publically. Although the investigation revealed that Mr. Rock did not try to solicit a community member to run in the election the facts developed do reveal that Mr. Rock asked a department head if he could locate a suitable candidate to run against Councilman Peterson. There was no evidence that the department head followed up or took any action. Mr. Rock's behavior in this matter was not acceptable. Mr. Rock inappropriately attempted to interfere with the local municipal election by soliciting a fellow employee to find a candidate to run against an incumbent councilmember. This Council hired Mr. Rock to be a non-political administrator and we expect that he will not take sides in City elections". Councilmember Peterson said that this last sentence is very important, "We have advised Mr. Rock that such conduct will not be tolerated at any point in the future."

Councilmember Peterson said so now it has come to his attention that keeping him from being re-elected may not have been the only political activity the City Manager has engaged in while conducting official business for the City. We currently have two vacancies on the Planning Commission and it appears that there was an attempt made by the City Manager to use his office to facilitate the appointment of a particular candidate to the Commission who is known as a strong supporter of the interest of the developer Diversified Pacific. It should be mentioned that the principal of this developer is currently on trial in San Bernardino for multiple counts of bribery. The candidate of choice for developer Diversified Pacific is Jan Spann. It is a matter of record that Spann came before the Council to strongly support the developers 3,400 home project called Rancho San Gorgonio. It is also a matter of record that Spann, who is a trustee on the Banning School Board, used her position on the Board to have the Board issue a letter of support for Diversified Pacific's project. The local lobbyist for developer Diversified Pacific we all know is Bob Botts. Those who do not remember him, Botts used to be a Banning City Councilman and a former Mayor to our City. He resigned in 2013, during a Council meeting, within minutes after voting on an issue that benefited Diversified Pacific. Only a few weeks ago, Bob Botts, since then a paid lobbyist for this developer, wrote the following message on Jan Spann's Facebook. Councilmember Peterson read from a message posted on Jan Spann's Facebook (attached Exhibit "B"). The post indicates that City Manager Michael Rock yet again appears to have used his position as City Manager to unduly inject himself into the political process. Botts makes mention of the City Manager voicing his support for Spann and offering to call her in order to facilitate her appointment. After the post was made Jan Spann submitted her application to the City for the Planning Commission. Councilmember Peterson said that he is asking for a full investigation of this matter as it relates to the City Manager Rock having

violated his professional ethics once again. He is also asking for Jan Spann's application to be put on hold pending the outcome of the investigation.

Councilmember Peterson said the second thing that he would like to talk about is the following email that was sent by the City Attorney to Michael Rock suggesting Rock once again used his position as City Manager to direct the City Attorney to find legal grounds for disqualification of then Council candidate Daniela Andrade. At this time Councilmember Peterson read the email (attached Exhibit "C"). Councilmember Peterson said that he is asking for the investigation to include this email as it may constitute a separate attempt of election interference and may constitute a violation of City Manager's professional ethics as well.

Councilmember Peterson said that the following email sent by Michael Rock to the City Attorney appears to indicate that Rock used City resources in an attempt to silence the online publication known as the Banning Informer. In particular, Rock instructed the City Attorney to render a legal opinion whether or not any article posted on the Banning Informer qualified as "slander" under the law. At this time Councilmember Peterson read the email (attached Exhibit "D"). Councilmember Peterson said that he is asking for the upcoming investigation to also include this email, as it may constitute another ethics violation by City Manager Michael Rock, and because it provides evidence of the unlawful use of City resources for the sole purpose of stifling political discourse and interfering with the freedom of the press.

Councilmember Peterson said now he wants to get into the brush clearance. At this time he read the following: "It was reported in the Banning Informer that the City recently performed brush clearing services for the purpose of increasing freeway visibility for Diamond Hills Chevrolet". He said that before he goes any further he wants to make it clear that he is not opposed to the entity known as Diamond Hills to expose its inventory and he thinks that it is a good thing that the inventory be exposed. He continued stating, "No other business benefited from this action. The brush clearance was performed on Interstate 10 which is under the jurisdiction of the State of California. A Caltrans permit was obtained by the City. The City Council was never informed of the City's intent to perform such work, it appears that the brush clearing was order by Councilmember Art Welch." Councilmember Peterson said that he had questioned City Manager in an email asking him was there a written contract and there was no written contract, correct? City Manager did not respond. Councilmember Peterson said that obviously this was a handshake agreement and he thinks that one needs to refer to the Grand Jury Report of 2015-2016 when the Grand Jury made a recommendation to the City as follows, "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" and obviously we have not done that yet. We don't know the terms of the handshake agreement. We know that there was not a deposit because he had asked all those questions prior: was there a deposit, was there an agreement, what was the billing rate, how much were we charging for front-end loaders, dump trucks, chippers, and at one point in time, it was reported that there were approximately 20 employees there. If there was no contract or deposit this suggests that the intent likely was to do this for free in the hopes that nobody would notice. This would constitute an illegal gift of public funds which is something Councilman Art Welch is well known for. Councilmember Peterson asked the City Attorney if he was ever consulted on any of the legal issues regarding this project.

Interim City Attorney Cotti said no he was not.

Councilmember Peterson demanded that a staff report be given by Mr. Rock at the next City Council Meeting and how this once again circumvented our own policy, our own procedures, how was it that City employees were placed on an interstate highway to clear brush for a private entity; none of it makes sense to him. He was at home and he was ill and his phone was ringing off the hook and his email was being inundated with pictures that people were taking along the highway. This is not something that we should be involved in and obviously neither did the City employees because the City employees were part of the ones making the complaint. We need to have as a Council an investigation done regarding these things.

Councilmember Peterson said the last thing he wants to talk about is that over a month ago he asked for seven monthly statements of the Chamber of Commerce's \$10,000 dollar deposit and to date he has not got one. There has been no deposits. The only record that has ever been was in the very beginning. The Grand Jury said unless the Chamber complies with the requirements of the Lease and of Amendment No. 1 to the Lease Agreement to add Banning to their insurance, which they did, and to establish a minimum \$10,000 maintenance fund, Banning should formally cancel the existing lease between the Community Redevelopment Agency and the Banning Chamber of Commerce. It already said what should be done and the City in response, signed by then Mayor Art Welch to recommendations No. 1, No. 2 etc. that this would be done. He has asked for over a month that six or seven monthly statements showing that the Banning Chamber of Commerce as a depositor or as the account holder be brought here showing us a consecutive deposit where no money has been moved, nothing has been changed except individual monthly statements. If you can't provide that, then from his law enforcement background he is believing that fraud was involved. He thinks that somebody fraudulently deposited \$10,000 into an account and we were given a copy of that \$10,000 to placate and satisfy the requirement of the Grand Jury. Once we did that and signed off on it whoever the \$10,000 belonged to they withdrew it, took it back and now there is no more. So if we can't have it, then he wants our Police Chief to start a fraud investigation and find out what is going on with that money.

Deputy City Manager Clayton said that we have received the statements. Councilmember Peterson asked why they were not a part of the package. Ms. Clayton said unfortunately she didn't receive them in time for the posting and only received them today and does have them with her and she gave Councilmember Peterson copies of the statements.

Councilmember Peterson said the Council needs to have a staff report regarding the Diamond Hill Brush clearance and all charges that were made, why wasn't a contact made according to agreement, why was City personnel used to clear brush for a private enterprise. There is no reason why they couldn't have contracted say, Apple Tree Trimming" or whatever and got it done. He doesn't know why the City was doing it for a private entity. He said the only reason he brought Art Welch's name in is because his name was thrown to him. Other than that he thinks this Council needs to get together with a special meeting and we need to approve another investigation on Rock.

Councilmember Franklin –

- In regards to Western Riverside Council of Governments they had their meeting last week and a couple of things were discussed. One had to do with the PACE Program and we look at it as part of the program for people to do home renovations and that is moving ahead but Banning has over 500 homes that have gone through the program and it is over \$3 million of improvements to homes. In addition, they had a report on cities that are buying their street lights back from Edison. It is moving through the process but since we already have our own street lights she didn't vote on that particular item. They are also working on something called "Community Choice" where cities are working together to look at ways to start buying their electricity from sources other than Edison and as it moves forward she will be able to report back on that item. Many of you have read in the paper about the agreement that WRCOG made with Beaumont and we are just waiting to see how that plays out and how that is going to impact our city. In particular, we are interested in being able to get improvements on Highland Springs and improvements on Pennsylvania which will help relieve some of the traffic on Highland Springs.
- On April 20<sup>th</sup> they will be packing for the troops through the Pass Area Supporting Soldiers from 8:00 a.m. to Noon at the Banning Community Center and they are looking for not only people who would like to do donating or volunteering but if anybody has any names of anyone serving overseas, they would like to be able to get those names so that packages can be sent to them and they can be serving anywhere overseas as long as they have an APO address and they don't have to be from the Pass Area. If they are a relative or good friend that you know, we just want to show our troops that we are supporting them.
- Reminder that the Disaster Preparedness Expo will be held on April 29<sup>th</sup> here in the Council Chambers from 10 a.m. to 2 p.m. The keynote speaker will be Dr. Lucy Jones, Earthquake Expert and Glen Pomeroy, CEO of the California Earthquake Authority as the opening speaker. There will be a lot of exhibits and displays and it will be free to the public.

Mayor Moyer –

- He attended an affair this afternoon where the Banning Woman's Club honored Mayor Pro Tem Franklin as their "Woman of the Year".
- He is a member of State Environmental Quality Committee for the League of California Cities and they had a meeting a couple of Friday's ago where they discussed almost 50 issues concerning environmental issues that could come back and cost cities a whole lot of money if the State passes them and mandates certain things. He will keep everyone apprised of what is going on with those. One of the things that they did make a recommendation on to the League's Board has to do with CEQA Reform and it is to try to stop frivolous lawsuits. Not legitimate lawsuits that are brought for a legitimate reason but suits that are there just to get a high cash settlement and not really any kind of environmental remedy and he will keep everyone apprised of how that is going also.

Councilmember Welch –

- The State is holding a lot of your money and these are people who have not applied or collected tax money that is due them. On Friday, May 19<sup>th</sup> from 10 a.m. to Noon at the Banning Senior Center Senator Mike Morrell and his staff will be there with computers to do research for any citizen in the city who would like to see what their status is on the Unclaimed Property Program. This was done last year and it worked quite well. As a matter of fact they had about 14 people from the area that did find that they did have unclaimed property.



- On April 19<sup>th</sup> at 7:00 a.m. at the Russo's Italian Kitchen the Banning Chamber of Commerce Sunrise Meeting will be held and he would encourage people to attend because it will be a good discussion on a lot of positive things that are happening in our city.
- Celebrate Innovation Month on Thursday, April 27<sup>th</sup> from 6 p.m. to 8 p.m. at the Brew Rebellion.
- He said that he would wait until we have a more formal report on some of the accusations that took place tonight. One member in our community is the one that took the pictures and sent them out on the computer. He was misinformed about what took place in the first place. First of all the permit to do that trimming was issued to the City of Banning by Caltrans and took almost 90 days to get that permit to do that. The permitting process cost the City nothing, the work was done, and the merchant wrote the check for the cost of it based on our salary levels and cost of doing business. So that venture did not cost the City one penny. Did we go around the idea of bringing it to the Council to get a project like that approved; probably. But we are fighting each other in this City and it just does not make sense to him, not at all. People are asking for changes and have no background to support their request. Take any request but ask for information. Don't beat on this Council or beat on this City staff.

Councilmember Andrade –

- She said that she has lost all confidence in our City doing business. Just by her trying to ask a question, she wasn't even allowed to finish her question because she wanted to see especially since we have so many people that have come up to complain about the utility bill. Just a couple of days ago her neighbor, Kevin Randal, came up and told her the same issues that all of you have come and stated to the Council. His bills are overlapping, the days are overlapping and he said he went to the City to ask for information in trying to see if he is going to get a month free since all of those days were overlapping and everything and how did they come up with the process and how come he is being charged so much. The response that he received was we guesstimate. She said that guesstimating is not good enough. Since we have so many issues with the utility company she wanted to propose the question, how much does it actually cost us to run that department and would it be more beneficial to go through Edison. Now, if it is not and if we can't get a study and simply report and be transparent so that everybody has an idea exactly what is going on, then fine. She is all for moving forward with it. If it is beneficial, then let's move to that and if it is not, then let's stay with the City. But by her simply posing the question to see exactly what it will take, she was verbally attacked and actually accused "if you want to screw over your consumers" she was told. Currently the consumers are feeling screwed over by the utility company. So if she is not allowed to ask any questions without being attacked, then why are we here? She doesn't think this was appropriate at all. She is not suggesting that we are going to do anything at all until we actually get some confirmation of what in the world is going on and why are we being billed so much. We need a comparison here. But that was totally not acceptable and apparently this is exactly what we are being faced with if we dare ask questions that are not received well.

City Manager suggested that the staff bring back to the City Council a study session on the utility company.

Mayor Moyer said he believes that is what they talked about earlier today and would like to have a study session and have plenty of time for residents to ask questions and scheduled it as soon as possible.

Councilmember Peterson said if we are going to do the workshop let's do it on a non-Council day and do it in the evening after 5:00 p.m. to where we can have a majority of the people and advertise that it is going to happen. **There was Council consensus.**

#### City Committee Reports

Report by City Attorney– None

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

Dorothy Familetti-McLean addressed the Council in regards to Vanir (attached Exhibit “E”).

Interim City Attorney stated that the lawsuit is certainly more complicated than that. We have to establish a breach of the critical construction deadlines first and then the remedy, of course, is getting the property back. They are not separate issues. One is the cause of action, the breach of the contract, and the other is the reverter. He is happy to have a conversation with Ms. McLean to go over the complaint and has offered that and he remains willing to have that conversation.

Ms. McLean said she just feels that this has been going on since last year and many extensions have been given and now this comes up. We should have acted way back when and it would have been better for us.

David Fenn, President of the San Geronio Pass Water Agency addressed the Council stating that he had planned on being here when the Council discussed forming a Groundwater Sustainability Agency and if it had been a little bit later he would have been able to be here. He did go over the notes from the meeting and a concern that he has and maybe it is not and maybe he is just reading into it too much but it does seem like there is a little bit of mistrust between the City of Banning and their agency and hopefully there is not but he just wanted to address a couple of things. He said the Mayor was quoted by asking a question of wondering why the inclusion of the San Geronio Pass Water Agency in an organization that is concerned about the sustainability of our ground water because they don't really have anything to do with sustaining groundwater and would prefer that they not be a member of this and move forward without them. He said that Director Vela returned comments to that and talked about if there were two conflicting applications that if we don't resolve these conflicts that they would put the basin in a probationary status which would lead to State intervention. There were also some other comments from Mr. James Fulmer where he said why allow the Pass Agency to just bully their way in here and do what they want and also Mr. Fulmer saying that the Pass Agency is going to continue doing this through the process and saying they just want it done their way. Mr. Jerry Westholder has expressed some frustrations as well and so again he is just getting this from paper. He said he just wanted, on behalf of the Agency and personally as a Director who happens to be the President of the Board, to let you know that Banning is important to them. It is their intent to help one another help everybody in the region and protect the resources that we have. He thanked Councilmember Franklin, for inviting him the Board President, to those flume meetings so that he can understand that and take that information back and help to better educate his Board

and so when the time arises when we need the help we can properly do so. They have a very well-run Agency with a nice balanced budget and with some money in the bank and they have used it to help and have used it to help Banning and they want to continue to do so. There are limits to what they can do legally and they are going to stay within that and be real clean about it but he just wanted to basically say that they are here to help. They have 7 directors on their Board and 2 are Banning agents, 2 at-large including himself, and he has personally heard their divisional director say that the entire service area is important to them so they don't play favorites. At this time he introduced Steven Lehtonen who is their newest Director who filled John Jeter's seat when he retired and Steven happens to be a Sun Lakes resident as well. Mr. Fenn said in closing he is a real estate broker and he has learned to conduct his business by putting his client's needs in front of their own and he does that in his role as a Director for the San Geronio Pass Water Agency and he sees that his other directors do the same. Again, he is not accusing of any mistrust. He read it on paper and it looked a little harsh and wanted to say that they are here to help.

Frank Connolly addressed the Council stating that he was here on behalf of himself and the Vista Serena Homeowners Association and the community at-large; more so for himself and the Vista Serena Homeowners Association. As it has been discussed here tonight and at the Council's last meeting a few weeks ago he is here to find out so he can direct his Board and refer to their attorneys as to exactly what does the City of Banning plan to do about the over-charging of the utilities. Since the last meeting he received his next bill and it is \$50 more; it is the same as the skyrocketed bill. When he received the skyrocketed bill he went home and unplugged everything he doesn't use so the only things he has plugged are his refrigerator, stove, microwave, washer and dryer. His bill is \$10 higher than the skyrocketed bill. He went down to the City today and decided to go ahead and pay the current bill and he deducted \$50.00 off of last month's bill that he had already paid for the overbilling and deducted \$50.00 off this bill. The City needs to figure out how they are going to credit everybody's accounts. His biggest question is what do you recommend his Board tell their tenants who have received \$600, \$700, \$2,000 bills? Do you expect them to continue to pay for the overbilling that they have already been charged when they can't even afford that already? What do you want him to tell them? He addressed Councilmember Andrade stating that the report she is looking for is called "A Cost of Service Rate Study" in reference to their attorneys just so you know they are not playing here. He would like to ask what do you want us to tell our tenants who are receiving these bills for 500 square foot units. We have heard nothing back yet. He was in city hall this morning and had an owner who has received the same thing and he was told the City said just pay it. This utility department has been a disgrace for this City for years. It is has been a slush fund for the General Fund. You need to figure out how to pay your other bills and quit manipulating the utilities so that it is on the utility payers back. It is a disgrace and it has to stop. Can somebody here tell him what he can tell his tenants who are paying these \$600, \$2,000 dollar bills that have been overbilled? They are being told pay it and go home. Does anybody have an answer?

Councilmember Andrade said she wished she did have an answer but unfortunately she was attacked when she asked it. She thinks it is an intimidation tactic so we don't ask certain questions. So she is sorry, that is all she can say.

Mr. Connolly said he thinks this is a disgrace. We have an elected official here who is being attacked for asking and we are all very well aware that something badly went awry here and she is being attacked.

Mayor Moyer said that is one of the reasons we have ordered staff to put together this workshop so that the public can be here so we can get this all out in the open and staff can be here to answer questions.

Mr. Connolly said he appreciates that but what does he tell his 76-year old tenant who is still being told to pay this bill on this payment plan? What do we tell these people who are overbilled? He said he already told them don't pay it until the City figures out what they have done just like he just did. If the City gives him any problems on his account, trust that they don't want to play with him.

Deputy City Manager Clayton said at one residence a new meter was installed so we can monitor more closely the accuracy of all the meters that are installed at the Vista Serena homes. There are differences in fluctuations from home to home depending on whether they have been retrofitted with upgraded window panes and so forth and that makes a difference and that is why several energy audits have been requested and they have had internal meetings to see what we can do. She pointed out that the one person that was brought up that she thinks he is referring to now with the higher bill had a bill transfer of over \$600 of a previous unpaid bill that was transferred to that account and staff is working with her. She just wanted to point out that the balances that he was providing to the community and the Council are not just from her current bills. It is from an unpaid prior bill from another residence outside Vista Serena but staff is working with several of the homeowners to determine if there is an issue. A new meter has been installed so that we can monitor the usage and staff is working together with the residents to determine if there are issues and address them.

Mayor Moyer asked when they can expect some results from that. Deputy City Manager Clayton said it takes 30 days and she believes it was just installed the week before last but will have a report at the next meeting.

Mr. Connolly said he has looked at her bills and there were no transfers from different accounts. He looked at the current bill she just got the day they had their meeting and he has several bills here that their Association pays which are cheaper than their tenants. We are talking for a full community. Something is wrong here and it is not just Vista Serena and not just him. You have had several people up here. You have to figure it out because it can cost the City dramatically. He appreciates the work but he needs to be able to tell his tenants what to do about these bills that they have been overbilled. He can tell you that he has been overbilled and he is not paying it and he is not just going to go home and shut up.

Councilmember Peterson asked Director Mason how soon before the smart meters get installed. Deputy City Manager Clayton said that they would begin to be installed the last week of May.

Director Mason said the project is starting at the end of May and it is a six-month project so they should be done being installed by the end of the calendar year.

Councilmember Peterson said so everybody from that time on will be billed consistently. Director Mason said no. Unfortunately because the water meters are still read, the electric meter will be read at the same time that the water meter is read and until the water meters go onto a



smart meter system as well, then the water meter will actually dictate when the electric meters get read.

Councilmember Peterson asked if there is still going to be 41 day billing. City Manager said no, absolutely not. That was a one-time thing for a utility true-up. There will be no more bills with 41 days. That was a one-time true-up adjustment to get ourselves on track to charge every 31, 32 and the most days that anyone will see on their bill is 34 days.

Councilmember Peterson said he understands that it is difficult but if that is our business, then we need to take care of business and not say that is the best we can do. He never even began to look at this bill because it is on auto-pay and then all of sudden he started looking and in the last couple of months he is in the 40-day range and on his commercial buildings some are even longer than 40 days. You can have Stacy pull up 132 Ramsey and see what the longest billing period is there and it really goes up there; 60-day billing.

Jerry Westholder, resident addressed the Council stating again we are talking about the utility company; 41 days. He thanked Councilmember Andrade for bringing this out and be willing to stand up for the citizens. He thanked Councilmember Peterson for bringing to the forefront some issues that need to be dealt with. The reality of this is if you want to do a true-up there is a way you can benefit the citizens and benefit the City and you chose to benefit the City and not the citizens. You chose to charge more than what we normally did. He had a the bill for his church and the bill for his house and the bill for the American Legion went down and they tried to talk to the City and they said bottom line if you don't pay, you get your electricity turned off. Banning has no grace period for not paying your bill. That is why he was really surprised that you said there were two bills. Banning does not do that and in ten days if your bill is not paid, they turn off your electricity. Now it is interesting that we always have people and personnel to shut off electricity after ten days but we never seem to have them to turn it back on in an appropriate manner unless you pay extra or to do other things that the City needs to be done. He noticed that on Consent Items it talks about information on a detailed audit of the City of Banning's utility departments; you cannot do the audit. A forensic audit is by a neutral, outside agency where they come in and look at our books and go through everything and they are the ones who do the audit otherwise we just have the foxes guarding the hen house and the good people of this city deserve better. We are out of control with this utility deal. He has been talking about it for three years so he doesn't appreciate that this is something new that we just decided to do. The only reason that someone would not want to do a forensic audit and listen to the public is because there is something to hide somewhere and he hopes that he is proved wrong but that is the reality of it. We need to take care of the citizens first; not the City. The citizens are the ones who work, live, die, pay taxes and pay the bills here. Last week our utility company asked us for money to hire an outside agency to do tree trimming and the Council agreed that this was a good idea but yet we can hire out our people to a private agency to do tree trimming but we can't do tree trimming because it is too much for us and cost too much money for us to do so it is better for us to hire someone. He said he is really, really confused about that and it doesn't make any sense. He believes that the reason the Council is in office is to take care of the citizens and not take care of the county, not to take care of employees. We always want to treat our employees fair and right but that is not your responsibility. It is not to look good and important at social functions, it is not to look good on committees and make deals and to travel all over; it is to take care of the citizens of this city and they deserve better and he hopes they start thinking about this when it comes election time again.

David Ellis said we sit here meeting after meeting and we have Councilmembers say they want to make it a better community and they want to do this and do that. Well we have a rotten apple or two in the bushel and rotten apples ruin everything. Our City Manager was fired from a \$160,000 dollar job and now he is making \$260,000 a year and why was he fired; go Google him and you will find out everything. He said he has a copy of the screen shot from Bob Botts who still runs our City. Desperate people do desperate things. While he completely understands the rational of trimming on the freeway and exposure, it is excellent. He spent 35 years selling real estate so he knows the importance of the freeway and the tax dollars it can produce for us but to act above the law and know it is going to cause a problem if you don't do it right, we need to alleviate those things. He said he has to ask himself if we can get a worse Council Member than Debbie Franklin and he says no. He said that Debbie Franklin acts above the law, she was involved with the gymnasium that no other Councilmembers knew about and he has to ask himself why she wouldn't just tell everybody. What is the big secret, is something going on. He asked her if she acted above the law when a gentleman was killed at un-permitted party on Wilson Street at the fire department. If she would have gotten a permit for the party and not acted above the law, would the man be alive today. Can you imagine standing and watching your spouse hit on a street at night; read the Banning Informer. He said he asked himself and others have asked him if Debbie Franklin is an opportunist; yes she is. She has become wealthy as a Council Member. He remembers the days when Debbie Franklin drove her little Datsun around and now she dresses real nice and drives a fancy car and she does fancy things and she has done well and she is successful as a politician. But she is an opportunist; she is pre-committed. We have seen her numerous times act in an irrational manner with things like the Diversified Pacific's meeting till 1:00 a.m. and he is asking why. Is she in bed with the developer? He keeps on asking. In regards to this Vanir deal and we get to Pearlman he heard disturbing things the other day and he asks himself if it is true or not but Debbie Franklin had dinner with Art Pearlman and had special time up in Sacramento and it is said that he was promised an exclusive on this building and he was told that Councilmember Franklin has known all the time that there would never be a hotel built there. Our problem as he sees it is that we have a divided Council. We have got old people that are on the Council and he asks himself what is their problem and he thinks the problem stems from good ole Barbara Hanna. Get on board, there is plenty for everybody. We spend money like there is no value for the dollar. The water bond money - Councilmember Franklin was the Mayor when she took \$20 million dollars of water bond money, Prop 28 money, and spent it on a police department. She is into non-profits. He asks himself what is going on with non-profits and he is reading emails about non-profits and how the FBI was investigating her and said that there is no further need for investigations. You want to make it a better city, leave like Bob Botts did.

Councilmember Franklin said everything that Mr. Ellis said is not true. She doesn't need to elaborate on it and would just say every single thing he said was untrue this evening and she feels sorry for him and prays for him that he has an opportunity to get his information correct.

#### CORRESPONDENCE:

City Clerk read letter from Ed Miller regarding the City's purchasing procedures (attached Exhibit "F").

#### REPORT BY CITY MANAGER

- We had a great turnout for the community clean-up event on Saturday with a new record of 537 cars that came through the drop off line for the bulky items, household batteries, and document shredding event. Special thanks to Carl Szoyka and his crew for all their hard work in the Public Works Department, our PIO for handing out oil cans and funnels to residents and answering questions about their waste and recycling service. Any residents who missed this event can always call Waste Management to schedule up to three curb-side bulky item pickups per year.
- The City will be hosting a Community Town Hall Meeting next Tuesday, April 18<sup>th</sup> at 6 p.m. at the Banning Senior Center. Residents are encouraged to attend and share their thoughts and concerns on the City's operations and priorities and refreshments will be provided.
- The State Legislature approved SB 1 just a few days ago, a comprehensive transportation funding package. This bill is projected to add about \$700,000 a year of new revenue to the Gas Tax Fund. The City is also expecting about \$100,000 in new revenue for its transit operation for the ten-year period.
- He reminded the Council that they did schedule for Monday, May 8<sup>th</sup> a Strategic Planning Workshop to begin at 1:00 p.m. and if the Council would also like to use that same day to go over the City's Mission, Vision and Core Value Statements and the staff will present those statements to the Council for discussion and also to review the City's Code of Conduct, Robert's Rules of Order and the Brown Act. We can do all of that on May 8<sup>th</sup> since the meeting will begin at 1:00 p.m.

Councilmember Peterson said he is not interested in attending any Robert's Rules of Order or covering our Manual of Procedures meeting until the City Manager goes through a course from the ICMA on a Code of Ethics and he has made that clear in previous Council meetings and unless it is included he is not going to attend.

Councilmember Peterson said why is it that on the agenda when we look at Item No. 4, which is Announcements and Reports, forever our agenda was organized that the City Council, the City Manager and the City Attorney was always under Item 4. Why is it that the City Manager is now separated from there?

City Manager said that he did that because he felt it gave him an opportunity to respond to public comments and previously the way it was organized on the agenda it came before public comments so he couldn't respond to public comments. This gives us an opportunity to actually respond in a way that meets the Brown Act.

#### SCHEDULE MEETINGS

1. Mid-Term Budget Workshop – May 23<sup>rd</sup> – 2:30 p.m. (There was no discussion on this item.)

#### CONSENT ITEMS

Consent Items 6 and 7 were pulled for discussion.

1. Approval of Minutes – Special Meeting – 03/28/17

Recommendation: That the minutes of the special meeting of March 28, 2017 be approved.

2. Approval of Minutes – Special Meeting – 03/28/17 (*Workshop*)

Recommendation: That the minutes of the special meeting of March 28, 2017 be approved.

3. Approval of Minutes – Special Meeting – 03/28/17(*Closed*)

Recommendation: That the minutes of the special meeting of March 28, 2017 be approved.

4. Approval of Minutes – Regular Meeting – 03/28/17

Recommendation: That the minutes of the regular meeting of March 28, 2017 be approved.

5. Ordinance No. 1509 – 2<sup>nd</sup> Reading: An Ordinance of the City Council of the City of Banning, California, Approving a Categorical Exemption and Approving Zoning Text Amendment No. 17-97501 Amending the Zoning Ordinance (Title 17 of the Banning Municipal Code) to Allow for the Establishment of Community Gardens.

Recommendation: That Ordinance No. 1509 pass it second reading and be adopted.

Mayor Moyer opened the items for public comments.

**Motion Franklin/Peterson to approve Consent Items 1 through 5. Motion carried, all in favor.**

6. Receive and File List of Contracts Approved Under the City Manager's Signature Authority.

Councilmember Peterson said in regards to the amount of \$25,000 for fireworks when was it that the City Council approved that we are going to have fireworks in the city.

City Manager said that the Council approved it as part of the budget and it was discussed in the budget presentation. Councilmember Peterson said when was that? City Manager said it would have been in May and in again in June. We had two separate meetings; a public hearing in May and adoption of the budget in June.

Councilmember Peterson said then it goes back into the same time because it is on the budget it is an automatic given just like the PIO. It was on there and it didn't make any difference whether we said no or not since it was a budgeted item and you approved it and this is another example of that but he accepts it.

Mayor Moyer opened the items for public comments.

**Motion Welch/Franklin to approve Consent Item No. 6 to receive and file the list of contracts approved under the City Manager's signature authority of \$25,000 or less. Motion carried, all in favor.**



7. Information on a Detailed Audit of the City of Banning's Utility Departments and Utility Billing.

Deputy City Manager said that this item was a simple report regarding the information on a detailed audit that was requested by Council at its March 28<sup>th</sup> meeting in response to complaints that had been made on the Utility departments. The City contracts with LSL (Lance, Soll and Lunghard) to perform the annual audit. She did request a quote from them for a detailed external audit just so she could get a price from them before we go out for request for proposals (RFP) so that staff could get a cost sooner. They haven't given her the formal quote yet but they did state in the Finance Committee Meeting that was held on April 4<sup>th</sup> to present the last fiscal year's audit report that a forensic audit can be done but it does cost approximately six-times the amount of a regular audit because of the detail involved. Our annual audit cost is about \$60,000 so it would be significantly higher. She did research the three other cities that she could find that have had forensic audits and they didn't have anything published. She found where the RFP was issued, where the final report was issued but she did not see a Council item go forward to get the cost of what those forensic audits cost so she reached out to two of the cities but she has not received a formal response yet. What she did discover in all three of those instances is that fraud had already occurred because the forensic audit was scheduled and it was scheduled to determine to what extent the fraud went and exactly how it occurred. She did find other cities getting external detailed audits that were not quite as expensive but again for this she doesn't have a full report or anything concrete to bring back yet because she is waiting for the quote. She will get that and bring it back and go out for RFP if directed. If the Council so directs, she can go out for an RFP sooner.

Councilmember Peterson said he, as probably every citizen in the city, would like to see a forensic audit. If we can afford a gymnasium in the electric utility and afford a lot of other things that we have here in the City like \$25,000 for fireworks and some of the other things maybe we can get our utility bills lowered. You sit here and say you did a comparison with three other cities and do they also have \$3 million of cash rolling through their city hall every month. Deputy City Manager Clayton said she didn't get into the full budget. Councilmember Peterson said he doesn't know how many other cities have \$3 million dollars of cash rolling through their city every month. It amazes him that this utility has been in place since the 1920's and never once has there been a forensic audit of the utility. So nobody can ever say has there been a fraud, that has there been a theft and what you are telling us is that every year we zero to the penny and there has never even been as much as one dollar ever removed. Now whether that is true or not none of us will ever know. He does know, like Mr. Connolly said earlier, that the utility has been a cash cow for the City and he really wants to see what it is that it does. You being in finance provided the figures to the auditors and they utilize your figures to audit; that is what it says. There is a disclosure on their letter that says that the City provides the information and they do the audit and they are not liable for any fraud or any misappropriations of what comes up. You know the disclosure just as much as he does. So they are not going in and digging, they are only auditing what you are giving them and he thinks that the people need something more than what the City is providing. He thinks that they should be entitled to go and dig themselves and give us a true audit of what the utility is actually doing. We can't continue to go down this road and just pretend that we are having audits, pretend that we are doing this because it really is just pretending. He really wants to know in an in-depth, one year and if the auditors find more just like the IRS, then they go back another year, and if they find more, then they go back another year but we need to go one-year and let's see what we find. If nothing else, it will make the people happy and we owe them that much. Forty-one

day billings, all the things that we are doing; let's find out where the utility is at and let's find out where the cash is at.

Mayor Moyer said some of your statements are inaccurate. They just don't take our numbers and rely on them. Every disclosure says exactly that. They take our numbers and pull a certain number of contracts based on how many we have and sample those. They pull a certain amount of cash receipts and verify those. They do their own checking to verify that our numbers are correct. They do not do every payment or every contact. It is called a sampling. Unfortunately you were on vacation when they had the meeting with the auditors and the Finance Committee and the Finance Committee asked those very specific questions. He said he has been through a lot of corporate audits and they are there a long time doing sampling and so forth. They do not just take our financial statements and say they look okay. They have their own standards that they have to do and their sampling are well-rounded and usually give a darn good picture of what our finances look like. The other things is that he believes the auditor said the cost is ten-times the normal cost and that would mean that a forensic audit for our utilities would cost about \$600,000.

Councilmember Peterson read the disclosure at this time stating, "Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United States of America. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error." So our accountants are not accepting responsibility for anything. They are only going to verify what you give them.

Mayor Moyer said that they are verifying what they got and what they sampled that confirmed what they got; that is what they verify. If you have ever been involved with a major corporation, every corporate audit statement says exactly the same thing. That is just the wording they do to cover their behinds.

Councilmember Andrade said at the last meeting she, as well as, the community said we do not trust you bringing in your own company that is already doing your audit and we want an outside audit.

Deputy City Manager Clayton said if Council gave the direction to go forward, they would definitely go out for RFP. She was only asking for a quote from them just so she could get it more quickly than going out for a formal RFP.

Mayor Moyer said that Ms. Clayton has requested a quote and does the Council want to approve it and move forward or not.

City Manager said that staff is planning on bringing to the Council the comprehensive audited financial report at the next Council meeting. The auditors will be here and they can restate what they stated to the Ad Hoc Committee about how they do the audit so that there is a better understanding of what it is they do. And as the Mayor pointed out they do spot check a lot of the different departments and divisions. It is not just restating the numbers we give them. They actually do check whether our financial statements are accurate and make sense and are within the scope of a general fraud type of audit. So we will have the audit for the Council in two weeks and will by then have some better cost estimates of what a more detailed sort of cash type audit will

cost and can bring those rough numbers to the Council and if the Council wants at that time to direct staff that is fine.

Councilmember Andrade said in order for them to come over and do this presentation how much are they charging us for that or is that part of the fee. Deputy City Manager Clayton said that is part of the fee that we pay them for the full audit. It includes a presentation to our Finance Committee and a presentation to the full Council.

Mayor Moyer opened the item for public comments.

Jerry Westholder said in 2004 we had our first rate increase and the utility rates skyrocketed. It is also when the City decided that they could buy bonds for our utility company and it has been out of control ever since. In fact, if you remember we had a Grand Jury investigation about some of the money that we had given to several charities and how there was misappropriation of the money we gave to these charities that they misused the money that was given to them and that money again, came from citizens, it came from bond money, it came from utilities so this is very, very important. He thinks it needs to go out for RFP. But the fact of the matter is that this needs to be dealt with because the citizens of this city need fair rates. If we cannot provide fair rates, we have to go with another utility provider. The only reason a municipality has a utility company is to give fair rates to its citizens. He reminded everyone that we are number five in the state behind San Diego, Anaheim, Pasadena, and Modesto. Also, of those five cities we have the lowest median income. With all due respect to our Sun Lakes community if you take their income out of the equation our median income is \$34,000 to \$37,000. If you take them out of the equation it is quite low and many of our people are under the poverty level. So this is something we have to fix for our citizens if we intend to grow, if we intend to service them we have to provide fair, honest and balanced utility rates. So whatever the price is we need to get an audit so we have the facts.

Frank Connolly said he is familiar with corporate audits and he was an auditor for two large corporations and is very familiar with the accounting process. You are both correct. It is provided what you are given to audit receipts whether it is in batches or whatever. His point is not your auditing or how they are doing the auditing, his point is that there was a big error on your billing somewhere; find it. That is all he needs to know so it can be corrected. He wanted to know the name of the company who is doing the City's auditing so that there is not a conflict of interest with their attorneys.

David Ellis said 4/12/10 independent auditors find significant deficiencies in City's financial reporting – the Banning Informer; read the article. So that everybody has kind of an understanding of the magnitude of cash that goes through this place it is his understanding that about a million dollars a month comes in cash. We have about \$30 million coming in a year so we are looking at \$2.5 million maybe a month. Let's just say that half of it, as said by the Finance Director said we collect half in cash, so let's take a million dollars and take a four-week month which is 20 work days and if you divide \$1 million by 20 that is \$50,000 dollars. You take an 8 hour day and that is \$6,250 dollars an hour if we collect \$50,000 a day; that is a lot of cash. In regards to our most recent adjustment of 41 days he put out a poll on one of the neighborhood watch's websites and 80% of the people were billed over 40 days so let's say we have 12,000 electric meters and if you take 80% of \$12,000 that is 9,600 and if you take 9,000 meters and say that 9,000 people only paid \$20.00 more in a month that is \$180,000; there is the gym. So when people stand up here and want accountability and want to know what is going on and we have \$6,250 an hour and that is

provided you do it over a 20-day period; this City is a cash cow. This City depends on its utilities to help out and it is time to do what Mr. Welch did, even though it wasn't done quite right, is that we utilize our land better to generate money off sales tax and not off our residents.

Don Smith addressed the Council stating that he is a long-time resident of well over 40 years and yes utilities have gone up but so have a lot of other things. He said he has a Bachelor's Degree in Economics from Santa Clara and said a forensic audit, and for those of you that don't know, is an open-phrased word. Are we going to do a forensic audit of every single document during the year that went through the City of Banning in every single one of our funds? Are we going to do it for just all of the four utilities? Or are we going to do it for just the electric company? Obviously that is going to have a different prices on the forensic audit cost so that is a decision that is going to have to be made. Likewise a forensic audit is a pretty open-termed word. In some of the cities that did forensic audits they were specifically looking for fraud, how it happened, to what extent, who was responsible for it and is that what we are looking for. Or he heard we are going to look at our procedures on how we are handling cash to verify that all of the cash that is being given to us by the public is actually going into our account t and also the correct account. Or are we doing a forensic audit to determine how we are spending the money. Is too much of the money being diverted to the General Fund and should instead be left in the Utility Fund which would then, he guesses, would lower costs at the extent of less new fire trucks and less policemen because the General Fund has less money. That is a policy decision more than an economic decision but a forensic audit sometimes looks at how the money is spent and whether it is being spent in the manner in which it is supposed to be spent. So when you are deciding what you want to do and how much it is going to cost, you have to give some directions of what you are looking for so each of you have to think about that. Are we looking at our policies and controls to make sure that we are getting all of the money or are we looking at how the money is spent because those are two completely different issues and which funds are you going to do? It won't be inexpensive but the answers you get back will only be as good as the questions you ask. So you have to tell them what it is you are looking for in this audit in order to have a meaningful response come back to you.

Meeting recessed at 7:11 p.m. and reconvened at 7: 21 p.m.

#### REPORTS OF OFFICERS

1. Discuss and Consider Adopting Resolution 2017-34, Approving the Measure "A" Five Year Capital Improvement Plan Project List and authorizing the City Manager to execute the Maintenance of Effort Certification Statement.  
(Staff Report – Art Vela, Public Works Director)

Director Vela gave the staff report on this item as contained in the agenda packet and he did point out that on page 70, the Fiscal Year 17/18 project list the SB 821 Match and the Measure A funds listed on there is \$113,000.00 and that is actually inaccurate and it should be \$122,967.00 and recommended approval of this item with that revision.

Mayor Moyer said the projects listed on page 76 are they all on the way.

Director Vela said that Item 1, 3, 4, 5, 6, and 7 are currently under construction and are included in the American Asphalt's project that is going on currently. In regards to Item No. 2, they are



working with Caltrans to get some paperwork in for that project. In regards to Item No. 8, they will be starting that project later on this year.

Councilmember Welch said in regards to Item No. 2 where it says to “east City limits” does that go out to or past the Caltrans yard.

Director Vela said no, not this one. Usually the scope for that project was going to go to a little past Hathaway and have actually pulled in those limits to west of Hathaway because they will end up improving east of Hathaway with the Hathaway/Ramsey Street Improvement Project which they currently have in design. The other funding source for that project is some federal money so Caltrans acts as the program manager for that funding source so staff is working with them to get final approval to move ahead with that project.

Mayor Moyer opened the items for public comments; there were none.

**Motion Welch/Franklin that the City Council adopt Resolution 2017-34, approving the Measure “A” Five Year Capital Improvement Plan Project List as revised and authorizing the City Manager to execute the Maintenance of Effort Certification Statement. Motion carried, all in favor.**

2. Discuss and Consider Adopting Resolution 2017-37, Authorizing a Grant Application Submittal for SB-821 Bicycle and Pedestrian Grant Program Funding Including a Commitment to Allocate Matching Funds.  
(Staff Report – Art Vela, Public Works Director)

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

Mayor Moyer asked if we will be reimbursed if and when that 40 some acres is sold isn't that sidewalk and so forth that you are putting in there supposed to be part of the Specific Plan.

Director Vela said it is and we would not be reimbursed and it would just be funded through these funds so it would be less improvements that that developer would install.

Mayor Moyer said as he understood it that was supposed to be a meandering walk and not just a straight sidewalk. Director Vela said that they can design it to be a meandering walk. He believes that at the very east of that project there are some trees that are in the way so they may have to go around those.

Mayor Moyer said if what you are planning to do there, matches the Specific Plan for that area. Director Vela said it doesn't match the Specific Plan. Their goal is to provide a safe way for the pedestrians to get to their destination. One way they could handle that is during the project development they could still condition them to construct a meandering walk or they can change their Specific Plan to match our sidewalk and that would be a Council decision at that point.

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

**Motion Peterson/Welch that the City Council adopt Resolution 2017-37, authorizing a grant submittal for Senate Bill 821 (SB-821) Bicycle and Pedestrian Grant Program funding, which**

**includes a commitment to allocate matching funds. Motion carried, with Mayor Moyer voting no.**

3. Discuss and Consider Adopting Resolution 2017-38, Approving an Amendment to the Professional Services Agreement with BOA Architecture for Design of Improvements to the Community Center Facilities in the amount of \$13,300 to Include Mold Remediation, Repairs to Water Damaged Areas, and Roof Improvements.  
(Staff Report – Art Vela, Public Works Director)

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

Councilmember Andrade said so what we already approved in January was just for the design and this would bring it up to \$45,640; just for the design. Director Vela said that was correct. She said that she is actually a very big fan of Community Services and would actually like to see the whole thing revamped so she hopes all of that money will go towards that.

Director Vela said that they are going to try to improve as much as they can in that building but have limited funding for the initial construction scope and if he remembers correctly it was approximately \$170,000.00 which was the CBDG funding balance that had been allocated towards the project.

Councilmember Peterson asked if it included the floor. Director Vela said that it includes the flooring and they had prioritized certain items as part of that design scope. It was the flooring, the bathroom, painting, and some improvements to the kitchen. It was not a complete overhaul. There will be completely new flooring in the gym.

Councilmember Andrade said she actually would like to see that budget up a little because it is a disaster. The kitchen needs to be done and also the offices need to be completely redone. It is also a safety issue when you walk in; everything is closed up. She would like to see a little more money spent on that because it is the community center and it is for the community. She doesn't just want to see a band-aid put on it especially on the roof and everything. When we do something, let's do it right. She asked after we approve this, how does this work.

Director Vela said they kicked off the design project and met with Heidi Meraz and walked the facilities and the design scope more than likely will include more items than our current budget will allow so once they get a little further along in the design process staff will ask the architect to give his opinion of the construction costs. Once they are completed with that they may have in their bid schedule alternative bids just so they can get the costs of what those improvements would be but they wouldn't be part of the base scope. What that does for staff is that he can present to the Council a project that would include multiple things and depending on what the costs are staff would recommend appropriating additional funds to that project and that would be a decision that Council would make.

Councilmember Andrade said if the Council approves this tonight and different plans/proposals are brought back about the designs, we are not stuck with one. For example, you said construction was not part of it but if the Council wants to include offices and everything else to be redone that would fall under that scope so do we have to go out again to bid.

Director Vela said the current project works around the existing floorplan. The design doesn't include moving offices, moving walls or moving space. We are completely revamping the bathrooms and in that process they will more than likely relocate a few walls just to make space for ADA compliance but are not looking for a full reorganization of the floorplan in that building.

Councilmember Andrade said if she would like to add that to it, of course, that would increase the price obviously because now you are adding more things to it.

Director Vela said there would be a couple of ways to handle that. Staff could sit down with BOA, the current architect, and get a proposal from him or if we are talking about a major redesign, we could consider going out with a new request for proposals. The only caveat to that that is worth mentioning is that we do have a timeline for spending our CDBG money and so if we go down that route it might delay us spending that money and could jeopardize that funding source.

Councilmember Andrade said that she is not opposing the company itself. She would just like to see if they are flexible in order to add more to it. Maybe we have to approve a little bit more and that is fine but she thinks we need to start doing something for the community.

Mayor Moyer directed his comments to Director Vela stating that he mentioned the mold, the roof which is what this is about but also mentioned something else that is not in this staff report.

Director Vela said what he believes Mayor Moyer is referring to is the security improvements. He said he would take full blame for this because in the title it doesn't include the security improvements but the staff report does in the body of it. Everywhere else in the staff report it includes the security and lighting improvements to the building but it wasn't captured in the title.

Mayor Moyer opened the items for public comments; there were none.

**Motion Welch/Peterson that the City Council: 1) adopt Resolution 2017-38, approving the First Amendment to the Professional Services Agreement with BOA Architecture of Long Beach, CA in the amount of \$13,300 for Design of Improvements to the Community Center Facilities for a total project budget of \$45,640; 2) authorizing the City Manager or his designee to make necessary budget adjustments, appropriation and transfers related to Resolution 2017-38; and 3) authorizing the City Manager to execute the First Amendment to the Professional Services Agreement with BOA Architecture of Long Beach, CA in the amount of \$13,300. Motion carried, all in favor.**

4. Discuss and Consider Granting Temporary Access to City-Owned Real Property (APN 532-180-038) to Vining Industrial Park, LLC.  
(Staff Report – Ted Shove, Economic Development Manager)

Manager Shove gave the staff report on this item as contained in the agenda packet.

Councilmember Franklin said for clarification the City will get a copy of every report that is produced on this property.

Manager Shove said yes that is correct and he believes that is in the license agreement and we will get it as a matter of public record through the environmental review as well but probably the more critical piece is the land survey.

Mayor Moyer opened the items for public comments; there were none.

**Motion Welch/Franklin that the City Council: 1) approve Temporary Access License Agreement with Vining Industrial Park, LLC; 2) Adopt Resolution 2017-40, approving Temporary Access License Agreement with Vining Industrial Park, LLC and authorizing access to conduct field inspections, observations, and sampling; and 3) authorize City Attorney to take such additional, related action that may be necessary. Motion carried, all in favor.**

5. Discuss and Consider Approving Resolution 2017-41, Establishing a Pre-Approved Information Technology (IT) Vendor List for the Remainder of Fiscal Year 2017 and for Fiscal Year 2018.  
(Staff Report – Michael Rock, Manager)

City Manager gave the report on this item as contained in the agenda packet.

Councilmember Peterson said because there are so many listed on the approved vendor list unlike there being just three or something he doesn't have a problem with this.

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

**Motion Andrade/ Welch that the City Council approve Resolution 2017-41, establishing a pre-approved vendor list established through existing city wide usage and authorize the purchase of IT supplies and commodities from competitively bid cooperative organizations and/or GSA Schedule 70 (GSA Advantage) for the remainder of FY 2017 and for FY 2018 concurrent approved budgets. Motion carried, all in favor.**

BANNING UTILITY AUTHORITY – No meeting.

BANNING FINANCING AUTHORITY (BFA) - No meeting.

#### ITEMS FOR FUTURE AGENDAS

New items –

Councilmember Peterson said he wanted to make sure that the recommendations that he had made earlier are placed on the agenda to include the special meeting and a staff report regarding the bush clearance.

Mayor Moyer said on the next agenda he would like a discussion on our position on keeping the airport open or getting rid of it.

Councilmember Franklin said at some point scheduled our legislative position. City Manager said the item regarding the legislative platform will be on the agenda for Council's next meeting.

Pending Items – City Council

1. Join other agencies to challenge the State in regard to Chromium-6 water issues.
2. Attraction of professional firms through economic development to locate in Banning.

*(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 7:47 p.m.

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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.

## VIII. CREDIBILITY OF THE WITNESSES:

The analysis of the credibility of the witnesses is an important aspect of a fact-finding investigation. As an accepted rule of evidence, a fact finder can disregard the statements of a witness who has been found to have provided false or unreliable information during their testimony in a matter. Those witnesses' statements can be disregarded in their entirety and not believed unless there is compelling evidence to conclude that individual statements otherwise are true. Concerning the witnesses' statements, this fact finder considered:

- a. The witness' demeanor while providing a statement and the manner in which he/she provided the statement.
- b. The character of the witness' statement.
- c. The extent of the witness' capacity to perceive, to recollect, or to communicate and matter about which he gave a statement.
- d. The extent of the witness' opportunity to perceive any matter about which he gave a statement.
- e. The witness' character for honesty or veracity or their opposites.
- f. The existence or nonexistence of a bias, interest, or other motive.
- g. A statement previously made by the witness that is consistent with his statement during the fact-finding investigation.
- h. A statement made by the witness that is inconsistent with any part of his statement during the fact-finding investigation.
- i. The existence or nonexistence of any fact given in the statement by the witness.
- j. The witness' attitude toward the fact finding investigation in which he gave a statement or toward the giving of a statement.

MICHAEL K. ROCK:

"MR. ROCK APPEARED CREDIBLE IN SOME PORTIONS OF HIS STATEMENTS TO THE FACT-FINDER, AND LACKING CREDIBILITY IN OTHER PORTIONS OF HIS STATEMENTS".

Exhibit "A"

27

reg.mtg.-4/11/17





**Jan Spann** was 🙄feeling bummed.

March 19 at 2:36pm ·

Tomorrow is the first of two surgeries to make my neck and chest into a patch work quilt. These will be surgeries #7& 8, but being the over achiever that I am, I said goodbye to basal cell and upgraded to squamous cell carcinoma. So nothing but turtle necks for me from now on.



**Bob Botts** Prayers

Like · Reply · [March 19 at 6:22pm](#)



**Jan Spann** any news after the golf tournament?

Like · Reply · [March 19 at 6:28pm](#)



**Bob Botts** Michael thought it was a great idea and he said he was going to call you...I would call him.

He said there were to spots and the one lady on the Commission doesn't want to serve any more.

George was not there.

Once you submit your app I would call art, Debbie and george....

Good luck on your surgery!!

Like · Reply · [March 19 at 6:34pm](#)

## 2. ROCK / COUNCIL MEMBER DANIELA ANDRADE

The following email sent by the City Attorney to Michael Rock suggests that Rock used his position as City manager to direct the City attorney to find legal grounds for disqualification of then council candidate Daniela Andrade.

**From:** John C. Cotti [mailto:JCotti@localgovlaw.com]  
**Sent:** Tuesday, August 16, 2016 10:15 AM  
**To:** mrock@ci.banning.ca.us  
**Subject:** Conflict Question

Hi Michael,

Following up on your question from yesterday, there is no per se or inherent conflict of interest if an individual is elected to the city council and their spouse is on the local school board. Certainly, there could arise specific situations where a conflict could arise based on specific decisions. But the Political Reform Act does not does not prohibit a person from seeking a public position just because their spouse holds another public position or private employment. For example, in an advice letter the FPPC addressed the following question: *Would an individual who is interested in running for an elected position on the Castaic Lake Water Agency Board have a conflict of interest if she is elected to a position on the Castaic board since her husband is an elected director on the Newhall County Water District Board?* The FPPC found no conflict because the salary her husband receives from the Newhall board is excluded from the definition of income under the Act and will not create a conflict of interest for her if she is elected to the Castaic board. (Dunn Advice Letter, No. A-96-211.)

As noted above, there could be situations where a particular decision affecting the School District could impact the City, especially in the land use context. A conflict in those situation would have to be resolved on a case by case basis.

Let me know if you have any questions. Thanks.

I AM ASKING FOR THE INVESTIGATION TO INCLUDE THIS EMAIL AS IT MAY CONSTITUTE A SEPEARTE ATTEMPT OF ELECTION INTERFERENCE AND MAY CONSTITITUE A VIOLATION OF CITY MANAGER ROCK'S PROFESSIONAL ETHICS

Exhibit "C"

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reg.mtg.-4/11/17



## 3. ROCK / THE BANNING INFORMER

The following email sent by Michael Rock to the City Atty appears to indicate that Rock used City resources in an attempt to silence the online publication known as the Banning Informer. In particular, Rock instructed the City Attorney to render a legal opinion whether or not any article posted on the Banning Informer qualified as "slander" under the law.

**From:** Michael Rock [mailto:mrock@ci.banning.ca.us]  
**Sent:** Tuesday, February 16, 2016 8:25 AM  
**To:** Anthony Taylor (ataylor@awattorneys.com) <ataylor@awattorneys.com>  
**Subject:** Banning Informer

If you don't already know about this on-line illegitimate news service see this link here and let me know what you think about the comments about the Council Members and staff. The Banning Informer started at the same time that Don Peterson and Ed Miller were elected. Not a coincidence. Do you see a concern that The Banning Informer could be sued for slander?

<http://www.thebanninginformer.com/>

I AM ASKING FOR THE UPCOMING INVESTIGATION TO ALSO INCLUDE THIS EMAIL, AS IT MAY CONSTITUTE ANOTHER ETHICS VIOLATION BY CITY MANAGER MICHAEL ROCK, AND BECAUSE IT PROVIDES EVIDENCE OF THE UNLAWFUL USE OF CITY RESOURCES FOR THE SOLE PURPOSE OF STIFELING POLITICAL DISCOURSE AND INTERFERING WITH THE FREEDOM OF THE PRESS

Exhibit "E"

30

reg.mtg.-4/11/17

To: Banning City Council

From: Dorothy Familetti-McLean

April 11, 2017

What a surprise I received when I read this morning's paper. It reads, "Commercial site remains vacant as Banning sues".

In reading the entire article, it states, "In the lawsuit filed against the Vanir Group of Cos, and the entity created to develop the East Ramsey St. property, Banning Office Venture LLC, the city seeks a court order to direct the defendants to start construction or one that affirms Vanir has defaulted on various agreements, allowing the city to retake possession of the property.

What this really says is that the city is giving Vanir ANOTHER EXTENSION to do something with that property. I thought you were giving them an ultimatum to get out because they had defaulted on so many deadlines.

Is your action because they paid you a million dollars which you spent as redevelopment funds and really don't want to pay it back?

It will be a huge disappointment for the people of Banning if Vanir decides to build something that we do not want in the center of town.

Mr. Cotti, I look forward to your "update" when the 30 days have passed. Since Vanir's expertise is in building government buildings, I do hope that Vanir backs out and allows the city to buy back the property any way possible.

Thank you.

**Marie Calderon**

**From:** emiller1  
**Sent:** Saturday, April 08, 2017 12:59 PM  
**To:** Marie Calderon  
**Subject:** Letter to Council  
**Attachments:** purchasing procedure.rtf

Hi Marie:

I would appreciate your reading this letter to the Council in the correspondence section at the Tuesday Council meeting. I have also included it as an attachment in case that is easier for you to print.

Thanks

Ed

To: Banning City Council

I am writing to remind the Council members that you, the Council, are responsible for assuring that the purchasing procedures of our city are followed exactly as specified in the municipal code. There has been an error in this regard at the last several Council meetings. An agenda item prepared by the staff specified that the Divdat company was a sole-source provider, and therefore the purchase did not require formal bidding. Such a determination by the staff, and its presentation as a staff decision is not correct. I am glad that purchase was rejected, but the determination as to whether an item can be classified as sole-source is the decision of the Council, and not the staff.

The Council alone has that authority, as specified in the municipal code section 3.24.130 f:

"The bidding process may not be required when the Council determines, in accordance with applicable law, that a competitive market does not exist, and no competitive advantage will be gained by the bidding process".

In the discussion of this item Council member Franklin asked if the purchasing agent had approved this as a sole-source purchase, and was told the agent had done so. It is important to repeat that no staff member including the purchasing agent has the authority to specify any purchase as sole-source. The purchasing officer's responsibilities and duties are specified in section 3.24.030 of the municipal code. Nowhere in that section is the purchasing agent given the authority to determine that an item is sole-source.

The Council made no formal determination in this case that this kiosk should be sole source. Any deviation from the required purchasing procedure leads directly to question of personal gain, either by members of the Council or the staff. That perception must be studiously avoided. Failure to follow the correct bidding practices also leaves the city open to litigation by other disallowed vendors.

I hope the Council will not cede your authority over purchasing to the staff, and will follow our accepted purchasing procedures in the future, and not accept any deviations from the financial safeguard provided by the required practices.  
 Ed Miller

Exhibit "F"

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## CITY OF BANNING CITY COUNCIL REPORT

**TO:** CITY COUNCIL

**FROM:** Michael Rock, City Manager

**PREPARED BY:** Suzanne Cook, Finance Manager

**MEETING DATE:** April 25, 2017

**SUBJECT:** Approval and Ratification of Accounts Payable and Payroll Warrants Issued in the Month of February 2017

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### **RECOMMENDATION:**

That City Council review and ratify the warrants for period ending **February 28, 2017**, per California Government Code Section 37208.

For the month of February and going forward, new reports have been created for the monthly warrants. There are two reports that are being provided to you for approval and ratification. The first report is a simple list of all the warrants (including ACH and WIRE payments), the vendor paid and the amount of the payment. The second report provides the details of the payments on one report as opposed to multiple reports provided, which were the Accounts Payable Check Register and Expenditure Approval List.

The new warrant reports for the month of February are called:

**Warrant List February 2017**  
**Warrant List Detail February 2017**

Summary of the warrants issued for the month:

<b>CHECKS ISSUED #158032 – 158440</b>	
February 2017	\$1,244,904.37
Voided and/or Reissued Checks	
158047, 157903, 157738, 157706	\$ 56,238.56
<b>WIRES #933 - 935 &amp;</b>	
<b>ACH #9005964 – 9005976 TRANSFERRED</b>	
February 2017	\$2,606,029.78

**Payroll Direct Deposits\***

February 3, 2017	\$315,943.99
February 17, 2017	\$288,245.30

*\*Included in the ACH transactions, payable to Wells Fargo*

**Payroll Registers** (Not included in the Monthly Warrant Report)

**CHECKS ISSUED #10790 – 10824**

February 3, 2017	\$ 3,571.17
February 17, 2017	\$ 3,822.74

If you have any questions, please contact the Finance Department so that additional detailed information can be provided to you.

Approved by:



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Michael Rock  
City Manager



# CITY of BANNING

## Fund/Department Legend

*Fund/Department Legend*

### 001 General Fund Departments

0001 – General  
 1000 – City Council  
 1200 – City Manager  
 1300 – Human Resources  
 1400 – City Clerk  
 1500 – Elections  
 1800 – City Attorney  
 1900 – Fiscal Services  
 1910 – Purchasing & A/P  
 2060 – TV Government Access  
 2200 – Police  
 2210 – Dispatch  
 2279 – TASIN – SB621 (Police)  
 2300 – Animal Control  
 2400 – Fire  
 2479 – TASIN – SB621 (Fire)  
 2700 – Building Safety  
 2740 – Code Enforcement  
 2800 – Planning  
 3000 – Engineering  
 3200 – Building Maintenance  
 3600 – Parks  
 4000 – Recreation  
 4010 – Aquatics  
 4020 – Day Care  
 4050 – Senior Center  
 4060 – Sr. Center Advisory Board  
 4500 – Central Services  
 4800 – Debt Service  
 5400 – Community Enhancement

### All Other Funds

002 – Developer Deposit Fund  
 003 – Riverside County MOU  
 005 – SA Admin Fund  
 100 – Gas Tax Street Fund  
 101 – Measure A Street Fund  
 103 – SB 300 Street Fund  
 104 – Article 3 Sidewalk Fund  
 110 – CDBG Fund  
 111 – Landscape Maintenance  
 132 – Air Quality Improvement Fund  
 140 – Asset Forfeiture/Police Fund  
 148 – Supplemental Law Enforcement  
 149 – Public Safety Sales Tax Fund  
 150 – State Park Bond Fund  
 190 – Housing Authority Fund  
 200 – Special Donation Fund  
 201 – Sr. Center Activities Fund

202 – Animal Control Reserve Fund  
 203 – Police Volunteer Fund  
 204 – D.A.R.E. Donation Fund  
 300 – City Administration COP Debt Service  
 360 – Sun Lakes CFD #86-1  
 365 – Wilson Street #91-1 Assessment Debt  
 370 – Area Police Computer Fund  
 375 – Fair Oaks #2004-01 Assessment Debt  
 376 – Cameo Homes  
 400 – Police Facilities Development  
 410 – Fire Facilities Development  
 420 – Traffic Control Facility Fund  
 421 – Ramsey/Highland Home Road Signal  
 430 – General Facilities Fund  
 441 – Sunset Grade Separation Fund  
 444 – Wilson Median Fund  
 451 – Park Development Fund  
 470 – Capital Improvement Fund  
 475 – Fair Oaks #2004-01 Assessment District  
 600 – Airport Fund  
 610 – Transit Fund  
 660 – Water Fund  
 661 – Water Capital Facilities  
 662 – Irrigation Water Fund  
 663 – BUA Water Capital Project Fund  
 669 – BUA Water Debt Service Fund  
 670 – Electric Fund  
 672 – Rate Stability Fund  
 673 – Electric Improvement Fund  
 674 – Electric Revenue Bond Project Fund  
 675 – Public Benefit Fund  
 678 – '07 Electric Revenue Bond Debt Service Fund  
 680 – Wastewater Fund  
 681 – Wastewater Capital Facility Fund  
 682 – Wastewater Tertiary  
 683 – BUA Wastewater Capital Project Fund  
 685 – State Revolving Loan Fund  
 689 – BUA Wastewater Debt Service Fund  
 690 – Refuse Fund  
 700 – Risk Management Fund  
 702 – Fleet Maintenance  
 703 – Information Systems Services  
 761 – Utility Billing Administration  
 805 – Redevelopment Obligation Retirement Fund  
 810 – Successor Housing Agency  
 830 – Debt Service Fund  
 850 – Successor Agency  
 855 – 2007 TABS Bond Proceeds  
 856 – 2003 TABS Bond Proceeds  
 857 – 2003 TABS Bond Proceeds Low/Mod

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**City of Banning**  
**Warrant List February 2017**

Warrant Number	Vendor Name	Warrant \$ Amount
933	RIVERSIDE PUBLIC UTILITIES	1,021,696.70
934	U.S. BANK	407,622.69
935	U.S. BANK	93,079.11
158032	A-Z BUS SALES, INC. (COLTON)	1,346.82
158033	ACE	232.69
158034	ALTURA CREDIT UNION	1,110.00
158035	AMIRSON, PETE	77.22
158036	ANDERSON, DENNIS & LUCILLE	1,223.62
158037	ARAGON GEOTECHNICAL, INC	6,120.00
158038	ARROW STAFFING SERVICE	3,610.82
158039	ARROYO BACKGROUND INVESTIGATIONS	800.00
158040	BEAUMONT DO IT BEST HOME CENTER	231.01
158041	BEAUMONT SAFE & LOCK	169.00
158042	BLUMENFELD, PHILLIP & JOAN	333.46
158043	BOYDD PRODUCTS INC	11,475.38
158044	BRENNEISEN, ANTHONY	64.00
158045	BRIANT, RAY	200.80
158046	BUNCH, JAMES & BRENDA	208.42
158047	C A P E	-
158048	CALDERON, MARIE	16.00
158049	CALDERON, SANDRA B	53.60
158050	CALIF BUILDING STANDARDS COMMISSION	112.50
158051	CALIFORNIA LAW ENFORCEMENT ASSOC	20.00
158052	CALOLYMPIC GLOVE & SAFETY CO, INC	307.58
158053	CANON FINANCIAL SERVICES, INC	1,081.60
158054	CARRANZA, CORY	158.89
158055	CASTANEDA, SANDRA	52.06
158056	CDW GOVERNMENT, INC	166.36
158057	CESCOLINI, SALLY	157.35
158058	CHARLES ABBOTT ASSOCIATES, INC	12,116.86
158059	CHEVRON AND TEXACO BUSINESS	47.17
158060	COFFEY, BENJAMIN	64.00
158061	CORELOGIC INFORMATION SOLUTIONS INC	150.00
158062	COTTAGE, GREGORY	1,945.49
158063	CRAWFORD, BILL & MARILYN	195.74
158064	DE LA FUENTE, SONJA	16.00
158065	DEWETT, TOM & LORAY	102.75
158066	DEX MEDIA	40.51
158067	DIAMOND ENVIRONMENTAL SERVICES	201.99
158068	DIAZ, ALEJANDRO	264.12
158069	DICKINSON, JOHN	178.08
158070	DUNN, ALLEN A	284.52
158071	ELGEN, ALVIN & MARGARET	320.95
158072	ENZ, BARBARA	198.02
158073	FALGOUT, SHERYL	3.69
158074	FARLEY, RICHARD & CARLA	122.89
158075	FLANAGAN, JAMIE	30.00
158076	FLATH, GEORGE & SANDRA	81.76
158077	FLEET SERVICES INC	330.05
158078	FLOYD SR, ERNEST	171.00
158079	FRONTIER COMMUNICATIONS	1,678.45
158080	FROST, JEFF	48.00
158081	GARCIA, JANETH	119.64
158082	GAS COMPANY, THE	1,544.76
158083	GLICKMAN, SANDRA	300.38
158084	GOFF, CANDACE	83.47

**City of Banning**  
**Warrant List February 2017**

Warrant Number	Vendor Name	Warrant \$ Amount
158085	GOVERNMENT STAFFING SERVICES, INC	1,700.00
158086	HARDING, JOHN & ANN	151.52
158087	HASENPFLUG, RICK	38.31
158088	HENRICH, ROBERT	41.99
158089	HINDERLITER DE LLAMAS & ASSOCIATES	12,400.00
158090	IBEW LOCAL 47 RETIREE MEDICAL TRUST	2,070.89
158091	ICMA RETIREMENT TRUST 457	1,802.41
158092	INFOSEND, INC	1,031.10
158093	INNOVATIVE FEDERAL STRATEGIES	3,500.00
158094	INTERNAL REVENUE SERVICE	1,497.82
158095	JORDON, TIFFANY	241.67
158096	LEAGUE OF CALIFORNIA CITIES	12,310.00
158097	MARTINEZ, MARTHA	155.20
158098	MASMINSTER, NICOLE	295.07
158099	MASON, FRED	183.68
158100	MCCALLUM, CHARLES & MARY	334.83
158101	MCNEESE-SMITH, BILL	23.40
158102	MERCHANTS BUILDING MAINTENANCE, LLC	2,105.60
158103	MILLER, LARRY & BARBARA	144.40
158104	MOLEDOR, JEROME	80.00
158105	MOODY, TERRY & SANDRA	35.05
158106	MORALES, RENE	106.35
158107	MORRISSEY, BRIAN	148.95
158108	NAASZ, CALEB	16.00
158109	NAPA AUTO PARTS	25.28
158110	NATIONWIDE RETIREMENT SOLUTIONS	2,473.45
158111	NETHERTON, CAROL & MORRIS	35.65
158112	NEW, ROBERT & NANCY	118.61
158113	NEWMAN, ED & DIANA	213.74
158114	O'REILLY AUTO PARTS	224.07
158115	OFFICE DEPOT	262.73
158116	ORTEGA, SALVADOR	37.54
158117	P&P UNIFORMS	34.47
158118	PAGLIA, JOAN	95.81
158119	PARS	316.80
158120	PARTS AUTHORITY METRO, LLC	269.68
158121	PASAROW, STEVE	30.00
158122	POYLE, JAMES	127.61
158123	PRATT, FRANCIS & JUDITH	77.73
158124	PRUDENTIAL OVERALL SUPPLY	430.55
158125	R C G I A	150.00
158126	RANCHO PASEO MEDICAL GROUP	25.00
158127	RANGEL, SHAWN & TAMMIE	114.07
158128	RECORD GAZETTE, THE	937.44
158129	RELIABLE WORKPLACE SOLUTIONS	467.12
158130	RIV. CO. CLERK RECORDER	230.00
158131	RIV. CO. CLERK RECORDER	23.00
158132	RIV. CO. CLERK RECORDER	46.00
158133	RIV. CO. CLERK RECORDER	23.00
158134	RIV. CO. CLERK RECORDER	23.00
158135	RIV. CO. CLERK RECORDER	23.00
158136	RIV. CO. CLERK RECORDER	23.00
158137	RIVERSIDE, COUNTY OF	653.50
158138	RODRIGUEZ, FRANK	30.17
158139	RODRIGUEZ, MARYCRUZ	60.00
158140	ROTHFELDER, RAYMOND	1,449.79



**City of Banning**  
**Warrant List February 2017**

Warrant Number	Vendor Name	Warrant \$ Amount
158141	RUFFIN, STEPHEN	50.05
158142	SAFEGUARD BUSINESS SYSTEMS INC	214.17
158143	SAN BERNARDINO COUNTY SHERIFF'S	90.00
158144	SAN BERNARDINO COUNTY SHERIFF'S	90.00
158145	SAN BERNARDINO COUNTY SHERIFF'S	90.00
158146	SAN BERNARDINO COUNTY SHERIFF'S	90.00
158147	SANDEEN, ROLLAND D	219.91
158148	SHEPPARD, GLYNIS	82.53
158149	SHRED-IT USA, LLC	108.00
158150	SIBOLE, FRED & KOLEEN	93.16
158151	ST DENIS, ANN	723.05
158152	STOEL RIVES, LLP	6,500.00
158153	STONE, CHERYLL	28.54
158154	STONE, DIANE	167.97
158155	SUN LIFE FINANCIAL	19,216.23
158156	SUNGARD PUBLIC SECTOR INC	193.80
158157	SYMMES, WILLIAM	21.77
158158	TELEPACIFIC COMMUNICATIONS	2,569.57
158159	TERMINIX COMMERCIAL	3,480.36
158160	THORNTON, CHRIS	16.00
158161	TIME WARNER CABLE	87.13
158162	TREICHLER, JOHN	163.69
158163	UNITED WAY OF THE INLAND VALLEY	107.00
158164	VALDEZ, JASON	32.00
158165	VAN WHY, BRUCE & LILLIAN	36.34
158166	VELA, ARTURO M	210.26
158167	VINCE, FRANK & THERESA	27.25
158168	WAGES, ROBERT & ANN	987.52
158169	WASTE MANAGEMENT OF THE	231,759.01
158170	WEINBERG, MARK & JUDY	107.47
158171	WESCO DISTRIBUTION, INC	5,054.01
158172	WIEGAND, JOHN & SHARON	199.25
158173	YOUNGBLOOD & ASSOCIATES	200.00
158174	A-Z BUS SALES, INC. (COLTON)	927.95
158175	AETNA LIFE INSURANCE	66,523.00
158176	AL'S KUBOTA TRACTOR	269.38
158177	ALESHIRE & WYNDR, LLP	2,643.39
158178	ALL STAR GLASS, INC.	449.40
158179	AMERICAN FORENSIC NURSES	850.00
158180	ARROW STAFFING SERVICE	2,427.95
158181	ARROYO BACKGROUND INVESTIGATIONS	800.00
158182	AT&T GLOBAL CUSTOMER CARE CENTER	374.44
158183	BABCOCK LABORATORIES, INC	1,686.00
158184	BANNING POLICE OFFICERS ASSOC	2,400.00
158185	BARTON, JUDITH MARGARET	56.00
158186	BATTERY SYSTEMS, INC	477.20
158187	BEAUMONT DO IT BEST HOME CENTER	339.33
158188	BEAUMONT, CITY OF	232.76
158189	BENHAR, DIANA T	458.50
158190	CA. ST. BOARD OF EQUAL. - FUEL	996.52
158191	CABALLERO, DANIEL	16.00
158192	CALIFORNIA LAW ENFORCE ASSN	637.00
158193	CALIFORNIA WATER ENVIRONMENT	190.00
158194	CALIFORNIA WATER ENVIRONMENT	172.00
158195	CALIFORNIA, STATE OF	1,876.98
158196	CLAYTON, ROCHELLE	24.35



**City of Banning**  
**Warrant List February 2017**

Warrant Number	Vendor Name	Warrant \$ Amount
158197	COLONIAL INSURANCE	16,559.92
158198	CONSOLIDATED ELECTRICAL	285.32
158199	COTTAGE, GREGORY	48.00
158200	DAHME, ELEANOR	25.00
158201	DIAZ, ALEJANDRO	31.90
158202	ESPINOZA, LYNETTE M	220.50
158203	FARUQUE, NSM	192.66
158204	FISHER, ROBERT	405.00
158205	FLOYD SR, ERNEST	60.00
158206	FLUID COMPONENTS INTERNATIONAL LLC	15,624.03
158207	FOX OCCUPATIONAL MEDICAL CENTER	140.00
158208	FRONTIER COMMUNICATIONS	3,404.68
158209	GARDA CL WEST INC	113.50
158210	GUERRERO, CHRISTOVAL	1,500.00
158211	HAZEN AND SAWYER	11,731.36
158212	HEMET OIL COMPANY	19,691.96
158213	HINDERLITER DE LLAMAS & ASSOCIATES	4,193.69
158214	HOLDER, PHILLIP	277.00
158215	I.B.E.W. LOCAL 47	7,602.93
158216	I.B.E.W. LOCAL 47 (PAC)	64.00
158217	INNOVATIVE EMERGENCY EQUIPMENT	131.35
158218	INNOVYZE, INC.	7,000.00
158219	INTEGRATED MEDIA SYSTEMS	1,715.00
158220	IRON MOUNTAIN INFORMATION MGMT, LLC	295.00
158221	JAYCOX CONSTRUCTION CNG	3,625.20
158222	JENKINS & HOGIN, LLP	52,702.75
158223	KAISER FOUNDATION HEALTH	54,282.62
158224	LANDINGHAM, JUSTIN	282.79
158225	LEAF	303.35
158226	LEXISNEXIS RISK SOLUTIONS	185.76
158227	MACIAS, RUBEN	64.00
158228	MERCURY DISPOSAL SYSTEM, INC	272.00
158229	MERLIN JOHNSON CONSTRUCTION, INC	648.00
158230	MITSUBISHI ELECTRIC & ELECTRONICS	292.00
158231	MOYER, GEORGE	128.00
158232	NAPA AUTO PARTS	14.61
158233	OFFICE DEPOT	546.59
158234	ONTIVEROS, CONSUELO & PEDRO	113.47
158235	P&P UNIFORMS	25.09
158236	PARKHOUSE TIRE, INC.	1,088.40
158237	PARTS AUTHORITY METRO, LLC	147.81
158238	PAYPRO ADMINISTRATORS	350.00
158239	PRE-PAID LEGAL SERVICES, INC	337.81
158240	PRESS-ENTERPRISE, THE	331.20
158241	PRUDENTIAL OVERALL SUPPLY	211.39
158242	PUBLIC AGENCY RETIREMENT SERVICES	300.00
158243	REDLANDS FORD	106.86
158244	RICHARD MACIAS	30.00
158245	RIV. CO. DEPT OF ENVIRONMENTAL	1,440.00
158246	RIV. CO. SHERIFF'S DEPT.	173.00
158247	RIV. CO. SHERIFF'S DEPT.	173.00
158248	RIV. CO. SHERIFF'S DEPT.	173.00
158249	RIV. CO. SHERIFF'S DEPT.	173.00
158250	RIVCOMM, INC	140.68
158251	ROBERTSON'S	844.11
158252	SAN BERNARDINO CO SHERIFF'S DEPT	2,310.00

**City of Banning**  
**Warrant List February 2017**

Warrant Number	Vendor Name	Warrant \$ Amount
158253	SAN BERNARDINO PUBLIC EMPLOYEES	783.34
158254	SAN GORGONIO PASS DESIGN AND PRINT	51.84
158255	SEGURA, JENNIFER	36.00
158256	SILVER & WRIGHT, LLP	5,346.72
158257	SIRCHIE FINGER PRINT LABORATORIES	409.34
158258	SMART & FINAL	78.42
158259	SMITH, BRANDON	36.00
158260	SMITH, LOIS E	38.50
158261	SO CAL WEST COAST ELECTRIC, INC	935.00
158262	SOUTHERN CALIFORNIA EDISON	42.69
158263	SPOK, INC	41.06
158264	STAR ONE ENTERPRISES INC	80.81
158265	STEPHENS, PATRICK	133.16
158266	STERLING TALENT SOLUTIONS	15.00
158267	SUEZ BANNING	55,047.00
158268	SUN LIFE FINANCIAL	18,775.75
158269	TERMINIX COMMERCIAL	1,990.44
158270	THESIER, DEREK	36.00
158271	TIME WARNER CABLE	69.33
158272	TKE ENGINEERING, INC	7,645.00
158273	UNDERGROUND SERVICE ALERT	73.50
158274	UNITED ROTARY BRUSH CORPORATION	289.99
158275	URBAN FUTURES INCORPORATED	345.00
158276	VALDIVIA, GILBERT	16.00
158277	VERIZON WIRELESS	243.56
158278	VISTA PAINT	94.82
158279	WALKER, BRIAN	38.77
158280	WARE, KENNITH	48.00
158281	WILLDAN FINANCIAL SERVICES	5,419.00
158282	YOUNGBLOOD & ASSOCIATES	200.00
158283	YOUNGBLOOD, RICHARD	36.00
158284	ALBERT A. WEBB ASSOCIATES	56,470.00
158285	ALTURA CREDIT UNION	1,060.00
158286	ARROW STAFFING SERVICE	7,017.04
158287	ARTISTIC MAINTENANCE, INC.	8,760.00
158288	AT&T CALNET 2	1,063.93
158289	BANNING CHAMBER OF COMMERCE	45.00
158290	BEAUMONT CHAMBER OF COMMERCE	25.00
158291	BEAUMONT DO IT BEST HOME CENTER	465.14
158292	BEAUMONT, CITY OF	37,733.35
158293	CA. ST. DEPT. OF MOTOR VEHICLES	19.83
158294	CALIFORNIA-NEVADA J.A.T.C.	5,400.00
158295	CALIFORNIA, STATE OF	1,420.00
158296	CDW GOVERNMENT, INC	2,245.02
158297	CHARLES ABBOTT ASSOCIATES, INC	1,630.00
158298	CHAVEZ, ANNA	143.24
158299	COGBILL, IRENE JANE	511.00
158300	COMPANY WEST	283.32
158301	CORELOGIC INFORMATION SOLUTIONS INC	250.02
158302	COUNSELING TEAM INTERNATIONAL, THE	975.00
158303	COUNTY OF RIVERSIDE, AIRPORT LAND	512.00
158304	COZAD & FOX, INC	1,143.00
158305	CREATIVE BUS SALES INC	322.35
158306	DABNEY, KIRBY	600.00
158307	DE MAIO, DONALD	1,500.00
158308	DEGUZMAN, EMMANUEL & MILDRED	75.22



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Warrant Number	Vendor Name	Warrant \$ Amount
158309	DIAZ, ALEJANDRO	29.15
158310	DIXON REALTY	64.91
158311	DOLLAR TREE STORES	180.00
158312	ECCLESTONE, CHERYL	186.02
158313	FISCHER, JUTTA	171.81
158314	FLAMINGO'S EVENT PLANNER	20.00
158315	FLEET SERVICES INC	865.41
158316	FOSTER, SCOTT	75.12
158317	FRONTIER COMMUNICATIONS	269.40
158318	GAS COMPANY, THE	530.35
158319	GIFFORD, AMBER	16.00
158320	GOVERNMENT STAFFING SERVICES, INC	6,800.00
158321	GREENBERG, DAVID	375.00
158322	HALLOCK, DENNIS	96.49
158323	HOLDER, PHILLIP	24.00
158324	IBEW LOCAL 47 RETIREE MEDICAL TRUST	2,064.71
158325	ICMA RETIREMENT TRUST 457	1,802.41
158326	INNOVATIVE FEDERAL STRATEGIES	3,500.00
158327	JOHNSON, KENNETH	1,500.00
158328	KUSTOM SIGNALS, INC	3,610.75
158329	LEAGUE OF CALIFORNIA CITIES	25.00
158330	LEIDOS ENGINEERING, LLC	12,378.09
158331	LIEBERT CASSIDY WHITMORE	2,655.00
158332	LITHOPASS PRINTING, FORMS,	21.60
158333	M BREY ELECTRIC, INC	1,746.10
158334	MC AVOY & MARKHAM	39,709.94
158335	MIRANDA, ANDREW R & JASMINE N	15.68
158336	MULTIFORCE SYSTEMS CORP	855.00
158337	NAASZ, CALEB	16.00
158338	NAPA AUTO PARTS	184.54
158339	NATIONWIDE RETIREMENT SOLUTIONS	2,473.45
158340	NI GOVERNMENT SERVICES, INC	39.66
158341	NOVALIS, LESLIE	1,500.00
158342	OFFICE DEPOT	1,766.49
158343	ONE SOURCE DISTRIBUTORS	17,594.07
158344	P&P UNIFORMS	327.26
158345	PARS	447.56
158346	PARTS AUTHORITY METRO, LLC	87.55
158347	PAUL SMITH	60.00
158348	PRESS-ENTERPRISE, THE	976.24
158349	PRO-RISE GARAGE DOOR CO	295.00
158350	PRUDENTIAL OVERALL SUPPLY	763.77
158351	RACEWAY FORD INC	71.70
158352	RAYMUNDO ENGINEERING CO, INC	2,537.50
158353	RIGSBY, LUCIEN	180.00
158354	RILEY, CHARLES	94.84
158355	RIV. CO. ASSESSOR, LARRY W. WARD	63.75
158356	ROCK, MICHAEL	152.00
158357	ROCKWELL, AMBER	1,021.39
158358	RUNDELL, RICHARD	26.17
158359	SALT RIVER PROJECT	500.00
158360	SAN GORGONIO PASS WATER AGENCY	55,475.00
158361	SHERATON PASADENA HOTEL	863.46
158362	SHRED-IT USA, LLC	777.60
158363	SILVA, ANABEL	113.87
158364	SOUTHERN CALIFORNIA EDISON	100.88

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Warrant Number	Vendor Name	Warrant \$ Amount
158365	SOUTHERN CALIFORNIA GAS CO	7,043.17
158366	STACKHOUSE, LILEENA & BRIAN	109.02
158367	STATE WATER RESOURCES CONTROL	718.00
158368	STONE, PAMELA	363.92
158369	SUN RIDGE SYSTEMS INC	19,590.00
158370	TAMMANY, NISSA	24.00
158371	TERMINIX COMMERCIAL	849.72
158372	THE WESTIN BONAVENTURE HOTEL	460.48
158373	TIME WARNER CABLE	49.94
158374	TURBO DATA SYSTEMS INC	241.15
158375	U.S. BANK	4,620.00
158376	ULINE	172.68
158377	UNITED WAY OF THE INLAND VALLEY	107.00
158378	VERIZON SELECT SERVICES INC	2.24
158379	VERIZON WIRELESS	358.45
158380	VULCAN MATERIALS	1,327.43
158381	V2C GROUP, INC	3,101.37
158382	WHITE STAR CAPITAL LLC	70.99
158383	ZHAO, OLIVIA	38.91
158384	AMERICAN FORENSIC NURSES	350.00
158385	ANDRADE, DANIELA	250.00
158386	ARROW STAFFING SERVICE	2,428.00
158387	ARROYO BACKGROUND INVESTIGATIONS	800.00
158388	BABCOCK LABORATORIES, INC	165.00
158389	BATTERY SYSTEMS, INC	218.76
158390	BEAR COMMUNICATIONS, INC	2,673.00
158391	CANON FINANCIAL SERVICES, INC	1,367.92
158392	CAYO, BENJAMIN	27.47
158393	CHAPPAROSA, RITA	1,790.20
158394	CLYMENS, RONNA	138.02
158395	CRAWFORD, CONNIE	49.30
158396	CWEA SSO-WDR WORKSHOP	90.00
158397	DANIELS TIRE SERVICE	713.88
158398	DIRECTV	19.00
158399	DUDEK	8,588.75
158400	DUGGINS, LANCE	1,082.53
158401	FERRELLGAS	882.16
158402	FISHER, ROBERT	405.00
158403	FRONTIER COMMUNICATIONS	1,086.25
158404	GARCIA, EDNA	554.21
158405	GARDA CL WEST INC	1,789.96
158406	GAS COMPANY, THE	1,247.95
158407	HAAKER EQUIPMENT COMPANY	6,023.98
158408	HOME DEPOT #8987	1,074.36
158409	INFOSEND, INC	2,359.32
158410	IRON MOUNTAIN INFORMATION MGMT, LLC	435.40
158411	KAISER FOUNDATION HEALTH	51,222.46
158412	LAND ENGINEERING CONSULTANTS, INC	982.00
158413	LEAF	278.69
158414	LITHOPASS PRINTING, FORMS,	1,849.85
158415	MARINA LANDSCAPE, INC	1,315.00
158416	MORENO, JOSE	190.03
158417	MST BACKFLOW	4,800.00
158418	NOBEL SYSTEMS, INC	6,620.00
158419	OFFICE DEPOT	465.93
158420	P&P UNIFORMS	573.66

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158421	PACIFIC ALARM SERVICE	198.86
158422	PRUDENTIAL OVERALL SUPPLY	329.25
158423	RELIABLE WORKPLACE SOLUTIONS	810.82
158424	RIVERSIDE, COUNTY OF	695.50
158425	ROCKWELL, AMBER	120.00
158426	SASE COMPANY, INC.	616.60
158427	SILVER & WRIGHT, LLP	1,888.46
158428	SIRCHIE FINGER PRINT LABORATORIES	250.57
158429	SMART & FINAL	24.16
158430	SOUTHERN CALIFORNIA ADVANCED	2,850.00
158431	SOUTHERN CALIFORNIA JOINT POLE	666.67
158432	SUN LIFE FINANCIAL	18,178.67
158433	TRENCH SHORING COMPANY	81.25
158434	ULINE	379.36
158435	URBAN FUTURES INCORPORATED	90.00
158436	VERIZON WIRELESS	2,040.57
158437	WARE, KENNITH	32.00
158438	WESTERN RIVERSIDE COUNCIL	4,688.09
158439	WHITE, BEVERLY	184.84
158440	ZENNER PERFORMANCE METERS, INC	50.00
9005964	WELLS FARGO BANK	315,943.99
9005965	INTERNAL REVENUE SERVICE	135,398.95
9005966	CA. ST. EMPLOYMENT DEV. DEPT.	18,136.35
9005967	TASC	5,637.11
9005968	CA. ST. PUBLIC EMPLOYEES	130,866.84
9005969	CALPERS 457 PLAN - 450260	31,699.43
9005970	WELLS FARGO BANK	8,457.53
9005971	WELLS FARGO BANK	288,245.30
9005972	INTERNAL REVENUE SERVICE	121,778.07
9005973	CA. ST. EMPLOYMENT DEV. DEPT.	15,319.59
9005974	CALIFORNIA, STATE OF	6,513.00
9005975	TASC	5,010.12
9005976	WELLS FARGO BANK	625.00
<b>Grand Total</b>		<b>3,850,934.15</b>
	Less Voided / Reissued Checks from Prior Period	(55,535.00)
	Less Voided Checks Prior Period	(503.56)
	Add Payroll Checks	7,393.91
	<b>Total Remittance for Month</b>	<b>3,802,289.50</b>



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933	2/13/2017	RIVERSIDE PUBLIC UTILITIES	188		670-7000-331.20-01	ELECTRIC REVENUE EXPENSE	(121.09)
					670-7000-356.38-10	ELECTRIC REVENUE EXPENSE	(201,697.94)
					670-7000-356.38-17	ELECTRIC REVENUE EXPENSE	(9,546.20)
					670-7000-356.38-20	ELECTRIC REVENUE EXPENSE	(101,586.55)
					670-7010-473.27-09	ELECTRIC REVENUE EXPENSE	50,924.00
					670-7010-473.27-50	ELECTRIC REVENUE EXPENSE	1,046,039.61
					670-7010-473.27-60	ELECTRIC REVENUE EXPENSE	22,794.88
					670-7010-473.27-70	ELECTRIC REVENUE EXPENSE	202,238.03
					670-7010-473.33-02	ELECTRIC REVENUE EXPENSE	6,116.82
					675-7020-473.42-58	ELECTRIC REVENUE EXPENSE	6,535.14
934	2/28/2017	U.S. BANK	MARCH 2017		830-9210-490.62-14	INTEREST DUE-REF SERIES 2016 (TAXABLE)	407,622.69
935	2/28/2017	U.S. BANK	MARCH 2, 2017		375-0000-102.11-00	RESERVE FUND	(102.07)
					375-0000-102.13-00	CASH ON HAND	(3.82)
					375-4900-431.61-12	1/2 PRINCIPAL DUE(75,000)	37,500.00
					375-4900-431.62-12	INTEREST DUE	55,685.00
158032	2/2/2017	A-Z BUS SALES, INC. (COLTON)	01P630258	027912	702-3800-480.38-52	FLYWHEEL/SEAL	1,346.82
158033	2/2/2017	ACE	100849	027906	702-3800-480.38-52	#619 ALTERNATOR	232.69
158034	2/2/2017	ALTURA CREDIT UNION	20170203		001-0000-204.80-06	PAYROLL SUMMARY	1,110.00
158035	2/2/2017	AMIRSON, PETE	80705-49490 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT- 901 KWH IN 2016	77.22
158036	2/2/2017	ANDERSON, DENNIS & LUCILLE	55467-51674 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT- 14278 KWH IN 2016	1,223.62
158037	2/2/2017	ARAGON GEOTECHNICAL, INC	6774		002-0000-222.30-27	GEOTECHNICAL SVCS ROBERTSON'S MINE DEC 2016	6,120.00
					002-2800-351.36-01	GEOTECHNICAL SVCS ROBERTSON'S MINE DEC 2016	(6,120.00)
				028257	002-2800-441.33-11	GEOTECHNICAL SVCS ROBERTSON'S MINE DEC 2016	6,120.00
158038	2/2/2017	ARROW STAFFING SERVICE	00088240		001-1900-412.23-27	JULIA RETTIG W/E 12/24/16 BUSINESS LICENSE	218.64
			00088319		001-1900-412.23-27	ANNA JETTON W/E 1/31/16 SUSAN NEWMAN W/E 12/31/16	1,045.87
			00088373		001-1900-412.23-27	JULIA JETTON W/E 12/31/16	218.64
			00088548		001-1900-412.23-27	ANNA JETTON W/E 1/21/16 SUSAN ROCK W/E 1/21/17	2,127.67
158039	2/2/2017	ARROYO BACKGROUND INVESTIGATIONS	1136	028176	001-1300-412.33-11	STRICKER BACKGROUND	800.00
158040	2/2/2017	BEAUMONT DO IT BEST HOME CENTER	433141	027915	001-3200-412.30-02	PATCH CEMENT/CAULK	19.41
			434343	027915	600-5100-435.36-00	KEY/BROOM	15.27
			434435	027915	001-3200-412.30-02	RAGS/TOWELS	20.45
			434501	027915	001-4000-461.36-03	BLDG MAINT CCTR	88.65
			434841	027915	001-3200-412.30-02	2 GAL SPRAYER	53.85
			434875	027915	001-3200-412.30-02	CLEAR SEALER	33.38
158041	2/2/2017	BEAUMONT SAFE & LOCK	66278	027917	001-2200-421.30-02	DOOR REPAIR/ADJUST P BAR	169.00
158042	2/2/2017	BLUMENFELD, PHILLIP & JOAN	26165-19532 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT- 3891 KWH IN 2016	333.46
158043	2/2/2017	BOYDD PRODUCTS INC	745	028256	148-2215-421.36-04	RIFLE PLTE/CARRIER/VELCRO	11,475.38
158044	2/2/2017	BRENNEISEN, ANTHONY	MEAL 01/20/2017		660-6300-471.25-06	PATCHED POTHOLE OVER LEAK HARGRAVE & RAMSEY	16.00
			MEAL 01/21/2017		680-8000-454.25-06	SEWER SPILL ON HIGHLAND SPRINGS - HELP BEAUMONT	16.00
			MEAL 1/24/17		660-6300-471.25-06	CUSTOMER SIDE LEAK @ CITIBANK	16.00
			MEAL 1/26/17		660-6300-471.25-06	MAINLINE INSTALL-HARGRAVE	16.00
158045	2/2/2017	BRIANT, RAY	51359-52096 '16		670-7010-473.27-60	SOLAR EXCESS ELECTRICITY OUTPUT - 2343 KWH IN 2016	200.80
158046	2/2/2017	BUNCH, JAMES & BRENDA	55751-51690 '16		670-7010-473.27-60	SOLAR EXCESS ELECTRICITY OUTPUT - 2432 KWH IN 2016	208.42
158047	2/2/2017	C A P E	CAPE 04/3-7		001-2200-421.23-06	ALISON CUNNING - 4/03-07 28TH ANNUAL TRAINING SMNR	-
158048	2/2/2017	CALDERON, MARIE	MEAL 1/24/17		001-1400-412.25-06	CITY COUNCIL MEETING	16.00
158049	2/2/2017	CALDERON, SANDRA B	MEAL 01/04/2017		001-2800-441.25-06	REGULAR PC MEETING	16.00
			MEAL 01/25/17		001-2800-441.25-05	SPECIAL PC MEETING	16.00
			MILEAGE 01/04		001-2800-441.25-05	REGULAR PC MEETING DELIVERY OF PC AGENDA PAC	10.80
			MILEAGE 01/25		001-2800-441.25-05	SPECIAL PC MEETING DELIVERY OF PC AGENDA PAC	10.80
158050	2/2/2017	CALIF BUILDING STANDARDS COMMISSION	2016 - QTR 4		001-0000-223.25-00	PERMITS VALUATION QTR 4 OCT 2016 - DEC 2016	112.50
158051	2/2/2017	CALIFORNIA LAW ENFORCEMENT ASSOC	LAM, A 02/15/17		001-2200-421.23-06	CLEAR MEETING 2/15/17 DOJ CSAR TRNING	20.00



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158052	2/2/2017	CALOLYMPIC GLOVE & SAFETY CO, INC	357650	028263	100-4900-431.36-00	RAINSUITS	19.88
					702-3800-480.36-00	RAINSUITS	78.20
158053	2/2/2017	CANON FINANCIAL SERVICES, INC	357651	028263	100-4900-431.36-00	JACKETS/RAINSUITS	209.50
			16898608	028060	001-4000-461.32-06	COPIERS LEASE JAN 17	83.60
					001-4500-412.32-06	COPIERS LEASE JAN 17	478.96
					610-5800-434.32-06	COPIERS LEASE JAN 17	83.61
					660-6300-471.32-06	COPIERS LEASE JAN 17	150.95
					670-7000-473.32-06	COPIERS LEASE JAN 17	179.98
					761-3100-480.32-06	COPIERS LEASE JAN 17	104.50
158054	2/2/2017	CARRANZA, CORY	80669-392 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT- 1854 KWH IN 2016	158.89
158055	2/2/2017	CASTANEDA, SANDRA	MILEAGE 1/2017		761-3100-480.25-05	COACHELLA VALLEY WATER DISTRICT MEETING	52.06
158056	2/2/2017	CDW GOVERNMENT, INC	GPD6633	027918	001-3000-442.36-00	SURFACE COVER	166.36
158057	2/2/2017	CESCOLINI, SALLY	JUN 16 - NOV 16		675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM REBATE JUN 16 - NOV 16	157.35
158058	2/2/2017	CHARLES ABBOTT ASSOCIATES, INC	56531	028118	001-2700-442.33-11	DEC.2016 BLD&SAFETY SRVCS	12,116.86
158059	2/2/2017	CHEVRON AND TEXACO BUSINESS	7898190173JAN17		702-3800-480.36-11	FLEET FUEL	47.17
158060	2/2/2017	COFFEY, BENJAMIN	MEAL 01/17/2017		670-7000-473.25-06	WAREHOUSE PROJECT	16.00
			MEAL 1/23/17		670-7000-473.25-06	WAREHOUSE PROJECT	16.00
			MEAL 1/24/17		670-7000-473.25-06	WAREHOUSE PROJECT	16.00
			MEAL 1/25/17		670-7000-473.25-06	WAREHOUSE PROJECT	16.00
158061	2/2/2017	CORELOGIC INFORMATION SOLUTIONS INC	81758243	028081	001-2700-442.23-33	DEC.2016 METROSCAN SRVCS	100.00
158062	2/2/2017	COTTAGE, GREGORY	COMPUTER LOAN		001-2740-442.23-33	DEC.2016 METROSCAN SRVCS	50.00
158063	2/2/2017	CRAWFORD, BILL & MARILYN	23249-17208 '16		001-0000-116.21-02	EMPLOYEE COMPUTER LOAN	1,945.49
158064	2/2/2017	DE LA FUENTE, SONIA	MEAL 1/24/17		670-7010-473.27-60	SOLAR EXCESS ELECTRICITY OUTPUT - 2284 KWH IN 2016	195.74
158065	2/2/2017	DEWETT, TOM & LORAY	72211-52672 '16		001-1200-412.25-06	CITY COUNCIL MEETING	16.00
158066	2/2/2017	DEX MEDIA	610031018743	027999	670-7010-473.27-60	SOLAR EXCESS ELECTRICITY OUTPUT - 1199 KWH IN 2016	102.75
158067	2/2/2017	DIAMOND ENVIRONMENTAL SERVICES	0000954261	028261	001-2200-421.23-01	WEB AD 12/23-1/22/17	40.51
158068	2/2/2017	DIAZ, ALEJANDRO	061.CSO		001-3600-461.32-05	RWP TEMP RESTROOM	201.99
			069. DIAZ		001-2200-421.36-00	REIMBURSEMENT-COURSE M RODRIGUEZ/BASIC CRIMINL	174.07
						REIMBURSEMENT - STARBUCKS HOMELESS COUNT SUPPLIES	31.90
						REIMBURSEMENT-SMART&FINAL HOMELESS COUNT-SNACKS	58.15
158069	2/2/2017	DICKINSON, JOHN	92539-52686 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT - 2078 KWH IN 2016	178.08
158070	2/2/2017	DUNN, ALLEN A	62861-24374 '16		670-7010-473.27-60	SOLAR EXCESS ELECTRICITY OUTPUT - 3320 KWH IN 2016	284.52
158071	2/2/2017	ELGEN, ALVIN & MARGARET	49555-51706 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT - 3745 KWH IN 2016	320.95
158072	2/2/2017	ENZ, BARBARA	JUL 16 - DEC 16		675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM REBATE JUL 16 - DEC 16	198.02
158073	2/2/2017	FALGOUT, SHERYL	76913-17906 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT - 43 KWH IN 2016	3.69
158074	2/2/2017	FARLEY, RICHARD & CARLA	55601-20278 '16		670-7010-473.27-60	SOLAR EXCESS ELECTRICITY OUTPUT - 1434 KWH IN 2016	122.89
158075	2/2/2017	FLANAGAN, JAMIE	254695		001-4000-351.35-69	REFUND BASKETBALL FEES CHILD SUFFERS FROM ASTHMA	30.00
158076	2/2/2017	FLATH, GEORGE & SANDRA	56231-52110 '16		670-7010-473.27-60	SOLAR EXCESS ELECTRICITY OUTPUT - 954 KWH IN 2016	81.76
158077	2/2/2017	FLEET SERVICES INC	5263280040		702-3800-480.38-52	REFUND SS SEAL CLAMP	(25.16)
			5270190053	028036	702-3800-480.38-52	LED MINI BAR	355.21
158078	2/2/2017	FLOYD SR, ERNEST	MEAL 1/26/17		660-6300-471.25-09	MAINLINE INSTALL-HARGRAVE	16.00
			TUITION REIMB		001-1300-412.25-09	COLLECTIONS SYSTEM MAINT EXAM FEE	155.00
158079	2/2/2017	FRONTIER COMMUNICATIONS	2091884027JAN17		001-4500-412.26-05	JAN 16,2017 - FEB 15,2017	302.46
					660-6300-471.26-05	JAN 16,2017 - FEB 15,2017	54.02
			2131817186JAN17		703-3700-480.30-17	JAN 19,2017 - FEB 18,2017	296.76
			9518497296JAN17		001-4500-412.26-05	JAN 16,2017 - FEB 15,2017	105.95
			9518498256JAN17		001-2200-421.26-05	JAN 16,2017 - FEB 15,2017	919.26
158080	2/2/2017	FROST, JEFF	MEAL 1/21-22/17		680-8000-454.25-06	SEWER SPILL ON HIGHLAND SPRINGS - HELP BEAUMONT	48.00
158081	2/2/2017	GARCIA, JANETH	67837-20970 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT - 1396 KWH IN 2016	119.64
158082	2/2/2017	GAS COMPANY, THE	03292684002-JA	028130	001-4000-461.26-06	GAS BILL 789 N SAN G	378.55
			05192710001-JA	028130	001-4000-461.26-06	GAS BILL 201 W GEORGE	20.51



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Warrant Number	Warrant Date	Vendor Name	Invoice Number	P.O. Number	Account Number	Payment Description	Transaction \$ Amount
158082	2/2/2017	GAS COMPANY, THE	09142474007-JA	028130	001-4050-461.26-06	GAS BILL 84 WILSON	440.15
			13392459007JN17		600-5100-435.26-06	408 S HATHAWAY ST GAS DEC 20, 2016 - JAN 20, 2017	49.19
			15684815176JA17		001-4500-412.26-06	DEC 14, 2016 - JAN 14, 2017	620.22
			16108344439-JA	028130	001-4010-461.26-06	GAS BILL 749 SAN G	36.14
158083	2/2/2017	GLICKMAN, SANDRA	82413-50038 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT- 3505 KWH IN 2016	300.38
158084	2/2/2017	GOFF, CANDACE	81319-53334 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT- 974 KWH IN 2016	83.47
158085	2/2/2017	GOVERNMENT STAFFING SERVICES, INC	127005		001-1900-412.23-27	ROEL BRIONES W/E 1/22/17	1,700.00
158086	2/2/2017	HARDING, JOHN & ANN	23723-17622 '16		670-7010-473.27-60	SOLAR EXCESS ELECTRICITY OUTPUT - 1768 KWH IN 2016	151.52
158087	2/2/2017	HASENPFUG, RICK	47701-49420 '16		670-7010-473.27-60	SOLAR EXCESS ELECTRICITY OUTPUT - 447 KWH IN 2016	38.31
158088	2/2/2017	HENRICH, ROBERT	56353-52142 '16		670-7010-473.27-60	SOLAR EXCESS ELECTRICITY OUTPUT - 490 KWH IN 2016	41.99
158089	2/2/2017	HINDERLITER DE LLAMAS & ASSOCIATES	0026523-IN	027530	001-1210-412.33-11	ED SERVICES	12,400.00
158090	2/2/2017	IBEW LOCAL 47 RETIREE MEDICAL TRUST	20170203		001-0000-204.80-10	PAYROLL SUMMARY	2,070.89
158091	2/2/2017	ICMA RETIREMENT TRUST 457	20170203		001-0000-204.16-00	PAYROLL SUMMARY	1,802.41
158092	2/2/2017	INFOSEND, INC	115827	028072	761-3100-480.23-02	BILLING SVC 1/16-1/20	91.73
					761-3100-480.23-04	BILLING SVC 1/16-1/20	781.06
					761-3100-480.33-11	BILLING SVC 1/16-1/20	158.31
158093	2/2/2017	INNOVATIVE FEDERAL STRATEGIES	122016	028078	001-1000-411.33-11	LOBBYING SVC - DECEMBER	3,500.00
158094	2/2/2017	INTERNAL REVENUE SERVICE	2016 - QTR 4		702-3800-351.36-07	FEDERAL EXCISE TAX QTR 4 OCT 2016 - DEC 2016	1,497.82
158095	2/2/2017	JORDON, TIFFANY	63359-53256 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT- 2820 KWH IN 2016	241.67
158096	2/2/2017	LEAGUE OF CALIFORNIA CITIES	168818		001-1000-411.23-03	LOCC MEMBERSHIP DUES 2017 CALENDAR YEAR	12,210.00
			1985		001-1000-411.23-03	2017 RIVERSIDE COUNTY DIV MEMBERSHIP DUES	100.00
158097	2/2/2017	MARTINEZ, MARTHA	48731-18806 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT- 1811 KWH IN 2016	155.20
158098	2/2/2017	MASMINSTER, NICOLE	68595-20174 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT- 3443 KWH IN 2016	295.07
158099	2/2/2017	MASON, FRED	4552748		670-7000-473.36-07	WAREHOUSE RIBBON CUTTING	183.68
158100	2/2/2017	MCCALLUM, CHARLES & MARY	90081-50090 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRICITY OUTPUT- 3907 KWH IN 2016	334.83
158101	2/2/2017	MCNEESE-SMITH, BILL	445373	028040	001-2200-421.33-18	PD DEC'16 JANITORIAL SVC	23.40
158102	2/2/2017	MERCHANTS BUILDING MAINTENANCE, LLC	37835-18168 '16		670-7010-473.27-60	SOLAR EXCESS ELECTRICITY OUTPUT - 1685 KWH IN 2016	2,105.60
158103	2/2/2017	MILLER, LARRY & BARBARA	MEAL 01/20/2017		680-8000-454.25-06	HELP INSTALL FLOW METERS IN SEWER SYSTEM	144.40
158104	2/2/2017	MOLEDOR, JEROME	MEAL 01/21/2017		680-8000-454.25-06	SEWER SPILL ON HIGHLAND SPRINGS - HELP BEAUMONT	32.00
			MEAL 1/22/17		680-8000-454.25-06	SET SEWER LINE BEHIND PET CO/HELPING BEAUMONT	16.00
158105	2/2/2017	MOODY, TERRY & SANDRA	56039-51904 '16		670-7010-473.27-60	SOLAR EXCESS ELECTRICITY OUTPUT - 409 KWH IN 2016	35.05
158106	2/2/2017	MORALES, RENE	68107-7924 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT- 1241 KWH IN 2016	106.35
158107	2/2/2017	MORRISSEY, BRIAN	39067-21304 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT- 1738 KWH IN 2016	148.95
158108	2/2/2017	NAASZ, CALEB	MEAL 1/26/17		660-6300-471.25-06	HOFFER/HARGRAVE PIPELINE	16.00
158109	2/2/2017	NAPA AUTO PARTS	991977		702-3800-480.38-52	REFUND LIT LAMP/GRO BRACK ORGL INV 991690 & 991711	(12.94)
			994425	028032	702-3800-480.38-52	#231 HANGER	5.38
			995502	028032	702-3800-480.38-52	#55 WIPER BLADES	32.84
158110	2/2/2017	NATIONWIDE RETIREMENT SOLUTIONS	20170203		001-0000-204.16-00	PAYROLL SUMMARY	2,473.45
158111	2/2/2017	NETHERTON, CAROL & MORRIS	52745-50766 '16		670-7010-473.27-60	SOLAR EXCESS ELECTRICITY OUTPUT - 416 KWH IN 2016	35.65
158112	2/2/2017	NEW, ROBERT & NANCY	68979-20150 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT- 1384 KWH IN 2016	118.61
158113	2/2/2017	NEWMAN, ED & DIANA	50533-50088 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT- 2494 KWH IN 2016	213.74
158114	2/2/2017	O'REILLY AUTO PARTS	2678-438329	028031	702-3800-480.38-52	#21 PADS/ROTORS/PAINT	145.47
			2678-438342	028031	702-3800-480.38-52	#30 WIPER BLADES	55.19
			2678-439410	028031	702-3800-480.38-52	#55 AIR/OIL FILTER	18.12
			2678-439424	028031	702-3800-480.38-52	INV. MINI LAMP	5.29
158115	2/2/2017	OFFICE DEPOT	895681108001	027936	761-3100-480.36-00	PENS,STAPLER,PAPER ROLL	262.73
158116	2/2/2017	ORTEGA, SALVADOR	26439-19738 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT- 438 KWH IN 2016	37.54
158117	2/2/2017	P&P UNIFORMS	407444/4	027987	203-2200-446.36-04	BDU PANTS FOR VOLUNTEER	34.47
158118	2/2/2017	PAGLIA, JOAN	31363-52104 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT- 1118 KWH IN 2016	95.81
158119	2/2/2017	PARS	20170203		001-0000-204.25-00	PAYROLL SUMMARY	316.80



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158120	2/2/2017	PARTS AUTHORITY METRO, LLC	91-036641	028033	702-3800-480.38-52	#21 OIL/AIR FILTER	16.83
			91-036918	028033	702-3800-480.38-52	#619 BATTERY	212.49
			91-037409	028033	702-3800-480.38-52	#55 BRAKES	40.36
158121	2/2/2017	PASAROW, STEVE	51341-20362 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT- 350 KWH IN 2016	30.00
158122	2/2/2017	POYLE, JAMES	73341-53286 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT- 1489 KWH IN 2016	127.61
158123	2/2/2017	PRATT, FRANCIS & JUDITH	55697-51850 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT- 907 KWH IN 2016	77.73
158124	2/2/2017	PRUDENTIAL OVERALL SUPPLY	22368032	027959	761-3110-480.25-02	FSR UNIFORMS	25.83
			22368033	027959	670-7000-473.25-02	EL UNIFORMS	166.14
			22371366	027959	001-4000-461.23-16	UNIFORM SERVICE	6.50
					610-5800-434.25-02	UNIFORM SERVICE	14.25
					610-5850-434.25-02	UNIFORM SERVICE	54.00
					670-7000-473.25-02	EL UNIFORMS	6.64
158125	2/2/2017	R C G I A	22371382	027959	670-7000-473.25-02	BRANDON SMITH - REGSTRN MAR 13, 2017 - MAR 16, 2017	157.19
158126	2/2/2017	RANCHO PASEO MEDICAL GROUP	GANG 3/13-16		001-2200-421.23-06	DRUG SCREEN	150.00
158127	2/2/2017	RANGEL, SHAWN & TAMMIE	31043E18865	027943	001-1300-412.33-32	PV(SOLAR) EXCESS ELECTRIC OUTPUT- 1331 KWH IN 2016	25.00
158128	2/2/2017	RECORD GAZETTE, THE	36647-10118 '16		670-7010-473.27-60	ORDINANCE NO. 1505	114.07
			00139170	027945	001-2800-441.23-01	ORDINANCE #1503	76.19
			00139174	027945	001-2800-441.23-01	ORDINANCE NO. 1504	82.81
			00139176	027945	001-2800-441.23-01	PARDEE GPA NO. 16-2501	76.19
			00139827	027945	001-2800-441.23-01	RFP 17-001 ASSESSMENT	218.63
			00139828	027945	001-2200-421.30-21	RFP 17-001 ASSESSMENT	116.60
					430-2900-441.90-15	ADV. SPEED SURVEY	174.90
158129	2/2/2017	RELIABLE WORKPLACE SOLUTIONS	00139938	027945	001-3000-442.23-01	B/W & COLOR COPIES W793P102594 & W795P402369	192.12
			AR39290		001-2200-421.30-06	B/W & COLOR COPIES E183MA10503	55.33
			AR39291		001-2200-421.30-06	B/W & COLOR COPIES W794P900072	378.52
158130	2/2/2017	RIV. CO. CLERK RECORDER	APN 532-160-009		001-2200-442.23-07	RELEASE PEND/ LIEN BY GOV/REAL ESTATE FRAUD TRUST	33.27
158131	2/2/2017	RIV. CO. CLERK RECORDER	APN 408-120-006		001-2740-442.23-07	RELEASE PEND/ LIEN BY GOV/REAL ESTATE FRAUD TRUST	230.00
158132	2/2/2017	RIV. CO. CLERK RECORDER	APN 408-120-006		001-2740-442.23-07	RELEASE PEND/ LIEN BY GOV/REAL ESTATE FRAUD TRUST	46.00
158133	2/2/2017	RIV. CO. CLERK RECORDER	APN 540-143-010		001-2740-442.23-07	RELEASE PEND/ LIEN BY GOV/REAL ESTATE FRAUD TRUST	23.00
158134	2/2/2017	RIV. CO. CLERK RECORDER	APN 540-143-010		001-2740-442.23-07	RELEASE PEND/ LIEN BY GOV/REAL ESTATE FRAUD TRUST	23.00
158135	2/2/2017	RIV. CO. CLERK RECORDER	APN 541-134-001		001-2740-442.23-07	RELEASE PEND/ LIEN BY GOV/REAL ESTATE FRAUD TRUST	23.00
158136	2/2/2017	RIV. CO. CLERK RECORDER	APN 534-061-001		001-2740-442.23-07	RELEASE PEND/ LIEN BY GOV/REAL ESTATE FRAUD TRUST	23.00
158137	2/2/2017	RIVERSIDE, COUNTY OF	DECEMBER 2016		001-2200-321.18-06	DEC 16 PARKING CITATIONS	653.50
158138	2/2/2017	RODRIGUEZ, FRANK	74439-5060 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT- 352 KWH IN 2016	30.17
158139	2/2/2017	RODRIGUEZ, MARY CRUZ	MEALS 1/23-27		001-2200-421.23-06	BASIC CRIMINAL INVESTIGTN CLASS - MEALS	60.00
158140	2/2/2017	ROTHFELDER, RAYMOND	47905-49444 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT- 16917 KWH IN 2016	1,449.79
158141	2/2/2017	RUFFIN, STEPHEN	56151-50502 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT- 584 KWH IN 2016	50.05
158142	2/2/2017	SAFEGUARD BUSINESS SYSTEMS INC	031923353	028266	001-1900-412.36-00	1099MISC W-2	145.90
					001-1910-412.36-00	1099MISC W-2	68.27
158143	2/2/2017	SAN BERNARDINO COUNTY SHERIFF'S	TUITION 2/15-17		001-2200-421.23-06	FTO UPDATES, 2/15-2/17	90.00
158144	2/2/2017	SAN BERNARDINO COUNTY SHERIFF'S	TUITION 2/15-17		001-2200-421.23-06	FTO UPDATES, 2/15-2/17	90.00
158145	2/2/2017	SAN BERNARDINO COUNTY SHERIFF'S	TUITION 2/15-17		001-2200-421.23-06	FTO UPDATES, 2/15-2/17	90.00
158146	2/2/2017	SAN BERNARDINO COUNTY SHERIFF'S	TUITION 2/15-17		001-2200-421.23-06	FTO UPDATES, 2/15-2/17	90.00
158147	2/2/2017	SANDEEN, ROLLAND D	33877-13844 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT- 2566 KWH IN 2016	219.91
158148	2/2/2017	SHEPPARD, GLYNIS	56865-652 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT- 963 KWH IN 2016	82.53
158149	2/2/2017	SHRED-IT USA, LLC	8121573075	028162	001-4500-412.33-11	SHREDDING SERVICE 12/22- 1/05/17	108.00
158150	2/2/2017	SIBOLE, FRED & KOLEEN	13001-50526 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT- 1087 KWH IN 2016	93.16
158151	2/2/2017	ST DENIS, ANN	54237-51398 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT- 8437 KWH IN 2016	723.05
158152	2/2/2017	STOEL RIVES, LLP	3944947	027990	663-6300-471.96-35	LEGAL SERVICES	6,500.00
158153	2/2/2017	STONE, CHERYLL	89515-52108 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT- 333 KWH IN 2016	28.54



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158154	2/2/2017	STONE, DIANE	55591-51816 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT- 1960 KWH IN 2016	167.97
158155	2/2/2017	SUN LIFE FINANCIAL	JANUARY 2017		001-0000-204.14-00	LTD - STD INSURANCE PREM JANUARY 2017	6,137.78
					001-0000-204.30-00	LIFE INSURANCE PREMIUMS JANUARY 2017	4,864.97
					001-0000-204.32-00	DENTAL INSURANCE PREMIUMS JANUARY 2017	8,213.48
158156	2/2/2017	SUNGARD PUBLIC SECTOR INC	131991	028222	761-3100-480.23-52	DEC 2016 TRANS MNGR	193.80
158157	2/2/2017	SYMMES, WILLIAM	57501-15056 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT- 254 KWH IN 2016	21.77
158158	2/2/2017	TELEPACIFIC COMMUNICATIONS	86600554-0		001-2200-421.26-05	JAN 16, 2017 - FEB 15, 2017	630.84
					001-4500-412.26-05	JAN 16, 2017 - FEB 15, 2017	1,938.73
158159	2/2/2017	TERMINIX COMMERCIAL	356313509	028280	001-4000-461.23-24	COMMUNITY CNTR / 444307	442.32
			356313559	028280	201-4060-461.23-24	BANNING SR CNTR / 444314	384.12
			356313687	028280	001-4000-461.23-24	REPPLIER PARK / 444301	407.40
			356520891	028280	001-3200-412.23-24	CITY HALL PEST CONTROL	733.32
			357186060	028280	001-2200-421.23-24	PD PEST CONTROL	1,513.20
			MEAL 1/22/17		680-8000-454.25-06	SEWER SPILL ON HIGHLAND SPRINGS - HELP BEAUMONT	16.00
158160	2/2/2017	THORNTON, CHRIS	PD 02/2017		001-2200-421.26-09	8448410810014567 125 E RAMSEY ST - FEB 2017	87.13
158161	2/2/2017	TIME WARNER CABLE	53113-50884 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT- 1910 KWH IN 2016	163.69
158162	2/2/2017	TREICHLER, JOHN	20170203		001-0000-204.60-00	PAYROLL SUMMARY	107.00
158164	2/2/2017	VALDEZ, JASON	MEAL 01/20/2017		660-6300-471.25-06	WATER LEAK @ HARGRAVE & RAMSEY - CALLED BACK W/ 2	16.00
			MEAL 01/21/2017		680-8000-454.25-06	SEWER SPILL ON HIGHLAND SPRINGS - HELP BEAUMONT	16.00
158165	2/2/2017	VAN WHY, BRUCE & LILLIAN	78285-18418 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT- 424 KWH IN 2016	36.34
158166	2/2/2017	VELA, ARTURO M	APR 16 - SEP 16		675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM REBATE APR 2016 -SEP 2016	210.26
158167	2/2/2017	VINCE, FRANK & THERESA	1469-1238 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT- 318 KWH IN 2016	27.25
158168	2/2/2017	WAGES, ROBERT & ANN	3115-1322 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT- 11523 KWH IN 2016	987.52
158169	2/2/2017	WASTE MANAGEMENT OF THE	DECEMBER 2016		690-9600-453.23-10	REFUSE FOR DECEMBER 2016	231,759.01
158170	2/2/2017	WEINBERG, MARK & JUDY	89553-52172 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT- 1254 KWH IN 2016	107.47
158171	2/2/2017	WESCO DISTRIBUTION, INC	059582		670-0000-131.00-00	FUSE REPLACE PO NUM 028218	2,193.25
			0611175		670-0000-131.00-00	INSULATORS PO NUM 028243	2,860.76
158172	2/2/2017	WIEGAND, JOHN & SHARON	63027-16838 '16		670-7010-473.27-60	PV(SOLAR) EXCESS ELECTRIC OUTPUT- 2325 KWH IN 2016	199.25
158173	2/2/2017	YOUNGBLOOD & ASSOCIATES	2492A	028178	001-1300-412.33-11	POLYGRAPH	200.00
158174	2/9/2017	A-Z BUS SALES, INC. (COLTON)	01P628881	027912	702-3800-480.38-52	#222 GRIP/DECAL/PLATE	927.95
158175	2/9/2017	AETNA LIFE INSURANCE	FEBRUARY 2017		001-0000-204.31-00	AETNA HEALTH INS PREMIUMS FEBRUARY 2017	66,523.00
158176	2/9/2017	AL'S KUBOTA TRACTOR	82963	028233	660-6300-471.45-16	DIAMOND BLADE	269.38
158177	2/9/2017	ALESHIRE & WYNDR, LLP	40483		700-5300-480.33-04	LEGAL SERVICES	117.00
			40484		700-5300-480.33-04	LEGAL SERVICES	304.91
			40485		700-5300-480.33-04	LEGAL SERVICES	426.00
			40486		700-5300-480.33-04	LEGAL SERVICES	546.00
			40487		700-5300-480.33-04	LEGAL SERVICES	1,249.48
158178	2/9/2017	ALL STAR GLASS, INC.	ICT020016	027909	702-3800-480.30-05	#221 WINDSHIELD REPAIR	186.72
			ICT020087	027909	702-3800-480.38-52	#23 WINDSHIELD	262.68
158179	2/9/2017	AMERICAN FORENSIC NURSES	68892	027996	001-2200-421.33-31	MAR'17 STANDBY FEE	800.00
			68893	027996	001-2200-421.33-31	23152 BLOOD DRAW	50.00
158180	2/9/2017	ARROW STAFFING SERVICE	00088681		001-1900-412.23-27	ANNA JETTON W/E 01/28/17 SUSAN ROCK W/E 01/28/17	2,377.95
			51107		001-1300-412.41-17	COMPUTER TESTING FEES C STAFFORD & A YARBROUGH	50.00
158181	2/9/2017	ARROYO BACKGROUND INVESTIGATIONS	1146	028176	001-1300-412.33-11	BACKGROUND INVESTIGATION	800.00
158182	2/9/2017	AT&T GLOBAL CUSTOMER CARE CENTER	0602124113		370-2200-421.26-05	SERVICE DATES 01/19-02/18	374.44
158183	2/9/2017	BABCOCK LABORATORIES, INC	BA70451-0030	028135	660-6300-471.23-32	COLIFORMS	165.00
			BA70798-0030	028135	660-6300-471.23-32	COLIFORMS, HEXAVALANT	55.00
			BA71018-0030	028135	660-6300-471.23-32	GEN PHYSICAL ANALYSIS	54.00
			BA71020-0030	028135	680-8000-454.23-32	DISSOLVED SOLIDS	20.00
			BA71229-0030	028135	660-6300-471.23-32	COLIFORMS	165.00
			BA71230-0030	028135	660-6300-471.23-32	GEN PHYSICAL ANALYSIS	54.00



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158183	4/27/17	BABCOCK LABORATORIES, INC	BA71231-0030	028135	680-8000-454.23-32	SAMPLES- CORRECT FAC	695.00
			BA71880-0030	028135	680-8000-454.23-32	DISSOLVED SOLIDS	20.00
			BA71881-0030	028135	660-6300-471.23-32	COLIFORMS	165.00
			BA71882-0030	028135	660-6300-471.23-32	GEN PHYSICAL ANALYSIS	54.00
			BA72069-0030	028135	680-8000-454.23-32	DISSOLVED SOLIDS	20.00
			BK61805-0030	028135	660-6300-471.23-32	COLIFORMS	165.00
			BK61813-0030	028135	660-6300-471.23-32	GEN PHYSICAL ANALYSIS	54.00
158184	2/9/2017	BANNING POLICE OFFICERS ASSOC	JANUARY 2017		001-0000-204.50-00	POLICE OFFICERS ASSOC DUE JANUARY 2017	2,400.00
158185	2/9/2017	BARTON, JUDITH MARGARET	JANUARY 2017		001-4000-461.23-15	YOGA CLASS INSTRUCTOR	56.00
158186	2/9/2017	BATTERY SYSTEMS, INC	3857895	027914	702-3800-480.38-52	INV. BATTERIES	268.16
			3859634	027914	702-3800-480.38-52	INV. BATTERIES	209.04
			434592	027915	702-3800-480.38-52	CLR ADH/TAPE	15.60
158187	2/9/2017	BEAUMONT DO IT BEST HOME CENTER	434786	027915	001-4000-461.36-09	DRILL FOR BASKETBALL	43.09
			434846	027915	600-5100-435.30-02	BOLTS/NAILS/2X4	146.39
			434853	027915	001-4050-461.36-03	JANITORIAL SUPPLIES	84.02
			434895	027915	600-5100-435.30-02	BRUSH/2X6/ROOFING	50.23
158188	2/9/2017	BEAUMONT, CITY OF	2017-02		610-5800-351.35-80	RECTIFY BUS TICKETS DECEMBER 2016	232.76
158189	2/9/2017	BENHAR, DIANA T	JANUARY 2017		001-4000-461.23-15	HIP HOP CLASS INSTRUCTOR	101.50
						ZUMBA FITNESS INSTRUCTOR	119.70
						ZUMBA GOLD INSTRUCTOR	228.90
						ZUMBA STEP INSTRUCTOR	8.40
158190	2/9/2017	CA. ST. BOARD OF EQUAL - FUEL	FUEL 2016		702-3800-480.41-04	FUEL TAXES ON CNG FUEL JAN 2016 - DEC 2016	996.52
158191	2/9/2017	CABALLERO, DANIEL	MEAL 1/27/17		001-3600-461.25-06	DOWNED TREES 300 S HATHAW	16.00
158192	2/9/2017	CALIFORNIA LAW ENFORCE ASSN	FEBRUARY 2017		001-0000-204.80-13	POLICE LTD PREMIUMS FOR FEBRUARY 2017	637.00
158193	2/9/2017	CALIFORNIA WATER ENVIRONMENT	FEB112017		680-8000-454.41-04	P GERDES/W WOODSTOCK/ C THORNTON/J MOLEADOR/L CA	190.00
158194	2/9/2017	CALIFORNIA WATER ENVIRONMENT	ID 0003374481		660-6300-471.23-03	ERNEST FLOYD MEMBERSHIP RENEWAL	172.00
158195	2/9/2017	CALIFORNIA, STATE OF	212631	028073	370-2200-421.26-05	OCT-DEC'16 CLETS ACCESS	1,876.98
158196	2/9/2017	CLAYTON, ROCHELLE	485437		001-1300-412.41-16	ORAL BOARD LUNCH -FINANCE MANAGER INTERVIEW-REIMB	24.35
158197	2/9/2017	COLONIAL INSURANCE	3229614-0201620		001-0000-204.30-00	TERM LIFE PREMIUMS JANUARY 2017	655.75
					001-0000-204.80-02	CANCER PREMIUMS JANUARY 2017	2,203.42
					001-0000-204.80-03	UNIVERSAL LIFE PREMIUMS JANUARY 2017	2,415.39
					001-0000-204.80-09	ACCIDENT PREMIUMS FOR JANUARY 2017	3,030.00
					001-0000-204.80-11	SUPPLEMENTAL DISABILITY JANUARY 2017	5,062.11
					001-0000-204.80-12	CRITICAL ILLNESS PREMIUMS JANUARY 2017	1,563.84
					001-0000-204.80-16	HOSPITAL CONFINEMENT JANUARY 2017	1,629.41
158198	2/9/2017	CONSOLIDATED ELECTRICAL	0954-453686		001-3200-412.30-02	PD LIGHT BULBS	285.32
158199	2/9/2017	COTTAGE, GREGORY	MEAL 1/20/17	027920	001-3600-461.25-06	MULTI TREES DOWNED	16.00
			MEAL 1/21/17		001-3600-461.25-06	DAMNED CHANNEL BLOCKED	16.00
			MEAL 1/27/17		001-3600-461.25-06	MULTI TREES DOWNED	16.00
158200	2/9/2017	DAHME, ELEANOR	REFUND BB		001-4000-351.35-69	CATHERINE DAHM REFUND DID NOT ATTEND	25.00
158201	2/9/2017	DIAZ, ALEJANDRO	071.DIAZ		001-2200-421.36-00	REIMBURSEMENT AARCOPS MTG @ BANNING PD - STARBUCKS	31.90
158202	2/9/2017	ESPINOZA, LYNETTE M	JANUARY 2017		001-4000-461.23-15	BALLET CLASS INSTRUCTOR	220.50
158203	2/9/2017	FARUQUE, NSM	000076571		001-0000-218.22-22	UB CR REFUND 000019884	192.66
158204	2/9/2017	FISHER, ROBERT	TUITION REIMB		001-1300-412.25-09	TUITION REIMBURSEMENT DOMESTIC VIOLENCE	405.00
158205	2/9/2017	FLOYD SR, ERNEST	TUITION REIMB		001-1300-412.25-09	WATER TREATMENT OPERATOR GRADE 2 OPERATOR # 365883	60.00
158206	2/9/2017	FLUID COMPONENTS INTERNATIONAL LLC	1108834		001-0000-201.10-00	SALES TAX	(72.57)
				028244	680-8000-454.95-12	AIR/GAS MASS FLOW METER	15,696.60
158207	2/9/2017	FOX OCCUPATIONAL MEDICAL CENTER	55361-76749	027927	610-5800-434.33-32	DOT EXAMS	35.00
					660-6300-471.33-32	DOT EXAMS	35.00
					670-7000-473.33-32	DOT EXAMS	70.00
158208	2/9/2017	FRONTIER COMMUNICATIONS	2090560495FEB17		001-4500-412.26-05	JAN 28,2017 - FEB 27,2017	918.20



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158208	4/27/15	FRONTIER COMMUNICATIONS	2091885918JAN17		001-2200-421.26-05	JAN 28, 2017 - FEB 27, 2017	45.70
					001-4500-412.26-05	JAN 28, 2017 - FEB 27, 2017	1,093.64
					600-5100-435.26-05	JAN 28, 2017 - FEB 27, 2017	50.75
					660-6300-471.26-05	JAN 28, 2017 - FEB 27, 2017	479.34
					670-7000-473.26-05	JAN 28, 2017 - FEB 27, 2017	216.11
					702-3800-480.26-05	JAN 28, 2017 - FEB 27, 2017	54.02
					001-4500-412.26-05	JAN 28, 2017 - FEB 27, 2017	242.52
158209	2/9/2017	GARDA CL WEST INC	9518493260FEB17		001-4500-412.26-05	FEB 01, 2017 - FEB 28, 2017	304.40
			9519223201FEB17		001-4500-412.26-05	FEB 01, 2017 - FEB 28, 2017	69.65
			20187303	028116	761-3100-480.23-43	EXCESS ITEMS	43.85
			20192650	028116	761-3100-480.23-43	EXCESS ITEMS	1,500.00
158210	2/9/2017	GUERRERO, CHRISTOVAL	2017 TOOL REIMB		702-3800-480.25-03	TOOL REIMBURSEMENT FY 17	2,360.00
158211	2/9/2017	HAZEN AND SAWYER	20062-000-10	027647	660-6300-471.33-53	CR6 TREATMENT	3,031.36
			20062-000-8	027647	660-6300-471.33-53	CR6 TREATMENT	6,340.00
			20062-000-9	027647	660-6300-471.33-53	CR6 TREATMENT	14,128.72
158212	2/9/2017	HEMET OIL COMPANY	1254523		702-3800-480.36-11	FLEET UNLEADED FUEL	5,563.24
			1254524		702-3800-480.36-11	DIESEL FUEL	4,193.69
158213	2/9/2017	HINDERLITER DE LLAMAS & ASSOCIATES	0026576-IN		001-1900-412.33-11	SALES TAX 1ST QUARTER	70.00
158214	2/9/2017	HOLDER, PHILLIP	101560		001-2200-421.23-06	REGISTRATION FEE SHOT SHW JAN 17-20, 2017 LAS VEGAS	207.00
			427494952087		001-2200-421.23-06	MAIN STREET STATION HOTEL JAN 17-20, 2017 LAS VEGAS	7,602.93
158215	2/9/2017	I.B.E.W. LOCAL 47	JANUARY 2017		001-0000-204.53-00	GEN/UTILITY UNION DUES JANUARY 2017	64.00
158216	2/9/2017	I.B.E.W. LOCAL 47 (PAC)	JANUARY 2017		001-0000-204.80-01	PAC DUES FOR JANUARY 2017	131.35
158217	2/9/2017	INNOVATIVE EMERGENCY EQUIPMENT	1638	028299	148-2215-421.89-48	UNIT#45-CHANGE OUT CPU	7,000.00
158218	2/9/2017	INNOVIZE, INC.	1740187	028290	680-8000-454.89-48	WASTEWATER SOFTWARE	1,715.00
158219	2/9/2017	INTEGRATED MEDIA SYSTEMS	45293	028254	001-2060-446.90-49	VIDEO ON DEMAND	295.00
158220	2/9/2017	IRON MOUNTAIN INFORMATION MGMT, LLC	NKY2943	028160	001-4500-412.33-11	REGULAR STORAGE FEB 2017	3,625.20
158221	2/9/2017	JAYCOX CONSTRUCTION CNG	CBS171	028306	702-3800-480.30-06	PROJ. 2016-13 DEPOSIT	1,000.00
158222	2/9/2017	JENKINS & HOGIN, LLP	24322		002-0000-222.30-27	LEGAL SERVICES	10,080.00
					002-0000-222.30-33	LEGAL SERVICES	1,960.00
					002-0000-222.35-00	LEGAL SERVICES	(13,040.00)
					002-2800-361.41-02	LEGAL SERVICES	13,040.00
					002-2800-441.33-04	LEGAL SERVICES	17,760.00
					700-5300-480.33-04	LEGAL SERVICES	1,380.00
					002-0000-222.30-33	LEGAL SERVICES	1,800.00
					002-0000-222.35-00	LEGAL SERVICES	(3,180.00)
					002-2800-361.41-02	LEGAL SERVICES	3,180.00
					002-2800-441.33-04	LEGAL SERVICES	18,722.75
					700-5300-480.33-04	LEGAL SERVICES	42,306.92
158223	2/9/2017	KAISER FOUNDATION HEALTH	FEBRUARY 2017		001-0000-204.31-00	KAISER PREMIUMS GROUP 101565-0002	11,975.70
158224	2/9/2017	LANDINGHAM, JUSTIN	REPLCE CK10751		001-0000-204.80-00	KAISER PREMIUMS GROUP 101565-0006	282.79
158225	2/9/2017	LEAF	7127877	028103	001-4000-461.32-06	REPLACEMENT CHECK -LOST CHECK # 10751 DATED 12/23	151.67
					001-4050-461.32-06	COMM CNTR/SR CNTR COPIER	151.68
158226	2/9/2017	LEXISNEXIS RISK SOLUTIONS	160860120170131	028074	001-2200-421.41-20	COMM CNTR/SR CNTR COPIER	185.76
158227	2/9/2017	MACIAS, RUBEN	MEAL 1/20/17		100-4900-431.25-06	JAN 17 2 USER LEXIS NEXIS	32.00
			MEAL 1/21/17		100-4900-431.25-06	CLEARED DRAINS/CHANNELS	16.00
			MEAL 1/27/17		100-4900-431.25-06	BLOCKED CHANNEL	16.00
158228	2/9/2017	MERCURY DISPOSAL SYSTEM, INC	30755		690-9600-453.41-46	DOWNTOWN TREES IN ROAD	272.00
158229	2/9/2017	MERLIN JOHNSON CONSTRUCTION, INC	060610	027970	660-6300-471.45-06	BATTERY RECYCLING PAIR	648.00
158230	2/9/2017	MITSUBISHI ELECTRIC & ELECTRONICS	300835	028200	001-3200-412.30-02	WELDING SERVICES	292.00
158231	2/9/2017	MOYER, GEORGE	MEAL 1/20/17		001-1000-411.23-05	PD ELEVATOR MAINT	29.00



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158231	4/27/17	MOYER, GEORGE	MILEAGE 1/18/17		001-1000-411.23-05	MILEAGE TO AIRPORT NEW MAYORS & COUNCIL MMBR	23.00
			MILEAGE 1/20/17		001-1000-411.23-05	MILEAGE FROM AIRPORT NEW MAYORS & COUNCIL MMBR	23.00
			PARKING 1/20		001-1000-411.23-05	ONTARIO AIRPORT PARKING NEW MAYORS & COUNCIL MMBR	27.00
			SHUTTLE 1/18		001-1000-411.23-05	SUPERSHUTTLE NEW MAYORS & COUNCIL MMBR	13.00
			SHUTTLE 1/20		001-1000-411.23-05	SUPERSHUTTLE - SAC NEW MAYORS & COUNCIL MMBR	13.00
158232	2/9/2017	NAPA AUTO PARTS	995516	028032	702-3800-480.38-52	#503 AT FILTER	14.61
158233	2/9/2017	OFFICE DEPOT	889556494001	027936	001-4000-461.36-03	KEY CABINET	35.52
			895990172001	027936	001-2700-442.36-00	HP CARTRIDGE	135.36
			896151727001	027936	001-4500-412.36-00	BREAKROOM SUPPLIES	223.44
			896151766001	027936	001-4500-412.36-00	BREAK ROOM SUPPLIES	24.99
			896609192001	027936	001-2200-421.36-00	STENOS/WHITE OUT/POST ITS	56.59
			899276961001	027936	001-1400-412.36-00	BINDER, DVD STORAGE BOX	70.69
158234	2/9/2017	ONTIVEROS, CONSUELO & PEDRO	JUN 16 - NOV 16		675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM REBATE JUN 2016 -NOV 2016	113.47
158235	2/9/2017	P&P UNIFORMS	407606/4	027987	001-2200-421.36-04	MARYCRUZ CSO EMBROID JACKET	25.09
158236	2/9/2017	PARKHOUSE TIRE, INC.	2010501984	028028	702-3800-480.23-49	INV TIRES	7.00
			2010501985	028028	702-3800-480.38-52	INV TIRES	569.14
			2030151848	028028	702-3800-480.38-52	INV TIRES	379.19
			2030152256	028028	702-3800-480.23-49	RECYCLING FEE	53.34
			91-006363	028028	702-3800-480.38-52	RECYCLING FEES	72.73
158237	2/9/2017	PARTS AUTHORITY METRO, LLC	91-006421		702-3800-480.38-52	SWAYBAR BUSHING	(12.51)
			91-006552		702-3800-480.38-52	OIL FILTER CREDIT	(5.70)
			91-036688	028033	702-3800-480.38-52	MOTOR TREATMENT	(100.72)
			91-037264	028033	702-3800-480.38-52	OIL FILTER	3.89
			91-037324	028033	702-3800-480.38-52	AIR FILTER	7.63
			91-037365	028033	702-3800-480.38-52	#622 MTR TRMT/BRKE CLNR	33.26
			91-037387	028033	702-3800-480.38-52	MOTOR TREATMENT	100.72
			91-037388	028033	702-3800-480.38-52	MOTOR TREATMENT	90.38
			91-037914	028033	702-3800-480.38-52	WIPER BLADES	22.66
			41057	028177	702-3800-480.38-52	#503 OIL/AIR FILTER	8.20
158238	2/9/2017	PAYPRO ADMINISTRATORS	JANUARY 2017		001-1300-412.33-11	DEC & JAN COBRA ADMIN FEE	350.00
158239	2/9/2017	PRE-PAID LEGAL SERVICES, INC	0010229216		001-0000-204.80-07	PREPAID LEGAL PREMIUMS JANUARY 2017	337.81
158240	2/9/2017	PRESS-ENTERPRISE, THE	22371364	027940	430-2900-441.90-15	RFP # 17-001 HVAC	331.20
158241	2/9/2017	PRUDENTIAL OVERALL SUPPLY	22371365	027959	660-6300-471.25-02	UNIFORMS-WATER	50.00
			22374886	027959	680-8000-454.25-02	UNIFORMS-WASTEWATER	15.00
			22374887	027959	660-6300-471.25-02	UNIFORMS-WATER	50.00
			22374888	027959	680-8000-454.25-02	UNIFORMS-WASTEWATER	15.00
					001-4000-461.23-16	UNIFORM SERVICES	6.50
					610-5800-434.23-16	UNIFORM SERVICES	14.25
					610-5800-434.25-02	UNIFORM SERVICES	54.00
					610-5850-434.25-02	UNIFORM SERVICES	6.64
158242	2/9/2017	PUBLIC AGENCY RETIREMENT SERVICES	36264		001-1900-412.33-11	PARS PLAN ID # PH ARS05A SVC PERIOD 20161130	300.00
158243	2/9/2017	REDLANDS FORD	5123519	027946	702-3800-480.38-52	#230 GAS CAP	20.59
			5123706	027946	702-3800-480.38-52	#605 TUBE/BUSH/PLUNGER	74.04
			5123712	027946	702-3800-480.38-52	FUEL SYSTEM CONNECTOR	12.23
158244	2/9/2017	RICHARD MACIAS	REFUND557302		001-4000-351.35-69	AMMALIE MACIAS - REFUND CHILD NOT IN LEAGUE	30.00
158245	2/9/2017	RIV. CO. DEPT OF ENVIRONMENTAL	6455-9/2016		100-4900-431.23-24	MOSQUITO CONTROL @ SUN LAKES HABITAT	135.00
						RODENT CONTROL @ 1498 n 8TH ST	675.00
158246	2/9/2017	RIV. CO. SHERIFF'S DEPT.	BCTC0004192		001-2200-421.23-06	WEST NILE VIRUS COMPLAINT @ 1300 BLOCK PHILLIPS AV	630.00
158247	2/9/2017	RIV. CO. SHERIFF'S DEPT.	BCTC0004193		001-2200-421.23-06	P KELLY -TUITION 3/8 FIREARMS TACTICAL RIFLE	173.00



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158248	2/9/2017	RIV. CO. SHERIFF'S DEPT.	BCTC0004199		001-2200-421.23-06	R JAUREGUI -TUITION 3/08 FIREARMS TACTICAL RIFLE	173.00
158249	2/9/2017	RIV. CO. SHERIFF'S DEPT.	BCTC0004194		001-2200-421.23-06	D DEUSENBERRY - TUITION FIREARMS TACTICAL RIFLE	173.00
158250	2/9/2017	RIVCOMM, INC	15004	028279	001-2200-421.36-00	RAPID RATE SINGLE CHARGER	140.68
158251	2/9/2017	ROBERTSON'S	927663	027948	660-6300-471.45-17	FILL SAND	430.17
			928500	027948	660-6300-471.45-17	RCB-RCY CON BASE	413.94
158252	2/9/2017	SAN BERNARDINO CO SHERIFF'S DEPT	RNG-16-007		001-2200-421.23-06	1ST TRIMESTR USE OF FORCE	2,310.00
158253	2/9/2017	SAN BERNARDINO PUBLIC EMPLOYEES	JANUARY 2017		001-0000-204.51-00	S9PEA DUES FOR JANUARY 2017	783.34
158254	2/9/2017	SAN GORGONIO PASS DESIGN AND PRINT	9359	027951	001-2200-421.23-02	CARDS:HOCHSTEIN/JAUREGUI	51.84
158255	2/9/2017	SEGURA, JENNIFER	MEALS 2/15-17		001-2200-421.23-06	FTO UPDATE @ SBCSD	36.00
158256	2/9/2017	SILVER & WRIGHT, LLP	21525		700-5300-480.33-04	LEGAL SERVICES	5,346.72
158257	2/9/2017	SIRCHIE FINGER PRINT LABORATORIES	0284986-IN	028020	148-2215-421.89-56	SCENE GUARD GEN 2	409.34
158258	2/9/2017	SMART & FINAL	157462	027953	001-4050-461.36-00	SCTR SNACK BAR & SUPPLIES	78.42
158259	2/9/2017	SMITH, BRANDON	MEALS 2/15-17		001-2200-421.23-06	FTO UPDATE @ SBCSD	36.00
158260	2/9/2017	SMITH, LOIS E	JANUARY 2017		001-4000-461.23-15	GUJAR CLASS	38.50
158261	2/9/2017	SO CAL WEST COAST ELECTRIC, INC	19152	028085	001-3600-461.30-02	ELEC. ASSESS. DYSART PARK	935.00
158262	2/9/2017	SOUTHERN CALIFORNIA EDISON	2015215155DEC16		660-6300-471.26-04	WELL 12 - 7073 PLANT D-5 SRVCE 11/14/16 - 12/14/16	42.69
158263	2/9/2017	SPOK, INC	A0185223N		100-4900-431.23-22	SVC : 02/01/17 - 02/28/17 CITY PAGERS	7.94
					660-6300-471.23-22	SVC : 02/01/17 - 02/28/17 CITY PAGERS	15.09
					670-7000-473.23-22	SVC : 02/01/17 - 02/28/17 CITY PAGERS	10.10
					702-3800-480.23-22	SVC : 02/01/17 - 02/28/17 CITY PAGERS	7.93
158264	2/9/2017	STAR ONE ENTERPRISES INC	000091455		001-0000-218.22-22	UB CR REFUND-FINALS 000003316	80.81
158265	2/9/2017	STEPHENS, PATRICK	136931		001-2060-446.36-00	XLR CABLES/CONNECTORS FOR CONTROL ROOM	22.30
158266	2/9/2017	STERLING TALENT SOLUTIONS	MILEAGE 4/19-21		703-3700-480.23-05	REIMBURSEMENT FOR MILEAGE	110.86
158267	2/9/2017	SUEZ BANNING	039952	028037	001-1300-412.33-11	EDUCATION VERIFICATION C STAFFORD	15.00
158268	2/9/2017	SUN LIFE FINANCIAL	201729716		680-8000-454.23-38	JANUARY O&M FEE	55,047.00
			FEBRUARY 2017		001-0000-204.14-00	LTD - STD INSURANCE PREM FEBRUARY 2017	6,022.03
					001-0000-204.30-00	LIFE INSURANCE PREMIUMS FEBRUARY 2017	4,726.73
					001-0000-204.32-00	DENTAL INSURANCE PREMIUMS FEBRUARY 2017	8,026.99
158269	2/9/2017	TERMINIX COMMERCIAL	356314007	028280	001-4000-461.23-24	PEST CONTROL ROOSEVELT	407.40
			356314242	028280	001-3200-412.23-24	CITY YARD PEST CONTROL	119.31
					100-4900-431.23-24	CITY YARD PEST CONTROL	119.31
					660-6300-471.23-24	CITY YARD PEST CONTROL	119.31
					670-7000-473.23-24	CITY YARD PEST CONTROL	119.31
			356955993	028280	670-7000-473.23-24	SUNSET SUB STN PEST CONTR	1,105.80
158270	2/9/2017	THESIER, DEREK	MEALS 2/15-17		001-2200-421.23-06	FTO UPDATE @ SBCSD	36.00
158271	2/9/2017	TIME WARNER CABLE	CITYHALLO2/2017		001-2060-446.26-09	JAN 25,2017 - FEB 24,2017 8448410810051007	69.33
158272	2/9/2017	TKE ENGINEERING, INC	2016-523	028186	001-3000-442.33-53	ALTA SURVEY	7,645.00
158273	2/9/2017	UNDERGROUND SERVICE ALERT	120170036		100-4900-431.30-13	DIG ALERTS FEB 2017	24.50
					660-6300-471.45-08	DIG ALERTS FEB 2017	24.50
					670-7000-473.45-02	DIG ALERTS FEB 2017	24.50
158274	2/9/2017	UNITED ROTARY BRUSH CORPORATION	293976	028193	100-4900-431.38-57	STREET SWEEPER BRUSHES	193.33
			294108	028193	100-4900-431.38-57	STREET SWEEPER BRUSHES	96.66
158275	2/9/2017	URBAN FUTURES INCORPORATED	1116-005	023791	005-1210-412.33-11	OCT 2016 ON CALL CONSULT	345.00
158276	2/9/2017	VALDIVIA, GILBERT	MEAL 1/20/17		001-3600-461.25-06	MULTI TREES DOWNED	16.00
158277	2/9/2017	VERIZON WIRELESS	9779404691		001-2200-421.26-05	ACCT # 570653806-00001 DEC 27,2016 - JAN 26,2017	167.54
			9779404692		001-2740-442.26-05	ACCT # 570653806-00002 DEC 27,2016 - JAN 26,2017	76.02
158278	2/9/2017	VISTA PAINT	2017-251768-00	028268	001-3600-461.38-54	GRAFFITI PAINT	94.82
158279	2/9/2017	WALKER, BRIAN	02012017		001-2200-421.36-00	USB FLASH DRIVE FOR CASE # 17-171	38.77
158280	2/9/2017	WARE, KENNITH	MEAL 1/23/17		610-5800-434.25-06	TRAINING CHARLES	16.00
			MEAL 1/24/17		610-5800-434.25-06	DMV TESTING FOR CHARLES	16.00
			MEAL 1/25/17		610-5800-434.25-06	SWITCH OUT BUSES - TERRY	16.00



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158281	2/9/2017	WILLDAN FINANCIAL SERVICES	010-32333	027623	001-1900-412.33-11	OVERHEAD COST STUDY	1,626.75
			010-32588	027623	001-1900-412.33-11	OVERHEAD COST STUDY	3,792.25
158282	2/9/2017	YOUNGBLOOD & ASSOCIATES	2501A	028178	001-1300-412.33-11	TRUAX POLYGRAPH FEE	200.00
158283	2/9/2017	YOUNGBLOOD, RICHARD	MEALS 2/15-17		001-2200-421.23-06	FTO UPDATE @ SBCSD	36.00
158284	2/16/2017	ALBERT A. WEBB ASSOCIATES	170090	028227	451-3600-461.90-69	LIONS PARK ENVIRONMENTAL	31,890.00
			170106	027967	663-6300-471.90-78	BANNING WATER CANYON	24,580.00
158285	2/16/2017	ALTURA CREDIT UNION	20170217		001-0000-204.80-06	PAYROLL SUMMARY	1,060.00
158286	2/16/2017	ARROW STAFFING SERVICE	00088392		001-1900-412.23-27	ANNA JETTON W/E 01/07/17 SUSAN ROCK W/E 01/07/2017	2,161.04
			00088466		001-1900-412.23-27	ANNA JETTON W/E 01/14/17 SUSAN ROCK W/E 01/14/2017	2,428.00
			00088702		001-1900-412.23-27	ANNA JETTON W/E 2/04/17 SUSAN ROCK W/E 2/04/17	2,428.00
158287	2/16/2017	ARTISTIC MAINTENANCE, INC.	0153900-IN	027972	111-4900-432.23-29	LMD LANDSCAPE MAINT	5,120.00
			0153901-IN	028163	001-2200-421.23-29	CITY LANDSCAPE MAINT	590.00
					001-3200-412.23-29	CITY LANDSCAPE MAINT	700.00
					001-4000-461.23-29	CITY LANDSCAPE MAINT	213.96
					001-4010-461.23-29	CITY LANDSCAPE MAINT	208.34
					001-4050-461.23-29	CITY LANDSCAPE MAINT	213.90
					100-4900-431.23-29	CITY LANDSCAPE MAINT	1,500.00
					610-5800-434.23-29	CITY LANDSCAPE MAINT	213.80
158288	2/16/2017	AT&T CALNET 2	000009205826		001-2200-421.26-05	CALNET3 - AT&T LONG DSTNC SERVICE DATES 01/01-01/31	391.83
			000009219067		001-2200-421.26-05	CALNET2 - AT&T LONG DSTNC SERVICE DATES 01/01-01/31	672.10
158289	2/16/2017	BANNING CHAMBER OF COMMERCE	SB 02152017		001-1200-412.23-05	ROCK - SUNRISE BREAKFAST 02/15/2017	15.00
			SB021517		001-1000-411.23-05	MOYER - SUNRISE BREAKFAST 02/15/2017	15.00
						WELCH - SUNRISE BREAKFAST 02/15/2017	15.00
158290	2/16/2017	BEAUMONT CHAMBER OF COMMERCE	GMBB02102017		001-1000-411.23-05	WELCH - BREAKFAST MTG 02/10/2017	25.00
158291	2/16/2017	BEAUMONT DO IT BEST HOME CENTER	433199	027915	001-2400-422.36-00	12MM G/P MASKING TAPE. GR	86.12
			434702	027915	001-2200-421.36-01	PD RANGE SUPPLIES	151.37
			435162	027915	100-4900-431.30-15	STREET-IRRIGATION	7.37
			435164	027915	100-4900-431.30-15	STREET-IRRIGATION	7.47
			435201	027915	001-3000-442.36-00	WHITE MARKING PAINT	41.96
			435202	027915	001-3200-412.30-02	SNR CENTER REPAIRS	65.21
			435240	027915	001-4000-461.36-03	PANEL FOR CEILING	14.63
			435268	027915	001-4000-461.36-03	JANITORIAL SUPPLIES	45.47
			435311	027915	001-4000-461.36-03	JANITORIAL SUPPLIES	7.88
			435348	027915	001-3000-442.36-00	WHITE MARKING PAINT	37.66
158292	2/16/2017	BEAUMONT, CITY OF	2016-58		001-2300-424.33-90	ACO SERVICES AUG 2016	14,548.70
						ACO SERVICES JULY 2016	12,600.17
						ACO SERVICES SEP 2016	10,584.48
158293	2/16/2017	CA. ST. DEPT. OF MOTOR VEHICLES	CVC BOOK 2017		702-3800-480.41-04	2017 CA VEHICLE CODE BOOK	19.83
158294	2/16/2017	CALIFORNIA-NEVADA I.A.T.C.	2019	028174	670-7000-473.23-06	OCT-DEC TUITION	5,400.00
158295	2/16/2017	CALIFORNIA, STATE OF	214550	028046	001-2200-421.33-94	JAN'17 DOJ LIVE SCAN FEES	1,035.00
			217583	027978	001-2200-421.33-31	JAN'17 BLD ALCH ANALYSIS	385.00
158296	2/16/2017	CDW GOVERNMENT, INC	CLF0093	027918	703-3700-480.89-48	COMPUTER SUPPLIES	223.52
			GMS2213		001-3000-442.89-48	ENGINEERING SURFACE PO # 27918	500.00
					660-6300-471.89-48	ENGINEERING SURFACE PO # 27918	1,021.50
					680-8000-454.89-48	ENGINEERING SURFACE PO # 27918	500.00
158297	2/16/2017	CHARLES ABBOTT ASSOCIATES, INC	56573	028250	001-3000-442.33-53	ON CALL ENG. SERVICES	1,630.00
158298	2/16/2017	CHAVEZ, ANNA	AUG16-JAN17		675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM REBATE AUG 2016 -JAN 2017	143.24
158299	2/16/2017	COGBILL, IRENE JANE	JANUARY 2017		001-4000-461.23-15	TOT TIME CLASS INSTRUCTOR	511.00
158300	2/16/2017	COMPANY WEST	13035	028239	001-2200-421.36-04	FLEXFIT BANNING PD HATS	283.32
158301	2/16/2017	CORELOGIC INFORMATION SOLUTIONS INC	81767144	028080	001-2400-422.30-17	METROSCAN-JANUARY	33.34
			81767437	028081	001-2700-442.23-33	METROSCAN SRVCS-CORELOGIC	100.00



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158301	4/27/2017	CORELOGIC INFORMATION SOLUTIONS INC	81767437	028081	001-2740-442.23-33	METROSCAN SRVCS-CORELOGIC	50.00
			81767464	028081	001-3000-442.30-17	ENG. METROSCAN	66.68
158302	2/16/2017	COUNSELING TEAM INTERNATIONAL, THE	32980	028077	700-5040-480.23-07	JAN EE SUPPORT SVCS	700.00
			33040	028077	001-1300-412.33-32	PSYCH ASSESSMENT	275.00
158303	2/16/2017	COUNTY OF RIVERSIDE, AIRPORT LAND	ALUC 4/13/17		451-3600-461.90-69	LIONS PARK EXPANSION PRIT CONSISTENCY DETERMINATION	512.00
158304	2/16/2017	COZAD & FOX, INC	16506	027392	855-9500-490.93-30	RAMSEY & HARGRAVE DESIGN	1,143.00
158305	2/16/2017	CREATIVE BUS SALES INC	5101770	027921	702-3800-480.38-52	MOTOR MOUNT	107.19
			5105582	027921	702-3800-480.38-52	LIGHT LED STEPWELL	215.16
158306	2/16/2017	DABNEY, KIRBY	27401-13080 A/C		675-7020-473.42-35	RESIDENTIAL CENTRAL A/C SPLIT SYSTEM - REBATE	600.00
158307	2/16/2017	DE MAIO, DONALD	47825-49442 A/C		675-7020-473.42-35	RESIDENTIAL CENTRAL A/C SPLIT SYSTEM - REBATE	1,500.00
158308	2/16/2017	DEGUZMAN, EMMANUEL & MILDRED	AUG16-JAN17		675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM REBATE AUG 2016 - JAN 2017	75.22
158309	2/16/2017	DIAZ, ALEJANDRO	02092017		001-2300-424.36-00	VOLUNTEER FOOD SPAY/NEUTER VAN	29.15
158310	2/16/2017	DIXON REALTY	000092985		001-0000-218.22-22	UB CR REFUND-FINALS 0000022234	64.91
158311	2/16/2017	DOLLAR TREE STORES	2274316		201-4060-446.36-65	SENIOR CENTER - BINGO SUP	180.00
158312	2/16/2017	ECCLESTONE, CHERYL	JULY16-DEC16		675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM REBATE JUL 2016 - DEC 2016	186.02
158313	2/16/2017	FISCHER, JUTTA	JUL16-DEC16		675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM REBATE JUL 2016 - DEC 2016	171.81
158314	2/16/2017	FLAMINGO'S EVENT PLANNER	01242017		670-7000-473.42-50	LARGE SCISSORS & RED TAPE RIBBON CUTTING CEREMONY	20.00
158315	2/16/2017	FLEET SERVICES INC	5270310047	028036	702-3800-480.38-52	AUTO SLACK	225.35
			5270320038		702-3800-480.38-52	AUTO SLACK REFUND ORGNL INV # 5270310047	(225.35)
			5270320039		702-3800-480.38-52	SPLINE	195.44
			5270370044		702-3800-480.38-52	SHOCK/TORQUE/ROD	669.97
158316	2/16/2017	FOSTER, SCOTT	MILEAGE 1/27		610-5800-434.25-05	TRANSIT & PARATRANSIT MANAGEMENT CERT PROGRAM	75.12
158317	2/16/2017	FRONTIER COMMUNICATIONS	9517695052FEB17		001-4500-412.26-05	FEB 04, 2017 - MAR 03, 2017	59.27
			9518496777FEB17		001-2200-421.26-05	PD ELEVATOR LINE SRVCE 02/01/17 - 02/28/17	101.50
			9519220262FEB17		001-4500-412.26-05	FEB 04, 2017 - MAR 03, 2017	108.63
158318	2/16/2017	GAS COMPANY, THE	05603682006IA17		001-2400-422.26-06	172 N MURRAY ST DEC 14, 2016 - JAN 14, 2017	446.47
			12662493001IA16		001-2400-422.26-06	3900 W WILSON ST DEC 7, 2016 - JAN 9, 2017	83.88
			MEAL 2/07/17		001-2210-421.25-06	SHIFT COVERAGE	16.00
158319	2/16/2017	GIFFORD, AMBER	127035		001-1900-412.23-27	ROEL BRIONES W/E 2/05/17 FINANCE MANAGER	6,800.00
158320	2/16/2017	GOVERNMENT STAFFING SERVICES, INC	84205-17142 A/C		675-7020-473.42-35	RESIDENTIAL CENTRAL A/C SPLIT SYSTEM - REBATE	375.00
158321	2/16/2017	GREENBERG, DAVID	AUG16-JAN17		675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM REBATE AUG 2016 - JAN 2017	96.49
158322	2/16/2017	HALLOCK, DENNIS	MEALS 2/22-23		001-2200-421.23-06	FIREARMS TACTICAL RIFLE	24.00
158323	2/16/2017	HOLDER, PHILLIP	20170217		001-0000-204.80-10	PAYROLL SUMMARY	2,064.71
158325	2/16/2017	ICMA RETIREMENT TRUST 457	20170217		001-0000-204.16-00	PAYROLL SUMMARY	1,802.41
158326	2/16/2017	INNOVATIVE FEDERAL STRATEGIES	012017	028078	001-1000-411.33-11	LEGISLATIVE SERVICES	3,500.00
158327	2/16/2017	JOHNSON, KENNETH	53403-50922 A/C		675-7020-473.42-35	RESIDENTIAL CENTRAL A/C SPLIT SYSTEM - REBATE	1,500.00
158328	2/16/2017	KUSTOM SIGNALS, INC	536939	028276	148-2215-421.89-48	KIT//MNT//RAM//DASH//CONSOLE	3,610.75
158329	2/16/2017	LEAGUE OF CALIFORNIA CITIES	LOCC 2/13/17		001-1000-411.23-05	LOCC RVSD CNTY MTG ANDRADE - 2/13/17 DIVSN	25.00
158330	2/16/2017	LEIDOS ENGINEERING, LLC	INV-0004098325	027350	674-7000-473.33-11	ENG SERVICES	203.61
					674-7000-473.96-32	ENG SERVICES	6,002.37
					674-7000-473.96-33	ENG SERVICES	6,172.11
158331	2/16/2017	LIEBERT CASSIDY WHITMORE	1430104		001-1300-412.33-11	BA060-00001 OCT SERVICES	408.00
			1431511		001-1300-412.33-11	BA060-00001 NOV 2016 SRVS	602.00
			1433024		001-1300-412.33-11	BA060-00001 DEC 2016 SERV	1,645.00
158332	2/16/2017	LITHOPASS PRINTING, FORMS,	42677	027933	001-4500-412.23-02	BUSINESS CARDS- J MCQUOWN	21.60
158333	2/16/2017	M BRY ELECTRIC, INC	2483	027447	673-0000-232.00-00	PROJECT 2015-02 EL EV CHARGING STATION	1,250.70
			2510	027969	001-3200-412.30-01	RING OF HONOR REPAIR	236.00
			2512	027969	001-3200-412.30-02	LIONS PK SNK BR LIGHTS	259.40
158334	2/16/2017	MC AVOY & MARKHAM	15221		670-0000-131.00-00	METERS PO NUM 028094	9,611.05
158335	2/16/2017	MIRANDA, ANDREW R & JASMINE N	M-2101		670-0000-131.00-00	TRANSFORMERS PO NUM 028201	30,098.89
			000091291		001-0000-218.22-22	UB CR REFUND-FINALS 000009252	15.68



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158336	2/16/2017	MULTIFORCE SYSTEMS CORP	915838	028319	702-3800-480.30-17	CNG CARD READER SOFTWARE	855.00
158337	2/16/2017	NAAAZ, CALEB	MEAL 2/07/17		660-6300-471.25-06	SCAPA CALL OUT BRINTON RESERVOIR ALARMS	16.00
158338	2/16/2017	NAPA AUTO PARTS	997032	028032	702-3800-480.38-52	OIL/AIR/FUEL FILTER	98.18
			997033	028032	702-3800-480.38-52	COOLANT FILTER	38.97
			997237	028032	702-3800-480.38-52	HAND CLEANER	47.39
158339	2/16/2017	NATIONWIDE RETIREMENT SOLUTIONS	20170217		001-0000-204.16-00	PAYROLL SUMMARY	2,473.45
158340	2/16/2017	NI GOVERNMENT SERVICES, INC	7011126080	028101	001-2400-422.26-07	SATELLITE PHONE-JAN	39.66
158341	2/16/2017	NOVALIS, LESLIE	92365-5968 A/C		675-7020-473.42-35	RESIDENTIAL CENTRAL A/C SPLIT SYSTEM - REBATE	1,500.00
158342	2/16/2017	OFFICE DEPOT	889411250001	027936	670-7000-473.36-00	DESKPADS, CALENDARS	199.63
			890126739001	027936	680-8000-454.36-00	DESKPADS, CALENDARS	115.32
				027936	660-6300-471.36-00	BREAK ROOM SUPPLIES	111.23
				027936	670-7000-473.36-00	BREAK ROOM SUPPLIES	222.44
			890144334001	027936	660-6300-471.36-00	PAPER HOLDERS, PAPER, PEN	320.47
				027936	670-7000-473.36-00	PAPER HOLDERS, PAPER, PEN	233.01
			896091463001	027936	670-7000-473.36-00	PAPER TONER	82.05
				027936	680-8000-454.36-00	PAPER TONER	347.27
			896778370001	027936	001-1900-412.36-00	OFFICE SUPPLIES	127.85
			896778709001	027936	001-1900-412.36-00	OFFICE SUPPLIES	7.22
158343	2/16/2017	ONE SOURCE DISTRIBUTORS	S5306364.005		670-0000-131.00-00	LED PO NUM 028172	17,509.38
			S5381289.001		670-0000-131.00-00	COUPLING PO NUM 028272	64.65
			S5381289.002		670-0000-131.00-00	COUPLING PO NUM 028272	20.04
158344	2/16/2017	P&P UNIFORMS	405787/4	027987	001-2210-421.36-04	S.AVILA-NEW HIRE UNIFORM	327.26
158345	2/16/2017	PARS	20170217		001-0000-204.25-00	PAYROLL SUMMARY	447.56
158346	2/16/2017	PARTS AUTHORITY METRO, LLC	91-038932	028033	702-3800-480.38-52	#701 MOTOR RESISTOR	84.35
			91-039031	028033	702-3800-480.38-52	#701 OIL FILTER	3.20
158347	2/16/2017	PAUL SMITH	16-6509		001-2800-351.35-48	75% REFUND PIL NO 16-6509 \$80.00 PAID ON 12/06/16	60.00
158348	2/16/2017	PRESS-ENTERPRISE, THE	0010226961	027940	001-1300-412.23-01	WTR SVCS WKR JOB AD	336.92
			0010228052	027940	001-1300-412.23-01	ACTNG SPEC JO AD	436.92
			0010230298	027940	001-3000-442.23-01	ADV. SPEED SURVEY	202.40
			00016925		001-2400-422.30-02	SERVICE CALL/LABOR RECONNECT CABLES & READJ	295.00
158349	2/16/2017	PRO-RISE GARAGE DOOR CO	22333653	027959	670-7000-473.25-02	EL UNIFORMS	434.19
158350	2/16/2017	PRUDENTIAL OVERALL SUPPLY	22374904	027959	670-7000-473.25-02	EL UNIFORMS	248.19
			22378204	027959	001-4000-461.23-16	UNIFORM SERVICE	6.50
					610-5800-434.23-16	UNIFORM SERVICE	14.25
					610-5800-434.25-02	UNIFORM SERVICE	54.00
					610-5850-434.25-02	UNIFORM SERVICE	6.64
158351	2/16/2017	RACEWAY FORD INC	3663100	027942	702-3800-480.38-52	PLUNGER/TUBE/BUSHING	71.70
158352	2/16/2017	RAYMUNDO ENGINEERING CO, INC	3129	028236	702-3800-480.90-77	CNG ASSESSMENT	2,537.50
158353	2/16/2017	RIGSBY, LUCIEN	MEALS 2/27-3/15		001-2210-421.23-06	BASIC PUBLIC SAFETY DSPTCH MEALS 2/27/17-3/15/17	180.00
158354	2/16/2017	RILEY, CHARLES	AUG 16-JAN 17		675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM REBATE AUG 2016 - JAN 2017	94.84
158355	2/16/2017	RIV. CO. ASSESSOR, LARRY W. WARD	17-25524		111-4900-432.23-33	LMD VALUE ROLL PDC FOR JAN-17	63.75
158356	2/16/2017	ROCK, MICHAEL	MEAL 01/17/17		001-1200-412.23-05	DINNER - LOCC NEW MAYORS & COUNCIL MEMBERS ACADEMY	20.00
			MEALS 1/18/17		001-1200-412.23-05	BREAKFAST & DINNER - LOCC NW MAYRS & COUNCL MMBSRS	28.00
			MEALS 1/19/17		001-1200-412.23-05	DINNER - LOCC 1/18-1/20 NW MAYRS & COUNCL MMBSRS	20.00
			MEALS 1/20/17		001-1200-412.23-05	LUNCH - LOCC 1/18-1/20 NW MAYRS & COUNCL MMBSRS	12.00
			PARKING 1/20		001-1200-412.23-05	ONTARIO INTRNTL AIRPORT	72.00
158357	2/16/2017	ROCKWELL, AMBER	COMP LOAN 2017		675-0000-116.21-05	A ROCKWELL COMP LOAN	1,021.39
158358	2/16/2017	RUNDELL, RICHARD	000079997		001-0000-218.22-22	UB CR REFUND-FINALS 000022624	26.17
158359	2/16/2017	SALT RIVER PROJECT	WLR2017		670-7000-473.23-05	JIM STEFFENS - REGSTRN	500.00
158360	2/16/2017	SAN GORGONIO PASS WATER AGENCY	16-00131	027988	660-6300-471.27-14	STATE PROJECT WATER NOVEMBER 2016	55,475.00



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158361	2/16/2017	SHERATON PASADENA HOTEL	361964023		001-2200-421.23-06	KELLY - ASSERTIVE SUPERVISION - PASADENA	863.46
158362	2/16/2017	SHRED-IT USA, LLC	9411425318	028162	001-2200-421.23-07	SHRED SVC: JULY 7, 2016	97.20
			9411809638	028162	001-2200-421.23-07	SHRED SVC: 08/03/16	97.20
			9412259980	028162	001-2200-421.23-07	SHRED SVC: 08/31/16	97.20
			9412499807	028162	001-2200-421.23-07	SHRED SVC: 09/21/16	97.20
			9412920917	028162	001-2200-421.23-07	SHRED SVC: 10/19/16	97.20
			9413361037	028162	001-2200-421.23-07	SHRED SVC: 11/16/16	97.20
			9413725413	028162	001-2200-421.23-07	SHRED SVC: 12/14/16	97.20
			9414123449	028162	001-2200-421.23-07	SHRED SVC: 01/11/2017	97.20
158363	2/16/2017	SILVA, ANABEL	000087737		001-0000-218.22-22	UB CR REFUND-FINALS 000009770	113.87
158364	2/16/2017	SOUTHERN CALIFORNIA EDISON	2011958816FEB17		670-7000-473.26-04	HIGHLAND HOME RD/S/O WESTWARD 01/01/17-2/01/17	58.40
			2015215155JAN17		660-6300-471.26-04	WELL 12 - 7073 PLANT D-5 SRVCE 12/14/16 - 01/12/17	42.48
158365	2/16/2017	SOUTHERN CALIFORNIA GAS CO	0924231048JJA17		702-3800-480.36-61	FLEET CNG DATES : 01/01/17 -2/01/17	7,043.17
158366	2/16/2017	STACKHOUSE, LILEENA & BRIAN	000085345		001-0000-218.22-22	UB CR REFUND-FINALS 000012558	109.02
158367	2/16/2017	STATE WATER RESOURCES CONTROL	480648		855-9500-490.90-30	PRD ROOSEVELT WILLIAMS	718.00
158368	2/16/2017	STONE, PAMELA	005403651		001-0000-204.16-00	RETURN REFUND OF PERS 457	113.92
			VISION REIMB		001-1300-412.25-10	VISION REIMBURSEMENT	250.00
158369	2/16/2017	SUN RIDGE SYSTEMS INC	4703	028321	001-2200-421.30-17	RIMS ANNUAL(9/24-9/23/17)	19,590.00
158370	2/16/2017	TAMMANY, NISSA	MEALS 2/22-23		001-2200-421.23-06	FIREARMS TACTICAL RIFLE	24.00
158371	2/16/2017	TERMINIX COMMERCIAL	356315143	028280	001-2400-422.23-24	PEST CTRL-3900 W WILSON	407.40
			356521106	028280	001-2400-422.23-24	PEST CTRL-172 N MURRAY	442.32
			862007716		670-7000-473.23-05	WUC SPRING 2017 CONVNNTN DIAZ, RICK & SMITH, JASON	460.48
158372	2/16/2017	THE WESTIN BONAVENTURE HOTEL	FS 89 FEB CABLE		001-2400-422.26-09	FS 89 CABLE FEB 2017 ACCT # 8448410810015614	24.97
158373	2/16/2017	TIME WARNER CABLE	FS 89 JAN CABLE		001-2400-422.26-09	FS 89 CABLE JAN 2017 ACCT # 8448410810015614	24.97
158374	2/16/2017	TURBO DATA SYSTEMS INC	25559	028210	001-2200-421.23-45	JAN'17 CITE PROCESSING	241.15
158375	2/16/2017	U.S. BANK	4535042		689-8000-454.65-08	WW ENT REV REF BDS SER 05	2,750.00
			4535043		680-8000-454.65-08	1989 WSTWTR IMPROV PROJCT	935.00
			4535044		660-6300-471.65-08	1989 COPS WATER IMPR PROJ ESCROW	935.00
158376	2/16/2017	ULINE	84065330	028008	001-2200-421.36-62	PAPER CUTTER/KRAFT PAPER	172.68
158377	2/16/2017	UNITED WAY OF THE INLAND VALLEY	20170217		001-0000-204.60-00	PAYROLL SUMMARY	107.00
158378	2/16/2017	VERIZON SELECT SERVICES INC	31444FEB17		001-4500-412.26-05	FEB 1, 2017 - FEB 28, 2017	2.24
158379	2/16/2017	VERIZON WIRELESS	9779291807		670-7000-473.26-05	ACCT 972157141-00001 SRVCE 12/24/16 - 01/23/17	14.04
			9779382636		670-7000-473.26-05	ACCT 271004536-00001 SRVCE 12/27/16 - 01/26/17	14.26
			9779390068		670-7000-473.26-05	ACCT 371004536-00001 SRVCE 12/27/16 - 01/26/17	15.77
			9779420133		670-7000-473.26-05	ACCT 771004535-00001 SRVCE 12/27/16 - 01/26/17	300.67
			9779427545		670-7000-473.26-05	ACCT 871004535-00001 SRVCE 12/27/16 - 01/26/17	13.71
158380	2/16/2017	VULCAN MATERIALS	71349199	027960	660-6300-471.45-17	COLD MIX	1,327.43
158381	2/16/2017	V2C GROUP, INC	15009-13	027433	855-9500-490.90-30	ROOSEVELT WILLIAMS DESIGN	3,101.37
158382	2/16/2017	WHITE STAR CAPITAL LLC	000075301		001-0000-218.22-22	UB CR REFUND-FINALS 000019390	70.99
158383	2/16/2017	ZHAO, OLIVIA	000086455		001-0000-218.22-22	UB CR REFUND-FINALS 000024114	38.91
158384	2/23/2017	AMERICAN FORENSIC NURSES	68946	027996	001-2200-421.33-31	BLOOD DRAWS (23152/11364)	250.00
			68998	027996	001-2200-421.33-31	CHP BLD DRAWS (2) 23152'S	100.00
158385	2/23/2017	ANDRADE, DANIELA	VISION REIMB		001-1000-411.23-05	EYEWEAR REIMBURSEMENT -17 ALFREDO ANDRADE	250.00
158386	2/23/2017	ARROW STAFFING SERVICE	00088776		001-1900-412.23-27	ANNA JETTON W/E 2/11/17 SUSAN ROCK W/E 2/11/17	2,428.00
158387	2/23/2017	ARROYO BACKGROUND INVESTIGATIONS	1170	028176	001-1300-412.33-11	BACKGROUND	800.00
158388	2/23/2017	BABCOCK LABORATORIES, INC	BA72497-0030	028135	660-6300-471.23-32	COLIFORMS	165.00
158389	2/23/2017	BATTERY SYSTEMS, INC	3872881	027914	702-3800-480.38-52	INV. BATTERIES	218.76
158390	2/23/2017	BEAR COMMUNICATIONS, INC	4529026	028323	001-2200-421.30-08	OCT'16 SERVICE AGREEMENT	891.00
			4531405	028323	001-2200-421.30-08	NOV'16-SERVICE AGREEMENT	891.00
			4541125	028323	001-2200-421.30-08	DEC'16-SERVICE AGREEMENT	891.00
158391	2/23/2017	CANON FINANCIAL SERVICES, INC	17002390	028060	001-4000-461.32-06	COPIER LEASES	83.60



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158391	4/27/17	CANON FINANCIAL SERVICES, INC	17002390	028060	001-4500-412.32-06	COPIER LEASES	478.97
					148-2215-421.32-06	COPIER LEASES	286.31
					610-5800-434.32-06	COPIER LEASES	83.61
					660-6300-471.32-06	COPIER LEASES	150.95
					670-7000-473.32-06	COPIER LEASES	179.98
					761-3100-480.32-06	COPIER LEASES	104.50
158392	2/23/2017	CAYO, BENJAMIN	AUG 16-JAN 17		675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM REBATE AUG 2016 -JAN 2017	27.47
158393	2/23/2017	CHAPPAROSA, RITA	COMP LOAN 17		001-0000-116.21-00	COMPUTER LOAN PER MOU	1,790.20
158394	2/23/2017	CLYMENS, RONNA	JUL 16-DEC 16		675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM REBATE JUL 2016 -DEC 2016	138.02
158395	2/23/2017	CRAWFORD, CONNIE	AUG 16-JAN 17		675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM REBATE AUG 2016 -JAN 2017	49.30
158396	2/23/2017	CWEA SSO-WDR WORKSHOP	MAR22		680-8000-454.23-05	C THORNTON - REGISTRATION COLLECTIONS WORKSHOP	45.00
						M LYNCH - REGISTRATION COLLECTIONS WORKSHOP	45.00
158397	2/23/2017	DANIELS TIRE SERVICE	230099978		702-3800-480.38-52	TIRES FOR #224 & REPAIR	713.88
158398	2/23/2017	DIRECTV	30645846133	028000	001-2200-421.26-09	2/9-3/8 PD MOB SATTTELITE	19.00
158399	2/23/2017	DUDEK	20167819		002-0000-222.30-03	MISCELLANEOUS SERVICES BUTTERFIELD SPECIFIC PLAN	8,588.75
					002-2800-351.36-01	MISCELLANEOUS SERVICES	(8,588.75)
					002-2800-441.33-05	MISCELLANEOUS SERVICES	8,588.75
158400	2/23/2017	DUGGINS, LANCE	COMP LOAN 17		670-0000-116.21-05	COMPUTER LOAN PER MOU	1,082.53
158401	2/23/2017	FERRELLGAS	1095255391	027925	660-6300-471.36-08	PROPANE	882.16
158402	2/23/2017	FISHER, ROBERT	TUITION REIMB		001-1300-412.25-09	TUITION REIMB 2016-2017 ENGLISH (GED155)	405.00
158403	2/23/2017	FRONTIER COMMUNICATIONS	2091884027FEB17		001-4500-412.26-05	FEB 16, 2017 - MAR 15, 2017	302.33
					660-6300-471.26-05	FEB 16, 2017 - MAR 15, 2017	54.02
					001-2200-421.26-05	FEB 07, 2017 - MAR 06, 2017	307.87
					001-2200-421.26-05	PD ALARM SYSTEM 2/04-3/03	101.50
					001-4500-412.26-05	FEB 10, 2017 - MAR 09, 2017	108.63
					001-4500-412.26-05	FEB 16, 2017 - MAR 15, 2017	105.95
					001-4500-412.26-05	FEB 13, 2017 - MAR 12, 2017	105.95
158404	2/23/2017	GARCIA, EDNA	000047083		001-0000-218.22-22	UB CR REFUND 000008694	554.21
158405	2/23/2017	GARDA CL WEST INC	10259886	028310	761-3100-480.23-43	ARMORED TRANSPORT SVCS	568.77
					028310	ARMORED TRANSPORT SVCS	568.77
					028310	ARMORED TRANSPORT SVCS	568.77
					028310	EXCESS ITEMS 11/03,11/10,	25.90
					028310	COIN & BAGS EXCESS	25.90
					028310	COIN & BAG EXCESS	31.85
158406	2/23/2017	GAS COMPANY, THE	20212277	028310	761-3100-480.23-43	JAN 14, 2017 - FEB 14, 2017	475.36
					001-4500-412.26-06	176 E LINCOLN ST DEC 21, 2016 - JAN 23, 2017	96.57
					001-3600-461.26-06	176 E LINCOLN ST DEC 21, 2016 - JAN 23, 2017	96.57
					100-4900-431.26-06	176 E LINCOLN ST DEC 21, 2016 - JAN 23, 2017	193.15
					660-6300-471.26-06	176 E LINCOLN ST DEC 21, 2016 - JAN 23, 2017	193.15
					670-7000-473.26-06	176 E LINCOLN ST DEC 21, 2016 - JAN 23, 2017	193.15
					702-3800-480.26-06	176 E LINCOLN ST DEC 21, 2016 - JAN 23, 2017	193.15
158407	2/23/2017	HAAKER EQUIPMENT COMPANY	W44764	028278	702-3800-480.30-05	#903 REEL REPAIR/CAMERA	6,023.98
158408	2/23/2017	HOME DEPOT #8987	2022209		670-7000-473.45-16	FLIP MOP/DISINFECTNG WIPE BRUSHES/ROLLER TRAYS	80.39
					5102547	ROOFING MATERIALS TO REPAIR HANGAR	883.67
					8561055	ROOFING MATERIALS FOR COMMUNITY CENTER	110.30
158409	2/23/2017	INFOSEND, INC	116342	028072	761-3100-480.23-02	BILLING SRVCE 01/23-1/27	151.63
					761-3100-480.23-04	BILLING SRVCE 01/23-1/27	1,258.78
					761-3100-480.33-11	BILLING SRVCE 01/23-1/27	260.44
					761-3100-480.23-02	BILLING SRVC 2/07-2/10	71.51
					761-3100-480.23-04	BILLING SRVC 2/07-2/10	510.97
					761-3100-480.33-11	BILLING SRVC 2/07-2/10	105.99
158410	2/23/2017	IRON MOUNTAIN INFORMATION MGMT, LLC	201206990	028164	703-3700-480.33-11	DATA STORAGE	435.40



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158411	2/23/2017	KAISER FOUNDATION HEALTH	MARCH 2017		001-0000-204.31-00	KAISER PREMIUMS GROUP 101565-0002	42,306.92
						KAISER PREMIUMS GROUP 101565-0006	8,915.54
158412	2/23/2017	LAND ENGINEERING CONSULTANTS, INC	2254	027177	660-6300-471.90-78	WATER MAIN REPLC. DESIGN	982.00
158413	2/23/2017	LEAF	7159779	028044	001-2200-421.32-06	LANIER MPC503 LEASE PAY	278.69
158414	2/23/2017	LITHOPASS PRINTING, FORMS,	42316	027933	761-3100-480.23-02	MUNICIPAL UTILITY SLIPS	285.12
			42727	027933	610-5800-434.23-02	TRANSIT TICKETS	825.55
			42728	027933	610-5800-434.23-02	63 BKS OF TICKETS	483.22
			42729	027933	610-5800-434.23-02	F/R TRIP SHEETS	255.96
158415	2/23/2017	MARINA LANDSCAPE, INC	5830901700	028137	660-6300-471.45-07	MONTHLY MAINTENANCE JANUARY 2017	1,315.00
158416	2/23/2017	MORENO, JOSE	MAY 16-OCT 16		675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM REBATE MAY 2016 -OCT 2016	190.03
158417	2/23/2017	MST BACKFLOW	FEB2017	028066	660-6300-471.45-08	BACKFLOW TESTS & CERTIFY	4,800.00
158418	2/23/2017	NOBEL SYSTEMS, INC	14008		660-6300-471.30-17	GIS UPDATES - WATER	1,250.00
			14009		680-8000-454.30-17	GIS UPDATES - SEWER	1,250.00
					660-6300-471.30-17	GIS UPDATES - ASBUILTS & FIELD NOTES	2,060.00
					680-8000-454.30-17	GIS UPDATES - ASBUILTS & FIELD NOTES	2,060.00
158419	2/23/2017	OFFICE DEPOT	895681380001	027936	761-3100-480.36-00	CALCULATOR RIBBON	15.83
			896156044001	027936	761-3100-480.36-00	CORD UNTANGLER/PENS	56.19
			899880006001	027936	001-2200-421.36-00	CLASP ENVELOPES/PENS	124.39
			899881320001	027936	001-2200-421.36-00	VERBATIM-DUAL LAYER DVD'S	36.97
			900237987001	027936	001-2200-421.36-62	EVIDENCE-TONER-CYN/MAGENT	232.55
158420	2/23/2017	P&P UNIFORMS	407773/4	027987	001-2200-421.36-04	M.RODRIGUEZ-DUTY BELT	39.41
			407874/4	027987	001-2200-421.36-04	J.STRICKER-PD NEW HIRE UN	534.25
158421	2/23/2017	PACIFIC ALARM SERVICE	P99287	028205	001-3200-412.23-19	BATTERY REPLACEMENT	198.86
158422	2/23/2017	PRUDENTIAL OVERALL SUPPLY	22371378	027959	702-3800-480.23-16	FLEET UNIFORMS/TOWELS	11.68
					702-3800-480.25-02	FLEET UNIFORMS/TOWELS	20.00
			22371379	027959	100-4900-431.25-02	STREET UNIFORMS	15.20
			22371380	027959	001-3600-461.25-02	PARKS UNIFORMS	6.65
			22374900	027959	702-3800-480.23-16	FLEET UNIFORMS/TOWELS	11.68
					702-3800-480.25-02	FLEET UNIFORMS/TOWELS	20.00
			22374901	027959	100-4900-431.25-02	STREET UNIFORMS	15.20
			22374902	027959	001-3600-461.25-02	PARKS UNIFORMS	6.65
			22378202	027959	660-6300-471.25-02	UNIFORMS-WATER	50.00
			22378203	027959	680-8000-454.25-02	UNIFORMS-WASTEWATER	15.00
158423	2/23/2017	RELIABLE WORKPLACE SOLUTIONS	22378220	027959	670-7000-473.25-02	EL UNIFORMS	157.19
			742295-0	027947	001-4500-412.36-00	PAPER,XERO/DUP,WE,LTR,20#	648.66
			742386-0	027947	001-4500-412.36-00	XEROX PAPER LTR 20#	162.16
158424	2/23/2017	RIVERSIDE, COUNTY OF	JANUARY 2017		001-2200-321.18-06	JAN 17 PARKING CITATION	695.50
158425	2/23/2017	ROCKWELL, AMBER	VISION REIMB		670-7000-473.25-10	EYEWEAR REIMBURSEMENT -17	120.00
158426	2/23/2017	SASE COMPANY, INC.	175322	028300	702-3800-480.38-52	SCARIFIER REPAIR PARTS	616.60
158427	2/23/2017	SILVER & WRIGHT, LLP	21587		700-5300-480.33-04	LEGAL SERVICES	1,888.46
158428	2/23/2017	SIRCHIE FINGER PRINT LABORATORIES	0287617-IN	028020	001-2200-421.36-62	PATROL LATENT PRINT KITS	250.57
158429	2/23/2017	SMART & FINAL	162119-574633 B	027953	001-1000-411.36-07	FOOD FOR COUNCIL MTG 2/14	24.16
158430	2/23/2017	SOUTHERN CALIFORNIA ADVANCED	2442	028320	001-2740-442.23-08	BOARD UP-5761 W. RAMSEY	2,850.00
158431	2/23/2017	SOUTHERN CALIFORNIA JOINT POLE	19323	028063	670-7000-473.27-11	JPA	666.67
158432	2/23/2017	SUN LIFE FINANCIAL	MARCH 2017		001-0000-204.14-00	LTD - STD INSURANCE PREM MARCH 2017	5,703.77
					001-0000-204.30-00	LIFE INSURANCE PREMIUMS MARCH 2017	4,638.19
					001-0000-204.32-00	DENTAL INSURANCE PREMIUMS MARCH 2017	7,836.71
158433	2/23/2017	TRENCH SHORING COMPANY	1094917-0001	027956	660-6300-471.45-08	TRENCH TOP, BOOM TRUCK	81.25
158434	2/23/2017	ULINE	84227641	028008	001-2200-421.36-62	GLOVES-REFILL BAGS L&XL	379.36
158435	2/23/2017	URBAN FUTURES INCORPORATED	1216-004	023791	005-1210-412.33-11	NOV 2016 ON CALL CONSULT	90.00
158436	2/23/2017	VERIZON WIRELESS	9779649500		001-1000-411.26-05	JAN 2,2017 - FEB 1,2017	50.35



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158436	4/27/17	VERIZON WIRELESS	9779649500		001-1200-412.26-05	JAN 2,2017 - FEB 1,2017	53.51
					001-1300-412.26-05	JAN 2,2017 - FEB 1,2017	66.22
					001-2200-421.26-05	JAN 2,2017 - FEB 1,2017	465.75
					001-2210-421.26-05	JAN 2,2017 - FEB 1,2017	13.17
					001-2400-422.26-05	JAN 2,2017 - FEB 1,2017	38.01
					001-2740-442.26-05	JAN 2,2017 - FEB 1,2017	40.04
					001-3000-442.26-05	JAN 2,2017 - FEB 1,2017	103.38
					001-4000-461.26-05	JAN 2,2017 - FEB 1,2017	49.33
					100-4900-431.26-05	JAN 2,2017 - FEB 1,2017	129.32
					203-2200-446.36-00	JAN 2,2017 - FEB 1,2017	11.18
					610-5800-434.26-05	JAN 2,2017 - FEB 1,2017	116.41
					610-5850-434.26-05	JAN 2,2017 - FEB 1,2017	16.16
					660-6300-471.26-05	JAN 2,2017 - FEB 1,2017	242.29
					670-7000-473.26-05	JAN 2,2017 - FEB 1,2017	383.77
					680-8000-454.26-05	JAN 2,2017 - FEB 1,2017	55.44
					702-3800-480.26-05	JAN 2,2017 - FEB 1,2017	47.42
					703-3700-480.26-05	JAN 2,2017 - FEB 1,2017	100.21
					761-3100-480.26-05	JAN 2,2017 - FEB 1,2017	11.31
					761-3110-480.26-05	JAN 2,2017 - FEB 1,2017	47.30
158437	2/23/2017	WARE, KENNITH	MEAL 02/02/17		610-5800-434.25-06	TRAINING BERNARD	16.00
			MEAL 02/07/17		610-5800-434.25-06	DRIVING TIME 5/6 COMBO	16.00
158438	2/23/2017	WESTERN RIVERSIDE COUNCIL	JAN 1-JAN 31		001-0000-223.23-00	TUMF PAYMENT -CELL TOWER 4978 W RAMSEY ST	0.20
						TUMF PAYMENT -PRMT 16-196 4240 W RAMSEY ST	3,062.89
						TUMF PAYMENT -PRMT 16-651 690 S SAN GORGONIO AVE	1,625.00
158439	2/23/2017	WHITE, BEVERLY	JUL 16-DEC 16		675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM REBATE JUL 2016 -DEC 2016	184.84
158440	2/23/2017	ZENNER PERFORMANCE METERS, INC	0034601-IN	027958	660-6300-471.45-11	WATER METER TESTING	50.00
9005964	2/3/2017	WELLS FARGO BANK	PPE 01/29/2017		001-0000-204.10-00	PAYROLL	315,943.99
9005965	2/3/2017	INTERNAL REVENUE SERVICE	PPE 01/29/2017		001-0000-204.11-00	PAYROLL TAX DEPOSIT	56,319.59
					001-0000-204.13-00	PAYROLL TAX DEPOSIT	79,079.36
9005966	2/6/2017	CA. ST. EMPLOYMENT DEV. DEPT.	PPE 01/29/2017		001-0000-204.12-00	PAYROLL TAX DEPOSIT	18,136.35
9005967	2/7/2017	TASC	PPE 01/29/2017		001-0000-204.80-04	MEDICAL CONTRIBUTION TERM M. GREEN (NEG BAL)	4,518.85
						DEP CARE CONTRIBUTION	520.74
9005968	2/8/2017	CA. ST. PUBLIC EMPLOYEES	PPE 01/15/2017		001-0000-204.80-05	DEP CARE CONTRIBUTION	597.52
9005969	2/8/2017	CALPERS 457 PLAN - 450260	PPE 01/15/2017		001-0000-204.20-00	RETIREMENT BENEFITS	130,866.84
9005970	2/15/2017	WELLS FARGO BANK	PPE 01/29/2017		001-0000-204.16-00	CAL PERS 457 CONTRIBUTION	31,699.43
9005971	2/17/2017	WELLS FARGO BANK	PPE 02/12/2017		001-0000-204.80-14	VEBA CONTRIBUTIONS	8,457.53
9005972	2/21/2017	INTERNAL REVENUE SERVICE	PPE 02/12/2017		001-0000-204.10-00	PAYROLL	288,245.30
					001-0000-204.11-00	PAYROLL TAX DEPOSIT	49,241.79
					001-0000-204.13-00	PAYROLL TAX DEPOSIT	72,536.28
9005973	2/21/2017	CA. ST. EMPLOYMENT DEV. DEPT.	PPE 02/12/2017		001-0000-204.12-00	PAYROLL TAX DEPOSIT	15,319.59
9005974	2/21/2017	CALIFORNIA, STATE OF	QTR END 12/2016		700-5030-480.40-03	ST. UNEMPLOYMENT INS	6,513.00
9005975	2/21/2017	TASC	PPE 02/12/2017		001-0000-204.80-04	MEDICAL CONTRIBUTIONS	4,412.60
					001-0000-204.80-05	DEP CARE CONTRIBUTIONS	597.52
9005976	2/28/2017	WELLS FARGO BANK	PPE 02/12/2017		001-0000-204.80-14	VEBA CONTRIBUTION	625.00
<b>Grand Total</b>							<b>3,850,934.15</b>
						Less Voided / Reissued Checks from Prior Period	(55,535.00)
						Less Voided Checks Prior Period	(503.56)
						Add Payroll Checks	7,393.91
						<b>Total Remittance for Month</b>	<b>3,802,289.50</b>

## Voided Checks

February 2017

Date	Check	Vendor #	Reason	Amount	Check	Vendor #	Amount
2/9/2017	158047	99001	Scholarship granted	\$ 200.00			
2/16/2017	157903	99001	Vendor did not receive	\$ 60.00	158347	99001	\$ 60.00
2/16/2017	157738	3125	Vendor did not receive	\$ 55,475.00	158360	3125	\$ 55,475.00
2/16/2017	157706	99001	Credit card was used for payment	\$ 503.56			
<b>TOTALS</b>				<b>\$ 56,238.56</b>			<b>\$ 55,535.00</b>

# PAYROLL

## DIRECT DEPOSIT TOTALS

<b>PAY PERIOD ENDING</b>	<b>DIRECT DEPOSIT DATES</b>	<b>DIRECT DEPOSIT AMOUNTS</b>
01/29/2017	02/03/2017	\$315,943.99
02/12/2017	02/17/2017	\$288,245.30

## MANUAL CHECKS ISSUED

<b>CHECK DATE</b>	<b>CHECK #</b>	<b>CHECK AMOUNT</b>
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### TOTAL CHECKS/DIRECT DEPOSIT ISSUED

01/29/2017	02/03/2017	184
02/12/2017	02/17/2017	186

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370

# Payroll

## February 2017

Start	End	Date	Description	Check Total
10790	10806	2/2/2017	WARRANT REGISTER	\$ 3,571.17
10808	10824	2/16/2017	WARRANT REGISTER	\$ 3,822.74
<b>TOTALS</b>				<b>\$ 7,393.91</b>

Dept/Div Activity	Check Payee	Social Security	Check Number	Amount
	DEPARTMENT OF TREASURY		10790	209.00
	UNITED STATES TREASURY		10791	125.50
	CALIF. STATE DISBURSEMENT UNIT		10792	180.46
	CALIF. STATE DISBURSEMENT UNIT		10793	300.00
	TRACY YOUNGBLOOD		10794	223.39
	CALIF. STATE DISBURSEMENT UNIT		10795	322.61
	FRANCHISE TAX BOARD		10796	125.00
	LAPHAM, SIERRA G	4397	10797	195.25
4000-461	WOOLFOLK, COLLIN T	9169	10798	238.72
4000-461	ALDERMAN, LUKE D	220	10799	19.84
4010-461	LANDINGHAM, JUSTIN P	4381	10800	657.34
4010-461	QUINN, MELISSA S	6748	10801	19.84
	FRANCHISE TAX BOARD		10802	125.38
	UNITED STATES TREASURY		10803	260.00
	MARY NELL WARE		10804	300.00
	FRANCHISE TAX BOARD		10805	75.00
	CALIF. STATE DISBURSEMENT UNIT		10806	193.84
	Total Checks -		17	3,571.17



Prepared 2/16/17, 10:30:37  
Program PR655L  
CITY OF BANNING

Check Register  
BIWEEKLY  
Pay Date 2/17/17

Page 1  
Pay Period 4  
1/30/17 To 02/12/17

Dept/Div Activity	Check Payee	Social Security	Check Number	Amount
4000-461	UNITED STATES TREASURY		10808	125.50
4000-461	CALIF. STATE DISBURSEMENT UNIT		10809	322.61
4010-461	FRANCHISE TAX BOARD		10810	538.30
4010-461	CALIF. STATE DISBURSEMENT UNIT		10811	180.46
4010-461	CALIF. STATE DISBURSEMENT UNIT		10812	300.00
	TRACY YOUNGBLOOD		10813	223.39
	FRANCHISE TAX BOARD		10814	66.12
	LAPHAM, SIERRA G	4397	10815	212.14
	WOOLFOLK, COLLIN T	9169	10816	411.30
	ALDERMAN, LUKE D	220	10817	215.82
	IRVING, MADISON L	3598	10818	141.40
	QUINN, MELISSA S	6748	10819	131.48
	FRANCHISE TAX BOARD		10820	125.38
	UNITED STATES TREASURY		10821	260.00
	MARY NELL WARE		10822	300.00
	FRANCHISE TAX BOARD		10823	75.00
	CALIF. STATE DISBURSEMENT UNIT		10824	193.84
Total Checks -			17	3,822.74

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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

**MEETING DATE:** April 25, 2017

**SUBJECT:** Public Works Capital Improvement Project Status List

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### **RECOMMENDATION:**

This is informational only; receive and file report.

### **JUSTIFICATION:**

The purpose of presenting the attached Public Works Capital Improvement Project (CIP) Status List is to keep City Council and the public informed of the status of the various capital improvement projects that are currently managed by the Public Works Department.

### **BACKGROUND:**

There are several planning, environment, design and construction contracts that have been approved by City Council and/or the City Manager's office that are being managed by the Public Works Department. In an effort to keep the City Council and the public informed of the progress made and current status of each project, staff has prepared and will continue to update the attached CIP Status List. The list will be presented to City Council on the second regularly scheduled council meeting per month.

### **FISCAL IMPACT:**

None



**ATTACHMENTS:**

1. CIP Status List

Approved by:



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Michael Rock  
City Manager

# ***ATTACHMENT 1***

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PUBLIC WORKS CAPITAL IMPROVEMENT PROJECTS STATUS TABLE

Category	Project #	Project	Scope	Council Award Date	Project Kickoff	% Completed	Tasks Completed	Current Tasks	1 Month Look Ahead Tasks	Future Tasks	Tentative Completion Date	Project Budget
Streets	2014-03	Hargrave/Ramsey Street Intersection	Design	5/26/2015	8/10/2015	95%	PS&E are 100% complete	Waiting for SCE to complete their Advance design for utility research, waterline design, hydrology study, PS&E	Waiting on SCE	Finalize PS&E once SCE completed their design of poles relocation	6/1/17	\$ 79,920
Streets	2016-11	Hathaway/Ramsey Street Intersection	Design	12/11/2016	1/18/2017	15%	preliminary alignments, concept landscape plans, utility agency outreach	crack seal all slurry seal streets and possible construct sidewalk on San Geronimo Ave, if permit granted	submit all plans for review, continuing utility coordination, private owner outreach	right-of-way dedications, traffic signal plans, storm drain plans, water line plans	10/1/17	\$ 254,512
Streets	2016-03	Street Improvements at Various Locations	Construction	12/12/2016	4/27/17	50%	Remove and replace curb & gutter, sidewalk, driveway approach, access ramps, pcc cross walks and spandrels, and trench pothole repairs	crack seal all slurry seal streets and possible construct sidewalk on San Geronimo Ave, if permit granted	grinding and crack sealing all overlay streets	Sunset Avenue slope repairs, slurry seal, AC paving, re-install traffic loops and re-stripes all improvement streets.	6/8/17	\$ 1,039,390
Streets	ATPL-5214(012)	ATP Bicycle/Pedestrians Safe Routes to School	Environmental, Design, Construction	-	-	2%	Environmental completed (CE approved by Planning and filed with the County of Riverside)	Design Funding Allocation approved by CTC in March 2017 and is being waiting for Caltrans approval	Will use the Engineering Services short list to select a consulting firm to do the design	-	-	Envr (\$20K), Design (\$100K), Const (\$962K)
Streets	HSIP-5214 (010)	Traffic Signal System Improvements on Ramsey Street	Construction	-	-	-	PS&E are completed and ready for bidding	Purchasing is working on to get it out to bid	Issuance of Notice Inviting to Bid	Council Award	-	\$ 384,000
Streets	STPL 5214 (011)	Ramsey Street, from Hargrave St. to west of Hathaway St.	Environmental, Construction	-	-	-	PS&E are 75% complete.	Waiting on PO to begin cultural resource study	Work on cultural resource study per Caltrans requirements	Complete cultural resource study and finalize PS&E.	8/1/17	\$ 295,000
Parks	2017-03	Lions Park CEQA	Environmental	11/7/2016	-	80%	AQ/GHG sections of the Initial Study	CEQA report; Receive FAA and ALUC approval for project	Continue working with FAA and ALUC	Finalize/Approve CEQA report	8/1/17	\$ 66,300
Parks	2016-04	Roosevelt Williams Park Improvements	Design	6/23/2015	-	100%	PS&E are completed and ready for bidding	Purchasing is working to get it out to bid	-	-	3/15/17	\$ 123,117
Parks	2016-04	Roosevelt Williams Park Improvements	Construction	-	-	-	-	-	Bid Opening on 5/26/17	City Council Award	-	\$ 2,450,000
Building Maint		Repeller Park Parking Lot Landscaping	Planning	1/10/2017	1/18/2017	20%	Department head interviews, Spacing programming	Working on office layouts	Meet with department heads to discuss office layouts.	Finalize office layouts	6/30/17	\$ 75,000
Building Maint	2017-01	Community/Senior Center Improvements	Design	1/24/2017	2/28/2017	15%	Kick off meeting, site visit, base cad files	Processing amendment for additional scope	Council approval of additional scope; 50% plan submittal	Finalize PS&E	-	\$ 29,400
Fleet	2017-06	CNG Assessment	Planning	11/7/2016	1/18/2017	50%	CNG Assessment Completed	90% Design, AB 52 Consultation	Present finding to City Council	Specifications, Bidding	3/1/17	\$ 46,480
Water	2016-02W	Water Canyon Pipeline Replacement	Environmental, Design	5/10/2016	5/25/2016	70%	60% Design, Draft IS/MND	Proposals are being evaluated	100% Design	-	12/31/17	\$ 220,900
Water	2017-08W	Chromium-6 Compliance Project	Pilot Study	-	-	0%	RFP completed and issued	-	Select consultant, make recommendation to Council, finalize and submit SRF loan application	Conduct Pilot Study, Preliminary Design, Final Design, Environmental, Specifications	12/30/19	TBD
Water	2015-01W	Water Line Replacement (3 Locations)	Design	3/24/2015	4/15/2016	80%	Final Design of Location 1, 60% Design of Locations 2 & 3	90% Design for Location 3	Potholing for Locations 2 & 3	100% Design for Location 3	6/30/17	\$ 107,980
Water	2016-01W	Well Repairs to Various Wells	Construction	3/22/2016	5/11/2016	75%	Well 11, Well 12, Well M-11, C2 Booster Pump 2	Inspection of M-11 Motor	Repairs to M-11 Motor	Pump Efficiency Testing	5/30/17	\$ 201,250
Water	2017-11W	Integrated Regional Water Management Plan	Planning	3/14/2017	4/11/2017	0%	Held project kick off meeting	Preparing stakeholder outreach, schedule kick off meetings for technical studies	Sand out stakeholder outreach letters, begin technical studies	Hold stakeholder advisory meeting and RWMS monthly meeting	4/1/18	\$ 1,079,904
Water/Water	2017-07W	Integrated Water, W. Water, and R. Water Master Plan	Planning	12/12/2016	12/19/2016	30%	Data Gathering, Pressures and Flow Monitoring	Model Updates	Review Preliminary Results	Create CIP List, Develop Cost Estimates, Update Evaluation Criteria	6/30/17	\$ 431,344
Wastewater	2016-03WW	Dome Repair/Digester Cleaning	Construction	12/12/2016	2/9/2017	30%	Mobilization, Cleaning of Digester 1	Clean Digester 2	Make a Determination on Dome Repair Means and Method	Dome Repair	4/28/17	\$ 206,536

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

**TO:** CITY COUNCIL

**FROM:** Michael Rock, City Manager

**PREPARED BY:** Rochelle Clayton, Deputy City Manager  
Jennifer McCoy, Purchasing Manager

**MEETING DATE:** April 25, 2017

**SUBJECT:** Discuss and Consider Amendments to Banning Municipal  
Code Chapter 3.24 – Purchasing System

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### **COMMITTEE RECOMMENDATION:**

On December 6, 2016, the City of Banning Budget & Finance Committee recommended the proposed revisions amending Chapter 3.24 of the Banning Municipal Code attached as Ordinance No. 1508.

### **RECOMMENDATION:**

1. The City Council approve and introduce on first reading Ordinance No. 1508 Amending Banning Municipal Code 3.24.
2. Direct staff to schedule the second reading and adoption of Ordinance No. 1508 for the May 9, 2017, regular City Council meeting.

### **JUSTIFICATION:**

As policies need to be updated from time to time, staff is requesting that the City Council adopt Ordinance No. 1508 to amend the Banning Municipal Code 3.24 to reflecting the Budget and Finance Committee and Staff's proposed revisions. The Purchasing Policy has not been updated since August of 2001.

The current code limits the City staffs ability of efficient procurement for commodities and services. Implementation of the amended municipal code, coinciding with the



recommended Purchasing Policy will restructure the Purchasing System creating a more streamlined approach, while minimizing compliance issues and project deadline delays for our community.

The proposed code modifications are to revise definitions, expand the Purchasing Officer's duties, modify fiscal parameters, clarify procurement options and add to the current list of exceptions. Below are cross-referenced sections between the current code and proposed modifications.

*Municipal Code Cross-Reference – 3.24 Purchasing System:*

SECTION 3.24.020 (DEFINITIONS) – To redefine meanings and remove repealed state government code reference;

3.24.030 (PURCHASING OFFICER) – To expand duties;

3.24.040 (TYPES OF CONTRACTS) – Adding clarifying definitions, correcting clerical errors and modifying fiscal parameters;

3.24.070 (FORMAL BID PROCEDURES) – Modifying fiscal parameters;

3.24.080 (OPEN MARKET OR INFORMAL BID PRODECURES) – Conforming specified procedures to reflect incorporated fiscal parameter modifications;

3.24.090 (PROFESSIONAL SERVICES PURCHASING PROCEDURES) – Conforming specified procedures to reflect included fiscal parameter modifications;

3.24.100 (PUBLIC PROJECT BID PROCEDURE) – Modifying fiscal parameters;

3.24.130 (EXCEPTIONS TO BIDDING REQUIREMENTS) – Modifying fiscal parameters, clarify procurement options and add to current list of exceptions.

**BACKGROUND:**

During 2014, it was noted that the Purchasing Policy B-23 adopted in August 2001 and the Purchasing Ordinance updated in 2005 and 2007 included contradictory procedures. Both Administrative Policy B-23 and the Purchasing System described in the Banning Municipal Code Chapter 3.24 needed to be updated to resolve any contradictory procedures. Until these items were analyzed and updated, and evaluated in relationship to State (i.e. State Public Contract Code) or Federal codes, and any other best practices in the industry, staff recommended that Purchasing Policy Addendum (Policy B-23(a)) be implemented.

The City has operated in a decentralized purchasing environment wherein each department was responsible for doing the majority of its own purchasing. In June of 2016, one full time Purchasing Manager in the Administrative Department was hired and immediately tasked with the analysis of all Purchasing Policy and Procedures. The procurement responsibilities have progressively returned to the Purchasing Division to allow for a streamlined process in accordance with best practices and compliance of the State and City Codes.

#### **OPTIONS:**

1. Approve a Centralized Purchasing Environment through the adoption of Ordinance No. 1508 which will provide the City of Banning with the following benefits:
  - a. Promote standardization efforts throughout the organization, which increases efficiency.
  - b. Promote uniformity in compliance and implementing State, Local and Federal purchasing laws and requirement.
  - c. Maximize savings through streamline procurement processes, improved vendor relations through fair competitive procedures and appropriate cost negotiations.
  - d. Increase organizations adherence to Procurement legalities by staying informed of present law and industry changes.
2. Reject Ordinance No. 1508, which will decrease the system efficiency across the organization and reduce the projected monetary savings.

#### **FISCAL IMPACT:**

Based on an annual projection of department purchasing requests the immediate fiscal impact proposed through the enhancement of the procurement policy and minor monetary authority adjustments allows for an overall estimated annual savings of \$65,000.

**ATTACHMENTS:**

1. Ordinance No. 1508 – Chapter 3.24 Purchasing System (Clean)
2. Ordinance No. 1508 – Chapter 3.24 Purchasing System (Modifications)
3. Banning Municipal Code – Chapter 3.24 (Current)

Approved by:



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Michael Rock  
City Manager



# ***ATTACHMENT 1***

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## **ORDINANCE NO. 1508**

### **AN ORDINANCE OF THE CITY OF BANNING, CALIFORNIA, AMENDING CHAPTER 3.24 OF THE BANNING MUNICIPAL CODE TO REVISE DEFINITIONS, EXPAND THE PURCHASING OFFICER'S DUTIES, MODIFY FISCAL PARAMETERS, CLARIFY PROCUREMENT OPTIONS AND ADD TO THE CURRENT LIST OF EXCEPTIONS.**

The City Council of the City of Banning does hereby ordain as follows:

**SECTION 1:** Section 3.24.020 of Chapter 3.24, entitled "Definitions" is amended to read as follows:

"3.24.020 – Definitions.

Unless otherwise indicated, the following definitions shall apply to all provisions of this chapter:

"City manager" means the city manager or person designated by the city manager to perform all or some of the duties prescribed in this chapter.

"Contract" means a written agreement between two or more competent individuals and/or corporate entities to perform or not perform a specific act(s) for compensation. Contract includes all types of government agreements, regardless of what they may be titled for the procurement of supplies, services, or construction.

"Cooperative purchase agreement" means the purchase of goods or services utilizing a form of intergovernmental cooperative purchasing in which one government agency or jurisdiction performs the solicitation and award process for several agencies or jurisdictions, but separate contracts or purchase orders are executed between each participating agency and the vendor.

"Emergency" for purposes of public projects shall have that meaning provided in Section 1102 of the Public Contract Code, which reads: "Emergency," as used in this Code, means a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services. "Emergency," for all other purposes, means a public calamity or disaster; or, an immediate procurement is essential to protect the public health or safety, or to avoid interruption of essential city operations.

"Local business" means a business firm with fixed offices or distribution points located within the boundaries of the city, with a City of Banning street address. Post office box numbers or residential addresses may not be used solely to establish status as a local business. The business must have a valid City of Banning business license prior to the commencement of the contract.

"Piggy-Back Agreement" means the form of intergovernmental cooperative purchasing in which a public agency requests competitive sealed bids, enters into a contract and arranges, as part of the contract for other public agencies to purchase from



the selected vendor under the same terms and conditions as itself. This process eliminates the need to competitively bid the particular item again.

"Professional services" mean all services performed by persons in a professional occupation, including but not limited to, consulting and performance services for accounting, auditing, computer hardware and software support, engineering, architectural, planning, environmental, redevelopment, financial, economic, personnel, social services, legal, management, communication and other similar professional functions which may be necessary for the operation of the city.

"Public facility" means any city-owned or operated property, infrastructure or facility.

"Public project," as defined in Section 20161 of the Public Contract Code, means: (1) a project for the erection, improvement, painting, or repair of public buildings and works; (2) work in or about streams, bays, waterfronts, embankments, or other work for protection against overflow; (3) street or sewer work except maintenance or repair; (4) furnishing supplies or materials for any such project, including maintenance or repair of streets or sewers.

"Purchase" means buy, lease or rent supplies, equipment or services.

"Purchase order" means a formal document authorizing the purchase of supplies, equipment, or services from a vendor, and executed by the purchasing officer as a stand-alone agreement or pursuant to the authority granted in a contract. It is the vendor's authorization to deliver and invoice goods as specified. It is used to communicate to the vendor the city's terms and conditions and authorizes an encumbrance of city funds.

"Purchasing Officer" means the city manager or his or her designee(s). Initially, the city manager designates the Purchasing Manager to act as the purchasing officer. Pursuant to this section, the city manager may change his or her designation at any time.

"Requisition" means an internal document used to communicate to the purchasing officer and coordinate requests for supplies, equipment and services.

"Sole source" means the goods, supplies or services are available from only one vendor and there is no permissible substitute."

SECTION 2: Section 3.24.030 of Chapter 3.24, entitled "Purchasing Officer" is amended to read as follows:

"3.24.030 - Purchasing officer.

There is created the position of purchasing officer, who shall be appointed by the city manager. The purchasing officer shall have the general supervision of all purchasing functions of the city. The duties of the purchasing officer may be combined with those of any other office or position. Subject to the supervision of the city manager, the purchasing officer shall have the authority to:

- A. Negotiate contracts on behalf of the city for the purchase of supplies, equipment and services in accordance with this chapter, which contracts will be subject to

award by the city council or city manager and execution by the mayor or city manager;

- B. Negotiate and execute purchase orders on behalf of the city, for the purchase of supplies, equipment and services required by the city in accordance with this chapter;
- C. Prepare, and implement policies and procedures governing the purchase, bidding, contracting, storing, distribution and disposal of supplies, services and equipment for the city;
- D. Prescribe and maintain such forms as may be reasonably necessary to the implementation of this chapter and any other policies and procedures approved by the city manager consistent with this chapter;
- E. Review the working details, drawings, plans and specifications for any projects or purchases requiring such review in this chapter;
- F. Inspect or supervise the inspection of purchased supplies, services and equipment to ensure conformity with any specifications established or required by the city;
- G. Transfer among departments any supplies, services and equipment not needed by one such department, but which are necessary for the operations of one or more other departments;
- H. Sell any supplies and equipment not needed for public use or that may become unsuitable for their intended use;
- I. Develop and maintain any bidder's list, contractor's list or vendor's catalog file necessary to the operation of this chapter and any other policies and procedures approved by the city manager consistent with this chapter;
- J. Approve and confirm emergency purchases;
- K. Identify and pursue cooperative agreements with the State of California, Counties, other Cities and other governmental agencies and organizations in order to obtain cost savings for the City;
- L. Be authorized in the absence of the Administrative Services Director to allow a budget over-ride for purposes of timely completion of a purchase transaction as long as such action would not put the fund over-budget when reasonably projected to the end of the fiscal year, and when the requesting department has submitted a Budget Transfer Form."

SECTION 3: Section 3.24.040 of Chapter 3.24, entitled "Types of Contracts" is amended to read as follows:

"3.24.040 - Types of contracts.

- A. Formal contracts shall be used for the purchase of goods, equipment, or services whenever those goods, equipment, or services are sought by way of a request for proposal or when the purchasing officer determines that, due to the complexity, risk, or monetary value of the goods, equipment, or services sought, a formal agreement

with detailed procedural and substantive protections of the city's interests is necessary.

- B. Informal letter contracts shall be used when the purchasing officer determines that due to a lack of complexity, risk, or monetary value, a purchase of services need not include the detailed procedural and substantive protections of the city's interests.
- C. Purchase orders are formal, contractual documents requesting the delivery of specific goods, equipment, or services and promising payment therefor. They are issued by the purchasing officer and must be used in conjunction with formal contracts or else as provided in this chapter as stand-alone documents for all city purchases with the exception of purchases made pursuant to short form purchase orders or other methods consistent with this chapter and the policies and procedures implementing this chapter.
- D. Open purchase orders are formal agreements whereby the city contracts with a vendor to provide services, tools and equipment or supplies on a just-in-time basis. They are encumbered purchase orders with a maximum dollar amount that may be purchased per transaction and a maximum dollar amount that can be spent through the term of the contract. They must be used in conjunction with a formal contract.
- E. Blanket Purchase Orders (BPO) are contractual documents and should be issued for recurring purchases, such as office supplies, not valid for longer than one year, and shall always expire at the end of the fiscal year in which they were initiated.
- F. Short form purchase orders are formal documents that provide a method whereby department directors may purchase non repetitive, low volume, low-cost goods or services valued at less than five thousand dollars."

SECTION 4: Section 3.24.070 of Chapter 3.24, entitled "Formal bid procedures" is amended to read as follows:

"3.24.070 - Formal bid procedures.

Except as otherwise provided in this chapter, purchases for supplies, equipment and services (except public projects) with a value of more than thirty-five thousand dollars shall be awarded by the city council using a formal procedure. Where the department requesting the purchase has a specification that clearly defines the item or service requested, bids shall be sought pursuant to the requirements prescribed in subsection A of this section and administrative policies and procedures implementing this chapter. Where the department is cognizant of a desired end, but wishes to give vendors flexibility to meet that end in the most efficient means necessary, proposals will be sought pursuant to the requirements prescribed in subsection B of this section and the administrative policies and procedures implementing this chapter.

A. Formal Bidding.

- 1. Notice Inviting Bids. Notice inviting formal bids shall: (a) describe the supplies, services or equipment to be purchased; (b) state where bid plans



and specifications may be obtained; (c) state the date, time and place for opening of sealed bids; and (d) include any other information required by state or local law, as determined by the city attorney. Notice inviting bids shall be published at least ten days prior to the date set for opening of the bids. Notice shall be published at least once in a newspaper of general circulation printed and published in the city, or, if there is no such newspaper, in a newspaper of general circulation which is circulated in the city, and shall be posted at City Hall.

2. Proprietary Products. Upon approval of the purchasing officer, if the director of the using department certifies that, to the best of his or her knowledge, the product or service is proprietary in nature and can be obtained only from a limited number of vendors or contractors, and that no equivalent products or services are available, the notice inviting bids may be sent exclusively to such vendor(s) or contractor(s).
3. Bidder's Security and Bonds. The purchasing officer shall have the authority to require a bid security in the amount of ten percent of the value of the contract, or a performance bond and/or labor and materials bond in such amount as is necessary to protect the best interests of the city. If the purchasing officer requires a bid security or performance bond, the form and amount of the bond shall be described in the notice inviting bids.
4. Formal Bid Opening Procedure. The purchasing officer, or his designee, shall publicly open all bids at the time and place stated in the public notice. A tabulation of all bids received shall be available for public inspection in the purchasing office during regular business hours for a period of not less than thirty calendar days after bid opening.
5. Tie Bids. If two or more bids are received which are in all respects equal, the city council may accept the one it chooses.
6. Acceptance of Formal Bid. Contracts in the amount of thirty-five thousand dollars or less will be awarded by the city manager. Contracts for more than thirty-five thousand dollars will be awarded by the city council. The determination of "lowest responsible bidder" shall be at the discretion of the awarding body pursuant to findings and recommendations presented by the purchasing officer at the time of award. The awarding body may reject any or all bids received, and may waive any minor irregularities in each bid received.
7. Five-Year Term Limitation. No Professional service contracts, general maintenance contracts, or other contract work contracts shall extend for a period of more than five years, including any authorized extensions.
8. Failure to Enter Into Contract. A notice of award letter shall be sent to any successful bidder required to execute a contract with the city. Failure to enter into a contract or refusal to accept a purchase order within ten calendar days after the notice of award shall result in the forfeiture of the awardee's bid bond, if any. Award shall thereafter be made to the next lowest responsible, responsive bidder.

B. Request for Proposal/Qualifications.

1. Notice Inviting Request for Proposals/Qualifications. A notice inviting request for proposals/qualifications shall: (a) describe the supplies, services or equipment to be purchased; (b) state where the complete request for proposal may be obtained; (c) state the date, time and place for receipt of the proposals; and (d) include any other information required by state or local law, as determined by the city attorney. Notice inviting proposals shall be published at least ten days prior to the date set for receipt of the proposals. Notice shall be published at least once in a newspaper of general circulation printed and published in the city, or, if there is no such newspaper, in a newspaper of general circulation which is circulated in the city, and shall be posted at City Hall.
  2. Proprietary Products or Services. Upon approval of the purchasing officer, if the director of the using department certifies that, to the best of his or her knowledge, the product or service is proprietary in nature and can be obtained only from a limited number of vendors or contractors, and that no equivalent products or services are available, the notice inviting proposals may be sent exclusively to such vendor(s) or contractor(s).
  3. Opening of Request for Proposals/Qualifications. The purchasing officer shall open the proposals after the date and time as set forth in the notice inviting proposals/qualifications. The purchasing officer and the using department director or his or her designee will evaluate the proposals based on the vendor's understanding of the work required by the city, demonstrated competence and professional qualifications necessary for performance of the work and other factors that result in the best interest of the city.
  4. Acceptance of Proposals/Qualifications. Contracts in the amount of thirty-five thousand dollars or less will be awarded by the city manager. Contracts for more than thirty-five thousand dollars will be awarded by the city council. The city manager or the city council may reject any or all proposals received, and may waive any minor irregularities in each proposal received.
  5. Failure to Enter Into Contract. A notice of award letter shall be sent to any successful proposer required to execute a contract with the city. Failure to enter into a contract or refusal to accept a purchase order within ten calendar days after the notice of award shall result in the forfeiture of the awardee's bid bond if any. Award shall thereafter be made to the next lowest responsible, responsive proposer.
- C. All purchases for services to any public facility must have a duly executed contract, in addition to a purchase order."

SECTION 5: Section 3.24.080 of Chapter 3.24, entitled "Open Market or Informal Bid Procedures" is amended to read as follows:

"3.24.080 - Open market or informal bid procedures.

Purchases of supplies, equipment and services (other than public projects) with a value in the amount of thirty-five thousand dollars or less may be made in the open

market to the bidder offering the most advantageous quote, using an informal procedure pursuant to the requirements prescribed in subsections A through E of this section, provided, however, all bidding may be dispensed with for purchases of supplies, equipment and services having a total estimated value of five thousand dollars or less:

- A. Open market purchases shall, wherever possible, be based on at least three quotes, and shall be awarded to the vendor offering the most advantageous quote to the city after consideration of price, quality, durability, servicing, delivery time, standardization, and other factors.
- B. The purchasing officer shall solicit quotes by written and/or electronic request to prospective vendors, or by telephone, or by public notice posted on a public bulletin board at the city offices.
- C. All purchases for services to any public facility for five thousand dollars or less may be made by purchase order.
- D. All purchases for services to any public facility for more than five thousand dollars, must have a duly executed contract, in addition to a purchase order.
- E. Purchase of goods, supplies and equipment with a value of five thousand dollars or less may be made by department personnel with the approval of the department director as provided in this chapter and in administrative policies and procedures implementing this chapter."

SECTION 6: Section 3.24.090 of Chapter 3.24, entitled "Professional Services Purchasing Procedures" is amended to read as follows:

"3.24.090 - Professional services purchasing procedures.

Contracts for professional services shall be awarded to the contractor who will best serve the interests of the city, taking into account demonstrated competence, professional qualifications and suitability for the project in general. The city may consider cost of professional services, if the purchasing officer determines it to be a relevant factor under the circumstances. Procurement of professional services will be made pursuant to the requirements prescribed in subsections A through D of this section:

- A. Professional services contracts of thirty-five thousand dollars or less shall be awarded by the city manager, upon recommendation of the director of the department responsible for the project. Wherever possible, procurement of professional services shall be pursuant to the open market or informal ~~formal~~ bidding procedure as prescribed in Section 3.24.080 of this chapter.
- B. Professional services contracts of more than thirty-five thousand dollars shall, except as otherwise provided in this chapter, be awarded by the city council pursuant to the formal bidding procedure as prescribed in Section 3.24.070(B) of this chapter.
- C. In the event that it is determined by the city manager, that it would be in the best interest of the city for services to be provided by a specific consultant, a contract may be awarded based on negotiations with the specific consultant. Contracts

in the amount of twenty-five thousand dollars or less will be awarded by the city manager and contracts for more than twenty-five thousand dollars will awarded by the city council.

- D. All procurement of professional services will be made by a duly executed professional services agreement, in addition to a purchase order.
- E. Five-Year Term Limitation. No professional service contracts, general maintenance contracts, or other contract work contracts shall extend for a period of more than five years, including any authorized extensions."

SECTION 7: Section 3.24.100 of Chapter 3.24, entitled "Public Project Bid Procedure" is amended to read as follows:

"3.24.100 - Public project bid procedure.

Notwithstanding any provision of this chapter to the contrary, all public project contracts for more than five thousand dollars must be contracted for and let by the procedures as set forth in Division 2, Part 3, Chapter 1, Article 4 of the Public Contract Code (commencing at Section 20160). This includes the purchase of supplies or materials for any such project, including maintenance or repair of streets or sewers. Award of all public projects over thirty-five thousand dollars pursuant to this section will be made by the City Council."

SECTION 8: Section 3.24.130 of Chapter 3.24, entitled "Exceptions to the Bidding Requirements," is amended to read as follows:

"3.24.130 - Exceptions to bidding requirements.

Notwithstanding any provision of this chapter to the contrary, the competitive bidding procedures and requirements may be dispensed within any of the following instances:

- A. When an "Emergency" has been determined to exist pursuant to the official policies and procedures implementing this chapter;
- B. When the commodity is a sole source;
- C. When the price is less than five thousand dollars;
- D. When the purchasing officer determines the commodity can be procured using a cooperative purchase agreement (e.g., through NJPA, NIPA or GSA) and, the price to the city is equal to or better than the price to that public agency;
- E. When the purchasing officer identifies a Piggyback Agreement being prepared by and processed through another local, state, or federal governmental agency. Under such circumstances, the Purchasing Officer may join into an existing written purchase contract obtained within the last 12 months through a competitive bidding process prepared by and awarded by another local, state or federal governmental agency. City Council consent is required for such arrangements where the estimated value of the supplies is \$35,000 or more.



- F. When the commodity being purchased is gasoline, diesel or aviation fuel, to include gasoline credit card purchases;
- G. When the city council determines, in accordance with applicable law, that a competitive market does not exist, and no competitive advantage will be gained by the bidding process;
- H. When no bids are received on formal or informal bidding procedures;
- I. Advertisement and Notices when meeting the criteria of Public Contracts Code § 20169;
- J. When purchasing City Debt Services;
- K. When the service or commodity being purchased is conference registrations, educational seminars and training, subscriptions and membership dues;
- L. For insurance premiums (worker's compensation, general liability, etc.);
- M. When issuing payments to Department of Water Resources and related expenses (State Water Contractors, Inc., etc.), and other governmental units;
- N. For payroll disbursements, payroll checks, deductions, deposits and tax payments that are supported by a payroll report; medical payments and loans;
- O. When paying for permitting and other regulatory fees (construction permits, LAFCO payment, etc.);
- P. For Petty Cash Replenishment, refunds and travel expenses/advances;
- Q. When purchasing Postage/Delivery/Messenger Services;
- R. For Professional Legal and Human Resources Confidential Consultant Services;
- S. For real property, easement acquisition and rental property;
- T. When purchasing/renewing software license maintenance;
- U. When purchasing Trade Circulars, Books or CD's;
- V. When paying Utility Bills (phone, gas, electric, etc.)."

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

SECTION 10. The City Clerk is directed to certify the passage and adoption of this Ordinance; cause it to be entered into the City of Banning's book of original ordinances; make a note of the passage and adoption in the records of this meeting; and, within fifteen (15) days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.

SECTION 11. This Ordinance will become effective on the thirty-first (31st) day following its passage and adoption.

**PASSED, APPROVED, AND ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
George Moyer, Mayor  
City of Banning

**ATTEST:**

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

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

\_\_\_\_\_  
John C. Cotti, Interim City Attorney  
Jenkins & Hogin, LLP

**CERTIFICATION:**

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that Ordinance No. 1502 was duly introduced at a regular meeting of the City Council of the City of Banning, held on the 11<sup>th</sup> day of October, 2017, and was duly adopted at a regular meeting of said City Council on the 7<sup>th</sup> day of November, 2017, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

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

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# ***ATTACHMENT 2***

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## ORDINANCE NO. 1508

### AN ORDINANCE OF THE CITY OF BANNING, CALIFORNIA, AMENDING CHAPTER 3.24 OF THE BANNING MUNICIPAL CODE TO REVISE DEFINITIONS, EXPAND THE PURCHASING OFFICER'S DUTIES, MODIFY FISCAL PARAMETERS, CLARIFY PROCUREMENT OPTIONS AND ADD TO THE CURRENT LIST OF EXCEPTIONS.

The City Council of the City of Banning does hereby ordain as follows:

SECTION 1: Section 3.24.020 of Chapter 3.24, entitled "Definitions" is amended to read as follows:

"3.24.020 – Definitions.

Unless otherwise indicated, the following definitions shall apply to all provisions of this chapter:

"City manager" means the city manager or person designated by the city manager to perform all or some of the duties prescribed in this chapter.

"Contract" means a written agreement between two or more competent individuals and/or corporate entities to perform or not perform a specific act(s) for compensation. Contract includes all types of government agreements, regardless of what they may be titled for the procurement of supplies, services, or construction. ~~any type of legally recognized agreement to provide goods or services, including formal contractual agreements and informal letter contracts, but excluding purchase orders as defined by this section.~~

"Cooperative purchase agreement" means the purchase of goods or services utilizing a form of intergovernmental cooperative purchasing in which one government agency or jurisdiction performs the solicitation and award process for several agencies or jurisdictions, but separate contracts or purchase orders are executed between each participating agency and the vendor. The procedures of California Government Code Section 10324 authorize the state to make purchases on behalf of the city when it is to the city's advantage. Other California municipalities invite participation on purchases using the increased volume to result in better pricing for all participants.

"Emergency" for purposes of public projects shall have that meaning provided in Section 1102 of the Public Contract Code, which reads: "Emergency," as used in this Code, means a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services. "Emergency," for all other purposes, means a public calamity or disaster; or, an immediate procurement is essential to protect the public health or safety, or to avoid interruption of essential city operations.

"Local business" means a business firm with fixed offices or distribution points located within the boundaries of the city, with a City of Banning street address. Post office box numbers or residential addresses may not be used solely to establish status

as a local business. The business must have a valid City of Banning business license prior to the commencement of the contract.

"Piggy-Back Agreement" means the form of intergovernmental cooperative purchasing in which a public agency requests competitive sealed bids, enters into a contract and arranges, as part of the contract for other public agencies to purchase from the selected vendor under the same terms and conditions as itself. This process eliminates the need to competitively bid the particular item again.

"Professional services" mean all services performed by persons in a professional occupation, including but not limited to, consulting and performance services for accounting, auditing, computer hardware and software support, engineering, architectural, planning, environmental, redevelopment, financial, economic, personnel, social services, legal, management, communication and other similar professional functions which may be necessary for the operation of the city.

"Public facility" means any city-owned or operated property, infrastructure or facility.

"Public project," as defined in Section 20161 of the Public Contract Code, means: (1) a project for the erection, improvement, painting, or repair of public buildings and works; (2) work in or about streams, bays, waterfronts, embankments, or other work for protection against overflow; (3) street or sewer work except maintenance or repair; (4) furnishing supplies or materials for any such project, including maintenance or repair of streets or sewers.

"Purchase" means buy, lease or rent supplies, equipment or services.

"Purchase order" means a formal document authorizing the purchase of supplies, equipment, or services from a vendor, and executed by the purchasing officer as a stand-alone agreement or pursuant to the authority granted in a contract. It is the vendor's authorization to deliver and invoice goods as specified. It is used to communicate to the vendor the city's terms and conditions and authorizes an encumbrance of city funds.

"Purchasing Officer" means the city manager or his or her designee(s). Initially, the city manager designates the Purchasing Manager to act as the purchasing officer. Pursuant to this section, the city manager may change his or her designation at any time.

"Requisition" means an internal document used to communicate to the purchasing officer and coordinate requests for supplies, equipment and services.

"Sole source" means the goods, supplies or services are available from only one vendor and there is no permissible substitute."

**SECTION 2:** Section 3.24.030 of Chapter 3.24, entitled "Purchasing Officer" is amended to read as follows:

"3.24.030 - Purchasing officer.

There is created the position of purchasing officer, who shall be appointed by the city manager. The purchasing officer shall have the general supervision of all purchasing functions of the city. The duties of the purchasing officer may be combined with those



of any other office or position. Subject to the supervision of the city manager, the purchasing officer shall have the authority to:

- A. Negotiate contracts on behalf of the city for the purchase of supplies, equipment and services in accordance with this chapter, which contracts will be subject to award by the city council or city manager and execution by the mayor or city manager;
- B. Negotiate and execute purchase orders on behalf of the city, for the purchase of supplies, equipment and services required by the city in accordance with this chapter;
- C. Prepare, and implement policies and procedures governing the purchase, bidding, contracting, storing, distribution and disposal of supplies, services and equipment for the city;
- D. Prescribe and maintain such forms as may be reasonably necessary to the implementation of this chapter and any other policies and procedures approved by the city manager consistent with this chapter;
- E. Review the working details, drawings, plans and specifications for any projects or purchases requiring such review in this chapter;
- F. Inspect or supervise the inspection of purchased supplies, services and equipment to ensure conformity with any specifications established or required by the city;
- G. Transfer among departments any supplies, services and equipment not needed by one such department, but which are necessary for the operations of one or more other departments;
- H. Sell any supplies and equipment not needed for public use or that may become unsuitable for their intended use;
- I. Develop and maintain any bidder's list, contractor's list or vendor's catalog file necessary to the operation of this chapter and any other policies and procedures approved by the city manager consistent with this chapter;
- J. Approve and confirm emergency purchases;
- K. Identify and pursue cooperative agreements with the State of California, Counties, other Cities and other governmental agencies and organizations in order to obtain cost savings for the City;
- L. Be authorized in the absence of the Administrative Services Director to allow a budget over-ride for purposes of timely completion of a purchase transaction as long as such action would not put the fund over-budget when reasonably projected to the end of the fiscal year, and when the requesting department has submitted a Budget Transfer Form."

SECTION 3: Section 3.24.040 of Chapter 3.24, entitled "Types of Contracts" is amended to read as follows:

"3.24.040 - Types of contracts.

- A. Formal contracts shall be used for the purchase of goods, equipment, or services whenever those goods, equipment, or services are sought by way of a request for proposal or when the purchasing officer determines that, due to the complexity, risk, or monetary value of the goods, equipment, or services sought, a formal agreement with detailed procedural and substantive protections of the city's interests is necessary.
- B. Informal letter contracts shall be used when the purchasing officer determines that due to a lack of complexity, risk, or monetary value, a purchase of services need not include the detailed procedural and substantive protections of the city's interests.
- C. Purchase orders are formal, contractual documents requesting the delivery of specific goods, equipment, or services and promising payment therefor. They are issued by the purchasing officer and must be used in conjunction with formal contracts or else as provided in this chapter as stand-alone documents for all city purchases with the exception of purchases made pursuant to short form purchase orders or other methods consistent with this chapter and the policies and procedures implementing this chapter.
- D. Open purchase orders are formal agreements whereby the city contracts with a vendor to provide services, tools and equipment or supplies on a just-in-time basis. They are encumbered purchase orders with a maximum dollar amount that may be purchased per transaction and a maximum dollar amount that can be spent through the term of the contract. They must be used in conjunction with a formal contract.
- E. Blanket Purchase Orders (BPO) are contractual documents and should be issued for recurring purchases, such as office supplies, not valid for longer than one year, and shall always expire at the end of the fiscal year in which they were initiated.
- F. Short form purchase orders are formal documents that provide a method whereby department directors may purchase non repetitive, low volume, low-cost goods or services valued at less than ~~one~~five thousand dollars."

SECTION 4: Section 3.24.070 of Chapter 3.24, entitled "Formal bid procedures" is amended to read as follows:

"3.24.070 - Formal bid procedures.

Except as otherwise provided in this chapter, purchases for supplies, equipment and services (except public projects) with a value of more than ~~twenty-five~~ thirty-five thousand dollars shall be awarded by the city council using a formal procedure. Where the department requesting the purchase has a specification that clearly defines the item or service requested, bids shall be sought pursuant to the requirements prescribed in subsection A of this section and administrative policies and procedures implementing this chapter. Where the department is cognizant of a desired end, but wishes to give

vendors flexibility to meet that end in the most efficient means necessary, proposals will be sought pursuant to the requirements prescribed in subsection B of this section and the administrative policies and procedures implementing this chapter.

A. Formal Bidding.

1. Notice Inviting Bids. Notice inviting formal bids shall: (a) describe the supplies, services or equipment to be purchased; (b) state where bid plans and specifications may be obtained; (c) state the date, time and place for opening of sealed bids; and (d) include any other information required by state or local law, as determined by the city attorney. Notice inviting bids shall be published at least ten days prior to the date set for opening of the bids. Notice shall be published at least once in a newspaper of general circulation printed and published in the city, or, if there is no such newspaper, in a newspaper of general circulation which is circulated in the city, and shall be posted at City Hall.
2. Proprietary Products. Upon approval of the purchasing officer, if the director of the using department certifies that, to the best of his or her knowledge, the product or service is proprietary in nature and can be obtained only from a limited number of vendors or contractors, and that no equivalent products or services are available, the notice inviting bids may be sent exclusively to such vendor(s) or contractor(s).
3. Bidder's Security and Bonds. The purchasing officer shall have the authority to require a bid security in the amount of ten percent of the value of the contract, or a performance bond and/or labor and materials bond in such amount as is necessary to protect the best interests of the city. If the purchasing officer requires a bid security or performance bond, the form and amount of the bond shall be described in the notice inviting bids.
4. Formal Bid Opening Procedure. The purchasing officer, or his designee, shall publicly open all bids at the time and place stated in the public notice. A tabulation of all bids received shall be available for public inspection in the purchasing office during regular business hours for a period of not less than thirty calendar days after bid opening.
5. Tie Bids. If two or more bids are received which are in all respects equal, the city council may accept the one it chooses.
6. Acceptance of Formal Bid. Contracts in the amount of ~~twenty-five~~ thirty-five thousand dollars or less will be awarded by the city manager. Contracts for more than ~~twenty-five~~ thirty-five thousand dollars will be awarded by the city council. The determination of "lowest responsible bidder" shall be at the discretion of the awarding body pursuant to findings and recommendations presented by the purchasing officer at the time of award. The awarding body may reject any or all bids received, and may waive any minor irregularities in each bid received.

7. Five-Year Term Limitation. No Professional service contracts, general maintenance contracts, or other contract work contracts shall extend for a period of more than five years, including any authorized extensions.
8. Failure to Enter Into Contract. A notice of award letter shall be sent to any successful bidder required to execute a contract with the city. Failure to enter into a contract or refusal to accept a purchase order within ten calendar days after the notice of award shall result in the forfeiture of the awardee's bid bond, if any. Award shall thereafter be made to the next lowest responsible, responsive bidder.

B. Request for Proposal/Qualifications.

1. Notice Inviting Request for Proposals/Qualifications. A notice inviting request for proposals/qualifications shall: (a) describe the supplies, services or equipment to be purchased; (b) state where the complete request for proposal may be obtained; (c) state the date, time and place for receipt of the proposals; and (d) include any other information required by state or local law, as determined by the city attorney. Notice inviting proposals shall be published at least ten days prior to the date set for receipt of the proposals. Notice shall be published at least once in a newspaper of general circulation printed and published in the city, or, if there is no such newspaper, in a newspaper of general circulation which is circulated in the city, and shall be posted at City Hall.
2. Proprietary Products or Services. Upon approval of the purchasing officer, if the director of the using department certifies that, to the best of his or her knowledge, the product or service is proprietary in nature and can be obtained only from a limited number of vendors or contractors, and that no equivalent products or services are available, the notice inviting proposals may be sent exclusively to such vendor(s) or contractor(s).
3. Opening of Request for Proposals/Qualifications. The purchasing officer shall open the proposals after the date and time as set forth in the notice inviting proposals/qualifications. The purchasing officer and the using department director or his or her designee will evaluate the proposals based on the vendor's understanding of the work required by the city, demonstrated competence and professional qualifications necessary for performance of the work and other factors that result in the best interest of the city.
4. Acceptance of Proposals/Qualifications. Contracts in the amount of ~~twenty-five~~ thirty-five thousand dollars or less will be awarded by the city manager. Contracts for more than ~~twenty-five~~ thirty-five thousand dollars will be awarded by the city council. The city manager or the city council may reject any or all proposals received, and may waive any minor irregularities in each proposal received.
5. Failure to Enter Into Contract. A notice of award letter shall be sent to any successful proposer required to execute a contract with the city. Failure to enter into a contract or refusal to accept a purchase order within ten calendar days after the notice of award shall result in the forfeiture of the



awardee's bid bond if any. Award shall thereafter be made to the next lowest responsible, responsive proposer.

- C. All purchases for services to any public facility must have a duly executed contract, in addition to a purchase order."

SECTION 5: Section 3.24.080 of Chapter 3.24, entitled "Open Market or Informal Bid Procedures" is amended to read as follows:

"3.24.080 - Open market or informal bid procedures.

Purchases of supplies, equipment and services (other than ~~professional services~~ and public projects) with a value in the amount of ~~twenty-five~~ thirty-five thousand dollars or less may be made in the open market to the bidder offering the most advantageous quote, using an informal procedure pursuant to the requirements prescribed in subsections A through E of this section, provided, however, all bidding may be dispensed with for purchases of supplies, equipment and services having a total estimated value of ~~one~~ five thousand dollars or less:

- A. Open market purchases shall, wherever possible, be based on at least three quotes, and shall be awarded to the vendor offering the most advantageous quote to the city after consideration of price, quality, durability, servicing, delivery time, standardization, and other factors.
- B. The purchasing officer shall solicit quotes by written and/or electronic request to prospective vendors, or by telephone, or by public notice posted on a public bulletin board at the city offices.
- C. All purchases for services to any public facility for ~~one~~ five thousand dollars or less may be made by purchase order.
- D. All purchases for services to any public facility for more than ~~one~~ five thousand dollars, ~~but less than five thousand dollars~~ must have a duly executed contract, in addition to a purchase order.
- E. Purchase of goods, supplies and equipment with a value of ~~one~~ five thousand dollars or less may be made by department personnel with the approval of the department director as provided in this chapter and in administrative policies and procedures implementing this chapter."

SECTION 6: Section 3.24.090 of Chapter 3.24, entitled "Professional Services Purchasing Procedures" is amended to read as follows:

"3.24.090 - Professional services purchasing procedures.

Contracts for professional services shall be awarded to the contractor who will best serve the interests of the city, taking into account demonstrated competence, professional qualifications and suitability for the project in general. The city may consider cost of professional services, if the purchasing officer determines it to be a relevant

factor under the circumstances. Procurement of professional services will be made pursuant to the requirements prescribed in subsections A through D of this section:

- A. Professional services contracts of ~~twenty-five~~ thirty-five thousand dollars or less shall be awarded by the city manager, upon recommendation of the director of the department responsible for the project. Wherever possible, procurement of professional services shall be pursuant to the open market or informal ~~formal~~ bidding procedure as prescribed in Section ~~3.24.070(B)~~ 3.24.080 of this chapter.
- B. Professional services contracts of more than ~~twenty-five~~ thirty-five thousand dollars shall, except as otherwise provided in this chapter, be awarded by the city council pursuant to the formal bidding procedure as prescribed in Section 3.24.070(B) of this chapter.
- C. In the event that it is determined by the city manager, that it would be in the best interest of the city for services to be provided by a specific consultant, a contract may be awarded based on negotiations with the specific consultant. Contracts in the amount of twenty-five thousand dollars or less will be awarded by the city manager and contracts for more than twenty-five thousand dollars will awarded by the city council.
- D. All procurement of professional services will be made by a duly executed professional services agreement, in addition to a purchase order.
- E. Five-Year Term Limitation. No professional service contracts, general maintenance contracts, or other contract work contracts shall extend for a period of more than five years, including any authorized extensions."

SECTION 7: Section 3.24.100 of Chapter 3.24, entitled "Public Project Bid Procedure" is amended to read as follows:

"3.24.100 - Public project bid procedure.

Notwithstanding any provision of this chapter to the contrary, all public project contracts for more than five thousand dollars must be contracted for and let by the procedures as set forth in Division 2, Part 3, Chapter 1, Article 4 of the Public Contract Code (commencing at Section 20160). This includes the purchase of supplies or materials for any such project, including maintenance or repair of streets or sewers. Award of all public projects over thirty-five thousand dollars pursuant to this section will be made by the City Council."

SECTION 8: Section 3.24.130 of Chapter 3.24, entitled "Exceptions to the Bidding Requirements," is amended to read as follows:

"3.24.130 - Exceptions to bidding requirements.

Notwithstanding any provision of this chapter to the contrary, the competitive bidding procedures and requirements may be dispensed within any of the following instances:

- A. When an "Emergency" has been determined to exist pursuant to the official policies and procedures implementing this chapter;
- B. When the commodity is a sole source;
- C. When the price is less than ~~one~~ five thousand dollars;
- D. When the purchasing officer determines the commodity can be procured using a cooperative purchase agreement (e.g., through GMAS NJPA, NIPA or GSA) and, the price to the city is equal to or better than the price to that public agency;
- E. When the purchasing officer identifies a Piggyback Agreement being prepared by and processed through another local, state, or federal governmental agency. Under such circumstances, the Purchasing Officer may join into an existing written purchase contract obtained within the last 12 months through a competitive bidding process prepared by and awarded by another local, state or federal governmental agency. City Council consent is required for such arrangements where the estimated value of the supplies is \$35,000 or more.
- F. When the commodity being purchased is gasoline, diesel or aviation fuel, to include gasoline credit card purchases;
- G. When the city council determines, in accordance with applicable law, that a competitive market does not exist, and no competitive advantage will be gained by the bidding process;
- H. When no bids are received on formal or informal bidding procedures;
- I. Advertisement and Notices when meeting the criteria of Public Contracts Code § 20169;
- J. When purchasing City Debt Services;
- K. When the service or commodity being purchased is conference registrations, educational seminars and training, subscriptions and membership dues;
- L. For insurance premiums (worker's compensation, general liability, etc.);
- M. When issuing payments to Department of Water Resources and related expenses (State Water Contractors, Inc., etc.), and other governmental units;
- N. For payroll disbursements, payroll checks, deductions, deposits and tax payments that are supported by a payroll report; medical payments and loans;
- O. When paying for permitting and other regulatory fees (construction permits, LAFCO payment, etc.);
- P. For Petty Cash Replenishment, refunds and travel expenses/advances;
- Q. When purchasing Postage/Delivery/Messenger Services;
- R. For Professional Legal and Human Resources Confidential Consultant Services;
- S. For real property, easement acquisition and rental property;
- T. When purchasing/renewing software license maintenance;
- U. When purchasing Trade Circulars, Books or CD's;

V. When paying Utility Bills (phone, gas, electric, etc.)."

**SECTION 9. Severability.** If any sections, subsections, sentences, phrases, or portions of this Ordinance are for any reason, held to be invalid or unconstitutional by the decision of any Court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Ordinance. The City Council of the City of Banning hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase, or portion thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions thereof may be declared invalid or unconstitutional.

**SECTION 10.** The City Clerk is directed to certify the passage and adoption of this Ordinance; cause it to be entered into the City of Banning's book of original ordinances; make a note of the passage and adoption in the records of this meeting; and, within fifteen (15) days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.

**SECTION 11.** This Ordinance will become effective on the thirty-first (31st) day following its passage and adoption.

**PASSED, APPROVED, AND ADOPTED** this 25<sup>th</sup> day of April, 2017.

\_\_\_\_\_  
George Moyer, Mayor  
City of Banning

**ATTEST:**

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

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

\_\_\_\_\_  
John C. Cotti, Interim City Attorney  
Jenkins & Hogin, LLP



**CERTIFICATION:**

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that Ordinance No. 1502 was duly introduced at a regular meeting of the City Council of the City of Banning, held on the 11<sup>th</sup> day of October, 2017, and was duly adopted at a regular meeting of said City Council on the 7<sup>th</sup> day of November, 2017, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

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

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# ***ATTACHMENT 3***

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## Chapter 3.24 - PURCHASING SYSTEM<sup>[2]</sup>

### Sections:

### Footnotes:

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**Note**— Prior ordinance history: Ord. Nos. 657, 678, 704, 817, 998, 1054, 1061, 1203 and 1266.

#### 3.24.010 - Adoption of purchasing system.

The purpose of this chapter is to establish efficient procedures for the purchase of supplies, services and equipment at the lowest possible cost commensurate with quality needed, to exercise positive financial control over purchases, to clearly define authority for the purchasing function, and to assure the quality of purchases. Therefor, a centralized purchasing system is adopted and the purchasing officer is vested with the authority for the purchase of all city supplies, services and equipment.

(Code 1965, § 18A-1.)

#### 3.24.020 - Definitions.

Unless otherwise indicated, the following definitions shall apply to all provisions of this chapter:

"City manager" means the city manager or person designated by the city manager to perform all or some of the duties prescribed in this chapter.

"Contract" means any type of legally recognized agreement to provide goods or services, including formal contractual agreements and informal letter contracts, but excluding purchase orders as defined by this section.

"Cooperative purchase agreement" means the purchase of goods or services utilizing a contract entered into by another government entity, when it is in the city's best interest. The procedures of California Government Code Section 10324 authorize the state to make purchases on behalf of the city when it is to the city's advantage. Other California municipalities invite participation on purchases using the increased volume to result in better pricing for all participants.

"Emergency" for purposes of public projects shall have that meaning provided in Section 1102 of the Public Contract Code, which reads: "Emergency," as used in this Code, means a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services. "Emergency," for all other purposes, means a public calamity or disaster; or, an immediate procurement is essential to protect the public health or safety, or to avoid interruption of essential city operations.

"Local business" means a business firm with fixed offices or distribution points located within the boundaries of the city, with a City of Banning street address. Post office box numbers or residential addresses may not be used solely to establish status as a local business. The business must have a valid City of Banning business license prior to the commencement of the contract.

"Professional services" mean all services performed by persons in a professional occupation, including but not limited to, consulting and performance services for accounting, auditing, computer hardware and software support, engineering, architectural, planning, environmental, redevelopment, financial, economic,

personnel, social services, legal, management, communication and other similar professional functions which may be necessary for the operation of the city.

"Public facility" means any city-owned or operated property, infrastructure or facility.

"Public project," as defined in Section 20161 of the Public Contract Code, means: (1) a project for the erection, improvement, painting, or repair of public buildings and works; (2) work in or about streams, bays, waterfronts, embankments, or other work for protection against overflow; (3) street or sewer work except maintenance or repair; (4) furnishing supplies or materials for any such project, including maintenance or repair of streets or sewers.

"Purchase" means buy, lease or rent supplies, equipment or services.

"Purchase order" means a formal document authorizing the purchase of supplies, equipment, or services from a vendor, and executed by the purchasing officer as a stand-alone agreement or pursuant to the authority granted in a contract. It is the vendor's authorization to deliver and invoice goods as specified. It is used to communicate to the vendor the city's terms and conditions and authorizes an encumbrance of city funds.

"Purchasing Officer" means the city manager or his or her designee(s). Initially, the city manager designates the finance director to act as the purchasing officer. Pursuant to this section, the city manager may change his or her designation at any time.

"Requisition" means an internal document used to communicate to the purchasing officer and coordinate requests for supplies, equipment and services.

"Sole source" means the goods, supplies or services are available from only one vendor and there is no permissible substitute.

(Code 1965, § 18A-2.)

#### 3.24.030 - Purchasing officer.

There is created the position of purchasing officer, who shall be appointed by the city manager. The purchasing officer shall have the general supervision of all purchasing functions of the city. The duties of the purchasing officer may be combined with those of any other office or position. Subject to the supervision of the city manager, the purchasing officer shall have the authority to:

- A. Negotiate contracts on behalf of the city for the purchase of supplies, equipment and services in accordance with this chapter, which contracts will be subject to award by the city council or city manager and execution by the mayor or city manager;
- B. Negotiate and execute purchase orders on behalf of the city, for the purchase of supplies, equipment and services required by the city in accordance with this chapter;
- C. Prepare, and implement policies and procedures governing the purchase, bidding, contracting, storing, distribution and disposal of supplies, services and equipment for the city;
- D. Prescribe and maintain such forms as may be reasonably necessary to the implementation of this chapter and any other policies and procedures approved by the city manager consistent with this chapter;
- E. Review the working details, drawings, plans and specifications for any projects or purchases requiring such review in this chapter;
- F. Inspect or supervise the inspection of purchased supplies, services and equipment to ensure conformity with any specifications established or required by the city;
- G. Transfer among departments any supplies, services and equipment not needed by one such department, but which are necessary for the operations of one or more other departments;

- H. Sell any supplies and equipment not needed for public use or that may become unsuitable for their intended use;
- I. Develop and maintain any bidder's list, contractor's list or vendor's catalog file necessary to the operation of this chapter and any other policies and procedures approved by the city manager consistent with this chapter.

(Code 1965, § 18A-3.)

#### 3.24.040 - Types of contracts.

- A. Formal contracts shall be used for the purchase of goods, equipment, or services whenever those goods, equipment, or services are sought by way of a request for proposal or when the purchasing officer determines that, due to the complexity, risk, or monetary value of the goods, equipment, or services sought, a formal agreement with detailed procedural and substantive protections of the city's interests is necessary.
- B. Informal letter contracts shall be used when the purchasing officer determines that due to a lack of complexity, risk, or monetary value, a purchase of services need not include the detailed procedural and substantive protections of the city's interests.
- C. Purchase orders are formal documents requesting the delivery of specific goods, equipment, or services and promising payment therefor. They are issued by the purchasing officer and must be used in conjunction with formal contracts or else as provided in this chapter as stand-alone documents for all city purchases with the exception of purchases made pursuant to short form purchase orders or other methods consistent with this chapter and the policies and procedures implementing this chapter.
- D. Open purchase orders are formal agreements whereby the city contracts with a vendor to provide services, tools and equipment or supplies on a just-in-time basis. They are encumbered purchase orders with a maximum dollar amount that may be purchased per transaction and a maximum dollar amount that can be spent through the term of the contract. They must be used in conjunction with a formal contract.
- E. Short form purchase orders are formal documents that provide a method whereby department directors may purchase nonrepetitive, low volume, low-cost goods or services valued at less than one thousand dollars.

(Code 1965, § 18A-4.)

#### 3.24.050 - City manager authorization to execute contracts, conveyances and instruments.

Pursuant to California Government Code Section 40602, the mayor must execute all contracts, conveyances, and instruments requiring the city seal on behalf of the city, unless another city officer or employee is authorized to do so. The city manager and/or his or her designee(s) are authorized to execute contracts, conveyances, and instruments requiring the city seal on behalf of the city.

(Code 1965, § 18A-5; Ord. No. 1440, § 2, 1-24-12)

#### 3.24.060 - Procurement methods.

- A. The city shall secure supplies, services and equipment at the lowest total cost commensurate with the quality and scope needed, and subject to any limitations imposed by state law. The city shall secure professional services based upon demonstrated competence, professional qualifications and suitability for the project in general. The city may consider cost of professional services, if the purchasing officer determines it to be a relevant factor under the circumstances.

- B. The purchasing officer shall develop, for approval by the city manager, such policies and procedures as are necessary to implement the provisions of this chapter. The policies and procedures shall be written and implemented in such a way to:
  - 1. Encourage open and competitive bidding, where appropriate;
  - 2. Provide equal opportunity based on merit;
  - 3. Make each selection process free of favor, prejudice and discrimination;
  - 4. Provide for efficient and timely acquisition of needed supplies, services and equipment;
  - 5. Provide effective fiscal controls.
- C. In purchasing, supplies, services and equipment, the city shall make use of competitive bidding, both formal and informal, whenever required by law, this chapter, or any policies and procedures approved by the city manager consistent with this chapter.
- D. The city shall comply with all federal and state bidders' security and bonding requirements and all prevailing wage laws applicable to each contract or purchase.
- E. The city shall not split a project, work, service or purchase into small projects, works, services or purchases for the purpose of avoiding any bidding or contracting requirements of this Code.

(Code 1965, § 18A-6.)

#### 3.24.070 - Formal bid procedures.

Except as otherwise provided in this chapter, purchases for supplies, equipment and services (except public projects) with a value of more than twenty-five thousand dollars shall be awarded by the city council using a formal procedure. Where the department requesting the purchase has a specification that clearly defines the item or service requested, bids shall be sought pursuant to the requirements prescribed in subsection A of this section and administrative policies and procedures implementing this chapter. Where the department is cognizant of a desired end, but wishes to give vendors flexibility to meet that end in the most efficient means necessary, proposals will be sought pursuant to the requirements prescribed in subsection B of this section and the administrative policies and procedures implementing this chapter.

##### A. Formal Bidding.

- 1. Notice Inviting Bids. Notice inviting formal bids shall: (a) describe the supplies, services or equipment to be purchased; (b) state where bid plans and specifications may be obtained; (c) state the date, time and place for opening of sealed bids; and (d) include any other information required by state or local law, as determined by the city attorney. Notice inviting bids shall be published at least ten days prior to the date set for opening of the bids. Notice shall be published at least once in a newspaper of general circulation printed and published in the city, or, if there is no such newspaper, in a newspaper of general circulation which is circulated in the city, and shall be posted at City Hall.
- 2. Proprietary Products. Upon approval of the purchasing officer, if the director of the using department certifies that, to the best of his or her knowledge, the product or service is proprietary in nature and can be obtained only from a limited number of vendors or contractors, and that no equivalent products or services are available, the notice inviting bids may be sent exclusively to such vendor(s) or contractor(s).
- 3. Bidder's Security and Bonds. The purchasing officer shall have the authority to require a bid security in the amount of ten percent of the value of the contract, or a performance bond and/or labor and materials bond in such amount as is necessary to protect the best interests of the city. If the purchasing officer requires a bid security or performance bond, the form and amount of the bond shall be described in the notice inviting bids.



4. Formal Bid Opening Procedure. The purchasing officer, or his designee, shall publicly open all bids at the time and place stated in the public notice. A tabulation of all bids received shall be available for public inspection in the purchasing office during regular business hours for a period of not less than thirty calendar days after bid opening.
5. Tie Bids. If two or more bids are received which are in all respects equal, the city council may accept the one it chooses.
6. Acceptance of Formal Bid. Contracts in the amount of twenty-five thousand dollars or less will be awarded by the city manager. Contracts for more than twenty-five thousand dollars will be awarded by the city council. The determination of "lowest responsible bidder" shall be at the discretion of the awarding body pursuant to findings and recommendations presented by the purchasing officer at the time of award. The awarding body may reject any or all bids received, and may waive any minor irregularities in each bid received.
7. Five-Year Term Limitation. No Professional service contracts, general maintenance contracts, or other contract work contracts shall extend for a period of more than five years, including any authorized extensions.
8. Failure to Enter Into Contract. A notice of award letter shall be sent to any successful bidder required to execute a contract with the city. Failure to enter into a contract or refusal to accept a purchase order within ten calendar days after the notice of award shall result in the forfeiture of the awardee's bid bond, if any. Award shall thereafter be made to the next lowest responsible, responsive bidder.

B. Request for Proposal/Qualifications.

1. Notice Inviting Request for Proposals/Qualifications. A notice inviting request for proposals/qualifications shall: (a) describe the supplies, services or equipment to be purchased; (b) state where the complete request for proposal may be obtained; (c) state the date, time and place for receipt of the proposals; and (d) include any other information required by state or local law, as determined by the city attorney. Notice inviting proposals shall be published at least ten days prior to the date set for receipt of the proposals. Notice shall be published at least once in a newspaper of general circulation printed and published in the city, or, if there is no such newspaper, in a newspaper of general circulation which is circulated in the city, and shall be posted at City Hall.
2. Proprietary Products or Services. Upon approval of the purchasing officer, if the director of the using department certifies that, to the best of his or her knowledge, the product or service is proprietary in nature and can be obtained only from a limited number of vendors or contractors, and that no equivalent products or services are available, the notice inviting proposals may be sent exclusively to such vendor(s) or contractor(s).
3. Opening of Request for Proposals/Qualifications. The purchasing officer shall open the proposals after the date and time as set forth in the notice inviting proposals/qualifications. The purchasing officer and the using department director or his or her designee will evaluate the proposals based on the vendor's understanding of the work required by the city, demonstrated competence and professional qualifications necessary for performance of the work and other factors that result in the best interest of the city.
4. Acceptance of Proposals/Qualifications. Contracts in the amount of twenty-five thousand dollars or less will be awarded by the city manager. Contracts for more than twenty-five thousand dollars will be awarded by the city council. The city manager or the city council may reject any or all proposals received, and may waive any minor irregularities in each proposal received.
5. Failure to Enter Into Contract. A notice of award letter shall be sent to any successful proposer required to execute a contract with the city. Failure to enter into a contract or refusal to accept a purchase order within ten calendar days after the notice of award shall result in the forfeiture of the awardee's bid bond if any. Award shall thereafter be made to the next lowest responsible, responsive proposer.

- C. All purchases for services to any public facility must have a duly executed contract, in addition to a purchase order.

(Code 1965, § 18A-7.)

#### 3.24.080 - Open market or informal bid procedures.

Purchases of supplies, equipment and services (other than professional services and public projects) with a value in the amount of twenty-five thousand dollars or less may be made in the open market to the bidder offering the most advantageous quote, using an informal procedure pursuant to the requirements prescribed in subsections A through E of this section, provided, however, all bidding may be dispensed with for purchases of supplies, equipment and services having a total estimated value of one thousand dollars or less:

- A. Open market purchases shall, wherever possible, be based on at least three quotes, and shall be awarded to the vendor offering the most advantageous quote to the city after consideration of price, quality, durability, servicing, delivery time, standardization, and other factors.
- B. The purchasing officer shall solicit quotes by written and/or electronic request to prospective vendors, or by telephone, or by public notice posted on a public bulletin board at the city offices.
- C. All purchases for services to any public facility for one thousand dollars or less may be made by purchase order.
- D. All purchases for services to any public facility for more than one thousand dollars, but less than five thousand dollars must have a duly executed contract, in addition to a purchase order.
- E. Purchase of goods, supplies and equipment with a value of one thousand dollars or less may be made by department personnel with the approval of the department director as provided in this chapter and in administrative policies and procedures implementing this chapter.

(Code 1965, § 18A-8.)

#### 3.24.090 - Professional services purchasing procedures.

Contracts for professional services shall be awarded to the contractor who will best serve the interests of the city, taking into account demonstrated competence, professional qualifications and suitability for the project in general. The city may consider cost of professional services, if the purchasing officer determines it to be a relevant factor under the circumstances. Procurement of professional services will be made pursuant to the requirements prescribed in subsections A through D of this section:

- A. Professional services contracts of twenty-five thousand dollars or less shall be awarded by the city manager, upon recommendation of the director of the department responsible for the project. Wherever possible, procurement of professional services shall be pursuant to the formal bidding procedure as prescribed in Section 3.24.070(B) of this chapter.
- B. Professional services contracts of more than twenty-five thousand dollars shall, except as otherwise provided in this chapter, be awarded by the city council pursuant to the formal bidding procedure as prescribed in Section 3.24.070(B) of this chapter.
- C. In the event that it is determined by the city manager, that it would be in the best interest of the city for services to be provided by a specific consultant, a contract may be awarded based on negotiations with the specific consultant. Contracts in the amount of twenty-five thousand dollars or less will be awarded by the city manager and contracts for more than twenty-five thousand dollars will be awarded by the city council.
- D. All procurement of professional services will be made by a duly executed professional services agreement, in addition to a purchase order.

- E. Five-Year Term Limitation. No professional service contracts, general maintenance contracts, or other contract work contracts shall extend for a period of more than five years, including any authorized extensions.

(Code 1965, § 18A-9.)

#### 3.24.100 - Public project bid procedure.

Notwithstanding any provision of this chapter to the contrary, all public project contracts for more than five thousand dollars must be contracted for and let by the procedures as set forth in Division 2, Part 3, Chapter 1, Article 4 of the Public Contract Code (commencing at Section 20160). This includes the purchase of supplies or materials for any such project, including maintenance or repair of streets or sewers. Award of all public projects pursuant to this section will be made by the City Council.

(Code 1965, § 18A-10.)

#### 3.24.110 - Encumbrance of funds.

Except in cases of emergency, orders for supplies, services, and equipment may not be processed unless there exists an unencumbered appropriation in the fund account against which such purchase is to be charged.

(Code 1965, § 18A-11.)

#### 3.24.120 - Exemption from centralized purchasing.

The purchasing officer, with the approval of the city manager, may authorize in writing any department to purchase or contract for specified supplies, equipment or services independently of the purchasing division, but shall require that such purchases or contracts be made in conformity with this chapter and all applicable administrative policies and procedures. Periodic reports from the department on purchases and contracts made under this authorization will be required. The purchasing officer may also rescind such authorization with written notice to the department concerned.

(Code 1965, § 18A-12.)

#### 3.24.130 - Exceptions to bidding requirements.

Notwithstanding any provision of this chapter to the contrary, the competitive bidding procedures and requirements may be dispensed within any of the following instances:

- A. When an "Emergency" has been determined to exist pursuant to the official policies and procedures implementing this chapter;
- B. When the commodity is a sole source;
- C. When the price is less than one thousand dollars;
- D. When the purchasing officer determines the commodity can be procured using a cooperative purchase agreement (e.g., through CMAS or GSA) and, the price to the city is equal to or better than the price to that public agency;
- E. When the commodity being purchased is gasoline, diesel or aviation fuel;
- F. When the city council determines, in accordance with applicable law, that a competitive market does not exist, and no competitive advantage will be gained by the bidding process;

G. When no bids are received on formal or informal bidding procedures.

(Code 1965, § 18A-13; amended during 2007 recodification.)

3.24.140 - Local preference.

- A. In order to promote the economic health of the city and to encourage local participation in the procurement process, the city council shall give a preference to local businesses, to the extent that such preference does not give an unlawful advantage to such local business over its foreign competition, and is otherwise permitted by law.
- B. In the assessment of any responsive bid submitted by a local business pursuant to this chapter, the amount bid by the local business shall be lowered by the local preference percentage, for purposes of award, than the amount actually bid. The local preference percentage will be set by city council resolution.

(Code 1965, § 18A-14.)

(Ord. No. 1408, § 2, 8-25-09)

3.24.150 - Recycled products.

It is the policy of the City of Banning to purchase recycled products whenever possible to the extent that such use does not negatively impact the health, safety or operational efficiency of the city. The purchase of products which cannot be recycled or reused is strongly discouraged.

(Code 1965, § 18A-15.)

3.24.160 - Disposal of city surplus property.

The city manager or his or her designee is authorized to establish policies and procedures for the identification and disposal of city's surplus property, including scrap material. Each determination that an item constitutes scrap material or city's surplus property shall be in writing. Any item with a value of ten thousand dollars or less may be declared surplus by the purchasing officer. Any item with a value of ten thousand dollars or more shall be declared surplus by the city council. Surplus property may not be purchased by a city official or an employee of the city, except at public auction or through other sealed bid procedures. Disposal of city's surplus property shall be made pursuant to this chapter and City of Banning Administrative Policy No. B-24.

(Code 1965, § 18A-16.)

3.24.170 - Conflict of interest.

No officer or employee of the city shall have any financial interest in the transaction of business in connection with the purchase of supplies, equipment and services for the city. No officer or employee of the city may contract with any person related to any officer or employee of the city by blood or marriage within the third degree for supplies, services or equipment, unless the purchase is made by a competitive bid process, and the person related submits the lowest responsible bid. No officer or employee shall participate in the procurement or selection process when such officer or employee has a relationship with a person or business entity seeking a contract under this chapter, which would subject such officer or employee to violation of the Government Code or this chapter.



(Code 1965, § 18A-17.)

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

**TO:** CITY COUNCIL

**FROM:** Michael Rock, City Manager

**PREPARED BY:** Rochelle Clayton, Deputy City Manager

**MEETING DATE:** April 25, 2017

**SUBJECT:** Fiscal Year 2015-16 Comprehensive Annual Financial Reports (CAFRs) and Independent Auditor's Reports for the City, Utility Authority and Housing Authority, by Lance, Soll & Lunghard, LLP.

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### **RECOMMENDATION:**

Accept Fiscal Year 2015-16 Comprehensive Annual Financial Reports (CAFRs) and Independent Auditor's Reports for the City, Banning Utility Authority and Banning Housing Authority, which were audited by Lance, Soll & Lunghard, LLP.

### **JUSTIFICATION:**

Lance, Soll & Lunghard, LLP gave an opinion that the financial statements were presented fairly, in all material respects, and the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Banning, as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof, were in accordance with accounting principles generally accepted in the United States of America.

### **BACKGROUND:**

The City's auditors follow specified guidelines in performing their audits including guidelines that are in accordance with generally accepted auditing standards practiced in the United States; Government Auditing Standards issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-133, Audits of State and Local Government.

**FISCAL IMPACT:**

None.

**ATTACHMENTS:**

- A. FY 2015-16 City Audited Financial Statements
- B. FY 2015-16 Banning Utility Authority Audited Financial Statements
- C. FY 2015-16 Banning Housing Authority Audited Financial Statements

Approved by:



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Michael Rock  
City Manager



# **ATTACHMENT A**

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March 31, 2017

To the Honorable Mayor and Members of the City Council  
City of Banning, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Banning (the City) for the year ended June 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 20, 2016. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in the notes to the financial statements.

As described in Note 1 to the financial statements, the City changed accounting policies related to Fair Value Presentation of Assets by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 72, Fair Value Measurement and Application, in fiscal year 2015-16.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the opinions' financial statements was (were):

Management's estimates of the Net Pension Liability is based on actuarial standards estimates. We evaluated the key factors and assumptions used to develop the Net Pension Liability in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

#### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.



To the Honorable Mayor and Members of the City Council  
City of Banning, California

***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, we detected misstatements as a result of audit procedures which were material, and were subsequently corrected by management. A list of all adjusting entries as a result of our audit was provided to management.

***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated March 31, 2017.

***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.





To the Honorable Mayor and Members of the City Council  
City of Banning, California

### **Other Matters**

We applied certain limited procedures to management discussion and analysis, budgetary comparison schedule for the General Fund, the schedule of changes in net pension liability and related ratios, the schedule of plan contributions; which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual nonmajor fund statements and schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

### **New Auditing Standard No. 130**

This new auditing standard is effective for financial periods ending on or after December 15, 2016; for most California municipalities it is effective for the period July 1, 2016 through June 30, 2017 and future periods thereafter. The standard allows CPA firms to issue an opinion on the financial statements conformity with generally accepted accounting principles, as well as an opinion on the operating effectiveness of internal controls over financial reporting through an integrated audit. This standard does not change the objectives of a financial statement audit, it only enhances the value and scope of a financial statement audit and increases the level of assurance provided by CPA firms on financial controls. Municipalities should look to perform an integrated audit for more assurance on the operating effectiveness of internal controls over financial reporting.

### **New Accounting Standards**

The following new Governmental Accounting Standards Board (GASB) pronouncements were effective for fiscal year 2015-2016 audit:

GASB Statement No. 72, *Fair Value Measurement and Application*.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*.

The following Governmental Accounting Standards Board (GASB) pronouncements are effective in the following fiscal year audit and should be reviewed for proper implementation by management:

Fiscal year 2016-2017

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statement Nos. 67 and 68*.



To the Honorable Mayor and Members of the City Council  
City of Banning, California

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.*

GASB Statement No. 77, *Tax Abatement Disclosures.*

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans.*

GASB Statement No. 80, *Blending Requirements for Certain Component Units-an Amendment of GASB Statement No. 14.*

GASB Statement No. 82, *Pension Issues an Amendment of GASB Statements No. 67, No. 68, and No. 73.*

Fiscal year 2017-2018

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*

GASB Statement No. 81, *Irrevocable Split Interest Agreements.*

**Restriction on Use**

This information is intended solely for the use of City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Brea, California



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and Members of the City Council  
City of Banning, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Banning, California, (the City) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 31, 2017.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies to be material weaknesses:

**Deposits Payable**

Condition:

In performing our audit procedures, it was noted that the City held various deposits payable accounts with debit balances. These accounts were not reconciled and their balances accumulated to \$146,236. We recommend that the City reconcile these accounts, investigate for any misappropriations, develop a formal policy for release/write-off of funds, and going forward reconcile these deposits payable accounts on a quarterly basis.

Management Response: Management has reviewed the deficiency identified and agrees with LSL recommendations.





To the Honorable Mayor and Members of the City Council  
City of Banning, California

#### **Long-Term Liability Reconciliation**

Condition:

In performing our audit procedures, it was noted that the City did not properly record a material debt service payment for the 2015 Water Refunding Revenue Bonds. The amount that was not recorded as a reduction to the liability was \$945,000. We recommend that the City reconcile the City's debt on a monthly basis to assist in ensuring all liabilities are properly recorded.

Management's Response: Management has reviewed the deficiency identified and agrees with LSL recommendations.

#### **Accrued Interest Reconciliation**

Condition:

In performing our audit procedures, it was noted that the City did not properly record the accrued interest amounts for the 2015 Water Refunding Revenue Bonds and 2015 Electric Refunding Revenue Bonds. The amounts initially recorded overstated the liability in the amounts of \$694,775 and \$1,062,224, respectively. We recommend that the City establish procedures to reconcile the City's accrued interest and interest expense to ensure all liabilities are properly presented each year.

Management's Response: Management has reviewed the deficiency identified and agrees with LSL recommendations.

#### **Deposits in Transit Reconciliation**

Condition:

In performing our audit procedures, it was noted that the City did not properly classify cash receipts received related to activity of the Community Development Block Grant. Cash receipts totaling \$353,954 were received before the City's year-end of June 30, 2016 but remained improperly classified as a receivable. We recommend that the City establish processes to ensure cash receipts are tracked daily and reconciled promptly to ensure accounting records reflected the appropriate activity and balances.

Management's Response: Management has reviewed the deficiency identified and agrees with LSL recommendations.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### **City's Response to Findings**

The City's response to the findings identified in our audit was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.





CPAs AND ADVISORS

To the Honorable Mayor and Members of the City Council  
City of Banning, California

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Lance, Solt & Loughard, LLP*

Brea, California  
March 31, 2017

**CITY OF BANNING, CALIFORNIA**  
**FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

CITY OF BANNING, CALIFORNIA  
FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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CITY OF BANNING  
FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council  
City of Banning, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Banning, California, (the City) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



To the Honorable Mayor and Members of the City Council  
City of Banning, California

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Banning, California, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As discussed in Note 1 to the financial statements, in 2016 the City adopted new accounting guidance, GASB Statement No. 72, *Fair Value Measurement and Application*.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual non-major fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.



To the Honorable Mayor and Members of the City Council  
City of Banning, California

**Other Reporting Required by *Government Auditing Standards***

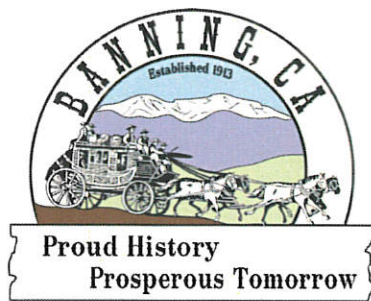
In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2017 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Lance, Soll & Loughard, LLP*

Brea, California  
March 31, 2017

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the City of Banning (City) presents this narrative overview and analysis of the financial activities of the City for fiscal year ended June 30, 2016 (FY16). This discussion is intended to provide an introduction to the City's basic financial statements, as well as a financial comparison with the fiscal year ended June 30, 2015 (FY15).

City management encourages readers to consider the information presented within this discussion and analysis in conjunction with the City's financial statements. The City's financial statement are in adherence to the pronouncements of the Governmental Accounting Standards Board (GASB). This annual report consists of five (5) sections as arranged in the Table of Contents:

1. Independent Auditor's Report,
2. Management's Discussion and Analysis,
3. Basic Financial Statements,
4. Required Supplementary Information, and the
5. Combining and Individual Fund Statements and Schedules for Non-Major Governmental Funds, Non-Major Enterprise Funds, and Internal Service Funds.

Although the Combining Statements provide details about Non-Major Governmental Funds, Non-Major Enterprise Funds, and Internal Service Funds. The totals of Non-major funds, governmental and proprietary, are summarized in the Basic Financial Statements as "Other Governmental Funds" and "Other Enterprise Funds". The total of Internal Service Funds are also brought forward.

The General Fund Budgetary Comparison Schedule is in the section 4, Required Supplementary Information. Budgetary Comparison Schedules for each governmental fund are in section 5, Schedules for Non-Major Governmental Funds.

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### FOCUS OF MANAGEMENT DISCUSSION AND ANALYSIS

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The Management Discussion and Analysis will focus on financial information contained in section 3. Basic Financial Statements. Other key points from other sections may be included.

The Basic Financial Statements present operation and fiscal accountability measurements, or in their presentation order, Government-wide and Funds, as required by GASB Statement 34 (GASB 34).

The two measurements differ in that Government-wide Statements report current and long-term activities on a full accrual basis of accounting, whereas, Fund Statements report current year transactions on a modified accrual basis of accounting. The focus here intends to explain the differences of the reporting requirements and to highlight areas of importance.

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## FRAMEWORK OF GASB STATEMENT 34 REPORTING MODEL

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GASB 34 required all local and state governments in the United States to implement the new reporting model by June 15, 2003. GASB 34 requires that governments present top level, or Government-wide, financial statements using full accrual accounting, similar to business enterprises, for all City activities. GASB recognized the importance of traditional Funds statements by requiring the two presentations, traditional Funds statements and the new GASB 34 Government-wide statements.

- ❖ Government-Wide Financial Statements,
  - ❖ Operational accountability considers whether sufficient resources exist to cover the cost of providing services in the long term, i.e., the economic resource flows measurement focus, full accrual basis of accounting
    - Top level statements consolidate all City-wide activities in two column format
      - Governmental Activities
      - Business-Type Activities
    - Top level statements report City-wide activities in two statements
      - Statement of Net Position
      - Statement of Activities
- ❖ GASB 34 Reconciliation to convert Fund statements to Government-wide statements
  - ❖ Converts Governmental Funds to Governmental activities
  - ❖ Converts Proprietary Funds to Business-Type Activities
- ❖ Fund Financial Statements report fiscal accountability using the current financial resource flows measurement focus, modified accrual basis of accounting.
  - Types of funds
    - Governmental funds
    - Proprietary funds
  - Non-major Funds are reported in Combining Statements
- ❖ Fiduciary Funds are not reported in Government-wide Financial Statements

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## NOTES TO FINANCIAL STATEMENTS

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Notes to Financial Statements, in the section Basic Financial Statements, provide additional information that is essential to the full understanding of the financial information contained therein.

In Note 1 of the Notes to Financial Statements, Organization and Summary of Significant Accounting Policies, there is further discussion as to the source of authoritative reporting requirements, the significance of those policies on the City's financial statements and provide additional supporting information as to the basis for the presentation formats of the Basic financial statements.

## PROCESSING THE FINANCIAL STATEMENTS

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Accounting information is internally processed in traditional City funds categorized as Governmental, Proprietary or Fiduciary, based on the activity. Fund Financial Statements (pre-GASB 34) are prepared from the accounting information collected for each individual fund. Again, subsequent year-end adjustments are calculated to provide the reconciliations to arrive at Government-Wide Financial Statements (GASB 34 model).

Funds are classified as either major or non-major funds based on criteria established by GASB. Major funds are individually reported in the Funds Financial Statements. The non-major funds are individually reported in the section "Combining Fund Statements and Schedules".

The traditional Fund Financial Statements focus on funds' accounting of the city government that reflect the City's accounting and budgetary structure. City's operations are accounted for in funds in much more detail. There are three (3) main fund categories; Governmental, Proprietary and Fiduciary. There are Fund Financial Statements for each main fund category, i.e., Governmental, Proprietary and Fiduciary. Within each of the reports, the report columns will provide each major fund and the total of non-major funds; the non-major funds are sub-totaled in columns entitled "Other Governmental Funds" and "Other Enterprise Funds".

Since full accrual is the method of accounting for Proprietary Funds in the Funds Financial Statements, the reconciliations necessary to arrive at Business-Type Activities are not as extensive as for Governmental Funds which are accounted for using modified accrual accounting. Those reconciling items are included within the Proprietary Funds' Statement of Net Position and Statement of Revenues, Expenses and Changes in Fund Net Position.

GASB 34 reconciliations provide the necessary long-term adjustments to bridge the results of Governmental Funds and convert into Government-wide financial statements.

There are two reconciliations that convert Governmental Funds in the Funds Financial Statements to Governmental Activities in the Government-Wide Financial Statements. Those are a Reconciliation of the Balance Sheet of Governmental Funds to the Government-Wide, Governmental Activities, Statement of Net Position and the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities. The two reconciliations provide the linkage from Governmental Funds' operations to Governmental Activities in the Government-Wide Financial Statements.

1. Converts Governmental Funds to Governmental activities
  - a. Balance Sheet of Governmental Funds to Statement of Net Position
  - b. Statement of Revenues, Expenditures and Changes in Fund Balances to Statement of Activities
2. Converts Proprietary Funds to Business-Type Activities
  - a. Interfund Eliminations
  - b. Internal service fund adjustments related to Proprietary funds

The Government-Wide Financial Statements accomplish the GASB 34 model by reporting designated "Governmental Activities" and "Business-like Activities" in a two column format resulting in Government-wide totals (City-wide). Governmental Activities are Governmental Fund totals and the reconciliation to full accrual. Similarly, the "Business-like Activities" are the Proprietary Fund totals and their applicable reconciling items. The totals of these two types of City activities are the "Government-wide totals".



## GOVERNMENT-WIDE FINANCIAL STATEMENTS

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### *REPORTING THE CITY AS A WHOLE*

Government-Wide Financial Statements provide both long-term and short-term information about the City's overall financial status in a manner similar to a private-sector business.

All City funds, as well as, the Banning Financing Authority, Banning Housing Authority, Banning Public Facilities Corporation, and the Banning Utility Authority are included. These component units, while legally separate from the City, provide services entirely or almost exclusively for the benefit of the City. Therefore, these component units are blended with the City government because of their governing structure and the relationship with the City.

As noted earlier, in this presentation, City operations are designated as either a "Governmental Activities" or a "Business-Type Activities", and reported under the designated columns, as identified in the Fund Financial Statements. "Reporting the City as a Whole" is the total of the two activities.

Key items affecting the City's Net Position are highlighted below.

### **HIGHLIGHTS OF THE CITY AS A WHOLE**

- ❖ As of June 30, 2016 the City's Net Position, which is the difference between the City's assets and deferred outflows of resources versus its liabilities and deferred inflows of resources, is at \$203.68 million, an increase of \$13.54 million over June 30, 2015.
- ❖ At the close of the fiscal year, the Unrestricted portion of the Net Position, that which may be used to meet on-going obligations due to creditors, is \$50.02 million, an increase of \$1.23 million over the prior fiscal year. The Net Investment in Capital Assets, another component of Net Position, was \$122.32, an increase of \$7.64 million over June 30, 2015. The Restricted portion of the Net Position amounted to \$31.34 million, an increase of \$4.67 million.
- ❖ GASB Statement No. 68 (Accounting and Financial Reporting for Pensions) and Statement No. 71 (Pension Transition for Contributions Made Subsequent to the Measurement Date) require that the Net Pension Liability be presented on the face of the financial statements. At June 30, 2016, the total Net Pension Liability for the City of Banning, government-wide, was \$31.83 million, an increase of \$2.99 million.

### **A COMPARATIVE SUMMARY OF CITY'S NET POSITION**

Net Position represents the difference between the City's resources (total assets and deferred outflows of resources) and its obligations (total liabilities and deferred inflows of resources). Over time, Net Position may serve as an indication of a government's financial position. The Statement of Net Position measures the City's Net Position. This is one way to measure the City's financial health or financial position. Over time, increases or decreases in the City's Net Position may serve as an indicator of whether or not its financial health is improving or deteriorating.

Net Position increased by \$13.54 million to \$203.68 million, \$8.8 million a special item from the Successor Agency. Net Revenues over Expenses increased Net Position by \$4.47 million. A Restatement also increased Net position another \$0.26 million.

Net Position from Governmental Activities was \$91.79 million, an increase of \$9.93 million, was mainly due to \$8.8 million special item gain from Successor Agency upon release of bond project funds by the CA Department of Finance for City projects.



Net Position from Business-Type Activities was \$111.89 million, an increase of \$3.61 million. Program and General Revenues amounted to \$48.93 million, a slight increase of approximately \$0.15 million while expenses totaled \$44.67 million, a slight increase from last year's \$44.24 million.

#### **ASSETS AND DEFERRED OUTFLOWS**

Total Assets increased \$3.01 million to \$307.89 million. Deferred outflows increased \$3.18 million to \$10.13 million. Total Assets and Deferred outflows was \$318.02 million.

#### **LIABILITIES AND DEFERRED INFLOWS**

Total Liabilities decreased \$1.99 million to \$110.37 million. Deferred inflows decreased \$1.37 million to \$3.97 million. Total Liabilities and Deferred inflows was \$114.34.

#### **GASB 54 CLASSIFICATIONS OF NET POSITION**

GASB 54 established a hierarchy of constraints applicable to the resources available in Fund Balances as well as the component of Net Position that corresponds to fund balances. The City's Net Position is made-up of three components: Net Investment in Capital Assets (net of related debt), Restricted, and Unrestricted.

Table 1 is a comparison of the Net Position in the Basic Financial Statements – Statement of Net Position with previous year. It includes both Changes in Net Position and any Restatements of Net Position. The City's Government-Wide Total Net Position for FY16 is \$203.68 million, an increase of \$13.54 million, or 7.1% over the June 30, 2015 balance. No significant changes are noted in the total assets while total liabilities decreased by \$3.86 million. Corresponding analysis of the causes of these changes are reflected in the following paragraphs.

The *Net investment in Capital Assets* of \$122.32 million represents 60.12% of the City's Total Net Position. Investment in capital assets (e.g., infrastructure, land, structures and improvements, furniture and equipment) for this purpose is reduced by unspent bond proceeds. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported Net of Related Debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities. New long-term debt was incurred during the current fiscal year that would have significantly affected this section. Any decrease therefore, is mainly due to recurring annual depreciation of the capital assets offset by additional capitalized expenditures for FY16.

The portion of the City's Net Position subject to *external restrictions* in how they may be used is \$31.34 million (15.39% of the Total Net Position). The Restricted Net Position includes Community Development Projects, encumbrances and continuing appropriations in Public Safety, Parks and Recreation, Transportation, Capital Projects, and Debt Service.

The remaining *Unrestricted Net Position* balance of \$50.02 million (24.49% of the Total Net Position) may be used to meet the government's ongoing obligations to citizens and creditors within the program areas. The negative unrestricted net position in the Governmental Activities is mainly the result of the implementation of GASB Statement No. 68 and 71. Net Pension Liability for Governmental and Business Type Activities were \$20.64 million and \$11.19 million respectively. Additional information can be found in the Notes to Financial Statements.

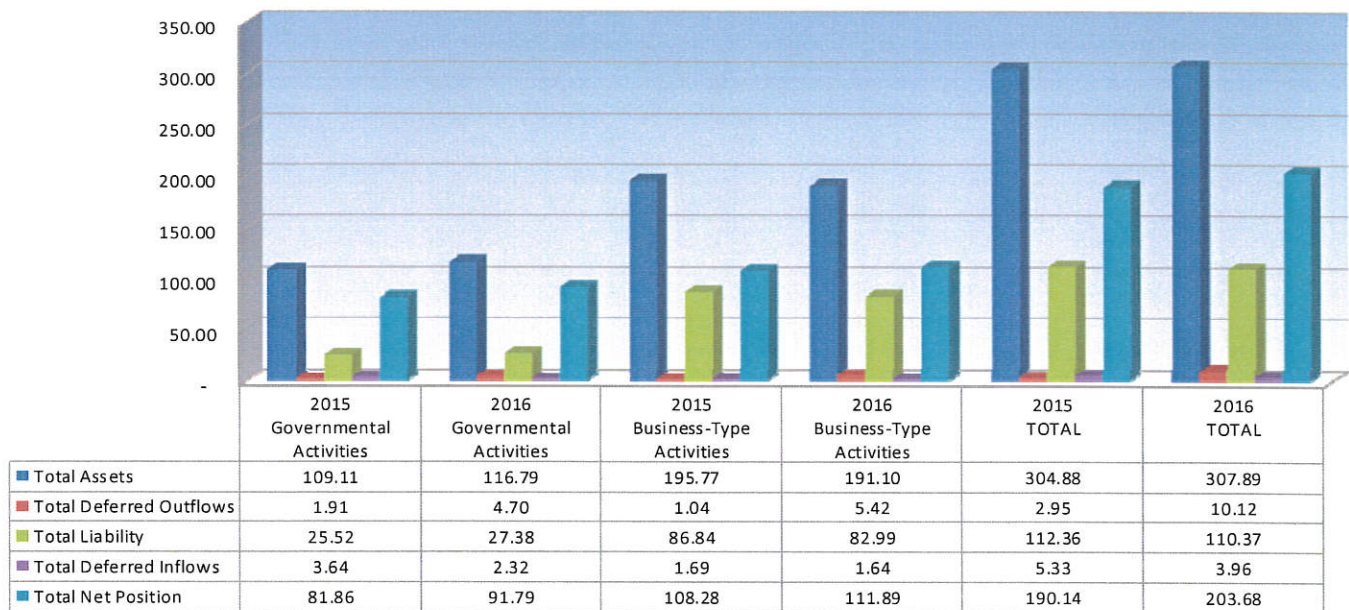
Table 1 summarizes the Statement of Net Position of the City as a whole and provides a comparison.

Table 1 - Summary of Net Position (In Millions)

	Governmental Activities		Business-Type Activities		Government-Wide Totals		% CHG
	2015	2016	2015	2016	2015	2016	
<b>Assets:</b>							
Current and other assets	27.17	38.73	89.27	81.58	116.44	120.31	3.3%
Capital assets	81.94	78.06	106.50	109.52	188.44	187.58	0.5%
<b>TOTAL ASSETS</b>	<b>\$ 109.11</b>	<b>\$ 116.79</b>	<b>\$ 195.77</b>	<b>\$ 191.10</b>	<b>\$ 304.88</b>	<b>\$ 307.89</b>	<b>1.0%</b>
Deferred outflows on refunding	-	-	0.29	3.47	0.29	3.47	1096.6%
Deferred pension related items	1.91	4.70	0.75	1.95	2.66	6.65	150.0%
<b>TOTAL DEFERRED OUTFLOWS</b>	<b>\$ 1.91</b>	<b>\$ 4.70</b>	<b>\$ 1.04</b>	<b>\$ 5.42</b>	<b>\$ 2.95</b>	<b>\$ 10.12</b>	<b>243.1%</b>
<b>Liabilities:</b>							
Current and other liabilities	4.04	3.58	6.69	6.47	10.73	10.05	6.3%
Long-term liabilities	21.48	23.80	80.15	76.52	101.63	100.32	1.3%
<b>TOTAL LIABILITIES</b>	<b>\$ 25.52</b>	<b>\$ 27.38</b>	<b>\$ 86.84</b>	<b>\$ 82.99</b>	<b>\$ 112.36</b>	<b>\$ 110.37</b>	<b>1.8%</b>
Deferred inflows on refunding	-	-	0.02	-	0.02	-	100.0%
Deferred pension related items	3.64	2.32	1.67	1.64	5.31	3.96	25.4%
<b>TOTAL DEFERRED INFLOWS</b>	<b>\$ 3.64</b>	<b>\$ 2.32</b>	<b>\$ 1.69</b>	<b>\$ 1.64</b>	<b>\$ 5.33</b>	<b>\$ 3.96</b>	<b>25.7%</b>
<b>Net Position:</b>							
Net investment in capital assets	79.80	76.16	35.03	46.16	114.83	122.32	6.5%
Restricted for:							
Community Development Projects	3.16	2.39	-	-	3.16	2.39	24.4%
Public Safety	0.05	0.07	-	-	0.05	0.07	40.0%
Culture and Leisure	0.05	0.04	-	-	0.05	0.04	20.0%
Transportation	2.54	3.00	-	-	2.54	3.00	18.1%
Capital Projects	0.01	8.75	15.37	17.00	15.38	25.75	67.4%
Debt Service	-	-	5.48	0.08	5.48	0.08	98.5%
Unrestricted	(3.75)	1.38	52.40	48.65	48.65	50.03	2.8%
<b>TOTAL NET POSITION</b>	<b>\$ 81.86</b>	<b>\$ 91.79</b>	<b>\$ 108.28</b>	<b>\$ 111.89</b>	<b>\$ 190.14</b>	<b>\$ 203.68</b>	<b>7.1%</b>

Note: Details can be found in the "Statement of Net Position"

Chart 1 – provides a visual summary of the information presented in Table 1.



Note: Details can be found in the "Statement of Net Position"

## STATEMENT OF ACTIVITIES

Table 2 is a two year comparison of the Governmental and Business-Type Activities in the Statement of Activities. Comparisons are provided for City-wide Revenues and Expenses by Function/Program, the Change in City-wide Net Position, and the Beginning and Ending Net Position.

Table 2 - Statement of Activities (In Millions)

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2015	2016	2015	2016	2015	2016
<b>Revenues</b>						
Program Revenues:						
Charges for Services	4.57	4.51	46.76	46.56	51.33	51.07
Operating Contributions and Grants	1.16	1.85	1.68	1.97	2.84	3.82
Capital Contributions and Grants	0.89	0.39	-	-	0.89	0.39
<b>Subtotal Program Revenues</b>	<b>6.62</b>	<b>6.75</b>	<b>48.44</b>	<b>48.53</b>	<b>55.06</b>	<b>55.28</b>
General Revenues:						
Property Taxes	4.24	4.46	-	-		4.46
Sales Taxes	3.53	3.50	-	-	3.53	3.50
Business Licenses Taxes	0.16	0.16	-	-	0.16	0.16
Franchise Taxes	0.87	0.86	-	-	0.87	0.86
Transient Occupancy Taxes	0.72	0.79	-	-	0.72	0.79
Other Taxes	0.68	0.73	-	-	0.68	0.73
Motor Vehicle In-Lieu	0.01	0.01	-	-	0.01	0.01
Use of Money and Property	0.52	0.63	0.16	0.22	0.68	0.85
Other	0.78	0.40	0.18	0.18	0.96	0.58
Gain on sale of capital asset	-	-	-	-	-	-
<b>Subtotal General Revenues</b>	<b>11.51</b>	<b>11.54</b>	<b>0.34</b>	<b>0.40</b>	<b>7.61</b>	<b>11.94</b>
<b>TOTAL REVENUES</b>	<b>18.13</b>	<b>18.29</b>	<b>48.78</b>	<b>48.93</b>	<b>62.67</b>	<b>67.22</b>
<b>Expenses</b>						
General Government	2.16	2.23	-	-	4.24	2.23
Public Safety	9.62	8.58	-	-	9.62	8.58
Community Development	1.33	1.60	-	-	1.33	1.60
Culture and Leisure	1.13	1.00	-	-	1.13	1.00
Transportation	5.04	4.58	-	-	5.04	4.58
Interest on Long-term debt	0.09	0.09	-	-	0.09	0.09
Airport	-	-	0.38	0.21	0.38	0.21
Transit	-	-	1.85	1.86	1.85	1.86
Electric Utility	-	-	28.25	29.50	28.25	29.50
BUA Water	-	-	7.79	7.31	7.79	7.31
BUA Wastewater	-	-	2.88	2.70	2.88	2.70
Refuse	-	-	3.09	3.08	3.09	3.08
<b>TOTAL EXPENSES</b>	<b>19.37</b>	<b>18.08</b>	<b>44.24</b>	<b>44.66</b>	<b>65.69</b>	<b>62.74</b>
<b>Increase/(Decrease) in Net Position</b>						
<b>Before Transfers and Special Items</b>	<b>(1.24)</b>	<b>0.21</b>	<b>4.54</b>	<b>4.27</b>	<b>3.30</b>	<b>4.48</b>
Transfers	0.72	0.65	(0.72)	(0.65)	-	-
Special Item	-	8.80	-	-	-	8.80
<b>Increase/(Decrease) in Net Position</b>	<b>(0.52)</b>	<b>9.66</b>	<b>3.82</b>	<b>3.62</b>	<b>3.30</b>	<b>13.28</b>
Net Position at Beginning of Year	102.94	81.87	115.45	108.27	218.39	190.14
Restatement of Net Position	(20.56)	0.26	(10.99)	-	(31.56)	0.26
<b>Net Position at End of Year</b>	<b>81.86</b>	<b>91.79</b>	<b>108.28</b>	<b>111.89</b>	<b>190.14</b>	<b>203.68</b>

Note: Details can be found in the "Statement of Activities"



## **GOVERNMENT-WIDE REVENUES AND EXPENSES**

In the following two paragraphs, refer to Table 2 for Government-wide Revenues and Expenses. Net Revenues over Expenses increased Net Position by \$4.48 million.

The total Government-Wide revenues for FY16 were \$67.22 million, \$18.29 million from Governmental Activities, and \$48.93 million from Business-Type Activities. City-wide total revenues increased by \$4.55 million from \$62.67 million in FY 15.

Total Government-Wide expenses for FY16 to \$62.74 million, a decrease of \$2.94 million. City-wide total expenses supporting Governmental Activities was \$18.08 million or 28.82%, and Business-Type Activities, \$44.66 million, or 71.18%.

## **GOVERNMENTAL ACTIVITIES**

Net Position for Governmental Activities was \$91.79 million, an increase of \$9.92 million or 12.12%, mainly due to the \$8.8 million special item from Successor Agency of project funds.

### **REVENUES**

Total Revenues for Governmental Activities were \$18.29 million.

Charges for Services amounted to \$4.51 million for the current year which represents approximately 24.64% of the total revenues in the Governmental Activities category.

Revenues from overall tax sources increased 2.8% in FY16. The two largest taxes sources were Property Taxes and Sales Taxes, respectively, increasing to \$4.46 million and the other remained steady at \$3.50 million. In comparison to the FY15 levels, Property Taxes moderately increased 5.2% from \$4.24 million and Sales Taxes were slightly down from \$3.53 million.

### **EXPENSES**

Total Expenses for Governmental Activities were \$18.08 million.

Governmental Activities expenses decreased 6.7% to \$18.08 million, \$1.329 million less than last year. The breakdown by governmental activity follows; General Government decreased \$63,876, Public Safety decreased \$1,031,903, Community Development increased \$264,960, Culture and Leisure decreased \$131,528. Transportation decreased \$463,510, and Interest on long-term debt decreased \$1,972.

## **GOVERNMENTAL ACTIVITIES-NET REVENUES (EXPENSES)**

The Net Revenues (Expenses) show the financial burden that was placed on the City's taxpayers by each of the functions.

Table 3 and Chart 3 focus on the Revenues and Expenses (Cost of Services) in the Statement of Activity related to Governmental Activities. Chart 3 compares each program, the Revenues, in blue, versus Expenses, in red. Note that the General Government program revenues sufficiently cover program revenues, but for all other governmental activities, program expenses and revenues are subsidized by General Revenues (Taxes, Use of Money and Property, Other Revenue and Transfers).



Table 3 - Program Net Cost: Government Activities

	Program Revenues			Total Cost of Services			Net Revenues (Expenses)		
	2015	2016	% Chg	2015	2016	% Chg	2015	2016	% Chg
General Government	3,809,914	3,698,398	3%	2,161,242	2,225,118	3%	1,648,672	1,473,280	11%
Public Safety	863,232	952,869	10%	9,615,308	8,583,405	11%	(8,752,076)	(7,630,536)	13%
Community Development	(54,746)	856,327	-	1,331,628	1,598,792	20%	(1,386,374)	(742,465)	46%
Culture & Leisure	427,470	451,638	6%	1,134,921	1,001,189	12%	(707,451)	(549,551)	22%
Transportation	1,578,444	795,914	50%	5,044,885	4,581,375	9%	(3,466,441)	(3,785,461)	9%
Interest on long-term debt	-	-	-	88,096	86,124	2%	(88,096)	(86,124)	2%
Government Subtotal	6,624,314	6,755,146	2%	19,376,080	18,076,003	7%	(12,751,766)	(11,320,857)	11%
General Revenues	11,516,048	11,537,015	0%	-	-	-	11,516,048	11,537,015	0%
Transfers	720,432	652,157	9%	-	-	-	720,432	652,157	9%
SUBTOTAL	18,860,794	18,944,318	0%	19,376,080	18,076,003	7%	(515,286)	868,315	269%
Special Item	-	8,801,033	-	-	-	-	-	8,801,033	-
TOTAL	18,860,794	27,745,351	47%	19,376,080	18,076,003	7%	(515,286)	9,669,348	1977%

Note: Details can be found in the "Statement of Activities"

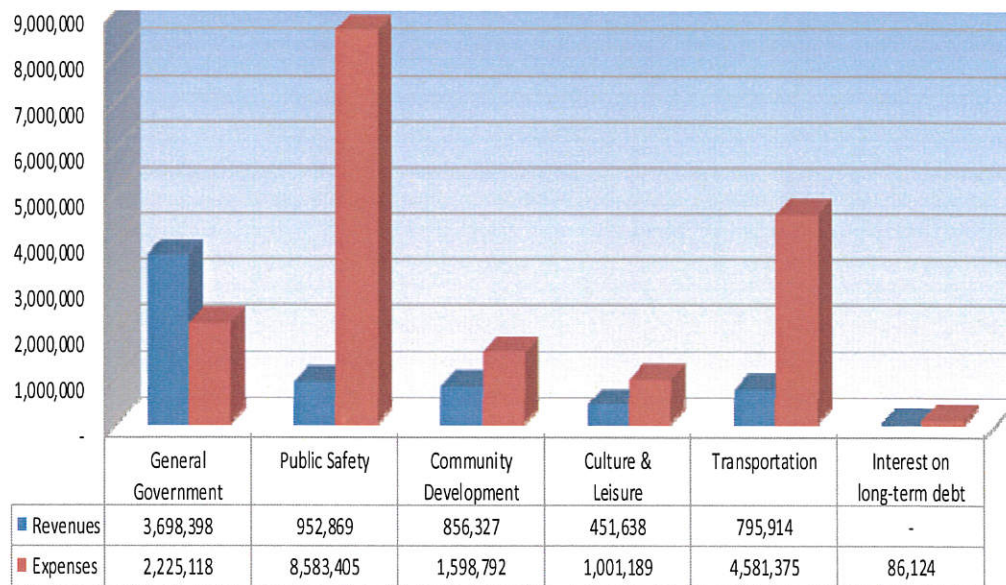


Chart 3: Details can be found in the "Statement of Activities"

## BUSINESS-TYPE ACTIVITIES

Table 4 focus is on the information on the Statement of Activities that relates to Business-type Activities which are the City's six services funded by customer user fees; Airport, Transit, BUA Water Utility, Electric Utility, BUA Wastewater Utility, and Refuse Utility; revenues, the cost of each program, and its net cost.

Table 4 - Program Net Cost: Business-Type Activities

	Program Revenues			Total Cost of Services			Net Revenues (Expenses)		
	2015	2016	% Chg	2015	2016	% Chg	2015	2016	% Chg
Airport	245,639	258,138	5%	382,611	209,930	45%	(136,972)	48,208	135%
Transit	1,684,210	1,913,069	14%	1,722,416	1,858,161	8%	(38,206)	54,908	244%
BUA Water Utility	9,697,254	8,858,473	9%	7,569,525	7,308,819	3%	2,127,729	1,549,654	27%
Electric Utility	30,173,668	30,616,383	1%	28,819,584	29,505,627	2%	1,354,084	1,110,756	18%
BUA Wastewater Utility	3,462,692	3,483,786	1%	2,915,736	2,701,401	7%	546,956	782,385	43%
Refuse Utility	3,175,849	3,404,970	7%	3,074,393	3,082,003	0%	101,456	322,967	218%
Business Subtotal	48,439,312	48,534,819	0%	44,484,265	44,665,941	0%	3,955,047	3,868,878	2%
General Revenues	343,175	403,704	18%	-	-	-	343,175	403,704	18%
SUBTOTAL	48,782,487	48,938,523	0%	44,484,265	44,665,941	0%	4,298,222	4,272,582	1%
Transfers	-	-	-	720,432	652,157	9%	(720,432)	(652,157)	9%
TOTAL	48,782,487	48,938,523	0%	45,204,697	45,318,098	0%	3,577,790	3,620,425	1%

Note: Details can be found in the "Statement of Activities"

Important highlights of the Changes in Net Position of Business-Type Activities are:

- Net Position from Business-Type Activities was \$111.89 million (see Table 2).
- Business-type activities increased Net Position by \$3.62 million (see Table 2).
- All Business-type activities contributed to the Increase in Net Position. The FY 2016 results of Net Revenues (Expenses) was \$4,272,582, including non-operating revenue of \$403,704, as shown in Table 4.
- Net Increases by program operations are detailed in Table 4; Airport \$48,208, Transit \$54,908, Water \$1,549,654, Electric \$1,110,756, Wastewater \$782,385, and Refuse \$322,967.

## FUNDS FINANCIAL STATEMENTS

Funds are accounted for on a modified accrual basis. Their focus is on reporting financial information useful for managing the budget and day to day operations.

Funds Financial Statements of the report ties in most closely to the financial information relied upon for managing the budget and the day to day operations of the City.

The Fund Financial Statements are divided into three fund types:

- **Governmental funds statements** tell how general government services such as police, fire, transportation and special revenue funds were financed in the short-term as well as what remains for future spending. Property taxes, sales tax, transient occupancy tax, interest income, franchise fees, grants, contributions from other agencies, and other revenues fund these activities. The General Fund is reported as a major fund; all other Governmental funds are non-major.

- **Proprietary funds statements** offer short-term and long-term financial information of the City's utilities, the major proprietary funds, water, wastewater and electric, as well as airport, transit and refuse collection services. These funds require the use of full accrual accounting.
- **Internal Service funds statements** are reported with Governmental activities.
- **Fiduciary funds statements** provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of other governmental units, private organizations, or individuals to whom the resources belong. The Successor Agency, assessment districts and other non-City funds are accounted for in these fund types.

A fund is an accounting entity with a self-balancing set of accounts that the City uses to keep track of resources that have been segregated for specific activities or objectives. In addition, while some funds are required to be established by State law and by bond covenants, management has also established other funds to help control and manage money for particular purposes or to show that the legal responsibilities for using certain taxes, grants, and other resources are being met.

The City uses fund accounting to demonstrate and ensure compliance with finance-related legal requirements. The Fund Financial Statements focus on individual parts of the City government, thus reporting the City's operations in more detail than the Government-Wide statements. The types of Governmental Funds reported by the City include the General Fund, Special Revenue Funds, Capital Project Funds, and Internal Service Funds. Proprietary and Fiduciary Funds are also reported in this section. The fund statements provide information on near-term inflows, outflows and balances of spendable resources. Budget and interim council reporting are generally based on these funds.

The City adopts an annual appropriated budget which includes the General Fund, Special Revenue Funds, Capital Project Funds, and Debt Service Funds. A budgetary comparison statement has been provided for each of the funds to demonstrate compliance with the budget.

Although the annual operating budget includes Proprietary and Fiduciary Funds, those budgets are not required to be comparatively reported in the annual audit report.

## **GOVERNMENTAL FUNDS**

Governmental Funds only focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. The Fund Financial Statements include the General Fund, the major fund of the governmental funds, and Other Governmental Funds, which are the total of the non-major governmental funds.

All City Funds are presented separately, the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances. The General Fund is considered a Major Governmental Fund. Each of the Non-Major Governmental Funds are reported in the "Combining and Individual Fund Statements and Schedules" that follow the Notes to Financial Statements and the totals are brought forward to the "Other Governmental Funds" column of the Funds Financial Statements.

## **GOVERNMENTAL FUNDS HIGHLIGHTS**

- ❖ At the close of the fiscal year, the City's governmental funds reported a combined ending fund balance of \$27.58 million, an increase of \$11.4 million, 23.9% versus last fiscal year.
- ❖ GASB 54 requires governments to classify fund balances according to the spending constraints defined by GASB 54. \$1.99 of the \$27.58 million is Unassigned, that is, those funds do not have restrictions. However, the remaining \$25.59 million is in the categories of Nonspendable, Restricted, Committed or Assigned.



## **BALANCE SHEETS OF GOVERNMENTAL FUNDS**

The City maintains twenty-six individual governmental funds. These funds report financial transactions using the modified accrual accounting method.

### **GOVERNMENTAL REVENUES**

Table 5 below presents a summary of Governmental Fund Revenues by Revenue category for the fiscal year 2015-16, with comparative amounts from the prior year. Fiscal Year 2015-16 Revenues were \$18,472,032, a slight increase of \$97,129 compared to the previous fiscal year.

*Table 5 - Comparison of Governmental Revenues*

	2014-15	% of Total Revenues	2015-16	% of Total Revenues	\$ Increase / (Decrease)	% Change
Taxes	10,138,020	55.17%	10,792,461	58.43%	654,441	6.46%
Licenses & Permits	191,900	1.04%	779,554	4.22%	587,654	306.23%
Intergovernmental	2,388,989	13.00%	2,040,858	11.05%	(348,131)	14.57%
Charges for Services	3,906,579	21.26%	3,317,149	17.96%	(589,430)	15.09%
Use of Money & Property	519,940	2.83%	553,390	3.00%	33,450	6.43%
Fines and Forfeitures	303,308	1.65%	267,410	1.45%	(35,898)	11.84%
Contributions	15,873	0.09%	13,724	0.07%	(2,149)	13.54%
Successor Agency Admin	123,840	0.67%	250,000	1.35%	126,160	101.87%
Miscellaneous	786,454	4.28%	457,486	2.48%	(328,968)	41.83%
<b>TOTAL</b>	<b>18,374,903</b>	<b>100.00%</b>	<b>18,472,032</b>	<b>100.00%</b>	<b>97,129</b>	<b>0.53%</b>

*Note: Details can be found in the "Statement of Revenues, Expenditures and Changes in Fund Balances"*

### **GOVERNMENTAL EXPENDITURES**

Table 6 summarizes the Governmental Fund Expenditures by function for the fiscal years 2014-15 and 2015-16, with related % of total expenditures for each fiscal year. Expenditures for FY16 were \$16,527,619, a decrease of \$122,018 from FY15.

*Table 6 - Comparison of Governmental Expenditures*

	2014-15	% of Total Expenditures	2015-16	% of Total Expenditures	\$ Increase / (Decrease)	% Change
General Government	2,515,876	15.11%	2,227,796	13.48%	(288,080)	11.45%
Public Safety	8,973,171	53.89%	9,529,941	57.66%	556,770	6.20%
Community Development	1,318,060	7.92%	1,547,336	9.36%	229,276	17.39%
Parks and Recreation	729,997	4.38%	764,076	4.62%	34,079	4.67%
Transportation	1,015,760	6.10%	1,059,235	6.41%	43,475	4.28%
Operating Expenditures	14,552,864	87.41%	15,128,384	91.53%	575,520	3.95%
Capital Outlay	1,660,791	9.97%	963,545	5.83%	(697,246)	41.98%
Debt Service	435,982	2.62%	435,690	2.64%	(292)	0.07%
<b>TOTAL</b>	<b>16,649,637</b>	<b>100.00%</b>	<b>16,527,619</b>	<b>100.00%</b>	<b>(122,018)</b>	<b>0.73%</b>

*Note: Details can be found in the "Statement of Revenues, Expenditures and Changes in Fund Balances"*

### **GOVERNMENTAL FUND BALANCES**

Total governmental Fund Balances are \$27.58 million, which is an \$11.40 million increase. The major contributing factor is that \$8.80 million was reclassified as a governmental special revenue item.



## **PROPRIETARY FUNDS**

Proprietary funds account for utility services, use of airport facilities, transit services and services where user fees are developed to recover the costs of services provided. Proprietary Funds are integrated into the Government-Wide Financial Statements, provide both long-term and short-term financial information. The full accrual method of accounting is required for these funds.

❖ **Enterprise Funds** are used to report the individual functions for each of the enterprise activities operated by the City. The major proprietary funds are the top three below. In addition “Other Enterprise Funds” are considered non-major under the GASB criteria.

- Banning Utility Authority-Water
- Electric Utility
- Banning Utility Authority-Wastewater
- Other Enterprise funds:
  - Airport
  - Transit
  - Refuse Utility

❖ **Internal Service Funds** report activities that provide internal services for the City’s other programs and activities such as the:

- City’s Self Insurance
- Fleet Maintenance
- Information Systems
- Utility Billing Services

## **NET POSITION**

The Total Net Position of Proprietary Funds \$113.03 million. The major funds, the total of City Utilities make up \$110.04 million.

An important metric in utility operations is the Operating Income (Loss).

## **OPERATING INCOME (LOSS)**

All three major proprietary funds have positive results of operation; Water’s operating income was \$2,683,649, Electric’s was \$2,663,175 and Wastewater’s was \$1,029,064.

## **FIDUCIARY FUNDS**

The City is the trustee, or *fiduciary*, for certain funds held on behalf of those entities outside of the government. The City’s fiduciary activities are reported in a separate Statement of Fiduciary Net Position. The City excludes these activities from the City’s other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The Fiduciary Funds now include all of the funds related to the Successor Agency of the Former Redevelopment Agency, which was formed upon dissolution of the Banning Community Redevelopment Agency (CRA). The Successor Agency is subject to the control of the newly established oversight board and can only pay enforceable obligations in existence at the date of dissolution. Furthermore, it will hold the remaining assets of the former Redevelopment Agency until the enforceable obligations are legally satisfied or they are distributed to local taxing entities. Additional information on the dissolution of the CRA can be found in the Footnotes to the Financial Statements (Note 16).

As a result of AB 1X 26, a law enacted by the State in 2012 dissolving the Redevelopment Agencies, Successor Agency Trust Fund receives trust revenues based on ROP's approved by CA Department of Finance. In FY 2015-16, the Successor Agency received \$3.54 million from the Riverside County Redevelopment Property Tax Trust Fund (RPTTF).

Although the Fiduciary Funds Statements are a standalone report in the Funds Financial Statements they are not part of the Government-wide Statements as the fiduciary activities are not considered part of City activities.

However, the City received special item income from the Successor Agency because DOF approved the release of bond project funds for City projects of \$8.8 million. Those funds were previously held by the Successor Agency.

## GENERAL FUND HIGHLIGHTS

The balance of City Council commitment as an emergency contingency in the General Fund is \$3.97 million. (see Balance Sheet - Governmental Funds). Funds classified as Non-spendable total \$.005 million for prepaid costs. Funds classified as Assigned total \$4.69 million which account for capital projects, continuing appropriations and encumbrances in public safety, transportation, debt service, general government, future compensated absences, litigation contingency, gas tax commitment, police reward, SB1186 Disability Access and PEG. The remaining fund balance (\$3.54 million) is identified as Unassigned. The terminology and presentation of fund balance changed with the implementation of GASB 54.

### GENERAL FUND - REVENUES

Table 7 below provides more information of the General Fund Revenues by category for the fiscal years 2013-14, 2014-15 and 2015-16.

*Table 7 - General Fund Revenues*

	2013-14	2014-15	2015-16	% of Total	\$ Increase / (Decrease) to Last Year	% Change
Property Tax	4,001,147	4,238,973	4,459,662	26.43%	220,689	5.21%
Sales Tax	2,917,944	2,952,014	3,262,934	19.34%	310,920	10.53%
Transient Occupancy Tax	712,135	722,434	789,994	4.68%	67,560	9.35%
Franchise	861,155	871,284	860,923	5.10%	(10,361)	1.19%
Other Taxes	282,250	703,118	755,028	4.47%	51,910	7.38%
License & Permits	219,998	191,900	779,554	4.62%	587,654	306.23%
Intergovernmental	278,026	203,831	444,246	2.63%	240,415	117.95%
Charges for Services	3,580,448	3,906,508	3,317,149	19.66%	(589,359)	15.09%
Use of Money & Property	511,083	506,294	528,586	3.13%	22,292	4.40%
Fines & Forfeitures	291,125	303,308	267,410	1.58%	(35,898)	11.84%
Transfers In	720,003	1,526,081	724,000	4.29%	(802,081)	52.56%
Contributions	11,727	5,400	251,800	1.49%	246,400	4562.96%
Miscellaneous	504,223	685,109	431,606	2.56%	(253,503)	37.00%
<b>TOTALS</b>	<b>14,891,264</b>	<b>16,816,254</b>	<b>16,872,892</b>	<b>100.00%</b>	<b>56,638</b>	<b>0.34%</b>

*Note: Details can be found in the "Budgetary Comparison Schedule, General Fund"*

For Fiscal Year 2015-16 (FY16), General Fund revenues were \$16,872,892, an increase of \$56,638 over FY 2014-15. Key elements of this year's activity versus last fiscal year are as follows:

- Property Tax Revenues, \$4,459,662 increased by \$220,689, a 5.21% increase over FY15.
- Licenses & Permits, \$779,554 increased 306.23%, as a result of increased commercial development activity, from \$191,900 in FY15.
- Sales Tax revenues, \$3,262,934 increased by \$310,920, a 10.53% increase over FY15.
- Revenues from Charges for Services, \$3,317,149, decreased 15.08% from FY15. This includes the Electric Department's mandated 10% administrative service transfer to the General Fund and increased fee revenues arising from the Rancho San Geronio project. This revenue source accounts for fees collected from the City's departments for administrative charges during the normal course of business. The largest source of Charge for Services, or 68%, is from Electric Department which provides 10% of its Operating Revenues, \$3.06 million.
- Transfers In decreased to \$724,000.
- Miscellaneous Revenue decreased by \$253,503

#### **GENERAL FUND – EXPENDITURES**

Table 8 below summarizes the General Fund Expenditures for the fiscal year ended June 30, 2016.

*Table 8 – General Fund Expenditures*

	2013-14	2014-15	2015-16	% of Total	\$ Increase / (Decrease) to Last Year	% Change
General Government*	2,359,703	2,515,876	2,175,889	15.08%	(339,987)	13.51%
Public Safety	8,715,093	8,278,738	9,029,278	62.57%	750,540	9.07%
Community Development	-	1,291,523	1,521,876	10.55%	230,353	17.84%
Culture & Leisure	599,171	727,793	764,076	5.29%	36,283	4.99%
Public Works *	1,299,066	-	-	0.00%	-	-
Capital Outlay	153,674	196,340	256,128	1.77%	59,788	30.45%
Debt Service	436,253	435,982	435,690	3.02%	(292)	0.07%
Transfers Out	164,325	169,955	248,084	1.72%	78,129	45.97%
<b>TOTALS</b>	<b>13,727,285</b>	<b>13,616,207</b>	<b>14,431,021</b>	<b>100.00%</b>	<b>814,814</b>	<b>5.98%</b>

\* Some items reclassified from General Government & Public Works to Community Development category.

Note: Details can be found in the "Budgetary Comparison Schedule, General Fund"

A Community Development expenditure category, previously classified General Government and Public Works expenditures, were aligned with the audited financial statements for fiscal years ending June 30, 2015 and 2016.

Total General Fund expenditures were \$14,431,021, a 5.98% increase over the previous year. The largest changes occurred in the following areas:

- General Government expenditures of \$2,175,889, decreased by \$339,987, or 13.51%.
- Public Safety expenditures of \$9,029,278, increased by \$750,540, or 9.07%.
- Community Development expenditures of \$1,521,876, increased by \$230,353, or 17.84%.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The original FY16 budget for the General Fund was a structurally balanced budget incorporating the estimated upswing in the economy primarily indicated by increased property taxes and sales tax revenue projections offset by projected increases in personnel costs.

The final adjusted revenue budget differs from the Original Budget in that it contains carry-forward appropriations and revenues for various projects, supplemental revenues, carry-forward appropriations for open purchase orders from the previous year, and appropriations approved by City Council throughout the year. The budgetary comparison information can be found in the audit report section "Combining and Individual Funds Statements and Schedules" under "Budgetary Comparison Schedule, General Fund".

For the City's General Fund, actual ending revenues of \$16.87 million were \$0.80 million higher than the final budgeted revenues of \$16.07 million (please refer to Budgetary Comparison Schedule-General Fund). This is mainly due to improved revenues from Taxes, offset by lower than expected service fee revenues from Engineering, Police, Fire and other fees.

The General Fund actual ending expenditures of \$14.43 million were \$1.73 million less than the final budget of \$16.17 million. The majority of the difference is accounted for by salary savings due to vacancies in the Police and Planning departments, and the unused contingency account in Central Services. Overall, the City's General Fund showed a net increase in fund balance of \$2.54 million as a result of improved revenues and reduced expenditures.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **CAPITAL ASSETS**

The City's investment in capital assets (Table 9) for its Governmental and Business-Type Activities as of June 30, 2016, is \$187,586,008 (net of accumulated depreciation). This investment in capital assets includes land, structures and improvements, furniture and equipment, infrastructure and construction in progress. The Capital Assets of the City are those assets which are used in the performance of the City's functions including infrastructure assets. Depreciation on capital assets is recognized in the Government-Wide Financial Statements.

*Table 9 - Capital Assets by Activity*

	Governmental Activities			Business-Type Activities			Totals		
	2015	2016	% Chg	2015	2016	% Chg	2015	2016	% Chg
Land	3,061,900	3,204,822	5%	1,184,229	1,184,229	0%	4,246,129	4,389,051	3%
Construction in Progress	6,202,908	57,974	99%	6,255,521	11,006,828	76%	12,458,429	11,064,802	11%
Building and Structures*	11,787,514	11,235,322	5%	109,585	101,150	8%	11,897,099	11,336,472	5%
Land Improvements*	3,919,155	3,950,853	1%	2,432,001	2,251,754	7%	6,351,156	6,202,607	2%
Machinery and Equipment*	635,307	975,183	53%	-	-	-	635,307	975,183	53%
Vehicles*	229,001	247,327	8%	-	-	-	229,001	247,327	8%
Utility Plant*	-	-	-	96,518,970	94,972,671	2%	96,518,970	94,972,671	2%
Infrastructure*	56,107,536	58,397,895	4%	-	-	-	56,107,536	58,397,895	4%
TOTAL	81,943,321	78,069,376	5%	106,500,306	109,516,632	3%	188,443,627	187,586,008	0%

*Note: Details can be found in "Note 4 (Changes in Capital Assets)"*

*\* Net of accumulated depreciation*

Details on the capital assets can be found on Note 4 of the Notes to Financial Statements section.



## LONG-TERM DEBT

Table 10 is a summary of the City's long-term debt for the year ended June 30, 2016, including the Net Pension Liability required by GASB No. 68 and 71 beginning with year end June 30, 2015. City-wide long-term debt was \$105,667,050 at June 30, 2015 and \$103,938,957 at June 30, 2016.

At year June 30, 2016, the City's Governmental Activities had long term debt in the amount of \$25,135,891 including Net Pension Liability of \$20,642,709. No new debts were issued in the governmental activities for the current year. The Redevelopment Tax Allocation Bonds and other loans are no longer reported as a Governmental Activity. For additional information on the Redevelopment Tax Allocation bonds, refer to Note 16 of the notes to the Financial Statements.

Long-term debt in the Business-Type Activities amounted to \$78,803,066 including Net Pension Liability of \$11,190,100. For additional information on long-term debt refer to the Note 8 of the Notes to the Financial Statements. For additional information on the Net Pension Liability refer to Note 11 of the Notes to the Financial Statements.

In FY 2015-16, the \$31,755,000 2015 Electric Revenue Refunding Bonds were issued to refund the outstanding 2007 Electric Revenue Bonds and to finance certain electric improvements. The refunding will result in a long-term economic gain of \$6,893,089 to the electric system.

*Table 10 - Long Term Debt/Liability Recap*

	Governmental Activities			Business-Type Activities			Totals		
	2015	2016	% Chg	2015	2016	% Chg	2015	2016	% Chg
Compensated Absences	1,020,723	1,103,895	8%	645,830	789,535	22%	1,666,553	1,893,430	14%
Refunding Lease	2,147,361	1,788,555	17%	-	-	-	2,147,361	1,788,555	17%
Revenue Bonds	-	-	-	68,695,000	59,915,000	13%	68,695,000	59,915,000	13%
Claims & Judgements	1,270,939	1,475,725	16%	-	-	-	1,270,939	1,475,725	16%
Loans	-	125,007	-	1,670,469	1,409,613	16%	1,670,469	1,534,620	8%
SUBTOTAL	4,439,023	4,493,182	1%	71,011,299	62,114,148	13%	75,450,322	66,607,330	12%
Less:									
Unamortized original issue premium				1,466,609	5,581,039	281%	1,466,609	5,581,039	281%
Unamortized original issue discount				(86,437)	(82,221)	5%	(86,437)	(82,221)	5%
Net Business-Type Activities				72,391,471	67,612,966	7%	76,830,494	72,106,148	6%
Net Pension Liability	18,664,140	20,642,709	-	10,172,416	11,190,100	-	28,836,556	31,832,809	-
TOTAL	23,103,163	25,135,891	9%	82,563,887	78,803,066	5%	105,667,050	103,938,957	2%

*Note: Details can be found in Note 8 (Long Term Debt) and in Note 11 (City Employees Retirement Plan)*

## CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City of Banning's finances and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City's Finance Department, at the City of Banning, P.O. Box 998, Banning CA, 92220.

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## CITY OF BANNING

STATEMENT OF NET POSITION  
JUNE 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Cash and investments	\$ 21,720,796	\$ 53,799,427	\$ 75,520,223
Receivables:			
Accounts	696,871	6,869,242	7,566,113
Loans	1,913,335	11,944	1,925,279
Interest	36,136	87,236	123,372
Grants	30,000	-	30,000
Internal balances	392,003	(392,003)	-
Prepaid costs	43,923	416,569	460,492
Deposits	-	109,728	109,728
Due from other governments	5,532,765	-	5,532,765
Inventories	67,620	2,544,846	2,612,466
Restricted assets:			
Cash and investments	-	1,048,391	1,048,391
Cash with fiscal agent	8,284,932	17,086,463	25,371,395
Capital assets not being depreciated	3,262,796	12,191,057	15,453,853
Capital assets, net of depreciation	74,806,580	97,325,575	172,132,155
<b>Total Assets</b>	<b>116,787,757</b>	<b>191,098,475</b>	<b>307,886,232</b>
<b>Deferred Outflows of Resources:</b>			
Deferred charge on refunding	-	3,470,986	3,470,986
Deferred pension related items	4,708,948	1,952,161	6,661,109
<b>Total Deferred Outflows of Resources</b>	<b>4,708,948</b>	<b>5,423,147</b>	<b>10,132,095</b>
<b>Liabilities:</b>			
Accounts payable	634,803	1,686,910	2,321,713
Accrued liabilities	296,728	327,324	624,052
Accrued interest	11,205	359,948	371,153
Unearned revenue	178,330	1,038,058	1,216,388
Deposits payable	532,434	769,988	1,302,422
Due to other governments	590,030	-	590,030
Noncurrent liabilities:			
Due within one year	1,340,726	2,283,947	3,624,673
Due in more than one year	3,152,456	65,329,019	68,481,475
Net pension liability	20,642,709	11,190,100	31,832,809
<b>Total Liabilities</b>	<b>27,379,421</b>	<b>82,985,294</b>	<b>110,364,715</b>
<b>Deferred Inflows of Resources:</b>			
Deferred pension related items	2,322,952	1,643,317	3,966,269
<b>Total Deferred Inflows of Resources</b>	<b>2,322,952</b>	<b>1,643,317</b>	<b>3,966,269</b>
<b>Net Position:</b>			
Net investment in capital assets	76,155,814	46,164,187	122,320,001
Restricted for:			
Community development projects	2,386,420	-	2,386,420
Public safety	68,064	-	68,064
Culture and leisure	40,394	-	40,394
Transportation	3,008,631	-	3,008,631
Capital projects	8,753,956	17,003,949	25,757,905
Debt service	-	82,514	82,514
Unrestricted	1,381,053	48,642,361	50,023,414
<b>Total Net Position</b>	<b>\$ 91,794,332</b>	<b>\$ 111,893,011</b>	<b>\$ 203,687,343</b>

## CITY OF BANNING

STATEMENT OF ACTIVITIES  
JUNE 30, 2016

	Expenses	Program Revenues	
		Charges for Services	Operating Contributions and Grants
			Capital Contributions and Grants
<b>Functions/Programs</b>			
<b>Primary Government:</b>			
Governmental Activities:			
General government	\$ 2,225,118	\$ 3,428,121	\$ 270,277
Public safety	8,583,405	71,550	843,050
Community development	1,598,792	826,327	30,000
Culture and leisure	1,001,189	95,455	1,724
Transportation	4,585,220	92,545	703,369
Interest on long-term debt	86,124	-	-
<b>Total Governmental Activities</b>	<b>18,079,848</b>	<b>4,513,998</b>	<b>1,848,420</b>
Business-Type Activities:			
Airport	209,930	136,789	121,349
Transit	1,858,161	138,753	1,774,316
Banning Utility Authority Water	7,308,819	8,856,234	2,239
Electric Utility	29,505,627	30,584,446	31,937
Banning Utility Authority Wastewater	2,701,401	3,482,411	1,375
Refuse Utility	3,082,003	3,364,634	40,336
<b>Total Business-Type Activities</b>	<b>44,665,941</b>	<b>46,563,267</b>	<b>1,971,552</b>
<b>Total Primary Government</b>	<b>\$ 62,745,789</b>	<b>\$ 51,077,265</b>	<b>\$ 3,819,972</b>
<b>General Revenues:</b>			
Taxes:			
Property taxes, levied for general purpose			
Transient occupancy taxes			
Sales taxes			
Franchise taxes			
Business licenses taxes			
Other taxes			
Motor vehicle in lieu - unrestricted			
Use of money and property			
Other			
<b>Special Item</b>			
<b>Transfers</b>			
<b>Total General Revenues and Transfers</b>			
Change in Net Position			
Net Position at Beginning of Year			
Restatement of Net Position			
<b>Net Position at End of Year</b>			



Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ 1,473,280	\$ -	\$ 1,473,280
(7,630,536)	-	(7,630,536)
(742,465)	-	(742,465)
(549,551)	-	(549,551)
(3,789,306)	-	(3,789,306)
(86,124)	-	(86,124)
<b>(11,324,702)</b>	<b>-</b>	<b>(11,324,702)</b>
-	48,208	48,208
-	54,908	54,908
-	1,549,654	1,549,654
-	1,110,756	1,110,756
-	782,385	782,385
-	322,967	322,967
-	<b>3,868,878</b>	<b>3,868,878</b>
<b>(11,324,702)</b>	<b>3,868,878</b>	<b>(7,455,824)</b>
4,459,662	-	4,459,662
789,994	-	789,994
3,497,150	-	3,497,150
860,923	-	860,923
156,268	-	156,268
734,954	-	734,954
12,303	-	12,303
628,752	218,902	847,654
397,009	184,802	581,811
8,801,033	-	8,801,033
652,157	(652,157)	-
<b>20,990,205</b>	<b>(248,453)</b>	<b>20,741,752</b>
9,665,503	3,620,425	13,285,928
81,865,144	108,272,586	190,137,730
263,685	-	263,685
<b>\$ 91,794,332</b>	<b>\$ 111,893,011</b>	<b>\$ 203,687,343</b>

## CITY OF BANNING

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2016

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Pooled cash and investments	\$ 9,896,525	\$ 6,667,443	\$ 16,563,968
Receivables:			
Accounts, net	657,289	276	657,565
Loans	-	1,913,335	1,913,335
Interest	23,383	8,733	32,116
Grants	-	30,000	30,000
Prepaid costs	43,923	-	43,923
Due from other governments	1,245,917	4,257,217	5,503,134
Due from other funds	2,437,875	-	2,437,875
Restricted assets:			
Cash and investments with fiscal agents	-	8,284,932	8,284,932
<b>Total Assets</b>	<b>\$ 14,304,912</b>	<b>\$ 21,161,936</b>	<b>\$ 35,466,848</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 328,913	\$ 72,886	\$ 401,799
Accrued liabilities	173,787	38,218	212,005
Unearned revenues	-	178,330	178,330
Deposits payable	432,610	99,824	532,434
Due to other governments	590,030	-	590,030
Due to other funds	83,759	2,437,875	2,521,634
Advances from other funds	394,118	-	394,118
<b>Total Liabilities</b>	<b>2,003,217</b>	<b>2,827,133</b>	<b>4,830,350</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable revenues	58,228	3,000,384	3,058,612
<b>Total Deferred Inflows of Resources</b>	<b>58,228</b>	<b>3,000,384</b>	<b>3,058,612</b>
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
Prepaid costs	43,923	-	43,923
<b>Restricted for:</b>			
Community development projects	-	2,386,420	2,386,420
Public safety	-	68,064	68,064
Culture and leisure	-	40,394	40,394
Transportation	-	3,008,631	3,008,631
Capital Projects	-	8,753,956	8,753,956
<b>Committed to:</b>			
Emergency Contingency	3,975,332	-	3,975,332
<b>Assigned to:</b>			
Public safety	11,717	-	11,717
Capital Projects	1,500,000	2,624,852	4,124,852
Debt service	5,622	-	5,622
General government	348,059	-	348,059
Future compensated absences	467,404	-	467,404
Litigation Contingency	179,189	-	179,189
Gas tax commitment	164,325	-	164,325
PEG	133,104	-	133,104
SB1186 Disability Access	4,906	-	4,906
Police Reward	25,000	-	25,000
Community development	82,621	-	82,621
Mining Tax Collected	903,809	-	903,809
CalPERS Liability	500,000	-	500,000
Successor Agency Administration	361,721	-	361,721
<b>Unassigned</b>	<b>3,536,735</b>	<b>(1,547,898)</b>	<b>1,988,837</b>
<b>Total Fund Balances</b>	<b>12,243,467</b>	<b>15,334,419</b>	<b>27,577,886</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 14,304,912</b>	<b>\$ 21,161,936</b>	<b>\$ 35,466,848</b>

CITY OF BANNING

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2016

Fund balances of governmental funds		\$ 27,577,886
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		77,711,099
Deferred outflows related to pension items:		
Adjustments due to difference in proportions	\$ 591,423	
Net differences between projected and actual earnings on plan investments	1,864,298	
Current year contributions that occurred after the measurement date	<u>1,651,557</u>	4,107,278
Long-term debt, compensated absences and net pension liability that have not been included in the governmental fund activity:		
Bonds payable	(1,913,562)	
Net pension liability	(17,130,906)	
Compensated Absences	<u>(934,808)</u>	(19,979,276)
Deferred inflows related to pension items:		
Adjustments due to difference in proportions		
Change of assumptions	(692,760)	
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	(64,504)	
Difference between expected and actual experiences	(126,157)	
Net differences between projected and actual earnings on plan investments	<u>(921,874)</u>	(1,805,295)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.		(11,205)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		3,058,612
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.		<u>1,135,233</u>
<b>Net Position of governmental activities</b>		<b><u>\$ 91,794,332</u></b>

## CITY OF BANNING

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2016

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Taxes	\$ 10,128,541	\$ 663,920	\$ 10,792,461
Licenses and permits	779,554	-	779,554
Intergovernmental	444,246	1,596,612	2,040,858
Charges for services	3,317,149	-	3,317,149
Use of money and property	528,586	24,804	553,390
Fines and forfeitures	267,410	-	267,410
Contributions	1,800	11,924	13,724
Contribution from Successor Agency	250,000	-	250,000
Miscellaneous	431,606	25,880	457,486
<b>Total Revenues</b>	<b>16,148,892</b>	<b>2,323,140</b>	<b>18,472,032</b>
<b>Expenditures:</b>			
Current:			
General government	2,175,889	51,907	2,227,796
Public safety	9,029,278	500,663	9,529,941
Community development	1,521,876	25,460	1,547,336
Culture and leisure	764,076	-	764,076
Transportation	-	1,059,235	1,059,235
Capital outlay	256,128	707,417	963,545
Debt service:			
Principal retirement	358,806	-	358,806
Interest and fiscal charges	76,884	-	76,884
<b>Total Expenditures</b>	<b>14,182,937</b>	<b>2,344,682</b>	<b>16,527,619</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,965,955	(21,542)	1,944,413
<b>Other Financing Sources (Uses):</b>			
Transfers in	724,000	189,544	913,544
Transfers out	(248,084)	(13,303)	(261,387)
<b>Total Other Financing Sources (Uses)</b>	<b>475,916</b>	<b>176,241</b>	<b>652,157</b>
Special Items	-	8,801,033	8,801,033
<b>Net Change in Fund Balances</b>	<b>2,441,871</b>	<b>8,955,732</b>	<b>11,397,603</b>
Fund Balances, Beginning of Year	9,801,596	6,378,687	16,180,283
<b>Fund Balances, End of Year</b>	<b>\$ 12,243,467</b>	<b>\$ 15,334,419</b>	<b>\$ 27,577,886</b>



CITY OF BANNING

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2016

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Net change in fund balances - total governmental funds \$ 11,397,603

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	\$ 1,106,076	
Depreciation	<u>(5,358,959)</u>	(4,252,883)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal repayments		358,806
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Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.

2,247

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

(67,108)

Pension Expenses recognized in accordance with GASB 68 not recognized in the governmental fund activity.

2,076,550

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.

(255,233)

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities.

409,366

Change in net position of governmental activities

\$ 9,669,348

## CITY OF BANNING

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2016

	Business-Type Activities - Enterprise Funds		
	Banning Utility Authority Water	Electric Utility	Banning Utility Authority Wastewater
<b>Assets:</b>			
Current:			
Pooled cash and investments	\$ 14,781,245	\$ 19,036,806	\$ 17,911,528
Receivables:			
Accounts, net	1,640,281	4,134,717	497,026
Loans	2,307	6,725	-
Interest	22,628	36,357	25,237
Prepaid costs	-	416,569	-
Deposits	-	109,728	-
Due from other governments	-	-	-
Due from other funds	-	-	-
Inventories	449,886	2,083,134	-
Restricted:			
Cash and investments	-	1,048,391	-
Cash with fiscal agent	2,577,191	11,158,619	3,350,653
<b>Total Current Assets</b>	<b>19,473,538</b>	<b>38,031,046</b>	<b>21,784,444</b>
Noncurrent:			
Advances to other funds	-	394,118	-
Capital assets - net of accumulated depreciation	47,295,224	44,945,160	13,918,847
<b>Total Noncurrent Assets</b>	<b>47,295,224</b>	<b>45,339,278</b>	<b>13,918,847</b>
<b>Total Assets</b>	<b>66,768,762</b>	<b>83,370,324</b>	<b>35,703,291</b>
<b>Deferred Outflows of Resources:</b>			
Deferred charge on refunding	941,952	2,439,676	89,358
Deferred pension related items	405,636	1,013,817	202,259
<b>Total Deferred Outflows of Resources</b>	<b>1,347,588</b>	<b>3,453,493</b>	<b>291,617</b>
<b>Liabilities:</b>			
Current:			
Accounts payable	\$ 349,163	\$ 978,982	\$ 104,668
Accrued liabilities	49,051	215,702	21,278
Accrued interest	178,977	118,229	62,742
Unearned revenues	-	-	-
Deposits payable	167,388	393,066	91,800
Due to other funds	-	-	-
Compensated absences	75,913	201,589	35,967
Claims and judgments	-	-	-
Bonds, notes, and capital leases	455,000	1,005,000	432,639
<b>Total Current Liabilities</b>	<b>1,275,492</b>	<b>2,912,568</b>	<b>749,094</b>
Noncurrent:			
Advances from other funds	-	-	-
Net Pension Liability	2,429,360	5,722,779	1,186,858
Compensated absences	77,256	205,151	36,604
Claims and judgments	-	-	-
Bonds, notes, and capital leases	26,376,516	32,559,523	5,994,753
<b>Total Noncurrent Liabilities</b>	<b>28,883,132</b>	<b>38,487,453</b>	<b>7,218,215</b>
<b>Total Liabilities</b>	<b>30,158,624</b>	<b>41,400,021</b>	<b>7,967,309</b>
<b>Deferred Inflows of Resources:</b>			
Deferred pension related items	359,963	837,696	175,140
<b>Total Deferred Inflows of Resources</b>	<b>359,963</b>	<b>837,696</b>	<b>175,140</b>
<b>Net Position:</b>			
Net investment in capital assets	21,405,660	13,820,313	7,580,813
Restricted for capital projects	2,577,191	11,158,619	3,268,139
Restricted for debt service	-	-	82,514
Unrestricted	13,614,912	19,607,168	16,920,993
<b>Total Net Position</b>	<b>\$ 37,597,763</b>	<b>\$ 44,586,100</b>	<b>\$ 27,852,459</b>

Net Position per Statement of Net Position - Proprietary Funds

Prior years' accumulated adjustment to reflect the consolidation of  
internal service funds activities related to the enterprise fundsCurrent years' adjustments to reflect the consolidation of internal  
service activities related to enterprise funds

Net Position per Statement of Net Position

## CITY OF BANNING

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2016

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Other Enterprise Funds	Totals	
<b>Assets:</b>			
Current:			
Pooled cash and investments	\$ 2,069,848	\$ 53,799,427	\$ 5,156,828
Receivables:			
Accounts, net	597,218	6,869,242	39,306
Loans	2,912	11,944	-
Interest	3,014	87,236	4,020
Prepaid costs	-	416,569	-
Deposits	-	109,728	-
Due from other governments	-	-	29,631
Due from other funds	83,759	83,759	-
Inventories	11,826	2,544,846	67,620
Restricted:			
Cash and investments	-	1,048,391	-
Cash with fiscal agent	-	17,086,463	-
<b>Total Current Assets</b>	<b>2,768,577</b>	<b>82,057,605</b>	<b>5,297,405</b>
Noncurrent:			
Advances to other funds	-	394,118	-
Capital assets - net of accumulated depreciation	3,357,401	109,516,632	358,277
<b>Total Noncurrent Assets</b>	<b>3,357,401</b>	<b>109,910,750</b>	<b>358,277</b>
<b>Total Assets</b>	<b>6,125,978</b>	<b>191,968,355</b>	<b>5,655,682</b>
<b>Deferred Outflows of Resources:</b>			
Deferred charge on refunding	-	3,470,986	-
Deferred pension related items	330,449	1,952,161	601,670
<b>Total Deferred Outflows of Resources</b>	<b>330,449</b>	<b>5,423,147</b>	<b>601,670</b>
<b>Liabilities:</b>			
Current:			
Accounts payable	\$ 254,097	\$ 1,686,910	\$ 233,004
Accrued liabilities	41,293	327,324	84,723
Accrued interest	-	359,948	-
Unearned revenues	1,038,058	1,038,058	-
Deposits payable	117,734	769,988	-
Due to other funds	-	-	-
Compensated absences	77,839	391,308	112,373
Claims and judgments	-	-	324,458
Bonds, notes, and capital leases	-	1,892,639	-
<b>Total Current Liabilities</b>	<b>1,529,021</b>	<b>6,466,175</b>	<b>754,558</b>
Noncurrent:			
Advances from other funds	-	-	-
Net Pension Liability	1,851,103	11,190,100	3,511,803
Compensated absences	79,216	398,227	56,714
Claims and judgments	-	-	1,151,267
Bonds, notes, and capital leases	-	64,930,792	-
<b>Total Noncurrent Liabilities</b>	<b>1,930,319</b>	<b>76,519,119</b>	<b>4,719,784</b>
<b>Total Liabilities</b>	<b>3,459,340</b>	<b>82,985,294</b>	<b>5,474,342</b>
<b>Deferred Inflows of Resources:</b>			
Deferred pension related items	270,518	1,643,317	517,657
<b>Total Deferred Inflows of Resources</b>	<b>270,518</b>	<b>1,643,317</b>	<b>517,657</b>
<b>Net Position:</b>			
Net investment in capital assets	3,357,401	46,164,187	358,277
Restricted for capital projects	-	17,003,949	-
Restricted for debt service	-	82,514	-
Unrestricted	(630,832)	49,512,241	(92,924)
<b>Total Net Position</b>	<b>\$ 2,726,569</b>	<b>\$ 112,762,891</b>	<b>\$ 265,353</b>
		\$ 112,762,891	
		(1,099,198)	
		229,318	
		<u>\$ 111,893,011</u>	

## CITY OF BANNING

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2016

	Business-Type Activities - Enterprise Funds		
	Banning Utility Authority Water	Electric Utility	Banning Utility Authority Wastewater
<b>Operating Revenues:</b>			
Sales and service charges	\$ 8,856,234	\$ 30,584,446	\$ 3,482,411
Miscellaneous	27,415	147,593	1,495
<b>Total Operating Revenues</b>	<b>8,883,649</b>	<b>30,732,039</b>	<b>3,483,906</b>
<b>Operating Expenses:</b>			
Salaries and benefits	1,296,607	3,700,693	516,155
Supplies and services	3,642,564	5,625,509	1,334,933
Repairs and maintenance	11,782	35,487	59,059
Street lighting costs	-	185,032	-
Power purchased	-	17,221,730	-
Bad debt expense	37,079	96,712	11,670
Insurance premiums	-	-	-
Depreciation expense	1,211,968	1,203,701	533,025
<b>Total Operating Expenses</b>	<b>6,200,000</b>	<b>28,068,864</b>	<b>2,454,842</b>
Operating Income (Loss)	2,683,649	2,663,175	1,029,064
<b>Nonoperating Revenues (Expenses):</b>			
Intergovernmental	2,239	31,937	1,375
Interest revenue and change in fair value of investments	56,646	92,392	64,635
Interest expense	(1,113,885)	(1,471,819)	(305,507)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(1,055,000)</b>	<b>(1,347,490)</b>	<b>(239,497)</b>
Income (Loss) Before Transfers	1,628,649	1,315,685	789,567
Transfers in	-	-	-
Transfers out	(488,000)	(11,916)	(181,000)
Changes in Net Position	1,140,649	1,303,769	608,567
<b>Net Position:</b>			
Beginning of Year	36,457,114	43,282,331	27,243,892
End of Fiscal Year	<b>\$ 37,597,763</b>	<b>\$ 44,586,100</b>	<b>\$ 27,852,459</b>

## Reconciliation of Changes in Net Position to the Statement of Activities:

Changes in Net Position, per the Statement of Revenues,  
Expenses and Changes in Fund Net Position - Proprietary FundsAdjustment to reflect the consolidation of current fiscal year  
internal service funds activities related to enterprise funds

## Changes in Net Position of Business-Type Activities per Statement of Activities

## CITY OF BANNING

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2016

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Other Enterprise Funds	Totals	
<b>Operating Revenues:</b>			
Sales and service charges	\$ 3,640,176	\$ 46,563,267	\$ 5,932,470
Miscellaneous	8,299	184,802	200,453
<b>Total Operating Revenues</b>	<b>3,648,475</b>	<b>46,748,069</b>	<b>6,132,923</b>
<b>Operating Expenses:</b>			
Salaries and benefits	1,175,501	6,688,956	2,106,987
Supplies and services	3,660,473	14,263,479	2,240,846
Repairs and maintenance	7,160	113,488	302,070
Street lighting costs	-	185,032	-
Power purchased	-	17,221,730	-
Bad debt expense	9,721	155,182	826
Insurance premiums	-	-	865,398
Depreciation expense	427,487	3,376,181	53,474
<b>Total Operating Expenses</b>	<b>5,280,342</b>	<b>42,004,048</b>	<b>5,569,601</b>
Operating Income (Loss)	(1,631,867)	4,744,021	563,322
<b>Nonoperating Revenues (Expenses):</b>			
Intergovernmental	1,936,001	1,971,552	-
Interest revenue and change in fair value of investments	5,229	218,902	75,362
Interest expense	-	(2,891,211)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>1,941,230</b>	<b>(700,757)</b>	<b>75,362</b>
Income (Loss) Before Transfers	309,363	4,043,264	638,684
Transfers in	83,759	83,759	-
Transfers out	(55,000)	(735,916)	-
Changes in Net Position	338,122	3,391,107	638,684
<b>Net Position:</b>			
Beginning of Year	2,388,447	109,371,784	(373,331)
<b>End of Fiscal Year</b>	<b>\$ 2,726,569</b>	<b>\$ 112,762,891</b>	<b>\$ 265,353</b>
		\$ 3,391,107	
		229,318	
		<u>\$ 3,620,425</u>	



## CITY OF BANNING

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2016

	Business-Type Activities - Enterprise Funds		
	Banning Utility Authority Water	Electric Utility	Banning Utility Authority Wastewater
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers and users	\$ 8,406,970	\$ 29,858,189	\$ 3,412,822
Cash received from interfund services provided	27,415	147,593	1,495
Cash paid to suppliers for goods and services	(3,494,416)	(22,812,265)	(1,391,549)
Cash paid to employees for services	(1,319,416)	(3,723,066)	(541,902)
Cash received from others	-	-	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>3,620,553</b>	<b>3,470,451</b>	<b>1,480,866</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Cash transfers in	-	-	-
Cash transfers out	(488,000)	(11,916)	(181,000)
Intergovernmental	2,239	31,937	1,375
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>(485,761)</b>	<b>20,021</b>	<b>(179,625)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	(757,479)	(5,095,698)	(110,384)
Proceeds from refunding capital debt	25,365,000	31,755,000	-
Defeased capital debt	(29,165,000)	(34,270,000)	-
Principal paid on capital debt	(945,000)	(1,360,000)	(416,640)
Interest paid on capital debt	(573,542)	(1,212,727)	(311,109)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(6,076,021)</b>	<b>(10,183,425)</b>	<b>(838,133)</b>
<b>Cash Flows from Investing Activities:</b>			
Collections of repayment on loan receivables	-	(4,157)	-
Issuance of notes and loans receivable	(371)	-	-
Interest received	52,852	83,273	58,979
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>52,481</b>	<b>79,116</b>	<b>58,979</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(2,888,748)</b>	<b>(6,613,837)</b>	<b>522,087</b>
Cash and Cash Equivalents at Beginning of Year	20,247,184	37,857,653	20,740,094
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 17,358,436</b>	<b>\$ 31,243,816</b>	<b>\$ 21,262,181</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ 2,683,649	\$ 2,663,175	\$ 1,029,064
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>			
Depreciation	1,211,968	1,203,701	533,025
Bad debt expense	15,772	96,712	11,670
(Increase) decrease in accounts receivable	(462,626)	(835,421)	(81,225)
(Increase) decrease in deposits receivable	-	(216)	-
(Increase) decrease in due from other governments	-	-	-
(Increase) decrease in prepaid expense	-	314,197	-
(Increase) decrease in inventories	(11,656)	149,955	-
Increase (decrease) in accounts payable	192,128	(238,467)	(18,010)
Increase (decrease) in accrued liabilities	16,537	126,520	6,592
Increase (decrease) in deposits payable	(2,410)	12,668	25,497
Increase (decrease) in unearned revenue	-	-	-
Increase (decrease) in employee salary/benefit obligations	(42,692)	(111,579)	(21,629)
Increase (decrease) in claims and judgments	-	-	-
Increase (decrease) in compensated absences	19,883	89,206	(4,118)
<b>Total Adjustments</b>	<b>936,904</b>	<b>807,276</b>	<b>451,802</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 3,620,553</b>	<b>\$ 3,470,451</b>	<b>\$ 1,480,866</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>			
Amortization of Unamortized Premiums/Discounts	\$ 91,577	\$ 111,863	\$ (4,216)
Amortization of Gain/Loss on Defeasance	(14,766)	(86,106)	-

## CITY OF BANNING

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2016

	Business-Type Activities - Enterprise		Governmental Activities- Internal Service Funds
	Other Enterprise Funds	Totals	
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers and users	\$ 3,453,137	\$ 45,131,118	\$ 5,915,754
Cash received from interfund services provided	49	176,552	241,761
Cash paid to suppliers for goods and services	(3,764,186)	(31,462,416)	(3,203,882)
Cash paid to employees for services	(1,173,335)	(6,757,719)	(2,155,528)
Cash received from others	8,250	8,250	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(1,476,085)</b>	<b>7,095,785</b>	<b>798,105</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Cash transfers in	83,759	83,759	-
Cash transfers out	(55,000)	(735,916)	-
Intergovernmental	1,852,242	1,887,793	-
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>1,881,001</b>	<b>1,235,636</b>	<b>-</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	(428,946)	(6,392,507)	(47,567)
Proceeds from refunding capital debt	-	57,120,000	-
Defeased capital debt	-	(63,435,000)	-
Principal paid on capital debt	-	(2,721,640)	-
Interest paid on capital debt	-	(2,097,378)	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(428,946)</b>	<b>(17,526,525)</b>	<b>(47,567)</b>
<b>Cash Flows from Investing Activities:</b>			
Collections of repayment on loan receivables	-	(4,157)	-
Issuance of notes and loans receivable	646	275	-
Interest received	4,042	199,146	74,237
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>4,688</b>	<b>195,264</b>	<b>74,237</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(19,342)</b>	<b>(8,999,840)</b>	<b>824,775</b>
Cash and Cash Equivalents at Beginning of Year	2,089,190	80,934,121	4,332,053
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 2,069,848</b>	<b>\$ 71,934,281</b>	<b>\$ 5,156,828</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ (1,631,867)	\$ 4,744,021	\$ 563,322
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>			
Depreciation	427,487	3,376,181	53,474
Bad debt expense	-	124,154	-
(Increase) decrease in accounts receivable	(178,884)	(1,558,156)	(16,716)
(Increase) decrease in deposits receivable	-	(216)	-
(Increase) decrease in due from other governments	-	-	41,308
(Increase) decrease in prepaid expense	-	314,197	-
(Increase) decrease in inventories	4,597	142,896	(6,552)
Increase (decrease) in accounts payable	(22,918)	(87,267)	(24,751)
Increase (decrease) in accrued liabilities	9,571	159,220	31,775
Increase (decrease) in deposits payable	1,566	37,321	-
Increase (decrease) in unearned revenue	(87,803)	(87,803)	-
Increase (decrease) in employee salary/benefit obligations	(36,568)	(212,468)	(64,605)
Increase (decrease) in claims and judgments	-	-	204,786
Increase (decrease) in compensated absences	38,734	143,705	16,064
<b>Total Adjustments</b>	<b>155,782</b>	<b>2,351,764</b>	<b>234,783</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (1,476,085)</b>	<b>\$ 7,095,785</b>	<b>\$ 798,105</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>			
Amortization of Unamortized Premiums/Discounts	\$ -	\$ 199,224	\$ -
Amortization of Gain/Loss on Defeasance	-	(100,872)	-

## CITY OF BANNING

STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2016

	Agency Funds	Private-Purpose Trust Fund Successor Agency of the Former RDA
<b>Assets:</b>		
Pooled cash and investments	\$ 375,426	\$ 2,030,404
Receivables:		
Accounts	-	10,000
Notes and loans	-	4,347,194
Interest	447	1,203
Due from other governments	4,419	-
Land held for resale	-	4,675,556
Restricted assets:		
Cash and investments with fiscal agents	223,096	3,539,151
Capital assets:		
Capital assets, not being depreciated	-	93,557
Capital assets, net of accumulated depreciation	-	5,188,126
<b>Total Assets</b>	<b>\$ 603,388</b>	<b>\$ 19,885,191</b>
<b>Liabilities and Net Position:</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 1,954	\$ -
Accrued interest	-	644,046
Deposits payable	77,614	-
Due to bondholders	523,820	-
Long-term liabilities:		
Due in one year	-	1,300,000
Due in more than one year	-	35,328,048
<b>Total Liabilities</b>	<b>\$ 603,388</b>	<b>37,272,094</b>
<b>Net Position:</b>		
Held in trust for other purposes		(17,386,903)
<b>Total Net Position</b>		<b>(17,386,903)</b>
<b>Total Liabilities and Net Position</b>		<b>\$ 19,885,191</b>

## CITY OF BANNING

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2016

	Private-Purpose Trust Fund Successor Agency of the Former RDA
<b>Additions:</b>	
Taxes	\$ 3,541,209
Interest and change in fair value of investments	60,217
Contributions from City	51,904
<b>Total Additions</b>	<b>3,653,330</b>
<b>Deductions:</b>	
Administrative expenses	250,000
Interest expense	1,557,699
Amortization expense	30,236
Depreciation expense	226,165
Contributions to the city	7,250
Forgiven loan expense	618,000
<b>Total Deductions</b>	<b>2,689,350</b>
Special Item	(8,801,033)
<b>Changes in Net Position</b>	<b>(7,837,053)</b>
Net Position - Beginning of the Year	(9,286,165)
Restatement of Net Position	(263,685)
Net Position - Beginning of the Year, as restated	(9,549,850)
<b>Net Position - End of the Year</b>	<b>\$ (17,386,903)</b>

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I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Organization and Summary of Significant Accounting Policies

a. Description of the Reporting Entity

The City of Banning was incorporated in 1913 under the laws of the State of California and enjoys all the rights and privileges applicable to a general law city. It is governed by an elected five-member board. As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Banning (the primary government) and its component units. The component units discussed below are included in the reporting entity because of their operational or financial relationships with the City of Banning.

Blended Component Units

The Banning Wastewater Facilities Corporation (the Corporation) was organized at the request of the City in 1984 pursuant to the Nonprofit Public Corporation Law of the State of California (Title 1, Division 2, Part 2 of the California Corporations Code). In 1986, an amendment to its articles of incorporation changed the name of the Corporation to the Banning Public Facilities Corporation. It exists for the purposes of participating with the City of Banning in projects to improve the health, safety and welfare of the City and its residents, purchasing and leasing real and personal property in connection with such projects, and assisting the City in financing, acquiring and constructing such projects. It does not issue separate financial statements. Its activities are included with the City's activities in these financial statements.

The City of Banning Financing Authority (the Authority) was formed by a joint exercise of powers agreement between the City of Banning and the former Banning Redevelopment Agency. It was established November 12, 2003 under Article 1 (commencing with Section 6500) of the Joint Powers Law of the State of California for the purpose of providing an entity to assist in providing financing for the City and the Agency. It does not issue separate financial statements. Its activities are included with the City's activities in these financial statements.

The Banning Utility Authority (Authority) is a joint powers authority which was established on July 12, 2005 pursuant to a Joint Exercise of Powers Agreement between the City of Banning and the former Redevelopment Agency of the City of Banning in accordance with the Joint Powers Law (Article 1 through 4 of Chapter 5, division 7, title 1 of the California Government code) for the purpose of assisting the City in the leasing of the utility system. Separate financial statements can be obtained at City Hall.

The Banning Redevelopment Agency was dissolved as of January 31, 2012, through the Supreme Court decision on Assembly Bill 1X26. The City serves as the successor agency to the Redevelopment Agency of the City of Banning. The Agency's Officers are the Banning City Council. The Agency is a separate legal entity, which is financially accountable to the City of Banning. It is considered a component unit of the City and, accordingly, is included with the City's activities in these financial statements.

**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

The City of Banning Housing Authority was established on January 10, 2012 to accept the assets of the former Redevelopment Agency. On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. The Bill impacted the reporting entity of the City that previously had reported a redevelopment agency within the report of the City as a blended component unit. On January 10, 2012 and in accordance with California Health and Safety Code Section 34176, the City Council as part of City resolution numbers 2012-01 and 2012-04, elected to retain the housing assets and transfer those assets over to the Housing Authority. The housing assets and functions are reported in the Banning Housing Authority, a special revenue fund of the City. No separate financial statements are prepared.

**b. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported as separate columns in the fund financial statements.

**c. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2016

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**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds have no measurement focus but utilize the accrual basis of accounting for reporting its assets and liabilities.

The City reports the following major governmental fund:

- The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City reports the following major proprietary funds:

- The Banning Utility Authority Water Fund is used to account for the construction, operation, maintenance and consumption of water services within the City's water service area.
- The Electric Utility Fund is used to account for the costs of labor and materials used in the maintenance, construction and consumption of electric services throughout the City.
- The Banning Utility Authority Wastewater Fund is used to account for the costs of labor and materials, construction and consumption of wastewater services within the City's wastewater service area.

**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

Additionally, the City reports the following fund types:

- Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- Capital Project Funds are used to account for capital project expenditures throughout the City.
- Internal Service Funds are used to account for the financing of goods or services provided by one department or agency for other departments or agencies of the City, or to other governments, on a cost reimbursement basis.
- The Agency Funds are used to report resources held by the City in a purely custodial capacity, which involves only the receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations or other governments. The City's agency funds account for assessments levied for debt service on bond issues which are not a debt of the City.
- The Private-purpose Trust Fund accounts for the assets and liabilities of the former redevelopment agency and is allocated revenue to pay estimated installment payments of enforceable obligations until obligations of the former redevelopment agency are paid in full and assets have been liquidated.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. Certain indirect costs are included in the program expense reported for individual functions and activities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**d. Assets, Deferred Outflows/Inflows of Resources, Liabilities and Net Position or Equity**

**Investments and Cash and Cash Equivalents**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

Investments for the City, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

The provisions of Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Pools*, require governmental entities to report certain investments at fair value in the balance sheet and recognize the corresponding change in the fair value of investments in the fiscal year in which the change occurred. All investments have been stated at fair value.

**Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles.

The noncurrent portion of receivables related to revenue is set up as unavailable revenue and recognized as revenue when the receivables become current. The noncurrent portion of loans and other receivables are offset by fund balance non-spendable accounts. Property tax revenue is recognized in the fiscal year for which the taxes have been levied providing they become available. Property taxes in the State of California are administered for all local agencies at the county level and consist of secured, unsecured and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

Property Valuations are established by the Assessor of the County of Riverside for the secured and unsecured property tax rolls; the utility property tax rolls are valued by the State Board of Equalization. Under the provisions of Article XIII A of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations and is subject to annual reappraisal.



NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2016

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**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

Tax Levies are limited to 1% of appraised value, which results in a tax rate of \$1.00 per \$100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

Tax Levy Dates are attached annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property as they exist at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

Tax Collections are the responsibility of the county tax collector. Taxes and assessments on secured and utility rolls, which constitute a lien against the property, may be paid in two installments; the first is due on November 1 of the fiscal year and is delinquent if not paid by December 10, and the second is due on January 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the county for late payment.

Tax Levy Apportionments are due to the nature of the citywide maximum levy. It is not possible to identify general purpose tax rates for specific entities. Under state legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by the county auditor-controller based primarily on the ratio that each agency represented of the total City-wide levy for the three years prior to fiscal year 1979.

Property Tax Administration Fees for the State of California fiscal year 1990-1991 Budget Act authorized counties to collect an administrative fee for collection and distribution of property taxes. Property taxes are recorded net of administrative fees withheld during the fiscal year.

**Inventories and Prepaid Items**

Inventories of materials and supplies (if material) are carried at cost on a first-in, first-out (FIFO) basis. The City uses the consumption method of accounting for inventories. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2016**

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**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Building and Structures	20 - 50
Improvements	15 - 25
Machinery and Equipment	3 - 25
Vehicles	5 - 10
Infrastructure	40 - 50
Airport Master Plan	10 - 20
Utility Plant	20 - 60

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and governmental balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government currently has two items that qualify for reporting in this category. The first item is the deferred charge on refunding reported in the Statements of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second are deferred outflows relating to the net pension obligation reported in the statement of net position. These outflows are the results of contributions made after the measurement period, adjustments due to differences in proportions, adjustments due to difference in proportions and the difference between actual contributions made and the proportionate share of the risk pool's total contributions, and differences between expected and actual experiences. These amounts are deferred and amortized over the expected average remaining service lifetime, expensed in the following year, or over 5 years.

In addition to liabilities, the statement of net position and governmental balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government currently has two items that qualify for reporting in this category. The first item, which arises only under a modified accrual basis of accounting, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from sources; such as, taxes, grant revenues, and long-term receivables.

**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

The second item is in relation to the net pension obligation reported in the statement of net position. These inflows are the results of net differences between projected and actual earnings on pension plan investments, adjustments due to differences in proportions, changes in assumptions, and net difference between proportion actuarial and actual contributions. Inflows from changes in net pension liability arise only under a full accrual basis of accounting, and are reported in the government-wide Statement of Net Position and proprietary funds.

**Compensated Absences**

Compensated absences are the amounts due to employees for future absences that are attributable to services already rendered. The City has determined that no current liability exists for compensated absences; therefore, the liability for governmental activities is shown only in the government-wide statements. For proprietary funds the liability for compensated absences, if any, is segregated between short-term and long-term as indicated above and both portions are reflected in the fund involved. Vacation pay is payable to employees at the time a vacation is taken or upon termination of employment. Sick leave is payable when an employee is unable to work because of illness or upon termination. Compensatory time, personal leave, executive leave and holiday pay are payable at the time leave is taken or upon termination. The vested portion of these compensated absences is accrued in the government-wide statements and is also accrued in proprietary funds at year-end.

The following are summaries of the City's compensated leave policies:

Compensatory Time/ Personal Leave/Executive Leave may be accrued in the following manner: Compensatory time for Police employees up to 240 hours, Utility and General employees up to 160 hours, and Non-exempt Managers up to 240 hours.

Exempt Managers receive 98 hours of personal leave per year that may be accrued up to 192 hours. Effective the first full pay period in July 2013, all personal leave balances above 150 hours were moved to a unique leave account.

Police Management receives 98 hours of personal leave per year that may be accrued up to 98 hours. Effective the first full pay period in July 2013, all personal leave balances were moved to a unique leave account.

The City Manager and Department Directors receive 98 hours of executive leave annually that may be accrued up to 200 hours. Effective the first full pay period in July 2013, all executive leave balances above 98 hours were moved to a unique leave bank.

Utility employees may cash out 40 hours of compensatory time, or vacation, or any combination thereof, annually. Non-exempt Management employees may cash out 60 hours of compensatory time per year. Police Management and Exempt Management employees may elect to cash out 60 hours of personal leave per year. The City Manager and Department Directors may cash out 98 hours of executive leave per year.

All compensatory time/personal leave/executive leave is payable to employees upon termination at the rate of pay at termination.

**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

Sick Leave accrues to employees in the following manner: Police employees accrue sick leave without limit. Each employee may be eligible to convert up to 40 hours of unused sick leave to vacation each year, and after 10 years of service to the City, each employee, upon voluntary separation or involuntary disability, shall be eligible to be paid 40% of accrued sick leave.

Management employees, Utility personnel and General employees will accrue sick leave up to a cap of 400 hours. Effective the first full pay period in July 2013, excess hours above 224 were moved to an "old sick" leave account. During the year ended June 30, 2014 and thereafter, any hours that exceed the regular cap of 400 hours will not be accrued.

Upon separation, service retirement, disability retirement or termination, after 10 years of service, Utility and General personnel may receive a cash payment for 30% of all unused sick leave or contribute the entire remaining balance of sick leave to the employee's 457 Deferred Compensation Account (subject to IRS maximum contributions provided by law) or City's Retiree Medical Savings Account.

Upon separation, service retirement, disability retirement or termination, Management employees shall be eligible to receive a cash payment for accrued sick leave in an amount not to exceed 96 hours. After 10 years of continuous City service, all hours accrued, less the total hours cashed out, shall be eligible for conversion to cash in an amount equivalent to 30% of such unused sick leave.

Beginning with the 11th year of service, all Management, Utility, and General employees, as well as Police employees, have the option to convert their sick leave bank, less 40 hours, to deferred compensation or the City's Retiree Health Savings Plan.

The City Manager shall accrue sick leave to a maximum of 320 hours and may receive an annual sick leave pay off of up to 96 hours. Upon separation, the City Manager shall receive payment for all sick hours accrued.

Department Directors shall accrue sick leave up to a maximum of 480 hours. Effective the first full pay period in July 2013, excess sick hours above 96 were moved to an "old sick" leave bank. Annually, Department Directors may receive a 96-hour sick leave pay off, but will not be able to cash out sick leave below 40 hours. Upon separation, service retirement, disability retirement or termination, Department Directors shall receive payment for all sick hours accrued.

Police Management employees will accrue sick leave up to a cap of 320 hours. All sick hours above 224 will be moved to a unique sick leave account. Annually, employees may receive a 96-hour sick leave pay off or convert hours to deferred compensation, but will not be able to cash out sick leave below 40 hours. Upon separation, service retirement, disability retirement, or termination, an employee may receive a cash payment for a maximum of 96 hours. Beginning the 10th year of continuous City service, all hours accrued shall be eligible for conversion to cash in an amount equivalent to 30% of such unused sick leave. Beginning with the 11th year of service, unit members may convert 50% of their sick leave bank, less 40 hours, to deferred compensation or the City's Retiree Health Savings Plan.

**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

Vacation and Holiday Leave Police employees accrue hours according to schedules set forth in a memorandum of understanding. After one year of employment, each employee is eligible to be paid for accrued vacation. Maximum accrual for vacation is 320 hours and 336 hours for non-supervisory and supervisory personnel, respectively. Holiday leave may be accrued to a maximum of 160 hours. At termination, after 1 year of continuous full-time service, employees shall be paid for 100% of accrued vacation and holiday leave.

General and Utility personnel accrue vacation leave in accordance with schedules set forth in a memorandum of understanding. Holidays do not accrue, but are paid per schedules set forth in a memorandum of understanding. Vacation leave accrues up to a maximum of 320 hours. Upon termination, all union personnel with at least six months service will be paid for all accrued hours.

The City Manager's maximum accrual for vacation is 320 hours. Department Directors will accrue vacation leave up to a cap of 480 hours. Effective the first full pay period in July 2013, excess hours above 160 (for Department Directors) were moved to a unique vacation bank. Upon separation, the City Manager and Department Directors shall be entitled to 100% of the unused vacation leave on the books. Effective July 2013, existing holiday hours were moved to a unique leave bank and the City Manager and Department Directors will no longer accrue holidays, but are paid for holidays per schedules referred to in individual contracts. Upon termination, the City Manager and Department Directors shall be entitled to be paid for the entire amount of holiday time accrued.

Police Management will accrue vacation leave up to a cap of 320 hours. Effective the first full pay period in July 2013, excess hours above 160 were moved to a unique vacation bank. Upon separation, employee shall be entitled to 100% of the unused vacation leave on the books. Police Management shall accrue holiday hours up to the cap of 96 hours. Effective the first full pay period in July 2013, all holiday hours were moved to a unique bank. Upon separation, employees shall be entitled to 100% of the unused holiday leave on the books.

Management employees accrue vacation and holiday leave in accordance with schedules set forth in a memorandum of understanding. Vacation accrues to a limit of 320 hours. Effective July 2013, existing holiday hours were moved to a unique leave bank and the Management employees are no longer accrue holidays, but are paid for holidays per schedules contained in a memorandum of understanding. All accrued vacation and holiday leave shall be paid upon termination up to a maximum of 320 hours for vacation and an unlimited amount of hours for holiday, after six months of service. The cash value of holiday hours (for Management employees) in the unique bank will remain at the employee's July 2013 pay rate.

Employees may cash out vacation/holiday time annually as follows:

<u>Hours</u>	
City Manager (vacation)	120
Department Directors (vacation)	80
Managers 80 (vacation in excess of 80)	
Police Management (vacation)	80
Police (vacation)	40
Police (holiday)	88



**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

Floating Holiday General employees, Utility employees, the City Manager, Department Directors and Managers will be credited one floating holiday (10 hours) with the first payroll in each fiscal year. Floating holiday leave balances must be used during the fiscal year or cashed out.

Career part-time classification employees shall accrue leave balances on a prorata basis derived from the leave rates and caps set forth in the most recent memorandum of understanding for Management employees. Career part-time employees are not eligible for cash out of any accrued hours, except upon termination.

**Claims and Judgments**

Both the long-term and short-term liability for claims and judgments payable are reported in an internal service fund. The short-term liability, which will be liquidated with expendable available financial resources, is the amount of settlement reached, but unpaid related to claims and judgments entered.

**Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Net Pension Liability**

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

**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

**Net Position Flow Assumption**

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

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

**Fund Balance Flow Assumptions**

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**Fund Balance Policies**

In the fund financial statements, government funds report the following fund balance classification:

Nonspendable include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted include amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

Committed include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest authority, City Council. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution.

Emergency Contingency - City Council has determined the specific purposes for which this may be used for are local disasters, recessions or other financial hardships; to subsidize unforeseen operating or capital needs; and cash flow requirements.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2016**

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**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

Assigned include amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The City Manager or Deputy City Manager are authorized to assign amounts to a specific purpose, which was established by the governing body by resolution.

Unassigned include the residual amounts that have not been restricted, committed, or assigned to specific purposes.

An individual governmental fund could include nonspendable resources and amounts that are restricted. Restricted amounts are to be considered spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available then unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

**Fund Balance Deficits**

The following non-major funds contained a deficit fund balance:

Fund	Amount
Transit Fund	\$ (1,133,189)
Community Development Block Grant - Special Revenue	(33,725)
Sunset Grade Separation - Capital Projects	(2,049,825)
Information Services	(378,291)
Utility Billing Services	(1,672,450)

**e. New Accounting Pronouncements**

During the fiscal year ended June 30, 2016, the City implemented the following GASB standards:

GASB Statement No. 72 – Fair Value Measurement and Application. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement are effective for financial statement for reporting periods beginning after June 15, 2015.

## II. DETAILED NOTES ON ALL FUNDS

**Note 2: Cash and Investments**

As of June 30, 2016, cash and investments were reported in the accompanying financial statements as follows:

Governmental activities	\$ 30,005,728
Business-type activities	71,934,281
Fiduciary funds	<u>6,168,077</u>
Total Cash and Investments	<u>\$ 108,108,086</u>

The City of Banning maintains a cash and investment pool that is available for use for all funds. Each fund type's position in the pool is reported on the combined balance sheet as cash and investments. The City has adopted an investment policy, which authorizes it to invest in various investments.

**Deposits**

At June 30, 2016, the carrying amount of the City's deposits was \$6,173,690 and the bank balance was \$6,067,313. The \$106,377 difference represents outstanding checks and other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

## CITY OF BANNING

### NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2016

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#### Note 2: Cash and Investments (Continued)

##### Investments

Under provision of the City's investment policy and in accordance with the California Government Code, the following investments are authorized:

- Securities issued or guaranteed by the U.S. Treasury or agencies of the United States Government
- Bank certificates of deposit
- Shares of savings certificates of savings and loan associations
- Mortgage backed securities
- State of California Local Agency Investment Fund

##### Investments Authorized by Debt Agreements

The above investments do not address investment of debt proceeds held by a bond trustee. Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements rather than the general provisions of the California Government Code or the City's investment policy.

##### Investments in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shares.

##### GASB Statement No. 31

The City adopted GASB Statement No. 31, *Accounting and Financial Reporting for certain investments and for External Investment Pools*, as of July 1, 1997. GASB Statement No. 31 establishes fair value standards for investments in participating interest earning investment contracts, external investment pools, equity securities, option contracts, stock warrants and stock rights that have readily determinable fair values. Accordingly, the City reports its investments at fair value in the balance sheet. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement.

##### Credit Risk

The City's investment policy does not limit investments in Federal Agency Securities by ratings issued by nationally recognized statistical rating organizations. As of June 30, 2016, the City's investments in Federal Agency Securities consisted of investments in Federal Home Loan Bank Bonds and Federal Home Loan Mortgage Corporation Notes. At June 30, 2016, all Federal Agency Securities were rated "AA+" by Standard & Poor's. All securities were investment grade and were legal under State and City law. As of June 30, 2016, the City's investments in external investment pools are unrated.



CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2016

**Note 2: Cash and Investments (Continued)**

**Custodial Credit Risk**

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

As of June 30, 2016, none of the City's deposits or investments were exposed to custodial credit risk.

**Concentration of Credit Risk**

The City is in compliance with restrictions imposed by its investment policy, which limits certain types of investments. In addition, GASB 40 requires a separate disclosure if any single issuer comprised more than 5% of the total investment value. The investments in mutual money market funds and external investment pools are excluded from this requirement. As of June 30, 2016, none of the City's investments exceeded more than 5% of the total investment value with a single issuer.

**Interest Rate Risk**

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

As of June 30, 2016, the City had the following investments and maturities:

<u>Investment Type</u>	<u>Remaining Investment Maturities</u>		
	<u>1 year or less</u>	<u>1 to 3 years</u>	<u>Fair Value</u>
Federal Agency Securities	\$ 3,704,337	\$ 2,000,580	\$ 5,704,917
Local Agency Investment Fund	45,654,925	-	45,654,925
Money Market	20,392,521	-	20,392,521
Cash with Fiscal Agents:			
Money Market	30,182,033	-	30,182,033
Total	<u>\$ 99,933,816</u>	<u>\$ 2,000,580</u>	<u>\$ 101,934,396</u>

**Fair Value Measurement and Application**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2016:

## CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2016

## Note 2: Cash and Investments (Continued)

Investments by fair value level	Totals	Level		
		1	2	3
U.S. Agency Securities	\$ 5,704,917	\$ -	\$ 5,704,917	\$ -
Local Agency Investment Fund (LAIF)	45,654,925	-	45,654,925	-
Total Investments	51,359,842	\$ -	\$ 51,359,842	\$ -

Investments measured at amortized cost	
Money Market Funds	20,392,521
Cash with Fiscal Agents	
Money Market Funds	30,182,033
Totals	50,574,554
Total Investments	\$ 101,934,396

Local Agency Investment Funds classified in Level 2 of the fair value hierarchy are valued using specified fair market value factors. Federal Agency Securities classified in Level 2 of the fair value hierarchy are valued using institutional bond quotes.

## Note 3: Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2016, is as follows:

## Due To/From Other Funds

Funds	Due to Other Funds		
	General Fund	Nonmajor Governmental Funds	Total
Due from Other Funds:			
General Fund	\$ -	\$ 2,437,875	\$ 2,437,875
Transit	83,759	-	83,759
Total	\$ 83,759	\$ 2,437,875	\$ 2,521,634

The interfund balances were the results of routine interfund transactions not cleared prior to year-end.

## Advances To/From Other Funds

Funds	Advances to Other Funds
	Electric Utility
Advances from Other Funds:	
General Fund	\$ 394,118
Total	\$ 394,118

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2016

**Note 3: Interfund Receivables, Payables and Transfers (Continued)**

During previous fiscal years, the Electric Utility Fund had made loans to the General Fund. These loans bear interest at rates up to 12% per annum depending upon when the loan was initiated. The Electric Utility Fund may demand payment of all or a portion of the principal balance at any time as funds become available; however, such demands are not anticipated with the next fiscal year. As of June 30, 2016, principal owed on those loans was \$394,118.

Interfund Transfers

Funds	Transfers Out:						Totals
	General Fund	BUA Water Fund	BUA Wastewater Fund	Electric Utility Fund	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	
Transfers In:							
General Fund	\$ -	\$ 488,000	\$ 181,000	\$ -	\$ -	\$ 55,000	\$ 724,000
Other Enterprise Funds	83,759	-	-	-	-	-	83,759
Nonmajor Governmental Funds	164,325	-	-	11,916	13,303	-	189,544
Totals	<u>\$ 248,084</u>	<u>\$ 488,000</u>	<u>\$ 181,000</u>	<u>\$ 11,916</u>	<u>\$ 13,303</u>	<u>\$ 55,000</u>	<u>\$ 997,303</u>

Transfers out of the General, Water, Nonmajor Governmental Funds, the BUA Water Fund, the BUA Wastewater Fund, and Refuse Utility Funds to the General Fund and other Nonmajor Governmental Funds are to pay certain costs incurred for special projects undertaken in the other Nonmajor Governmental Funds.

**Note 4: Changes in Capital Assets**

Capital asset activity for the year ended June 30, 2016, is as follows:

	Beginning Balance	Adjustments*	Adjusted Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:							
Capital assets, not being depreciated:							
Land	\$ 3,061,900	\$ 3,845	\$ 3,065,745	\$ 139,077	\$ -	\$ -	\$ 3,204,822
Construction-in-progress	6,202,908	-	6,202,908	-	-	(6,144,934)	57,974
Total Capital Assets, Not Being Depreciated	<u>9,264,808</u>	<u>3,845</u>	<u>9,268,653</u>	<u>139,077</u>	<u>-</u>	<u>(6,144,934)</u>	<u>3,262,796</u>
Capital assets, being depreciated:							
Buildings and structures	25,927,868	481,061	26,408,929	11,703	-	-	26,420,632
Land improvements	7,497,484	-	7,497,484	391,261	-	21,285	7,910,030
Machinery and equipment	6,301,367	-	6,301,367	589,288	8,000	48,222	6,930,877
Vehicles	4,169,946	-	4,169,946	18,468	38,329	73,192	4,223,277
Infrastructure	112,795,052	-	112,795,052	-	-	6,002,235	118,797,287
Total Capital Assets, Being Depreciated	<u>156,691,717</u>	<u>481,061</u>	<u>157,172,778</u>	<u>1,010,720</u>	<u>46,329</u>	<u>6,144,934</u>	<u>164,282,103</u>
Less accumulated depreciation:							
Buildings and structures	14,140,355	96,214	14,236,569	948,741	-	-	15,185,310
Land improvements	3,578,329	-	3,578,329	380,848	-	-	3,959,177
Machinery and equipment	5,666,060	-	5,666,060	297,634	8,000	-	5,955,694
Vehicles	3,940,945	-	3,940,945	73,334	38,329	-	3,975,950
Infrastructure	56,687,516	-	56,687,516	3,711,876	-	-	60,399,392
Total Accumulated Depreciation	<u>84,013,205</u>	<u>96,214</u>	<u>84,109,419</u>	<u>5,412,433</u>	<u>46,329</u>	<u>-</u>	<u>89,475,523</u>
Total Capital Assets, Being Depreciated, Net	<u>72,678,512</u>	<u>384,847</u>	<u>73,063,359</u>	<u>(4,401,713)</u>	<u>-</u>	<u>6,144,934</u>	<u>74,806,580</u>
Governmental Activities Capital Assets, Net	<u>\$ 81,943,320</u>	<u>\$ 388,692</u>	<u>\$ 82,332,012</u>	<u>\$ (4,262,636)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,069,376</u>

## CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2016

## Note 4: Changes in Capital Assets (Continued)

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:	
General government	\$ 141,577
Public safety	1,090,681
Public works	3,711,875
Transportation	73,477
Community Development	71,817
Parks and Recreation	269,532
Internal Service Fund	53,474
Total Depreciation Expense - Governmental Activities	<u>\$ 5,412,433</u>

	Beginning Balance	Adjustments	Adjusted Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-Type Activities:							
Capital assets, not being depreciated:							
Land	\$ 1,184,229	\$ -	\$ 1,184,229	\$ -	\$ -	\$ -	\$ 1,184,229
Construction-in-progress	6,255,521	-	6,255,521	5,448,716	-	(697,409)	11,006,828
Total Capital Assets, Not Being Depreciated	7,439,750	-	7,439,750	5,448,716	-	(697,409)	12,191,057
Capital assets, being depreciated:							
Airport master plan	38,875	-	38,875	-	-	-	38,875
Buildings and structures	519,247	-	519,247	-	-	-	519,247
Land improvements	4,412,833	-	4,412,833	-	-	17,896	4,430,729
Machinery and equipment	29,109	-	29,109	-	-	-	29,109
Utility plant	166,493,156	33,044	166,526,200	910,747	-	679,513	168,116,460
Total Capital Assets, Being Depreciated	171,493,220	33,044	171,526,264	910,747	-	697,409	173,134,420
Less accumulated depreciation:							
Airport master plan	38,875	-	38,875	-	-	-	38,875
Buildings and structures	409,662	-	409,662	8,435	-	-	418,097
Land improvements	1,980,832	-	1,980,832	198,143	-	-	2,178,975
Machinery and equipment	29,109	-	29,109	-	-	-	29,109
Utility plant	69,974,186	-	69,974,186	3,169,603	-	-	73,143,789
Total Accumulated Depreciation	72,432,664	-	72,432,664	3,376,181	-	-	75,808,845
Total Capital Assets, Being Depreciated, Net	99,060,556	33,044	99,093,600	(2,465,434)	-	697,409	97,325,575
Business-type Activities Capital Assets, Net	<u>\$ 106,500,306</u>	<u>\$ 33,044</u>	<u>\$ 106,533,350</u>	<u>\$ 2,983,282</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,516,632</u>

Depreciation expense was charged to business-type activities as follows:

Business-Type Activities:	
Banning Utility Authority Water	\$ 1,211,968
Electric Utility	1,203,701
Banning Utility Authority Wastewater	533,025
Airport	206,578
Transit	220,909
Total Depreciation Expense - Business-Type Activities	<u>\$ 3,376,181</u>

## CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2016**Note 5: Accounts Receivable**

Accounts receivable are shown net of applicable allowances for doubtful accounts. The accounts receivable and respective allowances are as follows:

	Gross Receivable	Allowance For Doubtful Accounts	Net Receivable
General Fund	\$ 765,567	\$ (108,278)	\$ 657,289
Nonmajor Governmental	276	-	276
Internal Service Funds	39,596	(290)	39,306
Water	1,686,899	(46,618)	1,640,281
Electric	4,252,785	(118,068)	4,134,717
Wastewater	511,363	(14,337)	497,026
Nonmajor Proprietary Funds	611,215	(13,997)	597,218
	<u>\$ 7,867,701</u>	<u>\$ (301,588)</u>	<u>\$ 7,566,113</u>

**Note 6: Loans Receivable**

The City has entered into various loan agreements relating to owner's participation agreements, developer loans, the first time home buyer loan program, the rehabilitation loan program, and various other loans receivable. The owners' participation agreements have repayment terms between 6 and 55 years. The following summarizes the loans outstanding at June 30, 2016:

Description	Balance at June 30, 2016
Owners participation loans	\$ 500,000
Disposition and development agreements	1,020,000
First time home buyer down payment assistance loans	360,000
Rehabilitation loans	33,335
Other loans	11,944
Total loans receivable at June 30, 2016	<u>\$ 1,925,279</u>

**Note 7: Deposits with Other Agencies**

On August 14, 2001, the City of Banning adopted Resolution 2001-85, approving the Utility Services Agreement between the City of Banning and the City of Riverside. Under this agreement, the City of Riverside shall provide scheduling, dispatching and other related electric utility services to the City. The implementation of this agreement required the payment of a refundable deposit by the City of Banning to the City of Riverside. This amount is shown as a restricted investment. The amount of deposit with the City of Riverside as of June 30, 2016, amounted to \$1,048,391.



CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2016

**Note 8: Long-Term Debt**

The following is a summary of the changes in long-term debt for the fiscal year ended June 30, 2016:

	Balance at July 1, 2015*	Defeased	Incurred	Retired	Balance at June 30, 2016	Due Within One Year
<b>Governmental Activities:</b>						
2011 Refunding Lease	\$ 2,147,361	\$ -	\$ -	\$ 358,806	\$ 1,788,555	\$ 372,388
Glick Note Payable	125,007	-	-	-	125,007	125,007
Compensated Absences						
Governmental Funds	867,700	-	444,426	377,318	934,808	406,500
Internal Service Funds	153,023	-	112,697	96,633	169,087	112,373
Claims and Judgment	1,270,939	-	484,219	279,433	1,475,725	324,458
<b>Total</b>	<b>\$ 4,564,030</b>	<b>\$ -</b>	<b>\$ 1,041,342</b>	<b>\$ 1,112,190</b>	<b>\$ 4,493,182</b>	<b>\$ 1,340,726</b>
<b>Business-Type Activities:</b>						
Loans Payable	\$ 1,670,469	\$ -	\$ -	\$ 260,856	\$ 1,409,613	\$ 267,639
2005 Water Revenue Bond	29,165,000	(29,165,000)	-	-	-	-
2005 Wastewater Revenue Bond	5,260,000	-	-	160,000	5,100,000	165,000
2007 Electric Revenue Bond	34,270,000	(34,270,000)	-	-	-	-
2015 Electric Refunding Bond	-	-	31,755,000	1,360,000	30,395,000	1,005,000
2015 Water Revenue Bond	-	-	25,365,000	945,000	24,420,000	455,000
Compensated Absences	645,830	-	463,790	320,085	789,535	391,308
<b>Total</b>	<b>\$ 71,011,299</b>	<b>\$ (63,435,000)</b>	<b>\$ 57,583,790</b>	<b>\$ 3,045,941</b>	<b>62,114,148</b>	<b>\$ 2,283,947</b>
Less:						
Unamortized original issue premium					5,581,039	
Unamortized original issue discount					(82,221)	
<b>Net Business-Type Activities</b>					<b>\$ 67,612,966</b>	

\*Adjusted for Loan Payable - Glick, see note below.

**a. Compensated Absences**

For governmental activities, accumulated vacation, sick leave benefits, holiday and compensatory time payable at June 30, 2016, was \$1,103,895, which includes \$169,087 recorded in the internal service funds. These amounts are payable from future resources and, therefore, have been recorded in the statement of net position. Vacation, sick leave, holiday and compensatory time are recorded as expenditures in the related funds when used. For enterprise funds, accumulated vacation, sick leave, holiday and compensatory time amounted to \$789,535.

**b. Loan Payable – Glick**

On August 27, 2008, the Successor Agency entered into a promissory note. The note amount was \$200,000 and is subject to an interest rate of 6.5% per annum. The note is payable in fifteen annual installments of \$20,531. The principal amount of this note represents the agreed-upon amount for the purchase of real property. This liability transferred from the Successor Agency and became an obligation to the City during fiscal year 2016. At June 30, 2016, the outstanding balance on the note payable is \$125,007.

Year Ending June 30,	Principal	Interest	Total
2017	\$ 125,007	\$ 14,782	\$ 139,789
<b>Total</b>	<b>\$ 125,007</b>	<b>\$ 14,782</b>	<b>\$ 139,789</b>

**CITY OF BANNING****NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2016**

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**Note 8: Long-Term Debt (Continued)****c. 2011 Refunding Lease Agreement**

On April 27, 2011, the City entered into a lease agreement for the purpose of refunding the 1997 Refunding Certificates of Participation. The lease agreement totals \$3,455,000 and is subject to an interest rate of 3.75% per annum. The lease agreement is payable on November 1 and May 1 of each year commencing November 1, 2011 through 2020 and is in connection with real property leased by the City to the funding corporate parties. At June 30, 2016, the outstanding balance on the refunding lease agreement is \$1,788,555.

Year Ending June 30,	Principal	Interest	Total
2017	\$ 372,388	\$ 63,612	\$ 436,000
2018	386,483	49,517	436,000
2019	401,112	34,888	436,000
2020	416,295	19,705	436,000
2021	212,277	3,980	216,257
Total	<u>\$ 1,788,555</u>	<u>\$ 171,702</u>	<u>\$ 1,960,257</u>

**d. 2005 Water Revenue Bonds**

On December 8, 2005, the Banning Utility Authority issued \$35,635,000 in Water Enterprise Revenue Bonds, Refunding and Improvement Projects. The Proceeds of these Bonds were utilized to refund and defease \$2,475,000 in 1986 Water Utility Fund Certificates of Participation and \$1,890,000 in 1989 Water Utility Fund Certificates of Participation and to provide additional funds to pay for certain capital project improvements.

The bonds consist of serial bonds maturing in the years 2006 to 2020 are payable November 1 in annual installments of \$620,000 to \$1,025,000. The bonds bear interest at 3.25% to 4.5%. Bonds maturing after November 1, 2020, in the amount of \$23,585,000 are term bonds and bear interest at 5.25%. At June 30, 2016, the bonds were refunded by the issuance of the 2015 Water Revenue Refunding Bonds and have been removed from long term debt.

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2016

Note 8: Long-Term Debt (Continued)

e. 2005 Wastewater Revenue Bonds

On December 8, 2005, the Banning Utility Authority issued \$7,100,000 in Wastewater Enterprise Revenue Bonds, Refunding and improvement projects. The Proceeds of these Bonds were utilized to refund and defease \$1,895,000 in 1989 Wastewater Utility Fund Certificates of Participation and to provide additional funds to pay for certain capital project improvements.

As a result, the 1989 Wastewater Utility Fund Certificates of Participation are considered to be defeased and the liability for those bonds has been removed from long-term debt. The advance refunding resulted in a decrease in the Authority's debt service payments over the next 14 years of approximately \$1,550,638. The economic loss (difference between the present values of the debt service payments on the old and new debt) amounts to approximately \$404,306.

The bonds consist of serial bonds maturing in the years 2006 to 2020 are payable November 1 in annual installments of \$135,000 to \$265,000. The bonds bear interest at 3.25% to 4.5%. Bonds maturing between November 1, 2021 and November 1, 2025, in the amount of \$1,100,000 are term bonds and bear interest at 4.5%. Bonds maturing between November 1, 2026 and November 1, 2035, in the amount of \$3,105,000 are term bonds and bear interest at 4.625%. The outstanding principal balance at June 30, 2016, amounted to \$5,100,000.

The total debt service payment requirements with respect to the above bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 165,000	\$ 226,430	\$ 391,430
2018	170,000	219,606	389,606
2019	180,000	212,494	392,494
2020	185,000	204,966	389,966
2021	195,000	197,128	392,128
2022 - 2026	1,100,000	846,281	1,946,281
2027 - 2031	1,380,000	564,250	1,944,250
2032 - 2036	1,725,000	206,391	1,931,391
Total	<u>\$ 5,100,000</u>	<u>\$ 2,677,546</u>	<u>\$ 7,777,546</u>

f. 2015 Water Enterprise Revenue Bonds, Refunding and Improvement Projects

On August 19, 2015, the Banning Utility Authority issued \$25,365,000 in Water Enterprise Revenue Bonds, Refunding and Improvement Projects. The proceeds of the bonds, together with other money being made available by the Authority, will be used to (i) finance certain capital improvements to the Water Enterprise; (ii) refund a portion of the Authority's \$35,635,000 Water Enterprise Revenue Bonds, Refunding and Improvement Projects, 2005 Series, currently outstanding in the aggregate principal amount of \$29,165,000; and (iii) pay costs of issuance of the Bonds. As a result, the refunding bonds defeased the liability of the 2005 Water Revenue Bonds, which have

## CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2016**Note 8: Long-Term Debt (Continued)**

been removed from long-term debt. The refunding resulted in an economic gain of \$9,756,559. The 2015 Water Enterprise Revenue Bonds bear interest at rates ranging from 2.00% to 5.00%. Interest is payable semi-annually on May 1 and November 1. The balance outstanding as of June 30, 2016, of the debt service payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 455,000	\$ 1,069,313	\$ 1,524,313
2018	730,000	1,053,813	1,783,813
2019	745,000	1,027,963	1,772,963
2020	970,000	988,813	1,958,813
2021	1,020,000	939,063	1,959,063
2021 - 2026	5,935,000	3,854,438	9,789,438
2026 - 2031	7,450,000	2,326,597	9,776,597
2031 - 2036	7,115,000	675,534	7,790,534
Total	<u>\$ 24,420,000</u>	<u>\$ 11,935,534</u>	<u>\$ 36,355,534</u>

**g. Loan Payable - California Water Resource Control Board**

On March 17, 1999, the City entered a loan contract with the California Water Resource Control Board (Board). The loan was to provide the City with assistance for the Wastewater Treatment Facility Upgrade Project. The loan amount was \$4,658,883 and is subject to a service charge of 2.6% per annum. The loan is to be repaid within 20 years through 20 equal annual installments of principal and service charges. The outstanding loan balance at June 30, 2016, was \$1,409,613. The loan is recorded in the BUA Wastewater Utility Enterprise Fund.

Year Ending June 30,	Principal	Service Charge	Total
2017	\$ 267,639	\$ 36,650	\$ 304,289
2018	274,597	29,691	304,288
2019	281,737	22,552	304,289
2020	289,063	15,227	304,290
2021	296,577	7,711	304,288
Total	<u>\$ 1,409,613</u>	<u>\$ 111,831</u>	<u>\$ 1,521,444</u>

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2016

Note 8: Long-Term Debt (Continued)

h. 2007 Electric Revenue Bond

In July 2007, the City of Banning Financing Authority issued \$45,790,000 in Revenue Bonds (Electric System Project) Series 2007. The proceeds of these bonds will be used to finance certain improvements to the electric system of the City of Banning. The bonds consist of serial bonds maturing in the years 2009 through 2029 and are payable June 1 in annual installments from \$725,000 through \$1,815,000. The bonds bear interest at 4.0% to 5.0%. The bonds also consist of term bonds maturing in the years 2025 through 2038 and are payable June 1 ranging in amounts between \$3,240,000 through \$15,025,000 and bearing interest between 4.5% to 5.0%.

At June 30, 2016, the bond was refunded with the issuance of the 2015 Electric Revenue Refunding Bonds and have been removed from long term debt.

i. 2015 Electric Revenue Refunding Bonds

On August 19, 2015, the Banning Financing Authority issued \$31,755,000 in Refunding Revenue Bonds (Electric System Project). The proceeds of the bond, together with other money being made available by the Authority, will be used to (i) refund the Authority's \$45,790,000 Revenue Bonds (Electric System Project) Series 2007, currently outstanding in the amount of \$34,270,000; (ii) finance certain improvements (the "Facilities") to the electric system of the City of Banning; (iii) pay the insurance premium for the Bonds; (iv) purchase a reserve surety bond for the Bonds; and (v) pay costs of issuance of the Bonds. As a result, the refunding bonds defeased the liability of the 2007 Electric Revenue Bonds, which have been removed from long-term debt. The refunding resulted in an economic gain of \$6,893,088.83. The 2015 Electric Enterprise Revenue Bonds bear interest at rates ranging from 3.00% to 5.00%. Interest is payable semi-annually on June 1 and December 1. The balance outstanding as of June 30, 2016, of the debt service payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 1,005,000	\$ 1,418,744	\$ 2,423,744
2018	1,045,000	1,378,544	2,423,544
2019	1,095,000	1,326,294	2,421,294
2020	1,150,000	1,271,544	2,421,544
2021	1,210,000	1,214,044	2,424,044
2021 - 2026	7,025,000	5,098,969	12,123,969
2026 - 2031	8,620,000	3,354,825	11,974,825
2031 - 2036	7,625,000	1,520,750	9,145,750
2036 - 2041	1,620,000	81,000	1,701,000
Total	<u>\$ 30,395,000</u>	<u>\$ 16,664,714</u>	<u>\$ 47,059,714</u>



CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2016

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**Note 9: Assessment District and Community Facilities District Bonds**

Bonds issued for improvements in certain special assessment districts in accordance with the provisions of the Municipal Improvement Acts of 1911, 1913 and 1915, as well as the Mello-Roos Community Facilities District Act, are liabilities of the property owners and are secured by liens against the assessed properties. The City acts as an agent for collection of principal and interest payments by the property owners and remittance of such monies to the bondholders. Neither the faith and credit, nor the taxing power, of the City of Banning or the Agency has been pledged to the payment of the bonds. Therefore, none of the following special assessment bonds are shown in the financial statements of the City.

	Amount of Issue	Outstanding June 30, 2016
AD 2004-1	\$ 2,898,000	\$ 2,275,000

**Note 10: Operating Lease**

In December 2005, the Banning Utility Authority entered an operating lease with the City for the use of the City's water and wastewater systems. The lease agreement states that an initial payment of \$17,000,000 be paid to the City, with additional annual installments equal to the total surplus revenues and other funds pledged. The lease agreement is for a term of 55 years and the amount paid to the City over that time cannot exceed the fair value of the water and wastewater systems. In 2005-2006, the Banning Utility Authority paid the City the initial payment of \$17,000,000. The Banning Utility Authority made a payment of \$651,000 during the fiscal year ending June 30, 2016.

**Note 11: City Employees Retirement Plan (Defined Benefit Pension Plan)**

Plan Description – City Miscellaneous Plan

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

Plan Description – City Safety Plan

The City of Banning Safety Plan, is a cost-sharing multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). All qualified safety employees are eligible to participate in the City's Safety (Police and Fire) Plan. Benefit provisions under the Safety Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2016**

**Note 11: City Employees Retirement Plan (Defined Benefit Pension Plan) (Continued)**

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan provisions and benefits in effect at June 30, 2016, are summarized as follows:

<b>Miscellaneous Plan</b>		
	Prior to January 1, 2013*	On or after January 1, 2013
Hire date		
Benefit formula	2.5% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	52
Monthly benefits, as a % of eligible compensation	2.00% to 2.50%	1.1% to 2.00%
Required employee contribution rates	7.975%	6.250%
Required employer contribution rates	21.151%	21.151%

\* Closed to new entrants not previously in CalPERS

<b>Safety cost-sharing plan</b>	
Hire date	Prior to January 1, 2013
Benefit formula	3% @ 50
Benefit vesting schedule	5 years service
Benefit payments	monthly for life
Retirement age	50
Monthly benefits, as a % of eligible compensation	3.000%
Required employee contribution rates	9.000%
Required employer contribution rates	43.661%

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2016**

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**Note 11: City Employees Retirement Plan (Defined Benefit Pension Plan) (Continued)**

Contribution

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30, by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the period ended June 30, 2016, City contributions totaling \$2,383,921 was recognized as a reduction to the net pension liability.

Net Pension Liability

The net pension liability is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2015, using an annual actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

For the measurement period ended June 30, 2015, the total pension liability was determined by rolling forward the June 30, 2014 total pension liability. The June 30, 2014 and the June 30, 2015 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.65% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2016

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**Note 11: City Employees Retirement Plan (Defined Benefit Pension Plan) (Continued)**

All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from 1997 to 2007, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Change of Assumptions

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50 percent used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (Public Employees' Retirement Fund) cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by CalPERS effective on July 1, 2014.

## CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2016

## Note 11: City Employees Retirement Plan (Defined Benefit Pension Plan) (Continued)

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	51.0%	5.25%	5.71%
Global Debt Securities	19.0	0.99	2.43
Inflation Assets	6.0	0.45	3.36
Private Equity	10.0	6.83	6.95
Real Estate	10.0	4.50	5.13
Infrastructure and Forestland	2.0	4.50	5.09
Liquidity	2.0	(0.55)	(1.05)

(1) An expected inflation of 2.5% used for this period

(2) An expected inflation of 3.0% used for this period

Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance at: 6/30/2014 (Valuation Date) (1)	\$ 62,685,187	\$ 44,448,515	\$ 18,236,672
Changes Recognized for the Measurement Period:			
Service Cost	1,237,963	-	1,237,963
Interest on the Total Pension Liability	4,647,945	-	4,647,945
Change of Assumptions	(1,116,894)	-	(1,116,894)
Difference between Expected and Actual Experience	(48,685)	-	(48,685)
Plan to Plan Resource Movement	-	9,303	(9,303)
Contribution from the Employer	-	1,479,527	(1,479,527)
Contributions from Employees	-	566,122	(566,122)
Net Investment Income (2)	-	1,020,136	(1,020,136)
Benefit Payments including Refunds of Employee Contributions	(2,762,291)	(2,762,291)	-
Administrative Expense	-	(50,336)	50,336
Net Changes During 2014-15	1,958,038	262,461	1,695,577
Balance at: 6/30/2015 (Measurement Date) (1)	\$ 64,643,225	\$ 44,710,976	\$ 19,932,249

(1) The fiduciary net position includes receivables for employee service buybacks, deficiency reserves, fiduciary self-insurance and OPEB expense. This may differ from the plan assets reported in the funding actuarial valuation report.

(2) Net of administrative expenses.

As of June 30, 2016, the City reported a \$11,900,560 net pension liability for its proportionate share of the pooled net pension liability.



CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2016

**Note 11: City Employees Retirement Plan (Defined Benefit Pension Plan) (Continued)**

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2015, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. City's proportion of the net pension liability was based on CalPERS' Public Agency Cost-Sharing Allocation Methodology Report, which can be obtained on the CalPERS website. The City's proportionate share of the net pension liability for the Plan as of June 30, 2014 and 2015 was as follows:

	<b>Safety Plan</b>
<b>Proportion - June 30, 2014</b>	0.28259%
<b>Proportion - June 30, 2015</b>	0.28882%
<b>Change - Increase (Decrease)</b>	<b>0.0062%</b>

Sensitivity of the Net Pension Liability to Changes in the Discount Rates

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.65 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65 percent) or 1 percentage-point higher (8.65 percent) than the current rate:

	Discount Rate - 1% (6.65%)	Current Discount Rate (7.65%)	Discount Rate +1% (8.65%)
Miscellaneous Plan's Net Pension Liability/(Assets)	\$ 28,417,637	\$ 19,932,249	\$ 12,879,436
	Discount Rate - 1% (6.65%)	Current Discount Rate (7.65%)	Discount Rate +1% (8.65%)
Safety Plan's Net Pension Liability/(Assets)	\$ 18,055,430	\$ 11,900,560	\$ 6,853,679

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued CalPERS financial report.

## CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2016

## Note 11: City Employees Retirement Plan (Defined Benefit Pension Plan) (Continued)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2016, the City of Banning incurred a pension expense of \$2,353,623 for the Plan. At June 30, 2016, the City of Banning has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 2,812,712	\$ -
Difference between Expected and Actual Experience	-	(149,234)
Change in Assumptions	-	(1,222,167)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,864,298	(2,530,364)
Adjustment due to Difference in Proportions	1,984,099	-
Difference in proportionate share	-	(64,504)
<b>Total</b>	<b>\$ 6,661,109</b>	<b>\$ (3,966,269)</b>

The \$2,812,712 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal year ended June 30:	Deferred Outflows/(Inflows) of Resources
2016	\$ (496,857)
2017	(272,524)
2018	(158,006)
2019	809,515
<b>Total</b>	<b>\$ (117,872)</b>

**PARS**Plan Description

Effective July 2005, the City began participating in a Public Agency Retirement System (PARS) program, which is a defined contribution retirement plan for part-time, seasonal and temporary employees. A defined contribution retirement plan provides retirement benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2016

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**Note 11: City Employees Retirement Plan (Defined Benefit Pension Plan) (Continued)**

As established by the plan, all eligible employees of the City will become participants in the plan from the date they are hired. An eligible employee is any employee who, at any time during which the employer maintains this plan, is not accruing benefits under the Public Employees Retirement System.

Funding Plan

Contributions made to the plan vest immediately. As determined by the plan, all members must contribute 7.5% of their gross earnings to the plan. The City is not required to contribute.

Annual Contributions

The amount of employee contributions was \$12,989 (7.5% of covered payroll). Total payroll for employees covered under this plan for the year was \$173,184.

**Note 12: Deferred Compensation Plan**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the employee. Participants' rights under the plan are equal to an amount equal to the fair market of the deferred account for each participant. The City has no liability for losses under the plan.

**Note 13: Insurance Programs**

The City maintains self-insurance programs for workers' compensation, general liability and wrongful employment practices. For general liability claims, the City is at risk for up to \$50,000 per occurrence; amounts in excess of \$50,000 up to \$50,000,000 are covered through the Public Entity Risk Management Authority (PERMA) and excess insurance. For workers' compensation claims, the City is at risk for up to \$250,000 per occurrence. Losses exceeding \$250,000 up to statutory limits are covered by the PERMA under their risk-sharing pool program and excess insurance. For wrongful employment practices claims, the City is at risk for up to \$25,000 per occurrence; amounts in excess of \$25,000 up to \$1,000,000 are covered through the Employment Risk Management Authority. Estimates for all liabilities, including an estimate for incurred but not reported claims (IBNR's), have been included in the Self-Insurance Internal Service Fund.

PERMA also provides a non-risk sharing "deductible" or claims-servicing pool for general liability claims within the self-insured retention (SIR) level (\$50,000). Annual contributions are deposited with the Authority from which claims are paid on behalf of the City. Any claims paid by PERMA for the City in excess of deposits at year-end are recorded as "Due to Other Agencies" within the Self-Insurance Internal Service Fund.

In addition, the City makes deposits with PERMA for workers' compensation claims below the \$250,000 SIR from which claims are paid on behalf of the City.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2016**
**Note 13: Insurance Programs (Continued)**

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. At June 30, 2016, the amount of these liabilities \$1,475,725. The amount represents an estimate of \$973,561 for reported claims through June 30, 2016, and \$531,045 of estimate incurred but not reported claims. This liability is the City's best estimate based on available information. There are no significant reductions in insurance coverages from prior years and there have been no settlements exceeding the insurance coverages for each of the past four fiscal years.

Changes in the reported liability since June 30, 2016, resulted from the following:

<u>Year</u>	<u>Liability at Beginning of Fiscal Year</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability at End of Fiscal Year</u>
2015	\$ 1,389,920	\$ 825,940	\$ 944,921	\$ 1,270,939
2016	1,270,939	484,219	279,433	1,475,725

The City of Banning is a member of the Public Entity Risk Management Authority (a joint powers authority of 22 California cities, one Transit Agency and one other special district) which was established to pool resources, share risks, purchase excess insurance and share costs for professional risk management and claims administration. The City continues to carry commercial insurance for all other risks of loss.

**Note 14: Commitments and Contingencies****a. Grant Compliance Audits**

The City participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement that may arise as the result of these audits is not believed to be material.

**b. Pending Litigation**

The City is involved in several pending lawsuits of a nature common to many similar jurisdictions. City management estimates that potential claims against the City, not covered by insurance, will not have a material adverse effect on the financial statements of the City.

**c. Proposition 218**

Was approved by the voters in November 1996, regulates the City's ability to impose, increase and extend taxes, assessments and fees. Any new, increased or extended taxes, assessments and fees subject to the provisions of Proposition 218 require voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes, assessments and fees are subject to the voter initiative process and may be rescinded in the future by the voters. Therefore, the City's ability to finance the services for which the taxes, assessments and fees were imposed may be significantly impaired.

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2016

**Note 14: Commitments and Contingencies (Continued)**

At this time, it is uncertain how Proposition 218 will affect the City's ability to maintain or increase the revenue it receives from taxes, assessments and fees.

**d. Construction Contracts**

The following material construction commitments existed at June 30, 2016:

Project Name	Contract Amount	Expenditures to date as of June 30, 2016	Remaining Commitments
Wastewater Treatment Plant Expansion-Parsons	\$ 2,397,929	\$ 2,169,811	\$ 228,118
Mgmt- downtown underground conv - Leidos Eng	178,144	23,327	154,817
Downtown underground- Phase 3 - West Coast El	1,324,230	1,307,845	16,385
Const Mgmt- Corp Yard - Bernards Bros	356,159	343,849	12,310
Corp yard warehouse -Phase 1- Molej Bui ders	1,200,650	1,141,577	59,073
Corp yard warehouse- Phase 2 - Kinsman Const	944,900	895,579	49,321
Corp yard warehouse- Phase 3 - ICS	1,259,500	670,500	589,000
Design for 4 substations - Leidos Engineering	620,000	276,144	343,856
Elec distribution imp - Regency-Pacific Dev	485,320	476,142	9,178
Stream monitoring program - US Geological Survey	149,700	125,700	24,000
CNG bus - Creative Bus Sales	444,335	-	444,335
Water mainimprovements - Tri-Star Contracting	562,093	198,869	363,224
Repairs to wells/ booster pumps - Tri County Pump	201,250	-	201,250
Canyon wa main replacement design - Albert Webb	242,990	19,522	223,468
	<u>\$ 10,367,200</u>	<u>\$ 7,648,865</u>	<u>\$ 2,718,335</u>

**Note 15: Southern California Public Power Authority**

The City, through its Electric Utility Fund, has entered into a "take or pay" contract and "take and pay" contract through its participation in the Southern California Public Power Authority (SCPPA) in order to meet the electric needs of its customers. These contracts are not considered a joint venture since the City has no interest in the assets, liabilities, or equity associated with any of the projects to which these contracts refer. Under the "take or pay" contract, the City is obligated to pay its share of the indebtedness regardless of the ability of the contracting agency to provide electricity or the City's need for the electricity. The City is only obligated to pay its share of the indebtedness upon delivery of energy under the "take and pay" contracts. A long-term obligation has not been recorded in the accompanying basic financial statements as these commitments do not represent an obligation of the Electric Utility until the year the power is available to be delivered to the Electric Utility.

During the fiscal year ended June 30, 2016, the Electric Utility Fund made payments totaling \$1,052,197 for these contracts. SCPPA membership consists of 10 Southern California cities and one public irrigation district of the State of California, which serves the electric power needs of its Southern California electricity customers. SCPPA, a public entity organized under the laws of the State of California, was formed by a joint powers agreement dated November 1, 1980, pursuant to the Joint Exercise of Powers Act of the State of California. SCPPA was created for the purpose of planning, financing, developing, acquiring, constructing, operating and maintaining projects for the generation and transmission of electric energy for sale to its participants. The joint power agreement has a term of 50 years.



NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2016

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**Note 15: Southern California Public Power Authority (Continued)**

For the year ended June 30, 2016, the City of Banning had power purchase agreements in the following SCPPA operating projects:

**a. Palo Verde Project**

Pursuant to an assignment agreement dated August 14, 1981 with the Salt River Project, SCPPA purchased a 5.910% interest in the Palo Verde Nuclear Generating Station, a 3,810 MW nuclear-fueled generating station near Phoenix, Arizona and a 6.550% share of the right to use certain portions of the Arizona nuclear power project valley transmission system (collectively, the PV). Units 1, 2 and 3 of PV began commercial operations in January 1986, September 1986 and January 1988, respectively. The City's ownership share of this project is 1.0%.

**b. San Juan Project**

Effective July 1, 1993, the SCPPA purchased a 41.80% interest in Unit 3 and related common facilities of the San Juan Generation Station from Century Power Corporation. The City's ownership share of this project is 9.8%.

**c. Mead-Phoenix Project**

SCPPA entered into an agreement dated December 17, 1991 to acquire an interest in the MP, a transmission line extending between the West Wing substation in Arizona and the Marketplace substation in Nevada. The agreement provides SCPPA with an 18.308% interest in the West Wing-Mead project, a 17.756% interest in the Mead substation project component and a 22.408% interest in the Mead-Marketplace component. The project is a 256 mile, 500 kV AC transmission line with a rating of 1,300 MW. The City's ownership share of MP is 0.7%.

**d. Mead-Adelanto Project**

SCPPA also entered into an agreement dated December 17, 1991 to acquire a 67.917% interest in the MA, a transmission line extending between the Adelanto substation in Southern California and the Marketplace substation in Nevada. Funding for these projects was provided by a transfer from the Multiple Projects Fund, and commercial operations commenced in April 1996. LADWP serves as the operations manager of MA. The project is a 202 mile, 500 kV AC transmission line with a rating of 1,200 MW. The City's ownership share of MA is 1.1%.

**e. Hoover Upgrading Project**

On March 1, 1986, SCPPA and the City, and eight participants including the Cities of Anaheim, Azusa, Banning, Colton, Glendale, Pasadena, Riverside and Vernon entered into an agreement pursuant to which each participant assigned its entitlement to capacity and associated firm energy to SCPPA in return for SCPPA's agreement to make advance payments to the USBR on behalf of such participants. SCPPA has an 18.680% interest in the contingent capacity of the HU. All 17 "uprated" generators of the HU have commenced commercial operations. The City has a 2.1% (15 MW) ownership interest in this project.

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2016

**Note 15: Southern California Public Power Authority (Continued)**

A summary of the City's contracts and related projects and its commitments at June 30, 2016 are shown below:

	City of Banning portion	City of Banning share of bonds	City of Banning obligation relating to total debt service
Palo Verde	1.00%	\$ 124,100	\$ 244,400
San Juan	9.80%	-	2,091,810
Mead-Phoenix	0.70%	354,592	393,197
Mead-Adelanto	1.10%	1,233,078	1,430,913
Hoover Upgrading	2.10%	44,961	87,591
		<b>\$ 1,756,731</b>	<b>\$ 4,247,911</b>

**Note 16: Successor Agency Trust For Assets of Former Redevelopment Agency**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Banning that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On January 24, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 2012-01.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2016**

**Note 16: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)**

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

**a. Cash and Investments**

Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and investments pooled with the City	\$ 2,030,404
Cash and investments with fiscal agent	<u>3,539,151</u>
	<u><u>\$ 5,569,555</u></u>

**b. Loans Receivable**

The former redevelopment agency had entered into various loan agreements relating to owners' participation agreements and various other loans receivable. The owners' participation agreements have repayment terms between 6 and 55 years. The following summarizes the loans outstanding at June 30, 2016:

Description	Balance at June 30, 2016
Owners participation loans	<u>\$ 4,347,194</u>
Total loans receivable at June 30, 2016	<u><u>\$ 4,347,194</u></u>

During the Fiscal Year ending June 30, 2016, \$621,845 worth of rehabilitation and owner participation agreement loans were forgiven. These forgiven loans are reported as forgiven loan expense on the Statement of Changes in Fiduciary Net Position.

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2016

Note 16: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)

c. Capital Assets

An analysis of capital assets as of June 30, 2016, follows:

	Balance July 1, 2015	Adjustments	Adjusted Beginning Balance	Additions	Balance June 30, 2016
Nondepreciable Assets:					
Land	\$ 3,845	\$ (3,845)	\$ -	\$ -	\$ -
Construction-in-progress	122	-	122	93,435	93,557
Total nondepreciable assets	3,967	(3,845)	122	93,435	93,557
Depreciable Assets:					
Land Improvements	2,201,160	-	2,201,160	-	2,201,160
Building and Structures	1,830,092	(481,061)	1,349,031	-	1,349,031
Machinery and Equipment	28,378	-	28,378	-	28,378
Infrastructure	3,307,989	-	3,307,989	-	3,307,989
Total depreciable assets	7,367,619	(481,061)	6,886,558	-	6,886,558
Less Accumulated Depreciation					
Land Improvements	714,060	-	714,060	97,882	811,942
Building and Structures	262,483	(96,214)	166,269	28,338	194,607
Machinery and Equipment	28,378	-	28,378	-	28,378
Infrastructure	563,560	-	563,560	99,945	663,505
Total Accumulated Depreciation	1,568,481	(96,214)	1,472,267	226,165	1,698,432
Total depreciable assets, net	5,799,138	(384,847)	5,414,291	(226,165)	5,188,126
Capital Assets	\$ 5,803,105	\$ (388,692)	\$ 5,414,413	\$ (132,730)	\$ 5,281,683

d. Long-Term Debt

A description of long-term debt outstanding of the Successor Agency as of June 30, 2016, follows:

	Balance July 1, 2015	Adjustments	Additions	Repayments	Balance June 30, 2016	Due Within One Year
<b>Fiduciary Funds:</b>						
2003 Tax Allocation Bonds	\$ 9,620,000	\$ -	\$ -	\$ 500,000	\$ 9,120,000	\$ 520,000
2007 Tax Allocation Bonds	26,875,000	-	-	750,000	26,125,000	780,000
Loans Payable	125,007	(125,007)	-	-	-	-
SERAF loan	2,298,433	-	-	305,425	1,993,008	-
<b>Total Fiduciary Funds</b>	<b>\$ 38,918,440</b>	<b>\$ (125,007)</b>	<b>\$ -</b>	<b>\$ 1,555,425</b>	<b>37,238,008</b>	<b>\$ 1,300,000</b>
				Unamortized Premiums/Discounts	(609,960)	
				<b>Total Long-term Debt</b>	<b>\$ 36,628,048</b>	

2003 Tax Allocation Bonds

On December 16, 2003, the Banning Public Financing Authority issued \$14,095,000 in Tax Allocation Bonds. The proceeds were used to currently refund the Agency's \$4,130,000 Series 1992 Tax Allocation Bonds and to finance various redevelopment activities.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2016**

**Note 16: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)**

The bonds consist of serial bonds maturing in the years 2004 to 2018 payable August 1 in annual installments of \$360,000 to \$570,000. The bonds bear interest at 2.0% to 5.0%. Bonds maturing after August 1, 2018, in the amount of \$7,485,000 are term bonds and bear interest at 5.0%.

Serial bonds maturing on or after August 1, 2014, are subject to redemption in whole or in part at the option of the Agency from any available source of funds. Term bonds maturing on August 1, 2023 and 2028, are subject to mandatory redemption in part by lot from sinking fund payments made by the Agency.

A reserve fund was established in the amount of \$971,763 from the bond proceeds for the benefit of the City and as security for the Bond owners. The bonds are further secured by a financial guarantee insurance policy. The bonds are a special obligation of the Banning Redevelopment Agency payable from tax revenues. The amount of bonds outstanding at June 30, 2016, totaled \$9,120,000.

Year Ending June 30,	Principal	Interest	Total
2017	\$ 520,000	\$ 436,370	\$ 956,370
2018	545,000	412,733	957,733
2019	570,000	387,360	957,360
2020	595,000	359,375	954,375
2021	625,000	328,875	953,875
2022 - 2026	3,625,000	1,130,625	4,755,625
2027 - 2029	2,640,000	202,500	2,842,500
Total	<u>\$ 9,120,000</u>	<u>\$ 3,257,838</u>	<u>\$ 12,377,838</u>

**f. 2007 Tax Allocation Bonds**

On May 15, 2007, the Banning Public Financing Authority issued \$29,965,000 in Tax Allocation Bonds. The proceeds were used to provide funds for the redevelopment activities of the Agency, to fund a reserve fund for the Bonds and pay the expenses of the Agency in connection with the issuance of the Bonds.

The bonds consist of serial bonds maturing in the years 2009 to 2030 payable August 1 in annual installments of \$245,000 to \$1,805,000. The bonds bear interest at 4.0% to 4.25%. Bonds maturing after August 1, 2030, in the amount of \$9,500,000 are term bonds and bear interest at 4.375%. Serial bonds maturing on or after August 1, 2014, are subject to redemption prior to maturity, in whole or in part at the option of the Agency from any available source of funds. Term bonds maturing on August 1, 2037, are subject to mandatory redemption in part or by lot from sinking fund payments made by the Agency. The amount of bonds outstanding at June 30, 2016, totaled \$26,125,000.



CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2016

**Note 16: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)**

Year Ending June 30,	Principal	Interest	Total
2017	\$ 780,000	\$ 1,083,829	\$ 1,863,829
2018	805,000	1,054,799	1,859,799
2019	835,000	1,023,728	1,858,728
2020	865,000	990,250	1,855,250
2021	900,000	954,950	1,854,950
2022 - 2026	5,085,000	4,185,725	9,270,725
2027 - 2031	7,355,000	2,947,781	10,302,781
2032 - 2036	6,940,000	1,345,094	8,285,094
2037 - 2039	2,560,000	110,031	2,670,031
Total	<u>\$ 26,125,000</u>	<u>\$ 13,696,187</u>	<u>\$ 39,821,187</u>

**g. Loan Payable – Glick**

On August 27, 2008, the Agency entered into a promissory note. The note amount was \$200,000 and is subject to an interest rate of 6.5% per annum. The note is payable in fifteen annual installments of \$20,531. The principal amount of this note represents the agreed-upon amount for the purchase of real property. At June 30, 2016, the promissory note had been transferred to the City and is no longer an obligation of the Agency.

**h. Supplement Education Augmentation Fund (SERAF) Loan**

The advance for \$2,298,433 from the Low and Moderate Income Housing Fund to the Redevelopment Agency Debt Service Fund was made to fund the mandated payment for the "Supplemental" Educational Revenue Augmentation Fund. The Department of Finance allowed a payment of \$305,425 with the Agency's concurrence in the current year. The amount of the loan outstanding at June 30, 2016, totaled \$1,993,008.

**i. Pledged Revenue**

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the debt is \$54,192,033 with annual debt service requirements as indicated above. For the current year, the total property tax revenue recognized by the Successor Agency for the payment of indebtedness incurred by the dissolved redevelopment agency was \$3,541,209 and the debt service obligation on the bonds was \$3,125,261.

CITY OF BANNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2016

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**Note 16: Successor Agency Trust For Assets of Former Redevelopment Agency (Continued)**

**j. Insurance**

The Successor Agency is covered under the City of Banning's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage and self-insured retentions can be found in Note 13.

**k. Commitments and Contingencies**

At June 30, 2016, the Successor Agency was involved as a defendant in several lawsuits arising out of the ordinary conduct of its affairs. It is the opinion of management that settlements of these lawsuits, including losses for claims that are incurred but not reported, if any, will not have a material effect on the financial position of the Successor Agency.

**Note 17: Fund Balance/Net Position Restatement**

**Glick Note Payable**

On August 27, 2008, the Successor Agency entered into a promissory note. This liability transferred from the Successor Agency and became an obligation to the City during fiscal year 2015 as a result of the Department of Finances approval of the Banning Successor Agency's Long-Range Property Management Plan. The associated asset purchased previously with Glick Note proceeds was valued at \$481,061 at 6/30/2016. A restatement is required as this occurred during the previous year. Subsequent to the June 30, 2016 fiscal year end, the City decided to pay off the note payable in full on November 23, 2016. The amount of principal paid was \$125,007 and the interest expense totaled \$14,782, for a full amount of \$139,788.

Description	Amount
Government-Wide Governmental Restatements	
Addition of outstanding Glick Note Payable	\$ (125,007)
Addition of asset purchased with Glick Note Payable Proceeds	388,692
	<u>\$ 263,685</u>
Successor Agency Restatements	
Removal of outstanding Glick Note Payable	\$ 125,007
Removal of asset purchased with Glick Note Payable Proceeds	(388,692)
	<u>\$ (263,685)</u>

**CITY OF BANNING**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2016**

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**Note 18: Special Item**

Pursuant to Health and Safety Code (the "HSC") § 34178 (c), the City of Banning came to an agreement with the Successor Agency to the dissolved community redevelopment agency of the City of Banning on January 26, 2016, to transfer excess bond proceeds to the City from the Successor Agency. This transfer of \$8,801,033 included assets and liabilities related to the unspent bond proceeds of the 2003 Tax Allocation Bonds and the 2007 Tax Allocation Bonds.

**Note 19: Subsequent Events**

**Tax Allocation Refunding Bonds, Series 2016 (Taxable)**

In September 2016, the Successor Agency of the Dissolved Redevelopment Agency of the City of Banning issued \$32,255,000 Taxable Allocation Refunding Bonds, Series 2016, to refund certain tax allocation bonds of the Successor Agency, to purchase a surety bond for the Reserve Fund for the 2016 Bonds, purchase a municipal bond insurance policy for the 2016 Bonds, and to pay the cost of issuance of the 2016 Bonds.

## CITY OF BANNING

## MISCELLANEOUS PLAN

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

MEASUREMENT PERIOD	2015	2016
<b>TOTAL PENSION LIABILITY</b>		
Service Cost	\$ 1,309,205	\$ 1,237,963
Interest	4,417,332	4,647,945
Difference Between expected and Actual Experience	-	(48,685)
Changes in Assumptions	-	(1,116,894)
Benefit Payments, Including Refunds of employee Contributions	(2,569,019)	(2,762,291)
<b>Net Change in Total Pension Liability</b>	<b>\$ 3,157,518</b>	<b>\$ 1,958,038</b>
<b>Total Pension Liability - Beginning</b>	<b>59,527,669</b>	<b>62,685,187</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 62,685,187</b>	<b>\$ 64,643,225</b>
<b>PLAN FIDUCIARY NET POSITION</b>		
Contribution - Employer	\$ 1,511,733	\$ 1,479,527
Contribution - Employee	608,478	566,122
Plan to Plan Resource Movement	-	9,303
Net Investment Income	6,586,288	1,020,136
Benefit Payments, Including Refunds of Employee Contributions	(2,569,019)	(2,762,291)
Administrative Expense	-	(50,336)
<b>Net Change in Fiduciary Net Position</b>	<b>\$ 6,137,480</b>	<b>\$ 262,461</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>38,311,035</b>	<b>44,448,515</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 44,448,515</b>	<b>\$ 44,710,976</b>
<b>Plan Net Pension Liability/(Assets) - Ending (a) - (b)</b>	<b>\$ 18,236,672</b>	<b>\$ 19,932,249</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>70.91%</b>	<b>69.17%</b>
<b>Covered-Employee Payroll</b>	<b>\$ 7,427,270</b>	<b>\$ 6,992,494</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll</b>	<b>245.54%</b>	<b>285.05%</b>

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only two years are shown.

(2) Net of administrative expenses.

**Notes to Schedule:**

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2014. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: The discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent.

Measurement Date: All information in this schedule is as of the measurement date noted in the financial statement footnotes.

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only two years are shown.

CITY OF BANNING

MISCELLANEOUS PLAN  
SCHEDULE OF PLAN CONTRIBUTIONS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2015	2016
Actuarially Determined Contribution	\$ 1,349,103	\$ 1,483,525
Contribution in Relation to the Actuarially Determined Contribution	(1,349,103)	(1,483,525)
Contribution Deficiency (Excess)	\$ -	\$ -
Covered-Employee Payroll	\$ 6,992,494	\$ 7,149,518
Contributions as a Percentage of Covered-Employee Payroll	19.29%	20.75%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

**Note to Schedule:**

Valuation Date:

June 30, 2013

Methods and assumptions used to determine contribution rates:

Amortization method

Assets valuation method

Discount Rate

Projected Salary Increases

Inflation

Payroll Growth

Individual Salary Growth

Investment rate of return

Retirement age

Mortality

Level percentage of payroll, closed

Market Value

7.50% (net of administrative expenses)

3.30% to 14.20% depending on Age, Service, and type of employment.

2.75%

3.00%

A merit scale varying by duration of employment coupled with an assumed annual inflation of 2.75% and an annual production growth of 0.25%.

7.50% net of pension plan investment and administrative

The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.

The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.



CITY OF BANNING

SAFETY PLAN

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2015	2016
Proportion of the Net Pension Liability	0.28259%	0.28882%
Proportionate Share of the Net Pension Liability	\$ 10,599,884	\$ 11,900,560
Covered-Employee Payroll	\$ 2,399,596	\$ 2,184,008
Proportionate Share of the Net Pension Liability as Percentage of Covered-Employee Payroll	441.74%	544.90%
Plan Fiduciary Net Position	\$ 33,631,871	\$ 33,631,871
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.04%	73.49%

**Notes to Schedule:**

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2014. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: The discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent.

Measurement Date: All information in this schedule is as of the measurement date noted in the financial statement footnotes.

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only two years are shown.

CITY OF BANNING

SAFETY PLAN

SCHEDULE OF PLAN CONTRIBUTIONS

AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2015	2016
Actuarially Determined Contribution	\$ 1,034,818	\$ 1,329,187
Contribution in Relation to the Actuarially Determined Contribution	(1,034,818)	(1,329,187)
Contribution Deficiency (Excess)	\$ -	\$ -
Covered-Employee Payroll	\$ 2,184,008	\$ 2,205,720
Contributions as a Percentage of Covered-Employee Payroll	47.38%	60.26%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only two years are shown.

**Note to Schedule:**

Valuation Date: June 30, 2013

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll, closed
Assets valuation method	Market Value
Discount Rate	7.50% (net of administrative expenses)
Projected Salary Increases	3.30% to 14.20% depending on Age, Service, and type of employment.
Inflation	2.75%
Payroll Growth	3.00%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation of 2.75% and an annual production growth of 0.25%.
Investment rate of return	7.50% net of pension plan investment and administrative expenses, including inflation.
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

## CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 9,801,596	\$ 9,801,596	\$ 9,801,596	\$ -
<b>Resources (Inflows):</b>				
Taxes:				
Sales and use	3,152,000	3,152,000	3,262,934	110,934
Property	4,433,461	4,479,212	4,459,662	(19,550)
Franchise	865,475	869,475	860,923	(8,552)
Transient occupancy	700,000	700,000	789,994	89,994
Other	810,000	810,000	755,028	(54,972)
Subtotal	9,960,936	10,010,687	10,128,541	117,854
Licenses and permits:				
Building permits	98,000	98,000	129,235	31,235
Other permits	(98,000)	(98,000)	650,319	748,319
Subtotal	-	-	779,554	779,554
Intergovernmental:				
State motor vehicle in-lieu fees	-	12,303	12,303	-
Other intergovernmental revenues	101,114	539,356	431,943	(107,413)
Subtotal	101,114	551,659	444,246	(107,413)
Charges for services:				
Engineering, police, fire and other fees	186,169	238,446	150,179	(88,267)
Recreation fees	90,200	89,600	94,885	5,285
Interfund charges	3,031,618	3,037,984	3,072,085	34,101
Subtotal	3,307,987	3,366,030	3,317,149	(48,881)
Use of money and property:				
Interest and rents	495,200	505,450	528,586	23,136
Subtotal	495,200	505,450	528,586	23,136
Fines and forfeitures				
Parking fines	12,150	15,000	10,653	(4,347)
Court fines and other fines	260,800	257,950	256,757	(1,193)
Subtotal	272,950	272,950	267,410	(5,540)
Contributions	5,400	5,400	1,800	(3,600)
Contribution from Successor Agency	-	250,000	250,000	-
Miscellaneous	333,000	383,000	431,606	48,606
Transfers in	724,000	724,000	724,000	-
Subtotal	1,062,400	1,362,400	1,407,406	45,006
<b>Total Resources (inflows)</b>	<b>15,200,587</b>	<b>16,069,176</b>	<b>16,872,892</b>	<b>803,716</b>
<b>Amounts Available for Appropriations</b>	<b>25,002,183</b>	<b>25,870,772</b>	<b>26,674,488</b>	<b>803,716</b>

## CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>Charges to Appropriations (Outflow):</b>				
General government				
City council	172,420	173,146	157,043	16,103
City manager	398,068	324,227	307,731	16,496
Personnel	166,334	177,207	90,869	86,338
City clerk	98,405	98,399	100,411	(2,012)
City attorney	420,739	420,739	420,739	-
Finance	294,450	373,217	189,479	183,738
Economic Development	13,050	39,050	43,545	(4,495)
Community enhancement	104,187	33,694	(44,379)	78,073
Central services	1,012,156	1,096,366	901,626	194,740
Building maintenance	144,086	104,126	8,825	95,301
Subtotal	2,823,895	2,840,171	2,175,889	664,282
Public safety				
Police	6,116,369	5,836,578	5,560,584	275,994
Animal control	147,350	159,050	147,670	11,380
Fire	2,798,761	2,840,263	2,548,785	291,478
Dispatch	837,956	819,810	772,239	47,571
Subtotal	9,900,436	9,655,701	9,029,278	626,423
Community development				
TV government access	8,969	23,878	33,869	(9,991)
Building safety	312,558	281,729	306,855	(25,126)
Code enforcement	316,492	323,835	258,350	65,485
Planning	472,092	800,545	702,268	98,277
Developer Pardee	-	52,277	35,774	16,503
Engineering	175,422	228,482	174,760	53,722
Community enhancement	25,000	40,620	10,000	30,620
Subtotal	1,310,533	1,751,366	1,521,876	229,490
Culture and leisure				
Parks	462,894	407,974	315,576	92,398
Recreation	338,322	280,798	257,590	23,208
Aquatics	114,851	131,461	133,664	(2,203)
Senior Center	62,954	63,735	57,246	6,489
Subtotal	979,021	883,968	764,076	119,892
Capital outlay	49,532	433,279	256,128	177,151
Debt service:				
Principal retirement	359,626	359,626	358,806	820
Interest and fiscal charges	77,374	77,374	76,884	490
Transfers out	164,325	164,325	248,084	(83,759)
Subtotal	650,857	1,034,604	939,902	94,702
<b>Total Charges to Appropriations</b>	<b>15,664,742</b>	<b>16,165,810</b>	<b>14,431,021</b>	<b>1,734,789</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 9,337,441</b>	<b>\$ 9,704,962</b>	<b>\$ 12,243,467</b>	<b>\$ 2,538,505</b>

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**I. STEWARDSHIP****Note 1: Stewardship, Compliance and Accountability****a. Budgets and Budgetary Accounting**

The City Council has the responsibility for adoption of the City's budgets. Budgets are adopted for governmental funds. From the effective date of the budget, the amounts stated as proposed expenditures become appropriations to the various City departments.

The City Council may amend the budget by resolution during each fiscal year. The City Manager is authorized to transfer funds from one major expenditure category to another within the same department and fund. Any revisions that alter the total expenditures of any fund must be approved by the City Council.

All appropriations lapse at the end of the fiscal year to the extent that they have not been expended. Lease contracts entered into by the City are subject to annual review by the City Council; hence, they legally are one-year contracts with an option for renewal for another fiscal year.

Budgetary comparison is provided in the accompanying financial statements for the General Fund, Special Revenue Funds, and Capital Projects Funds, except for the Banning Housing Authority Special Revenue Fund, Asset Forfeiture Special Revenue Fund, State Park Bond Act Special Revenue Fund, the Excess Bond Proceeds Capital Project Fund, the Excess Bond Proceeds Low/Mod Capital Project Fund, and the Sunset Grade Separation Capital Project Fund. Budgeted revenue and expenditure amounts shown represent the City's originally adopted legal budget adjusted for unanticipated revenues and appropriations during the course of the fiscal year. Budget amounts, as adjusted, reported for the governmental funds of the City are adopted on a basis consistent with generally accepted accounting principles (GAAP).

**b. Excess expenditures over appropriations**

<b>General Fund</b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Excess</u></b>
General Government			
City clerk	\$ 100,411	\$ 98,399	\$ 2,012
Economic development	43,545	39,050	4,495
Community Development			
TV government access	33,869	23,878	9,991
Building safety	306,855	281,729	25,126
Culture and leisure			
Building safety	133,664	131,461	2,203

## CITY OF BANNING

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2016

	Special Revenue Funds			
	Gas Tax Street	Measure A	SB 300 Street	Article 3 Sidewalk
<b>Assets:</b>				
Pooled cash and investments	\$ 269,057	\$ 1,910,121	\$ 71,708	\$ -
Receivables:				
Accounts	100	-	-	-
Loans	-	-	-	-
Interest	351	2,590	101	-
Grants	-	-	-	-
Due from other governments	476	99,962	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 269,984</b>	<b>\$ 2,012,673</b>	<b>\$ 71,809</b>	<b>\$ -</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 10,493	\$ -	\$ -	\$ -
Accrued liabilities	21,738	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	95,961	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>128,192</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Culture and leisure	-	-	-	-
Transportation	141,792	2,012,673	71,809	-
Capital Projects	-	-	-	-
<b>Assigned to:</b>				
Capital Projects	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>141,792</b>	<b>2,012,673</b>	<b>71,809</b>	<b>-</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 269,984</b>	<b>\$ 2,012,673</b>	<b>\$ 71,809</b>	<b>\$ -</b>

## CITY OF BANNING

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2016

(CONTINUED)

	Special Revenue Funds			
	Community Development Block Grant	Landscape Maintenance District	AQMD Air Pollution Program	Asset Forfeiture
<b>Assets:</b>				
Pooled cash and investments	\$ 354,121	\$ 319,441	\$ 4,700	\$ 2,523
Receivables:				
Accounts	-	-	-	-
Loans	-	-	-	-
Interest	-	452	208	4
Grants	-	-	30,000	-
Due from other governments	33,726	2,629	10,432	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 387,847</b>	<b>\$ 322,522</b>	<b>\$ 45,340</b>	<b>\$ 2,527</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 19,371	\$ 2,069	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	368,475	-	-	-
<b>Total Liabilities</b>	<b>387,846</b>	<b>2,069</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	33,726	651	30,000	-
<b>Total Deferred Inflows of Resources</b>	<b>33,726</b>	<b>651</b>	<b>30,000</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Community development projects	-	-	15,340	-
Public safety	-	-	-	2,527
Culture and leisure	-	-	-	-
Transportation	-	319,802	-	-
Capital Projects	-	-	-	-
<b>Assigned to:</b>				
Capital Projects	-	-	-	-
<b>Unassigned</b>	<b>(33,725)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>(33,725)</b>	<b>319,802</b>	<b>15,340</b>	<b>2,527</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 387,847</b>	<b>\$ 322,522</b>	<b>\$ 45,340</b>	<b>\$ 2,527</b>

## CITY OF BANNING

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2016

	Special Revenue Funds			
	Supplemental Law Enforcement	State Park Bond Act	Special Donations	Senior Center Activities
<b>Assets:</b>				
Pooled cash and investments	\$ 161,436	\$ 942	\$ 25,908	\$ 40,670
Receivables:				
Accounts	-	-	-	-
Loans	-	-	-	-
Interest	227	1	-	58
Grants	-	-	-	-
Due from other governments	16,667	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 178,330</b>	<b>\$ 943</b>	<b>\$ 25,908</b>	<b>\$ 40,728</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 334
Accrued liabilities	-	-	-	-
Unearned revenues	178,330	-	-	-
Deposits payable	-	-	3,863	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>178,330</b>	<b>-</b>	<b>3,863</b>	<b>334</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Community development projects	-	-	22,045	-
Public safety	-	-	-	-
Culture and leisure	-	-	-	40,394
Transportation	-	-	-	-
Capital Projects	-	943	-	-
<b>Assigned to:</b>				
Capital Projects	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>-</b>	<b>943</b>	<b>22,045</b>	<b>40,394</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 178,330</b>	<b>\$ 943</b>	<b>\$ 25,908</b>	<b>\$ 40,728</b>

## CITY OF BANNING

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2016

(CONTINUED)

	Special Revenue Funds			
	Animal Control Reserve	Police Volunteer	Ramsey/ Highland Home Signal	Wilson Median Improvement
<b>Assets:</b>				
Pooled cash and investments	\$ 4,945	\$ 968	\$ 81,331	\$ 380,574
Receivables:				
Accounts	-	-	-	-
Loans	-	-	-	-
Interest	7	1	114	536
Grants	-	-	-	-
Due from other governments	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 4,952</b>	<b>\$ 969</b>	<b>\$ 81,445</b>	<b>\$ 381,110</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 28	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>28</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Community development projects	-	941	-	-
Public safety	4,952	-	-	-
Culture and leisure	-	-	-	-
Transportation	-	-	81,445	381,110
Capital Projects	-	-	-	-
<b>Assigned to:</b>				
Capital Projects	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>4,952</b>	<b>941</b>	<b>81,445</b>	<b>381,110</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 4,952</b>	<b>\$ 969</b>	<b>\$ 81,445</b>	<b>\$ 381,110</b>



## CITY OF BANNING

 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2016

	Special Revenue Funds		Capital Projects Funds	
	Riverside County MOU	Banning Housing Authority	Police Facilities Development	Fire Facilities Development
<b>Assets:</b>				
Pooled cash and investments	\$ 26,550	\$ 355,045	\$ 11,764	\$ 951,509
Receivables:				
Accounts	-	-	-	-
Loans	-	886,205	-	-
Interest	-	41	17	1,339
Grants	-	-	-	-
Due from other governments	50,515	1,993,008	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 77,065</b>	<b>\$ 3,234,299</b>	<b>\$ 11,781</b>	<b>\$ 952,848</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	16,480	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>16,480</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	886,205	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>886,205</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Community development projects	-	2,348,094	-	-
Public safety	60,585	-	-	-
Culture and leisure	-	-	-	-
Transportation	-	-	-	-
Capital Projects	-	-	-	-
<b>Assigned to:</b>				
Capital Projects	-	-	11,781	952,848
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>60,585</b>	<b>2,348,094</b>	<b>11,781</b>	<b>952,848</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 77,065</b>	<b>\$ 3,234,299</b>	<b>\$ 11,781</b>	<b>\$ 952,848</b>

## CITY OF BANNING

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2016

(CONTINUED)

	Capital Projects Funds			
	Traffic Control Facilities	General Facilities	Park Development	Capital Improvement
<b>Assets:</b>				
Pooled cash and investments	\$ 441,790	\$ 437,391	\$ 140,995	\$ 229
Receivables:				
Accounts	-	-	-	-
Loans	-	-	-	-
Interest	622	616	198	-
Grants	-	-	-	-
Due from other governments	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	657,882
<b>Total Assets</b>	<b>\$ 442,412</b>	<b>\$ 438,007</b>	<b>\$ 141,193</b>	<b>\$ 658,111</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	19,500
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,500</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Culture and leisure	-	-	-	-
Transportation	-	-	-	-
Capital Projects	-	-	-	-
<b>Assigned to:</b>				
Capital Projects	442,412	438,007	141,193	638,611
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>442,412</b>	<b>438,007</b>	<b>141,193</b>	<b>638,611</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 442,412</b>	<b>\$ 438,007</b>	<b>\$ 141,193</b>	<b>\$ 658,111</b>

## CITY OF BANNING

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2016

	Capital Projects Funds			Total
	Sunset Grade	BEA Low/Mod	BEA Capital	Governmental
	Separation	Capital Project	Project Fund	Funds
<b>Assets:</b>				
Pooled cash and investments	\$ 75	\$ 534,885	\$ 138,765	\$ 6,667,443
Receivables:				
Accounts	-	-	176	276
Loans	-	-	1,027,130	1,913,335
Interest	-	767	483	8,733
Grants	-	-	-	30,000
Due from other governments	2,049,802	-	-	4,257,217
Restricted assets:				
Cash and investments with fiscal agents	-	-	7,627,050	8,284,932
<b>Total Assets</b>	<b>\$ 2,049,877</b>	<b>\$ 535,652</b>	<b>\$ 8,793,604</b>	<b>\$ 21,161,936</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 40,591	\$ 72,886
Accrued liabilities	-	-	-	38,218
Unearned revenues	-	-	-	178,330
Deposits payable	-	-	-	99,824
Due to other funds	2,049,900	-	-	2,437,875
<b>Total Liabilities</b>	<b>2,049,900</b>	<b>-</b>	<b>40,591</b>	<b>2,827,133</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	2,049,802	-	-	3,000,384
<b>Total Deferred Inflows of Resources</b>	<b>2,049,802</b>	<b>-</b>	<b>-</b>	<b>3,000,384</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Community development projects	-	-	-	2,386,420
Public safety	-	-	-	68,064
Culture and leisure	-	-	-	40,394
Transportation	-	-	-	3,008,631
Capital Projects	-	-	8,753,013	8,753,956
<b>Assigned to:</b>				
Capital Projects	-	-	-	2,624,852
<b>Unassigned</b>	<b>(2,049,825)</b>	<b>535,652</b>	<b>-</b>	<b>(1,547,898)</b>
<b>Total Fund Balances</b>	<b>(2,049,825)</b>	<b>535,652</b>	<b>8,753,013</b>	<b>15,334,419</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 2,049,877</b>	<b>\$ 535,652</b>	<b>\$ 8,793,604</b>	<b>\$ 21,161,936</b>

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## CITY OF BANNING

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2016

	Special Revenue Funds			
	Gas Tax Street	Measure A	SB 300 Street	Article 3 Sidewalk
<b>Revenues:</b>				
Taxes	\$ -	\$ 527,726	\$ -	\$ -
Intergovernmental	664,878	-	-	-
Use of money and property	1,049	6,423	236	192
Contributions	-	-	-	-
Miscellaneous	1,142	-	-	-
<b>Total Revenues</b>	<b>667,069</b>	<b>534,149</b>	<b>236</b>	<b>192</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Transportation	970,221	-	-	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<b>970,221</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(303,152)	534,149	236	192
<b>Other Financing Sources (Uses):</b>				
Transfers in	164,325	13,303	-	-
Transfers out	-	-	-	(13,303)
<b>Total Other Financing Sources (Uses)</b>	<b>164,325</b>	<b>13,303</b>	<b>-</b>	<b>(13,303)</b>
Special Item	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>(138,827)</b>	<b>547,452</b>	<b>236</b>	<b>(13,111)</b>
Fund Balances, Beginning of Year	280,619	1,465,221	71,573	13,111
<b>Fund Balances, End of Year</b>	<b>\$ 141,792</b>	<b>\$ 2,012,673</b>	<b>\$ 71,809</b>	<b>\$ -</b>



## CITY OF BANNING

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2016

(CONTINUED)

	Special Revenue Funds			
	Community Development Block Grant	Landscape Maintenance District	AQMD Air Pollution Program	Asset Forfeiture
<b>Revenues:</b>				
Taxes	\$ -	\$ 136,194	\$ -	\$ -
Intergovernmental	354,459	-	38,491	-
Use of money and property	-	993	717	10
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>354,459</b>	<b>137,187</b>	<b>39,208</b>	<b>10</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Transportation	-	89,014	-	-
Capital outlay	388,185	-	300,618	-
<b>Total Expenditures</b>	<b>388,185</b>	<b>89,014</b>	<b>300,618</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(33,726)	48,173	(261,410)	10
<b>Other Financing Sources (Uses):</b>				
Transfers in	11,916	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>11,916</b>	<b>-</b>	<b>-</b>	<b>-</b>
Special Item	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>(21,810)</b>	<b>48,173</b>	<b>(261,410)</b>	<b>10</b>
Fund Balances, Beginning of Year	(11,915)	271,629	276,750	2,517
<b>Fund Balances, End of Year</b>	<b>\$ (33,725)</b>	<b>\$ 319,802</b>	<b>\$ 15,340</b>	<b>\$ 2,527</b>

## CITY OF BANNING

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2016

	Special Revenue Funds			
	Supplemental Law Enforcement	State Park Bond Act	Special Donations	Senior Center Activities
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	38,269	-	-	-
Use of money and property	487	3	-	144
Contributions	-	-	10,200	1,724
Miscellaneous	-	-	-	4,488
<b>Total Revenues</b>	<b>38,756</b>	<b>3</b>	<b>10,200</b>	<b>6,356</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	22,717	-	-	-
Community development	-	-	9,238	12,457
Transportation	-	-	-	-
Capital outlay	16,039	-	-	-
<b>Total Expenditures</b>	<b>38,756</b>	<b>-</b>	<b>9,238</b>	<b>12,457</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	3	962	(6,101)
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Special Item	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>3</b>	<b>962</b>	<b>(6,101)</b>
Fund Balances, Beginning of Year	-	940	21,083	46,495
<b>Fund Balances, End of Year</b>	<b>\$ -</b>	<b>\$ 943</b>	<b>\$ 22,045</b>	<b>\$ 40,394</b>

## CITY OF BANNING

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2016

(CONTINUED)

	Special Revenue Funds			
	Animal Control Reserve	Police Volunteer	Ramsey/ Highland Home Signal	Wilson Median Improvement
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Use of money and property	18	3	285	1,339
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>18</b>	<b>3</b>	<b>285</b>	<b>1,339</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	242	-	-
Transportation	-	-	-	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>242</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	18	(239)	285	1,339
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Special Item	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>18</b>	<b>(239)</b>	<b>285</b>	<b>1,339</b>
Fund Balances, Beginning of Year	4,934	1,180	81,160	379,771
<b>Fund Balances, End of Year</b>	<b>\$ 4,952</b>	<b>\$ 941</b>	<b>\$ 81,445</b>	<b>\$ 381,110</b>

## CITY OF BANNING

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2016

	Special Revenue Funds		Capital Projects Funds	
	Riverside County MOU	Banning Housing Authority	Police Facilities Development	Fire Facilities Development
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	500,515	-	-	-
Use of money and property	-	950	18	3,344
Contributions	-	-	-	-
Miscellaneous	-	20,250	-	-
<b>Total Revenues</b>	<b>500,515</b>	<b>21,200</b>	<b>18</b>	<b>3,344</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	477,946	-	-	-
Community development	-	3,523	-	-
Transportation	-	-	-	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<b>477,946</b>	<b>3,523</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	22,569	17,677	18	3,344
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Special Item	-	(534,549)	-	-
<b>Net Change in Fund Balances</b>	<b>22,569</b>	<b>(516,872)</b>	<b>18</b>	<b>3,344</b>
Fund Balances, Beginning of Year	38,016	2,864,966	11,763	949,504
<b>Fund Balances, End of Year</b>	<b>\$ 60,585</b>	<b>\$ 2,348,094</b>	<b>\$ 11,781</b>	<b>\$ 952,848</b>

## CITY OF BANNING

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2016

(CONTINUED)

	Capital Projects Funds			
	Traffic Control Facilities	General Facilities	Park Development	Capital Improvement
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Use of money and property	1,553	1,538	474	38
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>1,553</b>	<b>1,538</b>	<b>474</b>	<b>38</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Transportation	-	-	-	-
Capital outlay	-	-	2,575	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>2,575</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,553	1,538	(2,101)	38
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Special Item	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>1,553</b>	<b>1,538</b>	<b>(2,101)</b>	<b>38</b>
Fund Balances, Beginning of Year	440,859	436,469	143,294	638,573
<b>Fund Balances, End of Year</b>	<b>\$ 442,412</b>	<b>\$ 438,007</b>	<b>\$ 141,193</b>	<b>\$ 638,611</b>



## CITY OF BANNING

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2016

	Capital Projects Funds			Total Governmental Funds
	Sunset Grade Separation	BEA Low/Mod Capital Project Fund	BEA Capital Project Fund	
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ 663,920
Intergovernmental	-	-	-	1,596,612
Use of money and property	-	1,105	3,885	24,804
Contributions	-	-	-	11,924
Miscellaneous	-	-	-	25,880
<b>Total Revenues</b>	<b>-</b>	<b>1,105</b>	<b>3,885</b>	<b>2,323,140</b>
<b>Expenditures:</b>				
Current:				
General government	-	2	51,905	51,907
Public safety	-	-	-	500,663
Community development	-	-	-	25,460
Transportation	-	-	-	1,059,235
Capital outlay	-	-	-	707,417
<b>Total Expenditures</b>	<b>-</b>	<b>2</b>	<b>51,905</b>	<b>2,344,682</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	1,103	(48,020)	(21,542)
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	189,544
Transfers out	-	-	-	(13,303)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>176,241</b>
Special Item	-	534,549	8,801,033	8,801,033
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>535,652</b>	<b>8,753,013</b>	<b>8,955,732</b>
Fund Balances, Beginning of Year	(2,049,825)	-	-	6,378,687
<b>Fund Balances, End of Year</b>	<b>\$ (2,049,825)</b>	<b>\$ 535,652</b>	<b>\$ 8,753,013</b>	<b>\$ 15,334,419</b>

## CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
 GAS TAX STREET  
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 280,619	\$ 280,619	\$ 280,619	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	647,606	1,023,306	664,878	(358,428)
Use of money and property	900	900	1,049	149
Miscellaneous	1,500	1,500	1,142	(358)
Transfers in	164,325	245,055	164,325	(80,730)
<b>Amounts Available for Appropriations</b>	<b>1,094,950</b>	<b>1,551,380</b>	<b>1,112,013</b>	<b>(439,367)</b>
<b>Charges to Appropriations (Outflow):</b>				
Transportation	971,834	1,389,954	970,221	419,733
Capital outlay	-	26	-	26
<b>Total Charges to Appropriations</b>	<b>971,834</b>	<b>1,389,980</b>	<b>970,221</b>	<b>419,759</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 123,116</b>	<b>\$ 161,400</b>	<b>\$ 141,792</b>	<b>\$ (19,608)</b>

## CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
 MEASURE A  
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 1,465,221	\$ 1,465,221	\$ 1,465,221	\$ -
<b>Resources (Inflows):</b>				
Taxes	535,000	535,000	527,726	(7,274)
Intergovernmental	182,000	182,000	-	(182,000)
Use of money and property	2,200	2,200	6,423	4,223
Transfers in	-	-	13,303	13,303
<b>Amounts Available for Appropriations</b>	<b>2,184,421</b>	<b>2,184,421</b>	<b>2,012,673</b>	<b>(171,748)</b>
<b>Charges to Appropriations (Outflow):</b>				
Transportation	75,000	117,480	-	117,480
Capital outlay	605,000	1,006,837	-	1,006,837
<b>Total Charges to Appropriations</b>	<b>680,000</b>	<b>1,124,317</b>	<b>-</b>	<b>1,124,317</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,504,421</b>	<b>\$ 1,060,104</b>	<b>\$ 2,012,673</b>	<b>\$ 952,569</b>

## CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
 SB 300 STREET  
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 71,573	\$ 71,573	\$ 71,573	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	200	200	236	36
<b>Amounts Available for Appropriations</b>	<b>71,773</b>	<b>71,773</b>	<b>71,809</b>	<b>36</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 71,773</b>	<b>\$ 71,773</b>	<b>\$ 71,809</b>	<b>\$ 36</b>

## CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
 ARTICLE 3 SIDEWALK  
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Budgetary Fund Balance, July 1	\$ 13,111	\$ 13,111	\$ 13,111	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	25	25	192	167
<b>Amounts Available for Appropriations</b>	<b>13,136</b>	<b>13,136</b>	<b>13,303</b>	<b>167</b>
<b>Charges to Appropriations (Outflow):</b>				
Transfers out	-	-	13,303	(13,303)
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>-</b>	<b>13,303</b>	<b>(13,303)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 13,136</b>	<b>\$ 13,136</b>	<b>\$ -</b>	<b>\$ (13,136)</b>



## CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
 COMMUNITY DEVELOPMENT BLOCK GRANT  
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ (11,915)	\$ (11,915)	\$ (11,915)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	436,469	354,459	(82,010)
Transfers in	-	11,916	11,916	-
<b>Amounts Available for Appropriations</b>	<b>(11,915)</b>	<b>436,470</b>	<b>354,460</b>	<b>(82,010)</b>
<b>Charges to Appropriations (Outflow):</b>				
Capital outlay	-	436,469	388,185	48,284
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>436,469</b>	<b>388,185</b>	<b>48,284</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (11,915)</b>	<b>\$ 1</b>	<b>\$ (33,725)</b>	<b>\$ (33,726)</b>

## CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
 LANDSCAPE MAINTENANCE DISTRICT  
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 271,629	\$ 271,629	\$ 271,629	\$ -
<b>Resources (Inflows):</b>				
Taxes	135,812	136,658	136,194	(464)
Use of money and property	350	350	993	643
Miscellaneous	121	121	-	(121)
<b>Amounts Available for Appropriations</b>	<b>407,912</b>	<b>408,758</b>	<b>408,816</b>	<b>58</b>
<b>Charges to Appropriations (Outflow):</b>				
Transportation	130,227	130,227	89,014	41,213
<b>Total Charges to Appropriations</b>	<b>130,227</b>	<b>130,227</b>	<b>89,014</b>	<b>41,213</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 277,685</b>	<b>\$ 278,531</b>	<b>\$ 319,802</b>	<b>\$ 41,271</b>

## CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
 AQMD AIR POLLUTION PROGRAM  
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 276,750	\$ 276,750	\$ 276,750	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	30,000	60,000	38,491	(21,509)
Use of money and property	300	300	717	417
<b>Amounts Available for Appropriations</b>	<b>307,050</b>	<b>337,050</b>	<b>315,958</b>	<b>(21,092)</b>
<b>Charges to Appropriations (Outflow):</b>				
Community development	3,000	3,000	-	3,000
Capital outlay	-	300,620	300,618	2
<b>Total Charges to Appropriations</b>	<b>3,000</b>	<b>303,620</b>	<b>300,618</b>	<b>3,002</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 304,050</b>	<b>\$ 33,430</b>	<b>\$ 15,340</b>	<b>\$ (18,090)</b>

## CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
 SUPPLEMENTAL LAW ENFORCEMENT  
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1,	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	200,132	38,269	(161,863)
Use of money and property	100	260	487	227
<b>Amounts Available for Appropriations</b>	<b>100</b>	<b>200,392</b>	<b>38,756</b>	<b>(161,636)</b>
<b>Charges to Appropriations (Outflow):</b>				
Public safety	-	86,104	22,717	63,387
Capital outlay	-	116,138	16,039	100,099
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>202,242</b>	<b>38,756</b>	<b>163,486</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 100</b>	<b>\$ (1,850)</b>	<b>\$ -</b>	<b>\$ 1,850</b>

## CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
 SPECIAL DONATIONS  
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 21,083	\$ 21,083	\$ 21,083	\$ -
<b>Resources (Inflows):</b>				
Contributions	5,000	8,700	10,200	1,500
<b>Amounts Available for Appropriations</b>	<b>26,083</b>	<b>29,783</b>	<b>31,283</b>	<b>1,500</b>
<b>Charges to Appropriations (Outflow):</b>				
Community development	5,000	8,705	9,238	(533)
<b>Total Charges to Appropriations</b>	<b>5,000</b>	<b>8,705</b>	<b>9,238</b>	<b>(533)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 21,083</b>	<b>\$ 21,078</b>	<b>\$ 22,045</b>	<b>\$ 967</b>



## CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
 SENIOR CENTER ACTIVITIES  
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 46,495	\$ 46,495	\$ 46,495	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	100	100	144	44
Contributions	2,800	2,800	1,724	(1,076)
Miscellaneous	4,400	4,865	4,488	(377)
<b>Amounts Available for Appropriations</b>	<b>53,795</b>	<b>54,260</b>	<b>52,851</b>	<b>(1,409)</b>
<b>Charges to Appropriations (Outflow):</b>				
Community development	15,000	16,650	12,457	4,193
<b>Total Charges to Appropriations</b>	<b>15,000</b>	<b>16,650</b>	<b>12,457</b>	<b>4,193</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 38,795</b>	<b>\$ 37,610</b>	<b>\$ 40,394</b>	<b>\$ 2,784</b>

## CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
 ANIMAL CONTROL RESERVE  
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 4,934	\$ 4,934	\$ 4,934	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	-	5	18	13
<b>Amounts Available for Appropriation</b>	<b>4,934</b>	<b>4,939</b>	<b>4,952</b>	<b>13</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 4,934</b>	<b>\$ 4,939</b>	<b>\$ 4,952</b>	<b>\$ 13</b>

## CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
 POLICE VOLUNTEER  
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 1,180	\$ 1,180	\$ 1,180	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	-	5	3	(2)
Transfers in	1,500	1,500	-	(1,500)
<b>Amounts Available for Appropriations</b>	<b>2,680</b>	<b>2,685</b>	<b>1,183</b>	<b>(1,502)</b>
<b>Charges to Appropriations (Outflow):</b>				
Community development	1,500	2,681	242	2,439
<b>Total Charges to Appropriations</b>	<b>1,500</b>	<b>2,681</b>	<b>242</b>	<b>2,439</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,180</b>	<b>\$ 4</b>	<b>\$ 941</b>	<b>\$ 937</b>

## CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
 RAMSEY/HIGHLAND HOME SIGNAL  
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 81,160	\$ 81,160	\$ 81,160	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	150	150	285	135
<b>Amounts Available for Appropriation</b>	<b>81,310</b>	<b>81,310</b>	<b>81,445</b>	<b>135</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 81,310</b>	<b>\$ 81,310</b>	<b>\$ 81,445</b>	<b>\$ 135</b>

## CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
 WILSON MEDIAN IMPROVEMENT  
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 379,771	\$ 379,771	\$ 379,771	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	700	700	1,339	639
<b>Amounts Available for Appropriation</b>	<b>380,471</b>	<b>380,471</b>	<b>381,110</b>	<b>639</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 380,471</b>	<b>\$ 380,471</b>	<b>\$ 381,110</b>	<b>\$ 639</b>



## CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
 RIVERSIDE COUNTY MOU  
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 38,016	\$ 38,016	\$ 38,016	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	497,000	500,515	500,515	-
Use of money and property	175	175	-	(175)
Transfers in	160,800	50,000	-	(50,000)
<b>Amounts Available for Appropriations</b>	<b>695,991</b>	<b>588,706</b>	<b>538,531</b>	<b>(50,175)</b>
<b>Charges to Appropriations (Outflow):</b>				
Public safety	684,560	521,021	477,946	43,075
<b>Total Charges to Appropriations</b>	<b>684,560</b>	<b>521,021</b>	<b>477,946</b>	<b>43,075</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 11,431</b>	<b>\$ 67,685</b>	<b>\$ 60,585</b>	<b>\$ (7,100)</b>

## CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
 BANNING HOUSING AUTHORITY  
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Budgetary Fund Balance, July 1	\$2,864,966	\$ 2,864,966	\$ 2,864,966	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	950	950	950	-
Miscellaneous	-	305,425	20,250	(285,175)
<b>Amounts Available for Appropriations</b>	<b>2,865,916</b>	<b>3,171,341</b>	<b>2,886,166</b>	<b>(285,175)</b>
<b>Charges to Appropriation (Outflow):</b>				
Community development	-	3,523	3,523	-
Special Item	-	-	534,549	(534,549)
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>3,523</b>	<b>538,072</b>	<b>(534,549)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$2,865,916</b>	<b>\$ 3,167,818</b>	<b>\$ 2,348,094</b>	<b>\$ (819,724)</b>

## CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
 POLICE FACILITIES DEVELOPMENT  
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 11,763	\$ 11,763	\$ 11,763	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	50	50	18	(32)
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 11,813</b>	<b>\$ 11,813</b>	<b>\$ 11,781</b>	<b>\$ (32)</b>

## CITY OF BANNING

**BUDGETARY COMPARISON SCHEDULE**  
**FIRE FACILITIES DEVELOPMENT**  
**YEAR ENDED JUNE 30, 2016**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 949,504	\$ 949,504	\$ 949,504	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	1,500	1,500	3,344	1,844
<b>Amounts Available for Appropriation</b>	<b>951,004</b>	<b>951,004</b>	<b>952,848</b>	<b>1,844</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 951,004</b>	<b>\$ 951,004</b>	<b>\$ 952,848</b>	<b>\$ 1,844</b>

## CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
 TRAFFIC CONTROL FACILITIES  
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 440,859	\$ 440,859	\$ 440,859	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	750	750	1,553	803
Miscellaneous	250	250	-	(250)
<b>Amounts Available for Appropriations</b>	<b>441,859</b>	<b>441,859</b>	<b>442,412</b>	<b>553</b>
<b>Charges to Appropriations (Outflow):</b>				
Transportation	-	25,000	-	25,000
Capital outlay	-	20,000	-	20,000
Transfers out	-	80,730	-	80,730
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>125,730</b>	<b>-</b>	<b>125,730</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 441,859</b>	<b>\$ 316,129</b>	<b>\$ 442,412</b>	<b>\$ 126,283</b>

## CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
 GENERAL FACILITIES  
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 436,469	\$ 436,469	\$ 436,469	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	800	800	1,538	738
<b>Amounts Available for Appropriations</b>	<b>437,269</b>	<b>437,269</b>	<b>438,007</b>	<b>738</b>
<b>Charges to Appropriations (Outflow):</b>				
Capital outlay	-	60,000	-	60,000
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>60,000</b>	<b>-</b>	<b>60,000</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 437,269</b>	<b>\$ 377,269</b>	<b>\$ 438,007</b>	<b>\$ 60,738</b>



## CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
 PARK DEVELOPMENT  
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 143,294	\$ 143,294	\$ 143,294	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	39,300	-	(39,300)
Use of money and property	250	250	474	224
Miscellaneous	1,955	-	-	-
<b>Amounts Available for Appropriations</b>	<b>145,499</b>	<b>182,844</b>	<b>143,768</b>	<b>(39,076)</b>
<b>Charges to Appropriations (Outflow):</b>				
Capital outlay	-	3,375	2,575	800
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>3,375</b>	<b>2,575</b>	<b>800</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 145,499</b>	<b>\$ 179,469</b>	<b>\$ 141,193</b>	<b>\$ (38,276)</b>

## CITY OF BANNING

BUDGETARY COMPARISON SCHEDULE  
 CAPITAL IMPROVEMENT  
 YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 638,573	\$ 638,573	\$ 638,573	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	300	300	38	(262)
<b>Amounts Available for Appropriations</b>	<b>638,873</b>	<b>638,873</b>	<b>638,611</b>	<b>(262)</b>
<b>Charges to Appropriations (Outflow):</b>				
Capital outlay	-	120,000	-	120,000
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>120,000</b>	<b>-</b>	<b>120,000</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 638,873</b>	<b>\$ 518,873</b>	<b>\$ 638,611</b>	<b>\$ 119,738</b>

## CITY OF BANNING

COMBINING STATEMENT OF NET POSITION  
NONMAJOR PROPRIETARY FUNDS  
JUNE 30, 2016

	Business-Type Activities - Enterprise Funds			
	Airport	Transit	Refuse Utility	Totals
<b>Assets:</b>				
Current:				
Cash and investments	\$ 32,866	\$ 1,115,513	\$ 921,469	\$ 2,069,848
Receivables:				
Accounts	111,511	909	484,798	597,218
Notes and loans	-	2,912	-	2,912
Interest	34	1,688	1,292	3,014
Due from other funds	-	83,759	-	83,759
Inventories	11,826	-	-	11,826
<b>Total Current Assets</b>	<b>156,237</b>	<b>1,204,781</b>	<b>1,407,559</b>	<b>2,768,577</b>
Noncurrent:				
Capital assets - net of accumulated depreciation	2,982,714	374,687	-	3,357,401
<b>Total Noncurrent Assets</b>	<b>2,982,714</b>	<b>374,687</b>	<b>-</b>	<b>3,357,401</b>
<b>Total Assets</b>	<b>3,138,951</b>	<b>1,579,468</b>	<b>1,407,559</b>	<b>6,125,978</b>
<b>Deferred Outflows of Resources:</b>				
Pension related items	14,596	279,437	36,416	330,449
<b>Total Deferred Outflows of Resources</b>	<b>14,596</b>	<b>279,437</b>	<b>36,416</b>	<b>330,449</b>
<b>Liabilities:</b>				
Current:				
Accounts payable	14,738	5,589	233,770	254,097
Accrued liabilities	1,111	35,546	4,636	41,293
Unearned revenues	-	1,038,058	-	1,038,058
Deposits payable	22,222	-	95,512	117,734
Compensated absences	1,226	63,998	12,615	77,839
<b>Total Current Liabilities</b>	<b>39,297</b>	<b>1,143,191</b>	<b>346,533</b>	<b>1,529,021</b>
Noncurrent:				
Compensated absences	1,248	65,130	12,838	79,216
Net Pension Liability	85,880	1,556,572	208,651	1,851,103
<b>Total Noncurrent Liabilities</b>	<b>87,128</b>	<b>1,621,702</b>	<b>221,489</b>	<b>1,930,319</b>
<b>Total Liabilities</b>	<b>126,425</b>	<b>2,764,893</b>	<b>568,022</b>	<b>3,459,340</b>
<b>Deferred Inflows of Resources:</b>				
Pension related items	12,679	227,201	30,638	270,518
<b>Total Deferred Inflows of Resources</b>	<b>12,679</b>	<b>227,201</b>	<b>30,638</b>	<b>270,518</b>
<b>Net Position:</b>				
Investment in capital assets	2,982,714	374,687	-	3,357,401
Unrestricted	31,729	(1,507,876)	845,315	(630,832)
<b>Total Net Position</b>	<b>\$ 3,014,443</b>	<b>\$ (1,133,189)</b>	<b>\$ 845,315</b>	<b>\$ 2,726,569</b>

## CITY OF BANNING

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
NONMAJOR PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2016

	Business-Type Activities - Enterprise Funds			
	Airport	Transit	Refuse Utility	Totals
<b>Operating Revenues:</b>				
Sales and service charges	\$ 136,789	\$ 138,753	\$ 3,364,634	\$ 3,640,176
Miscellaneous	-	49	8,250	8,299
<b>Total Operating Revenues</b>	<b>136,789</b>	<b>138,802</b>	<b>3,372,884</b>	<b>3,648,475</b>
<b>Operating Expenses:</b>				
Salaries and benefits	12,399	1,069,408	93,694	1,175,501
Supplies and services	91,338	589,965	2,979,170	3,660,473
Repairs and maintenance	3,369	3,791	-	7,160
Bad debt expense	-	-	9,721	9,721
Depreciation expense	206,578	220,909	-	427,487
<b>Total Operating Expenses</b>	<b>313,684</b>	<b>1,884,073</b>	<b>3,082,585</b>	<b>5,280,342</b>
Operating Income (Loss)	(176,895)	(1,745,271)	290,299	(1,631,867)
<b>Nonoperating Revenues:</b>				
Intergovernmental	121,349	1,774,316	40,336	1,936,001
Interest revenue and change in fair value of investments	163	1,902	3,164	5,229
<b>Total Nonoperating Revenues (Expenses)</b>	<b>121,512</b>	<b>1,776,218</b>	<b>43,500</b>	<b>1,941,230</b>
Income (Loss) Before Transfers	(55,383)	30,947	333,799	309,363
Transfers in	-	83,759	-	83,759
Transfers out	-	-	(55,000)	(55,000)
Changes in Net Position	(55,383)	114,706	278,799	338,122
<b>Net Position:</b>				
Beginning of Year	3,069,826	(1,247,895)	566,516	2,388,447
<b>End of Fiscal Year</b>	<b>\$ 3,014,443</b>	<b>\$ (1,133,189)</b>	<b>\$ 845,315</b>	<b>\$ 2,726,569</b>

## CITY OF BANNING

COMBINING STATEMENT OF CASH FLOWS  
 NONMAJOR PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2016

	Business-Type Activities - Enterprise Funds			
	Airport	Transit	Refuse Utility	Totals
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers and users	\$ 43,988	\$ 137,844	\$ 3,271,305	\$ 3,453,137
Cash received from/(paid to) interfund service provided	-	49	-	49
Cash paid to suppliers for goods and services	(93,074)	(674,026)	(2,997,086)	(3,764,186)
Cash paid to employees for services	(12,180)	(1,075,394)	(85,761)	(1,173,335)
Cash received from others	-	-	8,250	8,250
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(61,266)</b>	<b>(1,611,527)</b>	<b>196,708</b>	<b>(1,476,085)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Cash transfers in	-	83,759	-	83,759
Cash transfers out	-	-	(55,000)	(55,000)
Intergovernmental	121,349	1,690,557	40,336	1,852,242
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>121,349</b>	<b>1,774,316</b>	<b>(14,664)</b>	<b>1,881,001</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition and construction of capital assets	(124,377)	(304,569)	-	(428,946)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(124,377)</b>	<b>(304,569)</b>	<b>-</b>	<b>(428,946)</b>
<b>Cash Flows from Investing Activities:</b>				
Issuance of notes and loans receivable	-	646	-	646
Interest received and change in fair value of investments	216	1,123	2,703	4,042
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>216</b>	<b>1,769</b>	<b>2,703</b>	<b>4,688</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(64,078)</b>	<b>(140,011)</b>	<b>184,747</b>	<b>(19,342)</b>
Cash and Cash Equivalents at Beginning of Year	96,944	1,255,524	736,722	2,089,190
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 32,866</b>	<b>\$ 1,115,513</b>	<b>\$ 921,469</b>	<b>\$ 2,069,848</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ (176,895)	\$ (1,745,271)	\$ 290,299	\$ (1,631,867)
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>				
Depreciation	206,578	220,909	-	427,487
(Increase) decrease in accounts receivable	(92,175)	(909)	(85,800)	(178,884)
(Increase) decrease in inventories	4,597	-	-	4,597
Increase (decrease) in accounts payable	(3,760)	1,757	(20,915)	(22,918)
Increase (decrease) in accrued liabilities	796	5,776	2,999	9,571
Increase (decrease) in deposits payable	(626)	-	2,192	1,566
Increase (decrease) in unearned revenue	-	(87,803)	-	(87,803)
Increase (decrease) in employee salary/benefit obligations	(1,558)	(31,045)	(3,965)	(36,568)
Increase (decrease) in compensated absences	1,777	25,059	11,898	38,734
<b>Total Adjustments</b>	<b>115,629</b>	<b>133,744</b>	<b>(93,591)</b>	<b>155,782</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (61,266)</b>	<b>\$ (1,611,527)</b>	<b>\$ 196,708</b>	<b>\$ (1,476,085)</b>

## CITY OF BANNING

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2016

	Governmental Activities				
	Self Insurance	Fleet Maintenance	Information Services	Utility Billing Services	Totals
<b>Assets:</b>					
Current:					
Pooled cash and investments	\$ 3,911,863	\$ 753,463	\$ 108,811	\$ 382,691	\$ 5,156,828
Receivables:					
Accounts	5,159	21,833	87	12,227	39,306
Interest	2,385	974	160	501	4,020
Due from other governments	29,509	122	-	-	29,631
Inventories	-	67,620	-	-	67,620
<b>Total Current Assets</b>	<b>3,948,916</b>	<b>844,012</b>	<b>109,058</b>	<b>395,419</b>	<b>5,297,405</b>
Noncurrent:					
Capital assets - net of accumulated depreciation	-	281,332	66,513	10,432	358,277
<b>Total Noncurrent Assets</b>	<b>-</b>	<b>281,332</b>	<b>66,513</b>	<b>10,432</b>	<b>358,277</b>
<b>Total Assets</b>	<b>3,948,916</b>	<b>1,125,344</b>	<b>175,571</b>	<b>405,851</b>	<b>5,655,682</b>
<b>Deferred Outflows of Resources:</b>					
Pension related outflows	69,185	96,482	87,239	348,764	601,670
<b>Total Deferred Outflows of Resources</b>	<b>69,185</b>	<b>96,482</b>	<b>87,239</b>	<b>348,764</b>	<b>601,670</b>
<b>Liabilities and Net Position:</b>					
<b>Liabilities:</b>					
Current:					
Accounts payable	99,637	109,731	2,400	21,236	233,004
Accrued liabilities	7,690	12,366	12,432	52,235	84,723
Compensated absences	10,855	18,083	17,488	65,947	112,373
Claims and judgments	324,458	-	-	-	324,458
<b>Total Current Liabilities</b>	<b>442,640</b>	<b>140,180</b>	<b>32,320</b>	<b>139,418</b>	<b>754,558</b>
Noncurrent:					
Net pension liability	431,302	572,395	513,276	1,994,830	3,511,803
Compensated absences	10,912	26,080	19,722	-	56,714
Claims and judgments	1,151,267	-	-	-	1,151,267
<b>Total Noncurrent Liabilities</b>	<b>1,593,481</b>	<b>598,475</b>	<b>532,998</b>	<b>1,994,830</b>	<b>4,719,784</b>
<b>Total Liabilities</b>	<b>2,036,121</b>	<b>738,655</b>	<b>565,318</b>	<b>2,134,248</b>	<b>5,474,342</b>
<b>Deferred Inflows of Resources:</b>					
Pension related items	64,405	84,652	75,783	292,817	517,657
<b>Total Deferred Inflows of Resources</b>	<b>64,405</b>	<b>84,652</b>	<b>75,783</b>	<b>292,817</b>	<b>517,657</b>
<b>Net Position:</b>					
Investment in capital assets	-	281,332	66,513	10,432	358,277
Unrestricted	1,917,575	117,187	(444,804)	(1,682,882)	(92,924)
<b>Total Net Position</b>	<b>\$ 1,917,575</b>	<b>\$ 398,519</b>	<b>\$ (378,291)</b>	<b>\$ (1,672,450)</b>	<b>\$ 265,353</b>



## CITY OF BANNING

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2016

	Governmental Activities				
	Self Insurance	Fleet Maintenance	Information Services	Utility Billing Services	Totals
<b>Operating Revenues:</b>					
Sales and service charges	\$ 2,444,940	\$ 1,112,403	\$ 453,828	\$ 1,921,299	\$ 5,932,470
Miscellaneous	189,995	10,419	39	-	200,453
<b>Total Operating Revenues</b>	<b>2,634,935</b>	<b>1,122,822</b>	<b>453,867</b>	<b>1,921,299</b>	<b>6,132,923</b>
<b>Operating Expenses:</b>					
Salaries and benefits	207,164	363,856	274,872	1,261,095	2,106,987
Supplies and services	1,045,261	587,349	54,282	553,954	2,240,846
Repairs and maintenance	1,857	161,683	97,541	40,989	302,070
Cost of sales and services	-	-	-	826	826
Insurance premiums	865,398	-	-	-	865,398
Depreciation expense	-	11,389	35,826	6,259	53,474
<b>Total Operating Expenses</b>	<b>2,119,680</b>	<b>1,124,277</b>	<b>462,521</b>	<b>1,863,123</b>	<b>5,569,601</b>
Operating Income (Loss)	515,255	(1,455)	(8,654)	58,176	563,322
<b>Nonoperating Revenues:</b>					
Interest revenue and change in fair value	71,269	2,404	349	1,340	75,362
<b>Total Nonoperating Revenues (Expenses)</b>	<b>71,269</b>	<b>2,404</b>	<b>349</b>	<b>1,340</b>	<b>75,362</b>
Changes in Net Position	586,524	949	(8,305)	59,516	638,684
<b>Net Position:</b>					
Beginning of Year	1,331,051	397,570	(369,986)	(1,731,966)	(373,331)
<b>End of Fiscal Year</b>	<b>\$ 1,917,575</b>	<b>\$ 398,519</b>	<b>\$ (378,291)</b>	<b>\$ (1,672,450)</b>	<b>\$ 265,353</b>

## CITY OF BANNING

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2016

	Governmental Activities				
	Self Insurance	Fleet Maintenance	Information Services	Utility Billing Services	Totals
<b>Cash Flows from Operating Activities:</b>					
Cash received from customers and users	\$ 2,439,781	\$ 1,098,403	\$ 454,034	\$ 1,923,536	\$ 5,915,754
Cash received from interfund service provided	231,339	10,383	39	-	241,761
Cash paid to suppliers for goods and services	(1,776,459)	(712,282)	(150,066)	(565,075)	(3,203,882)
Cash paid to employees for services	(209,446)	(367,680)	(280,581)	(1,297,821)	(2,155,528)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>685,215</b>	<b>28,824</b>	<b>23,426</b>	<b>60,640</b>	<b>798,105</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Acquisition and construction of capital assets	-	-	(47,567)	-	(47,567)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>-</b>	<b>-</b>	<b>(47,567)</b>	<b>-</b>	<b>(47,567)</b>
<b>Cash Flows from Investing Activities:</b>					
Interest received	70,389	2,267	345	1,236	74,237
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>70,389</b>	<b>2,267</b>	<b>345</b>	<b>1,236</b>	<b>74,237</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>755,604</b>	<b>31,091</b>	<b>(23,796)</b>	<b>61,876</b>	<b>824,775</b>
Cash and Cash Equivalents at Beginning of Year	3,156,259	722,372	132,607	320,815	4,332,053
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 3,911,863</b>	<b>\$ 753,463</b>	<b>\$ 108,811</b>	<b>\$ 382,691</b>	<b>\$ 5,156,828</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>					
Operating income (loss)	\$ 515,255	\$ (1,455)	\$ (8,654)	\$ 58,176	\$ 563,322
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>					
Depreciation	-	11,389	35,826	6,259	53,474
(Increase) decrease in accounts receivable	(5,159)	(14,000)	206	2,237	(16,716)
(Increase) decrease in due from other governments	41,344	(36)	-	-	41,308
(Increase) decrease in inventories	-	(6,552)	-	-	(6,552)
Increase (decrease) in accounts payable	(72,172)	40,198	(3,193)	10,416	(24,751)
Increase (decrease) in accrued liabilities	3,443	3,104	4,950	20,278	31,775
Increase (decrease) in employee salary/benefit obligations	(7,045)	(10,231)	(9,310)	(38,019)	(64,605)
Increase (decrease) in claims and judgments	204,786	-	-	-	204,786
Increase (decrease) in compensated absences	4,763	6,407	3,601	1,293	16,064
<b>Total Adjustments</b>	<b>169,960</b>	<b>30,279</b>	<b>32,080</b>	<b>2,464</b>	<b>234,783</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 685,215</b>	<b>\$ 28,824</b>	<b>\$ 23,426</b>	<b>\$ 60,640</b>	<b>\$ 798,105</b>

## CITY OF BANNING

COMBINING STATEMENT OF ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 JUNE 30, 2016

	Sun Lake CFD 86-1	Special AD 91-1	Area Police Computer	Fair Oaks AD 2004-1	Cameo Homes	Totals
<b>Assets:</b>						
Pooled cash and investments	\$ 35,299	\$ 72,991	\$ 48,050	\$ 172,941	\$ 46,145	\$ 375,426
Receivables:						
Interest	50	87	64	181	65	447
Due from other governments	-	-	-	4,419	-	4,419
Restricted assets:						
Cash and investments with fiscal agents	-	-	-	223,096	-	223,096
<b>Total Assets</b>	<b>\$ 35,349</b>	<b>\$ 73,078</b>	<b>\$ 48,114</b>	<b>\$ 400,637</b>	<b>\$ 46,210</b>	<b>\$ 603,388</b>
<b>Liabilities:</b>						
Accounts payable	\$ -	\$ -	\$ 1,877	\$ 77	\$ -	\$ 1,954
Deposits payable	-	19,958	-	17,656	40,000	77,614
Due to bondholders	35,349	53,120	46,237	382,904	6,210	523,820
<b>Total Liabilities</b>	<b>\$ 35,349</b>	<b>\$ 73,078</b>	<b>\$ 48,114</b>	<b>\$ 400,637</b>	<b>\$ 46,210</b>	<b>\$ 603,388</b>

## CITY OF BANNING

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 YEAR ENDED JUNE 30, 2016

	Balance 7/1/2015	Additions	Deductions	Balance 6/30/2016
<b><u>Sun Lake CFD 86-1</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 35,185	\$ 125	\$ 11	\$ 35,299
Receivables:				
Interest	40	50	40	50
<b>Total Assets</b>	<b>\$ 35,225</b>	<b>\$ 175</b>	<b>\$ 51</b>	<b>\$ 35,349</b>
<b>Liabilities:</b>				
Due to bondholders	\$ 35,225	\$ 175	\$ 51	\$ 35,349
<b>Total Liabilities</b>	<b>\$ 35,225</b>	<b>\$ 175</b>	<b>\$ 51</b>	<b>\$ 35,349</b>
<b><u>Special AD 91-1</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 50,445	\$ 22,562	\$ 16	\$ 72,991
Receivables:				
Interest	57	87	57	87
Due from other governments	7,100	-	7,100	-
<b>Total Assets</b>	<b>\$ 57,602</b>	<b>\$ 22,649</b>	<b>\$ 7,173</b>	<b>\$ 73,078</b>
<b>Liabilities:</b>				
Deposits payable	\$ 4,701	\$ 15,257	\$ -	\$ 19,958
Due to bondholders	52,901	22,649	22,430	53,120
<b>Total Liabilities</b>	<b>\$ 57,602</b>	<b>\$ 37,906</b>	<b>\$ 22,430</b>	<b>\$ 73,078</b>
<b><u>Area Police Computer</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 46,378	\$ 54,357	\$ 52,685	\$ 48,050
Receivables:				
Interest	64	64	64	64
Due from other governments	-	25,729	25,729	-
<b>Total Assets</b>	<b>\$ 46,442</b>	<b>\$ 80,150</b>	<b>\$ 78,478</b>	<b>\$ 48,114</b>
<b>Liabilities:</b>				
Accounts payable	\$ 30,452	\$ 13,504	\$ 42,079	\$ 1,877
Due to bondholders	15,990	66,646	36,399	46,237
<b>Total Liabilities</b>	<b>\$ 46,442</b>	<b>\$ 80,150</b>	<b>\$ 78,478</b>	<b>\$ 48,114</b>

## CITY OF BANNING

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 YEAR ENDED JUNE 30, 2016

	Balance 7/1/2015	Additions	Deductions	Balance 6/30/2016
<b><u>Fair Oaks AD 2004-1</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 190,377	\$ 202,598	\$ 220,034	\$ 172,941
Receivables:				
Interest	154	181	154	181
Due from other governments	6,791	4,419	6,791	4,419
Restricted assets:				
Cash and investments with fiscal agents	223,069	35,115	35,088	223,096
<b>Total Assets</b>	<b>\$ 420,391</b>	<b>\$ 242,313</b>	<b>\$ 262,067</b>	<b>\$ 400,637</b>
<b>Liabilities:</b>				
Accounts payable	\$ 2,000	\$ 8,375	\$ 10,298	\$ 77
Deposits payable	32,656	-	15,000	17,656
Due to bondholders	385,735	233,938	236,769	382,904
<b>Total Liabilities</b>	<b>\$ 420,391</b>	<b>\$ 242,313</b>	<b>\$ 262,067</b>	<b>\$ 400,637</b>
<b><u>Cameo Homes</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 45,996	\$ 164	\$ 15	\$ 46,145
Receivables:				
Interest	52	65	52	65
<b>Total Assets</b>	<b>\$ 46,048</b>	<b>\$ 229</b>	<b>\$ 67</b>	<b>\$ 46,210</b>
<b>Liabilities:</b>				
Deposits payable	\$ 40,000	\$ -	\$ -	\$ 40,000
Due to bondholders	6,048	229	67	6,210
<b>Total Liabilities</b>	<b>\$ 46,048</b>	<b>\$ 229</b>	<b>\$ 67</b>	<b>\$ 46,210</b>
<b><u>Totals - All Agency Funds</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 368,381	\$ 279,806	\$ 272,761	\$ 375,426
Receivables:				
Interest	367	447	367	447
Due from other governments	13,891	30,148	39,620	4,419
Restricted assets:				
Cash and investments with fiscal agents	223,069	35,115	35,088	223,096
<b>Total Assets</b>	<b>\$ 605,708</b>	<b>\$ 345,516</b>	<b>\$ 347,836</b>	<b>\$ 603,388</b>
<b>Liabilities:</b>				
Accounts payable	\$ 32,452	\$ 21,879	\$ 52,377	\$ 1,954
Deposits payable	77,357	15,257	15,000	77,614
Due to bondholders	495,899	323,637	295,716	523,820
<b>Total Liabilities</b>	<b>\$ 605,708</b>	<b>\$ 360,773</b>	<b>\$ 363,093</b>	<b>\$ 603,388</b>

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# **ATTACHMENT B**



# BANNING UTILITY AUTHORITY

JUNE 30, 2016

COMPONENT UNIT FINANCIAL STATEMENTS

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on YOU



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BANNING UTILITY AUTHORITY  
BANNING, CALIFORNIA  
COMPONENT UNIT FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

BANNING UTILITY AUTHORITY  
COMPONENT UNIT FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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## INDEPENDENT AUDITORS' REPORT

To the Commission of the  
Banning Utility Authority  
City of Banning, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Banning Utility Authority (the Authority), a component unit of the City of Banning, California, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



To the Commission of the  
Banning Utility Authority  
City of Banning, California

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Banning Utility Authority, a component unit of the City of Banning, California, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### **Other Information**

Its discussed in Note 1, the financial statements present only the Banning Utility Authority Funds and are not intended to present fairly the financial position and results of operations of the City of Banning in conformity with accounting principles general accepted in the United States.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2017 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Brea, California  
March 31, 2017



## BANNING UTILITY AUTHORITY

STATEMENT OF NET POSITION  
JUNE 30, 2016

	Water Enterprise Fund	Wastewater Enterprise Fund	Totals
<b>Assets:</b>			
Current:			
Pooled cash and investments	\$ 14,781,245	\$ 17,911,528	\$ 32,692,773
Receivables:			
Accounts, net	1,640,281	497,026	2,137,307
Loans	2,307	-	2,307
Interest	22,628	25,237	47,865
Inventories	449,886	-	449,886
Restricted:			
Cash with fiscal agent	2,577,191	3,350,653	5,927,844
<b>Total Current Assets</b>	<b>19,473,538</b>	<b>21,784,444</b>	<b>41,257,982</b>
Noncurrent:			
Capital assets - net of accumulated depreciation	47,295,224	13,918,847	61,214,071
<b>Total Noncurrent Assets</b>	<b>47,295,224</b>	<b>13,918,847</b>	<b>61,214,071</b>
<b>Total Assets</b>	<b>66,768,762</b>	<b>35,703,291</b>	<b>102,472,053</b>
<b>Deferred Outflows of Resources:</b>			
Deferred charge on refunding	941,952	89,358	1,031,310
Deferred pension related items	405,636	202,259	607,895
<b>Total Deferred Outflows of Resources</b>	<b>1,347,588</b>	<b>291,617</b>	<b>1,639,205</b>
<b>Liabilities:</b>			
Current:			
Accounts payable	\$ 349,163	\$ 104,668	\$ 453,831
Accrued liabilities	49,051	21,278	70,329
Accrued interest	178,977	62,742	241,719
Deposits payable	167,388	91,800	259,188
Compensated absences	75,913	35,967	111,880
Bonds, notes, and capital leases	455,000	432,639	887,639
<b>Total Current Liabilities</b>	<b>1,275,492</b>	<b>749,094</b>	<b>2,024,586</b>
Noncurrent:			
Net Pension Liability	2,429,360	1,186,858	3,616,218
Compensated absences	77,256	36,604	113,860
Bonds, notes, and capital leases	26,376,516	5,994,753	32,371,269
<b>Total Noncurrent Liabilities</b>	<b>28,883,132</b>	<b>7,218,215</b>	<b>36,101,347</b>
<b>Total Liabilities</b>	<b>30,158,624</b>	<b>7,967,309</b>	<b>38,125,933</b>
<b>Deferred Inflows of Resources:</b>			
Deferred pension related items	359,963	175,140	535,103
<b>Total Deferred Inflows of Resources</b>	<b>359,963</b>	<b>175,140</b>	<b>535,103</b>
<b>Net Position:</b>			
Net investment in capital assets	21,539,986	7,580,813	29,120,799
Restricted for capital projects	2,577,191	3,268,139	5,845,330
Restricted for debt service	-	82,514	82,514
Unrestricted	13,480,586	16,920,993	30,401,579
<b>Total Net Position</b>	<b>\$ 37,597,763</b>	<b>\$ 27,852,459</b>	<b>\$ 65,450,222</b>

## BANNING UTILITY AUTHORITY

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
JUNE 30, 2016

	Water Enterprise Fund	Wastewater Enterprise Fund	Totals
<b>Operating Revenues:</b>			
Sales and service charges	\$ 8,856,234	\$ 3,482,411	\$ 12,338,645
Miscellaneous	27,415	1,495	28,910
<b>Total Operating Revenues</b>	<b>8,883,649</b>	<b>3,483,906</b>	<b>12,367,555</b>
<b>Operating Expenses:</b>			
Salaries and benefits	1,296,607	516,155	1,812,762
Supplies and services	3,642,564	1,334,933	4,977,497
Repairs and maintenance	11,782	59,059	70,841
Bad debt expense	37,079	11,670	48,749
Depreciation expense	1,211,968	533,025	1,744,993
<b>Total Operating Expenses</b>	<b>6,200,000</b>	<b>2,454,842</b>	<b>8,654,842</b>
Operating Income (Loss)	2,683,649	1,029,064	3,712,713
<b>Nonoperating Revenues (Expenses):</b>			
Intergovernmental	2,239	1,375	3,614
Interest revenue and change in fair value of investments	56,646	64,635	121,281
Interest expense	(1,113,885)	(305,507)	(1,419,392)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(1,055,000)</b>	<b>(239,497)</b>	<b>(1,294,497)</b>
Income (Loss) Before Transfers	1,628,649	789,567	2,418,216
Transfers out	(488,000)	(181,000)	(669,000)
Changes in Net Position	1,140,649	608,567	1,749,216
<b>Net Position:</b>			
Beginning of Fiscal Year	36,457,114	27,243,892	63,701,006
<b>End of Fiscal Year</b>	<b>\$ 37,597,763</b>	<b>\$ 27,852,459</b>	<b>\$ 65,450,222</b>

## BANNING UTILITY AUTHORITY

STATEMENT OF CASH FLOWS  
JUNE 30, 2016

	Water Enterprise Fund	Wastewater Enterprise Fund	Totals
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers and users	\$ 8,406,970	\$ 3,412,822	\$ 11,819,792
Cash received from interfund service provided	27,415	1,495	28,910
Cash paid to suppliers for goods and services	(3,494,416)	(1,391,549)	(4,885,965)
Cash paid to employees for services	(1,319,416)	(541,902)	(1,861,318)
<b>Net Cash Provided by Operating Activities</b>	<b>3,620,553</b>	<b>1,480,866</b>	<b>5,101,419</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Cash transfers out	(488,000)	(181,000)	(669,000)
Intergovernmental	2,239	1,375	3,614
<b>Net Cash Used by Non-Capital Financing Activities</b>	<b>(485,761)</b>	<b>(179,625)</b>	<b>(665,386)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	(757,479)	(110,384)	(867,863)
Proceeds from refunding capital debt	25,365,000	-	25,365,000
Defeased capital debt	(29,165,000)	-	(29,165,000)
Principal paid on capital debt	(945,000)	(416,640)	(1,361,640)
Interest paid on capital debt	(1,098,999)	(311,109)	(1,410,108)
Deferred gain on refunding of capital debt	(941,652)	-	(941,652)
Bond premium	2,503,093	-	2,503,093
Defeased capital debt premium	(1,035,984)	-	(1,035,984)
<b>Net Cash Used by Capital and Related Financing Activities</b>	<b>(6,076,021)</b>	<b>(838,133)</b>	<b>(6,914,154)</b>
<b>Cash Flows from Investing Activities:</b>			
Issuance of notes and loans receivable	(371)	-	(371)
Interest received	52,852	58,979	111,831
<b>Net Cash Provided by Investing Activities</b>	<b>52,481</b>	<b>58,979</b>	<b>111,460</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(2,888,748)</b>	<b>522,087</b>	<b>(2,366,661)</b>
Cash and Cash Equivalents at Beginning of Year	20,247,184	20,740,094	40,987,278
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 17,358,436</b>	<b>\$ 21,262,181</b>	<b>\$ 38,620,617</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ 2,683,649	\$ 1,029,064	\$ 3,712,713
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>			
Depreciation	1,211,968	533,025	1,744,993
Bad debt expense	15,772	11,670	27,442
(Increase) decrease in accounts receivable	(462,626)	(81,225)	(543,851)
(Increase) decrease in inventories	(11,656)	-	(11,656)
Increase (decrease) in accounts payable	192,128	(18,010)	174,118
Increase (decrease) in accrued liabilities	16,537	6,592	23,129
Increase (decrease) in deposits payable	(2,410)	25,497	23,087
Increase (decrease) in employee salary/benefit obligations	(42,692)	(21,629)	(64,321)
Increase (decrease) in compensated absences	19,883	(4,118)	15,765
<b>Total Adjustments</b>	<b>936,904</b>	<b>451,802</b>	<b>1,388,706</b>
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 3,620,553</b>	<b>\$ 1,480,866</b>	<b>\$ 5,101,419</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>			
Amortization of Unamortized Premiums/Discounts	\$ 91,577	\$ (4,216)	\$ 87,361
Amortization of Gain/Loss on Defeasance	(14,766)	-	(14,766)

## BANNING UTILITY AUTHORITY

### NOTES TO THE COMPONENT UNIT BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2016

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#### Note 1: Reporting Entity and Summary of Significant Accounting Policies

##### a. Description of the Reporting Entity

The Banning Utility Authority (Authority) is a joint powers authority which was established on June 1, 2005 pursuant to a Joint Exercise of Powers Agreement between the City of Banning and the Redevelopment Agency of the City of Banning in accordance with the Joint Powers Law (Article 1 through 4 of Chapter 5, division 7, title 1 of the California Government code) for the purpose of assisting the City in the leasing of the utility system. The Banning Redevelopment Agency was dissolved as of January 31, 2012, through the Supreme Court decision on Assembly Bill 1X26. The City serves as the Successor Agency to the Redevelopment Agency of the City of Banning. The Authority's Officers are the Banning City Council. The Authority is a separate legal entity, which is financially accountable to the City of Banning. It is considered a component unit of the City and, accordingly, is included in the Comprehensive Annual Financial Report of the City of Banning.

The Authority consists of the Water Enterprise Fund and the Wastewater Enterprise Fund. These funds account for the operations of the Water and Wastewater utilities, respectively. Both funds render services on a user charge basis to residents and businesses located within the City of Banning. The City has issued its Basic Financial Statements under a separate cover and are available at City Hall.

##### b. Basis of Accounting/Measurement Focus

The accounts of the Authority are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenses, as appropriate.

Proprietary Fund financial statements include a statement of net position, a statement of revenues, expenses and changes in fund net position, and a statement of cash flows for each major proprietary fund.

Proprietary Funds are accounted for using the *economic resources* measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or non-current) are included on the statement of net position. The statement of revenues, expenses and changes in fund net position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating Revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

NOTES TO THE COMPONENT UNIT BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2016

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**Note 1: Reporting Entity and Summary of Significant Accounting Policies (Continued)**

**c. Net Position Flow Assumption**

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

**d. Cash, Cash Equivalents and Investments**

**1. Cash Management**

The Authority pools cash with the City's resources of its various funds to facilitate cash management. Cash in excess of current requirements is invested and reported as investments. It is the City's intent to hold investments until maturity. However, the City may, in response to market conditions, call investments prior to maturity in order to improve the quality, liquidity or yield of the portfolio. Interest earnings are apportioned among funds based on ending accounting period cash and investments balances. More information on investments is available in the City's financial statements.

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and highly liquid investments with original maturities of three months or less at the time of acquisition.

**2. Investment Valuation**

Investments for the City, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

The provisions of Governmental Accounting Standards Board (GASB) Statement No. 31, Accounting and Financial Reporting for Certain Investments and External Pools, require governmental entities to report certain investments at fair value in the balance sheet and recognize the corresponding change in the fair value of investments in the fiscal year in which that change occurred. All investments have been stated at fair value.

**3. State Investment Pool**

The City and the Authority participates in the Local Agency Investment Fund (LAIF), an investment pool managed by the State of California. LAIF has invested a portion of the pooled funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as a result of changes in interest rates.

**NOTES TO THE COMPONENT UNIT BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

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**Note 1: Reporting Entity and Summary of Significant Accounting Policies (Continued)**

**4. Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, the Authority considered all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All cash and investments of the proprietary fund types are pooled with the City's pooled cash and investments.

**e. Unbilled Services Receivables**

Utility revenue is recorded when earned. Customers are billed monthly. The estimated value of services provided, but unbilled, at year-end has been included in the accompanying financial statements.

**f. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**g. Inventories and Prepaid Items**

Inventory is valued at cost using the first in, first out method. Inventory in the Proprietary Funds consists of expendable supplies held for future consumption or capitalization. The cost is recorded as an expense when inventory items are consumed. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**h. Capital Assets**

The Authority's assets are capitalized at historical cost or estimated historical cost. The Authority follows the City policy, which has set the capitalization threshold for reporting capital assets at \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Gifts or contributions of capital assets are recorded at fair market value when received. Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

<u>Assets</u>	<u>Years</u>
Utility Plant	20-60

**i. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Authority currently has two items that qualify for reporting in this category. The first item is the deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item relates to the deferred outflows from changes in net pension Liability.



NOTES TO THE COMPONENT UNIT BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2016

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**Note 1: Reporting Entity and Summary of Significant Accounting Policies (Continued)**

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has one item that qualifies for reporting in this category. It is the changes in net pension liability.

**j. Net Pension Liability**

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

**k. New Accounting Pronouncements**

During the fiscal year ended June 30, 2016, the Authority implemented the following GASB standards:

GASB Statement No. 72 – Fair Value Measurement and Application. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement are effective for financial statement for reporting periods beginning after June 15, 2015.

**BANNING UTILITY AUTHORITY**

**NOTES TO THE COMPONENT UNIT BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**Note 2: Cash and Investments**

The Authority's cash is pooled with City funds for investment purposes, with interest being allocated on the basis of the Authority's overall percentage of participation. Investment policies and associated risk factors applicable to the Authority's funds are those of the City and are included in the City's financial statements. As of June 30, 2016, cash and investments of the Authority was as follows:

Unrestricted Cash and Investments – Pooled Cash	\$32,692,773
Restricted Cash and Investments:	
Cash with Fiscal Agents	<u>5,927,844</u>
Total Cash and Investments	<u>\$38,620,617</u>

**Note 3: Receivables**

As of June 30, 2016, the Authority had \$2,137,307 in accounts receivables. Receivables are reported net of allowance for doubtful accounts, which were established based on current collection experience. Allowances for doubtful accounts were \$46,618 for the Water Enterprises Fund and \$14,337 for the Wastewater Enterprise Fund.

**Note 4: Changes in Capital Assets**

Capital Assets of the Authority for the year ended June 30, 2016, consisted of the following:

	Beginning Balance	Increases	Transfers	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 677,827	\$ -	\$ -	\$ 677,827
Construction-in-progress	<u>2,186,298</u>	<u>746,708</u>	<u>(159,881)</u>	<u>2,773,125</u>
Total Capital Assets, Not Being Depreciated	<u>2,864,125</u>	<u>746,708</u>	<u>(159,881)</u>	<u>3,450,952</u>
Capital assets, being depreciated:				
Utility plant	<u>101,448,176</u>	<u>122,124</u>	<u>159,881</u>	<u>101,730,181</u>
Total Capital Assets, Being Depreciated	<u>101,448,176</u>	<u>122,124</u>	<u>159,881</u>	<u>101,730,181</u>
Less accumulated depreciation:				
Utility plant	<u>42,222,069</u>	<u>1,744,993</u>	<u>-</u>	<u>43,967,062</u>
Total Accumulated Depreciation	<u>42,222,069</u>	<u>1,744,993</u>	<u>-</u>	<u>43,967,062</u>
Total Capital Assets, Being Depreciated, Net	<u>59,226,107</u>	<u>(1,622,869)</u>	<u>159,881</u>	<u>57,763,119</u>
Capital Assets, Net	<u>\$ 62,090,232</u>	<u>\$ (876,161)</u>	<u>\$ -</u>	<u>\$ 61,214,071</u>

**BANNING UTILITY AUTHORITY**

**NOTES TO THE COMPONENT UNIT BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**Note 4: Changes in Capital Assets (Continued)**

Depreciation expense was charged to business-type activities as follows:

Water Utilities	\$ 1,211,968
Wastewater Utilities	<u>533,025</u>
Total Depreciation Expense	<u>\$ 1,744,993</u>

**Note 5: Long-Term Debt**

The following is a summary of the changes in long-term debt for the fiscal year ended June 30, 2016:

	Balance at July 1, 2015	Defeased	Incurred	Retired	Balance at June 30, 2016	Due Within One Year
2005 Water Revenue Bond	\$ 29,165,000	\$ 29,165,000	\$ -	\$ -	\$ -	\$ -
2005 Wastewater Revenue Bond	5,260,000	-	-	160,000	5,100,000	165,000
2015 Water Enterprise Revenue Bond	-	-	25,365,000	945,000	24,420,000	455,000
Loans Payable	1,670,469	-	-	260,856	1,409,613	267,639
Compensated Absences	209,975	-	105,464	89,699	225,740	111,880
Total	<u>\$ 36,305,444</u>	<u>\$ 29,165,000</u>	<u>\$ 25,470,464</u>	<u>\$ 1,455,555</u>	31,155,353	<u>\$ 999,519</u>
Less:						
Unamortized original issue premium					2,411,516	
Unamortized original issue discount					(82,221)	
Net Business-Type Activities					<u>\$ 33,484,648</u>	

**a. Compensated Absences**

Accumulated vacation, sick leave, holiday and compensatory time amounted to \$225,740.

**b. 2005 Water Revenue Bonds**

On December 8, 2005, the Banning Utility Authority issued \$35,635,000 in Water Enterprise Revenue Bonds, Refunding and Improvement Projects. The Proceeds of these Bonds were utilized to refund and defease \$2,475,000 in 1986 Water Utility Fund Certificates of Participation and \$1,890,000 in 1989 Water Utility Fund Certificates of Participation and to provide additional funds to pay for certain capital project improvements.

The bonds consist of serial bonds maturing in the years 2006 to 2020 are payable November 1 in annual installments of \$620,000 to \$1,025,000. The bonds bear interest at 3.25% to 4.5%. Bonds maturing after November 1, 2020, in the amount of \$23,585,000 are term bonds and bear interest at 5.25%. At June 30, 2016, the bonds were refunded by the issuance of the 2015 Water Revenue Refunding Bonds and have been removed from long term debt.

**BANNING UTILITY AUTHORITY****NOTES TO THE COMPONENT UNIT BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

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**Note 5: Long-Term Debt (Continued)****c. 2005 Wastewater Revenue Bonds**

On December 8, 2005, the Banning Utility Authority issued \$7,100,000 in Wastewater Enterprise Revenue Bonds, Refunding and improvement projects. The Proceeds of these Bonds were utilized to refund and defease \$1,895,000 in 1989 Wastewater Utility Fund Certificates of Participation and to provide additional funds to pay for certain capital project improvements.

As a result, the 1989 Wastewater Utility Fund Certificates of Participation are considered to be defeased and the liability for those bonds has been removed from long-term debt. The advance refunding resulted in a decrease in the Authority's debt service payments over the next 14 years of approximately \$1,550,638. The economic loss (difference between the present values of the debt service payments on the old and new debt) amounts to approximately \$404,306.

The bonds consist of serial bonds maturing in the years 2006 to 2020 are payable November 1 in annual installments of \$135,000 to \$265,000. The bonds bear interest at 3.25% to 4.5%. Bonds maturing between November 1, 2021 and November 1, 2025, in the amount of \$1,100,000 are term bonds and bear interest at 4.5%. Bonds maturing between November 1, 2026 and November 1, 2035, in the amount of \$3,105,000 are term bonds and bear interest at 4.625%. The outstanding principal balance at June 30, 2016 amounted to \$5,100,000.

The total debt service payment requirements with respect to the above bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 165,000	\$ 226,430	\$ 391,430
2018	170,000	219,606	389,606
2019	180,000	212,494	392,494
2020	185,000	204,966	389,966
2021	195,000	197,128	392,128
2022-2026	1,100,000	846,281	1,946,281
2027-2031	1,380,000	564,250	1,944,250
2032-2036	1,725,000	206,391	1,931,391
Total	<u>\$ 5,100,000</u>	<u>\$ 2,677,546</u>	<u>\$ 7,777,546</u>

**BANNING UTILITY AUTHORITY**

**NOTES TO THE COMPONENT UNIT BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**Note 5: Long-Term Debt (Continued)**

**d. Loan Payable - California Water Resource Control Board**

On March 17, 1999, the City entered into a loan contract with the California Water Resource Control Board (Board). The loan was to provide the City with assistance for the Wastewater treatment facility upgrade project. The loan amount was \$4,658,883 and is subject to a service charge of 2.6% per annum. The loan is to be repaid within 20 years through 20 equal annual installments of principal and service charges. The outstanding loan balance at June 30, 2016, was \$1,409,613. The loan is recorded in the BUA Wastewater Utility Enterprise Fund.

Year Ending June 30,	Principal	Service Charge	Total
2017	\$ 267,639	\$ 36,650	\$ 304,289
2018	274,597	29,691	304,288
2019	281,737	22,552	304,289
2020	289,063	15,227	304,290
2021	296,577	7,711	304,288
Total	<u>\$ 1,409,613</u>	<u>\$ 111,831</u>	<u>\$ 1,521,444</u>

**e. Loan Payable - 2015 Water Enterprise Revenue Bonds**

On August 19, 2015, the Banning Utility Authority issued \$25,365,000 in Water Enterprise Revenue Bonds, Refunding and Improvement Projects. The proceeds of the bonds, together with other money being made available by the Authority, will be used to (i) finance certain capital improvements to the Water Enterprise; (ii) refund a portion of the Authority's \$35,635,000 Water Enterprise Revenue Bonds, Refunding and Improvement Projects, 2005 Series, currently outstanding in the aggregate principal amount of \$29,165,000; and (iii) pay costs of issuance of the Bonds. As a result, the refunding bonds defeased the liability of the 2005 Water Revenue Bonds, which have been removed from long-term debt. The refunding resulted in an economic gain of \$9,756,559. The 2015 Water Enterprise Revenue Bonds bear interest at rates ranging from 2.00% to 5.00%. Interest is payable semi-annually on May 1 and November 1. The balance outstanding as of June 30, 2016 of the debt service payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 455,000	\$ 1,069,313	\$ 1,524,313
2018	730,000	1,053,813	1,783,813
2019	745,000	1,027,963	1,772,963
2020	970,000	988,813	1,958,813
2021	1,020,000	939,063	1,959,063
2021 - 2026	5,935,000	3,854,438	9,789,438
2026 - 2031	7,450,000	2,326,597	9,776,597
2031 - 2036	7,115,000	675,534	7,790,534
Total	<u>\$ 24,420,000</u>	<u>\$ 11,935,534</u>	<u>\$ 36,355,534</u>

## BANNING UTILITY AUTHORITY

### NOTES TO THE COMPONENT UNIT BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2016

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**Note 6: Insurance**

The Authority is covered under the City of Banning's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Authority.

**Note 7: Operating Lease**

In December 2005, the Authority entered into an operating lease with the City of Banning for the use of the City of Banning's water and wastewater systems. The lease agreement states that an initial payment of \$17,000,000 be paid to the City of Banning, with additional annual installments equal to the total surplus revenues and other funds pledged. The lease agreement is for a term of 55 years and the amount paid to the City of Banning over that time cannot exceed the fair value of the water and wastewater systems. In 2005-2006, the Authority paid the City of Banning the initial payment of \$17,000,000. The Authority made a payment of \$651,000 during the fiscal year ending June 30, 2016.

**Note 8: City Employees Retirement Plan (Defined Benefit Pension Plan)**

**a. Miscellaneous Plan**

Plan Description

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

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.



BANNING UTILITY AUTHORITY

NOTES TO THE COMPONENT UNIT BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2016

Note 8: City Employees Retirement Plan (Defined Benefit Pension Plan) (Continued)

The Plan provisions and benefits in effect at June 30, 2016, are summarized as follows:

Miscellaneous Plan		
	Prior to	On or after
Hire date	January 1, 2013*	January 1, 2013
Benefit formula	2.5% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	52
Monthly benefits, as a % of eligible compensation	2.00% to 2.50%	1.1% to 2.00%
Required employee contribution rates	7.975%	6.250%
Required employer contribution rates	21.151%	21.151%

\* Closed to new entrants not previously in CalPERS

Employees Covered

At June 30, 2016, the following Authority employees were covered by the benefit terms of the plan:

Inactive employees	31
Active employees	16
<b>Total</b>	<b>47</b>

Contribution

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the period ended June 30, 2016, Authority's portion of contributions totaling \$244,728 was recognized as a reduction to the net pension liability.

Net Pension Liability

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2015, using an annual actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures.

**BANNING UTILITY AUTHORITY**

**NOTES TO THE COMPONENT UNIT BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

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**Note 8: City Employees Retirement Plan (Defined Benefit Pension Plan) (Continued)**

A summary of principal assumptions and methods used to determine the net pension liability is shown below.

The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.65% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from 1997 to 2007, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Change of Assumptions

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50 percent used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

Discount Rate

The discount rate used to measure the total pension liability was 7.65%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

**NOTES TO THE COMPONENT UNIT BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**Note 8: City Employees Retirement Plan (Defined Benefit Pension Plan) (Continued)**

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.65 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as they have changed their methodology.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

<b>Asset Class</b>	<b>New Strategic Allocation</b>	<b>Real Return Years 1 - 10 (1)</b>	<b>Real Return Years 11+ (2)</b>
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	19.00	0.99	2.43
Inflation Sensitive	6.00	0.45	3.36
Private Equity	10.00	6.83	6.95
Real Estate	10.00	4.50	5.13
Infrastructure and Forestland	2.00	4.50	5.09
Liquidity	2.00	(0.55)	(1.05)

(1) An expected inflation of 2.5% used for this period

(2) An expected inflation of 3.0% used for this period

## BANNING UTILITY AUTHORITY

NOTES TO THE COMPONENT UNIT BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2016

## Note 8: City Employees Retirement Plan (Defined Benefit Pension Plan) (Continued)

Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Assets)
	(a)	(b)	(c)=(a)-(b)
Balance at: 6/30/2014 (Valuation Date) (1)	\$ 11,371,093	\$ 8,062,961	\$ 3,308,132
Changes Recognized for the Measurement Period:			
Service Cost	224,071	-	224,071
Interest on the Total Pension Liability	841,278	-	841,278
Changes of Assumptions	(200,971)	-	(200,971)
Difference between Expected and Actual Experience	(8,812)	-	(8,812)
Plan to Plan Resource Movement	-	1,684	(1,684)
Contribution from the Employer	-	267,794	(267,794)
Contributions from Employees	-	102,468	(102,468)
Net Investment Income (2)	-	184,645	(184,645)
Benefit Payments including Refunds of Employee Contributions	(499,974)	(499,974)	-
Administrative Expense	-	(9,111)	9,111
Net Changes During 2014-15	355,592	47,506	308,086
Balance at: 6/30/2015 (Measurement Date) (1)	<b>\$ 11,726,685</b>	<b>\$ 8,110,467</b>	<b>\$ 3,616,218</b>

(1) The fiduciary net position includes receivables for employee service buybacks, deficiency reserves, fiduciary self-insurance and OPEB expense. This may differ from the plan assets reported in the funding actuarial valuation report.

(2) Net of administrative expenses.

Sensitivity of the Net Pension Liability to Changes in the Discount Rates

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.65 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65 percent) or 1 percentage-point higher (8.65 percent) than the current rate:

	Discount Rate - 1% (6.65%)	Current Discount Rate (7.65%)	Discount Rate +1% (8.65%)
Miscellaneous Plan's Net Pension Liability/(Assets)	\$ 5,154,959	\$ 3,616,218	\$ 2,336,330

\*This information represents the sensitivity of the City's overall Net Pension Liability to changes in the discount rates.

BANNING UTILITY AUTHORITY

NOTES TO THE COMPONENT UNIT BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2016

Note 8: City Employees Retirement Plan (Defined Benefit Pension Plan) (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued CalPERS financial report.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2016, the Banning Utility Authority incurred a pension expense of \$245,131 for the Plan. At June 30, 2015, the City of Banning has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 268,518	\$ -
Difference between Expected and Actual Experience	-	(5,308)
Change in Assumptions	-	(121,764)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	339,377	(408,031)
<b>Total</b>	<b>\$ 607,895</b>	<b>\$ (535,103)</b>

The \$268,518 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal year ended June 30:	Deferred Outflows/(Inflows) of Resources
2017	\$ (136,340)
2018	(93,982)
2019	(51,625)
2020	86,221
<b>Total</b>	<b>\$ (195,726)</b>

## CITY OF BANNING

## MISCELLANEOUS PLAN

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2016	2015
<b>TOTAL PENSION LIABILITY</b>		
Service Cost	\$ 224,071	\$ 237,490
Interest	841,278	801,304
Difference Between expected and Actual Experience	(8,812)	-
Changes in Assumptions	(200,971)	-
Benefit Payments, Including Refunds of employee Contributions	(499,975)	(466,020)
<b>Net Change in Total Pension Liability</b>	<b>\$ 355,591</b>	<b>\$ 572,774</b>
<b>Total Pension Liability - Beginning</b>	<b>11,371,093</b>	<b>10,798,319</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 11,726,684</b>	<b>\$ 11,371,093</b>
<b>PLAN FIDUCIARY NET POSITION</b>		
Contribution - Employer	\$ 267,794	\$ 274,228
Contribution - Employee	102,468	110,378
Plan to Plan Resource Movement	1,684	-
Net Investment Income	184,645	1,194,753
Benefit Payments, Including Refunds of Employee Contributions	(499,975)	(466,020)
Administrative Expense	(9,111)	-
<b>Net Change in Fiduciary Net Position</b>	<b>\$ 47,505</b>	<b>\$ 1,113,339</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>8,062,961</b>	<b>6,949,622</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 8,110,466</b>	<b>\$ 8,062,961</b>
<b>Plan Net Pension Liability/(Assets) - Ending (a) - (b)</b>	<b>\$ 3,616,218</b>	<b>\$ 3,308,132</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>69.16%</b>	<b>70.91%</b>
<b>Covered-Employee Payroll</b>	<b>\$ 1,084,435</b>	<b>\$ 1,073,672</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll</b>	<b>333.47%</b>	<b>308.11%</b>

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only two years are shown.

**Notes to Schedule:**

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: The discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent.

Measurement Date: All information in this schedule is as of the measurement date noted in the financial statement footnotes.

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only two years are shown.



## CITY OF BANNING

MISCELLANEOUS PLAN  
 SCHEDULE OF PLAN CONTRIBUTIONS  
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2016	2015
Actuarially Determined Contribution	\$ 268,518	\$ 244,728
Contribution in Relation to the Actuarially Determined Contribution	(268,518)	(244,728)
Contribution Deficiency (Excess)	\$ -	\$ -
Covered-Employee Payroll	\$ 903,564	\$ 1,084,435
Contributions as a Percentage of Covered-Employee Payroll	29.72%	22.57%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only two years are shown.

**Note to Schedule:**

Valuation Date:	June 30, 2013
Methods and assumptions used to determine contribution rates:	
Amortization method	Level percentage of payroll, closed
Assets valuation method	Market Value
Discount Rate	7.50% (net of administrative expenses)
Projected Salary Increases	3.30% to 14.20% depending on Age, Service, and type of employment.
Inflation	2.75%
Payroll Growth	3.00%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation of 2.75% and an annual production growth of 0.25%.
Investment rate of return	7.50% net of pension plan investment and administrative expenses, including inflation.
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

To the Commission of the  
Banning Utility Authority  
City of Banning, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Banning Utility Authority (the Authority), a component unit of the City of Banning, California, (the City), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 3, 2017.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies to be material weaknesses:

**Long-Term Liability Reconciliation**

Condition:

In performing our audit procedures, it was noted that the City did not properly record a material debt service payment for the 2015 Water Refunding Revenue Bonds. The amount that was not recorded as a reduction to the liability was \$945,000. We recommend that the City reconcile the City's debt on a monthly basis to assist in ensuring all liabilities are properly recorded.

Management's Response: Management has reviewed the deficiency identified and agrees with LSL recommendations.





CPAs AND ADVISORS

To the Commission of the  
Banning Utility Authority  
City of Banning, California

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Lance, Soll & Lughard, LLP*

Brea, California  
March 31, 2017

# ATTACHMENT C



## BANNING HOUSING AUTHORITY

### HOUSING SUCCESSOR OF THE CITY OF BANNING, CALIFORNIA

JUNE 30, 2016

FINANCIAL STATEMENTS

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on YOU



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BANNING HOUSING AUTHORITY  
HOUSING SUCCESSOR OF THE  
CITY OF BANNING, CALIFORNIA  
FINANCIAL STATEMENTS  
JUNE 30, 2016



BANNING HOUSING AUTHORITY

JUNE 30, 2016

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the  
Banning Housing Authority  
City of Banning, California

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities of the Banning Housing Authority, (the Housing Successor), a Special Revenue Fund of the City of Banning, California, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Housing Successor's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Housing Successor's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Housing Successor's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Banning Housing Authority, as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.





To the Honorable Mayor and Members of the  
Banning Housing Authority  
City of Banning, California

### ***Other Matters***

#### ***Required Supplementary Information***

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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

#### ***Other Information***

We have audited the financial statements of the Banning Housing Authority as of and for the year ended June 30, 2016, and have issued our report thereon dated December 22, 2016, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying report on excess/surplus calculation is presented for purposes of additional analysis only and is not a required part of the financial statements. Such information is the responsibility of management and was derived from the financial statements. The report on excess/surplus calculation has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2016 on our consideration of the Housing Successor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Housing Successor's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lance, Soll &amp; Loughard, LLP". The signature is written in a cursive, flowing style.

Brea, California  
December 22, 2016

BANNING HOUSING AUTHORITY

STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET  
JUNE 30, 2016

	Governmental Fund	Reclassifications	Statement of Net Position
<b>Assets:</b>			
Pooled cash and investments	\$ 355,045	\$ -	\$ 355,045
Receivables:			
Notes and loans	886,205	-	886,205
Accrued interest	41		41
Due from other governments	1,993,008	-	1,993,008
<b>Total Assets</b>	<b>\$ 3,234,299</b>	<b>\$ -</b>	<b>\$ 3,234,299</b>
<b>Deferred Inflows of Resources, and Fund Balances/Net Position:</b>			
<b>Deferred Inflows of Resources:</b>			
Unavailable revenues	\$ 886,205	\$ (886,205)	\$ -
<b>Total Deferred Inflows of Resources</b>	<b>886,205</b>	<b>(886,205)</b>	<b>-</b>
<b>Fund Balances/Net Position:</b>			
<b>Restricted for:</b>			
Community development projects	2,348,094	886,205	3,234,299
<b>Total Fund Balances/Net Position</b>	<b>2,348,094</b>	<b>886,205</b>	<b>3,234,299</b>
<b>Total Deferred Inflows of Resources, and Fund Balances/Net Position</b>	<b>\$ 3,234,299</b>	<b>\$ -</b>	<b>\$ 3,234,299</b>

BANNING HOUSING AUTHORITY

STATEMENT OF ACTIVITIES AND GOVERNMENTAL STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2016

	Governmental Fund	Reclassifications	Statement of Activities
<b>Revenues:</b>			
Use of money and property	\$ 950	\$ -	\$ 950
Miscellaneous	20,250	-	20,250
<b>Total Revenues</b>	<b>21,200</b>	<b>-</b>	<b>21,200</b>
<b>Expenditures:</b>			
Current:			
Community development	3,523	20,000	23,523
<b>Total Expenditures</b>	<b>3,523</b>	<b>20,000</b>	<b>23,523</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	17,677	(20,000)	(2,323)
Special Item	(534,549)	-	(534,549)
Net Change in Fund Balances	(516,872)	(20,000)	(536,872)
Fund Balance/Net Position, Beginning of Year	2,864,966	906,205	3,771,171
<b>Fund Balance/Net Position, End of Year</b>	<b>\$ 2,348,094</b>	<b>\$ 886,205</b>	<b>\$ 3,234,299</b>

## I. SIGNIFICANT ACCOUNTING POLICIES

### Note 1: Organization and Summary of Significant Accounting Policies

#### a. Description of the Reporting Entity

The accompanying financial statements present only the Banning Housing Authority, a Special Revenue Fund of the City of Banning, California (the City) and do not include any other funds of the City. The City's basic financial statements are available at City Hall.

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (the Bill) that provides for the dissolution of all redevelopment agencies in the State of California. The Bill impacted the reporting entity of the City of Banning that previously had reported a redevelopment agency within the report entity of the City as a blended component unit.

On January 10, 2012, and in accordance with California Health and Safety Code Section 34176, with resolution 2012-01 HA the Housing Authority, a blended component unit of the City of Banning, California elected to retain the housing assets and function of the former redevelopment agency. The Housing Authority continues to report the housing assets and functions in the government special revenue fund designated City Housing Successor.

The attached basic financial statements contain information relative only to the Banning Housing Authority Fund (the Housing Successor).

#### b. Government-Wide and Fund Financial Statements

The government-wide financial statements (Statement of Net Position and Statement of Activities) report information on all activities of the Housing Successor. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

#### c. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.



## BANNING HOUSING SUCCESSOR

### NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2016

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#### Note 1: Organization and Summary of Significant Accounting Policies (Continued)

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

#### d. Fund Balance and Net Position

##### Fund Balance

The Housing Successor's fund balances are classified on the governmental fund balance sheet among the following categories:

Nonspendable Fund Balance - This includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance - This includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed Fund Balance - This includes amounts that can be used only for the specific purposes determined by a formal action of the city council.

Assigned Fund Balance - This includes amounts that are designated by the City Council for specific purposes.

Unassigned Fund Balance - This is the residual classification that includes all spendable amounts not contained in the other classifications.

When expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Housing Successor's policy is to apply restricted fund balance first.

When expenditure is incurred for purposes for which committed, assigned or unassigned fund balances are available, the Housing Successor's policy is to apply committed fund balance first, and then assigned fund balance, and finally unassigned fund balance.

##### Net Position

The net position reported on the Statement of Net Position in the government-wide financial statements consists of the following three categories:

Investment in capital assets - This amount consists of capital assets, net of accumulated depreciation.

Restricted Net Position - This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Position - This amount is all net position that do not meet the definition of "investment in capital assets" or "restricted net position".

## BANNING HOUSING SUCCESSOR

### NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE 30, 2016

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#### II. DETAILED NOTES ON ACCOUNT BALANCES

**Note 2: Cash and Investments**

The City of Banning maintains a cash and investment pool that is available for use for all funds. Each fund type's position in the pool is reported on the combined balance sheet as cash and investments. The Housing Successor pooled cash and investment position as of June 30, 2016, was \$355,045.

**Note 3: Notes and Loans Receivable**

The Housing Successor has entered into various loan agreements relating to owners' participation agreements. The owners' participation agreements have repayment terms between 6 and 55 years. The following summarizes the loans outstanding at June 30, 2016:

Description	Balance at June 30, 2016
First-time Home Buyer Down Payment Assistance	\$ 386,205
OPA - Westview Terrace 2011	500,000
Total loans receivable at June 30, 2016	<u>\$ 886,205</u>

Loan payments were made by one grantee, totaling \$20,000, during the year ended June 30, 2016.

**Note 4: Due From Other Governments**

The Housing Successor Low/Mod Fund made an advance of \$2,298,433 to the Former Redevelopment Agency Debt Service Fund to fund the mandated payment for the "Supplemental" Educational Revenue Augmentation Fund. The amount paid during the current year was \$305,425. The amount outstanding as of June 30, 2016 is \$1,993,008.

**Note 5: Special Item**

As the result of the Department of Finance's approval, the Housing Successor transferred cash related to previously issued bonds to the City to manage the proceeds in accordance with the original bond covenants.

BANNING HOUSING AUTHORITY

BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2016

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1, as restated	\$ 2,864,966	\$ 2,864,966	\$ 2,864,966	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	950	950	950	-
Miscellaneous	-	-	20,250	20,250
<b>Amounts Available for Appropriations</b>	<b>2,865,916</b>	<b>2,865,916</b>	<b>2,886,166</b>	<b>20,250</b>
<b>Charges to Appropriations (Outflow):</b>				
Community development	-	301,902	3,523	298,379
Special item	-	-	534,549	(534,549)
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>301,902</b>	<b>538,072</b>	<b>(236,170)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,865,916</b>	<b>\$ 2,564,014</b>	<b>\$ 2,348,094</b>	<b>\$ (215,920)</b>

**BANNING HOUSING SUCCESSOR**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2016**

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**STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**a. Budgets and Budgetary Accounting**

Budget for the Housing Authority Fund is adopted on a basis substantially consistent with accounting principles generally accepted in the United States of America. Accordingly, actual revenues and expenditures can be compared with related budget amounts without any significant reconciling items.

BANNING HOUSING AUTHORITY

COMPUTATION OF HOUSING SUCCESSOR  
EXCESS/SURPLUS (HSC 34176.1)

	Low and Moderate Housing Funds Housing Successor July 1, 2015	Projected Low and Moderate Housing Funds Housing Successor July 1, 2016
Opening Fund Balance	\$ 2,864,966	\$ 2,348,094
Less Unavailable Amounts:		
SERAF loans	<u>\$ (2,298,433)</u>	<u>\$ (1,993,008)</u>
	(2,298,433)	(1,993,008)
Available Housing Successor Funds	<u>566,533</u>	<u>355,086</u>
Limitation (greater of \$1,000,000 or four years deposits)		
Aggregate amount deposited for last four years:*		
2015 - 2016	-	21,200
2014 - 2015	61,702	61,702
2013 - 2014	22,506	22,506
2012 - 2013	<u>1,959,222</u>	<u>1,959,222</u>
<b>Total</b>	<u><b>\$ 2,043,430</b></u>	<u><b>\$ 2,064,630</b></u>
<b>Base Limitation</b>	<u><b>\$ 1,000,000</b></u>	<u><b>\$ 1,000,000</b></u>
Greater amount	<u>\$ 2,043,430</u>	<u>\$ 2,064,630</u>
<b>Computed Excess/Surplus</b>	<u><b>None</b></u>	<u><b>None</b></u>



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and Members of the  
Banning Housing Authority  
City of Banning, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of governmental activities of the Banning Housing Authority, (the Housing Successor), a Special Revenue Fund of the City of Banning, California, (the City) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Housing Successor's basic financial statements, and have issued our report thereon dated December 22, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Housing Successor's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Successor's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Successor's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Housing Successor's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.





To the Honorable Mayor and Members of the  
Banning Housing Authority  
City of Banning, California

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Housing Successor's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed the following instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*:

#### **Annual Housing Report Submission**

The Housing Successor's annual report was due to The Department of Housing and Community Development (HCD) by April 1, 2016. The annual report was passed, approved, and adopted by the Banning City Council on April 12, 2016. The report was dated and submitted to HCD on May 4, 2016.

#### **Recommendation:**

We recommend that the Housing Successor establish specific deadlines internally in order to submit the required annual report in a timely manner to avoid late submission.

#### **Management's Response:**

The Community Development Department has implemented policies and practices that should prevent the delay in submittal of the annual housing report to HCD.

### **Management's Response to Findings**

The Housing Successor's response to the findings identified in our audit was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing Successor's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Successor's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Brea, California  
December 22, 2016



## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH APPLICABLE REQUIREMENT AND ON INTERNAL CONTROL OVER COMPLIANCE

To the Honorable Mayor and Members of the  
Banning Housing Authority  
City of Banning, California

### **Report on Compliance for the Housing Successor**

We have audited the Banning Housing Successor's (the Housing Successor) compliance with the type of compliance requirements described in the California Health and Safety Code sections applicable to California Housing Successor Agencies for the year ending June 30, 2016.

#### ***Management's Responsibility***

Management is responsible for compliance with the California Health and Safety Code sections applicable to California Housing Successor Agencies.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the Housing Successor's compliance with the California Health and Safety Code sections applicable to California Housing Successor Agencies. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred above that could have a direct and material effect on Housing Successor occurred. An audit includes examining, on a test basis, evidence about the Housing Successor's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the Housing Successor. However, our audit does not provide a legal determination of the Housing Successor's compliance with those requirements.

#### ***Opinion***

In our opinion, the Housing Successor complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its Housing Successor for the year ending June 30, 2016.



CPAs AND ADVISORS

To the Honorable Mayor and Members of the  
Banning Housing Authority  
City of Banning, California

## **Report on Internal Control over Compliance**

Management of the Housing Successor is responsible for establishing and maintaining effective internal control over compliance with the type of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Housing Successor's internal control over compliance with the types of requirements that could have a direct and material effect on the Housing Successor to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance and to test and report on internal controls over compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Successor's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance of California Health and Safety Code sections applicable to California Housing Successor Agencies on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of California Health and Safety Code sections applicable to California Housing Successor Agencies will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We identified the following deficiency that we consider to be a significant deficiency:

### **Annual Housing Report Submission**

The Housing Successor's annual report was due to The Department of Housing and Community Development (HCD) by April 1, 2016. The annual report was passed, approved, and adopted by the Banning City Council on April 12, 2016. The report was dated and submitted to HCD on May 4, 2016.

### **Management's Response:**

The Community Development Department has implemented policies and practices that should prevent the delay in submittal of the annual housing report to HCD.

### **Management's Response to Finding**

Management of the Housing Successor response to the findings identified in our audit was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.



CPAs AND ADVISORS

To the Honorable Mayor and Members of the  
Banning Housing Authority  
City of Banning, California

### **Report on Excess/Surplus Calculation**

We have audited the financial statements of the governmental activities of the Banning Housing Successor as of and for the year ended June 30, 2016, and have issued our report thereon dated December 22, 2016, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying report on excess/surplus calculation is presented for purposes of additional analysis only and is not a required part of the financial statements. Such information is the responsibility of management and was derived from the financial statements. The report on excess/surplus calculation has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance.

### **Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of California Health and Safety Code sections applicable to California Housing Successor Agencies. Accordingly, this communication is not suitable for any other purpose.

*Lance, Soll & Lughard, LLP*

Brea, California  
December 22, 2016



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

**TO:** CITY COUNCIL

**FROM:** Michael Rock, City Manager

**PREPARED BY:** Heidi Meraz, Community Services Director

**MEETING DATE:** April 25, 2017

**SUBJECT:** Discuss and Consider Adopting Resolution 2017-42, Authorizing the City Manager or His Designee to Execute any Necessary Documents Required to Obtain Funds Available from the California Department of Transportation Low Carbon Transit Operations Program

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### **RECOMMENDATION:**

City Council discuss and consider adopting Resolution 2017-42, authorizing the City Manager to execute for and on behalf of the City of Banning (City) any actions necessary for the purpose of obtaining financial assistance for Fiscal Year (FY) 2016/17 through the California Department of Transportation (Caltrans) Low Carbon Transit Operations Program (LCTOP).

### **JUSTIFICATION:**

The Caltrans LCTOP provides the City with an opportunity to sustain service levels in Cabazon and offer more Demand Response capacity on Saturdays for people with disabilities and senior citizens. The LCTOP is designed to reduce the carbon footprint in an area and target Disadvantaged Communities (DACs). By focusing on Cabazon, this project accomplishes both through reducing vehicle miles traveled and providing service to a DAC.

### **BACKGROUND:**

Staff has submitted an initial grant application for \$74,561 in LCTOP operating funds through Caltrans. The project identifies the sustenance of Cabazon service levels and



increased Saturday Demand Response service capacity for people with disabilities and senior citizens.

After identifying an appropriate project for funding through the LCTOP, staff requested and has received the support and signed Sponsor Signature page from the Riverside County Transportation Commission. A Governing Body Resolution approved by the City Council of the City of Banning must be submitted as a part of the final application to complete the funding process.

**OPTIONS:**

1. Adopt Resolution 2017-42 authorizing the City Manager and/or his designee to execute for and on behalf of the City of Banning any actions necessary for the purpose of obtaining financial assistance for FY 2016/17 through the Caltrans LCTOP program
2. Reject Resolution 2017-42, resulting in a loss of \$74,561 of funding made available by Caltrans through the LCTOP.

**ATTACHMENT:**

1. Resolution 2017-42

Approved by:



---

Michael Rock  
City Manager



# ***ATTACHMENT 1***

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## RESOLUTION 2017-42

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE ANY NECESSARY DOCUMENTS REQUIRED TO OBTAIN FUNDS FROM THE CALIFORNIA DEPARTMENT OF TRANSPORTATION LOW CARBON TRANSIT OPERATIONS PROGRAM.**

**WHEREAS**, the City of Banning is a project sponsor and may receive state funding from the Low Carbon Transit Operations (LCTOP) for transit projects; and

**WHEREAS**, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

**WHEREAS**, Senate Bill 862 (2014) named the Department of Transportation as the administrative agency for the LCTOP; and

**WHEREAS**, the City Of Banning will apply for LCTOP funding in the amount of \$74,561 for sustenance of service levels in Cabazon and increased Saturday Demand Response service capacity for people with disabilities and senior citizens; and

**WHEREAS**, the Department of Transportation has developed guidelines for the purpose of administering and distributing LCTOP funds to eligible local agencies; and

**WHEREAS**, the City of Banning wishes to delegate the authorization to execute these documents and any amendments thereto to the City Manager or his designee.

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

SECTION 1: That the City Manager and/or his Designee agrees to comply with all conditions and requirements set forth in the Certification and Assurances and the Authorized Agent documents and applicable statutes, regulations and guidelines for all LCTOP funded transit projects.

SECTION 2: That the City Manager and/or his *Designee* be authorized to execute all required documents of the LCTOP program and any Amendments thereto with the California Department of Transportation.

**PASSED, APPROVED AND ADOPTED** this 25th day of April, 2017.

---

George Moyer, Mayor  
City of Banning, California

**ATTEST:**

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

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

\_\_\_\_\_  
John C Cotti, Interim City Attorney  
Jenkins & Hogin, LLP

**CERTIFICATION:**

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution 2017-42 was duly adopted by the City Council of the City of Banning at a regular meeting thereof held on the 25th day of April, 2017, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

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



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

**TO:** CITY COUNCIL

**FROM:** Michael Rock, City Manager

**PREPARED BY:** Art Vela, Director of Public Works/City Engineer

**MEETING DATE:** April 25, 2017

**SUBJECT:** Discuss and Consider Adopting Resolution 2017-43, Declaring the Intention to Levy and Collect Assessments, Approving the Engineer's Report, and Setting the Date for the Public Hearing for Landscape Maintenance District No. 1

---

### **RECOMMENDATION:**

City Council discuss and consider adopting Resolution 2017-43, declaring the intention to levy and collect assessments, approving the Engineer's Report and setting the date for the Public Hearing for Landscape Maintenance District No. 1.

### **JUSTIFICATION:**

The City Council approved the formation of Landscape Maintenance District (LMD) No. 1 by adopting Resolution 1990-59 on August 14, 1990. The adoption of Resolution 2017-43 will enable the Public Works Director/City Engineer to assess the property owners located within LMD No. 1 to provide for the funding required to maintain landscape areas located within the public right-of-way directly benefiting said property owners.

### **BACKGROUND:**

In accordance with the "Landscaping and Lighting Act of 1972" ("1972 Act") of the Streets and Highways Code, the City Council adopted a resolution on August 14, 1990 ordering the formation of Landscape Maintenance District No. 1, ("the District"). An additional five tracts and three tentative tracts were annexed (Annexation No. 1) into LMD No. 1 when the City Council approved Resolution 2005-36 on May 10, 2005. A map

displaying the District is attached. On February 28, 2017 the City Council approved Resolution 2017-18, initiating proceedings for the fiscal year update of LMD No.1.

The District, by special benefit assessments, provides funding for the servicing and maintenance of certain landscape areas within the City of Banning, all of which are located in the public right-of-way. The 1972 Act requires that assessments are to be levied according to benefit rather than according to assessed value.

Resolution 2017-43 accomplishes three goals for the fiscal year update and renewal of LMD No. 1. First, it provides the resolution of intention to levy and collect assessments; second, it permits the City Council to review and approve the Engineer's Report; and third, it sets the date and time for a public hearing. Subsequent to the approval of Resolution 2017-43, the City Council will be requested to confirm the assessments for Fiscal Year 2017/18.

The Engineer's Report, reflecting the detail of proposed assessments, was forwarded to the City Council under a separate cover and is on file with the City Clerk. Upon approval of this resolution, the public hearing will be held at the regularly scheduled City Council meeting on May 23, 2017, at 5:00 p.m., as shown in the attached schedule. A detailed list of tracts in LMD No. 1 and their respective assessments is shown as attached.

A contract for the operation and maintenance of LMD No. 1 was awarded to Artistic Maintenance, Inc. at the regularly scheduled City Council meeting on May 13, 2014 through the adoption of Resolution 2014-24. Staff intends to recommend the renewal of this contract for next Fiscal Year at the May 9, 2017 City Council meeting. For Fiscal Year 2017/2018, the Engineer's Report does not reflect a Consumer Price Index (CPI) percentage increase on the assessments over the last fiscal year due to the savings the LMD No. 1 budget has incurred by continuing to utilize a landscape contractor instead of Public Works Department staff. Additionally, there was no CPI increase during the previous two Fiscal Years.

#### **FISCAL IMPACT:**

Based on the proposed assessments, the estimated revenues for Fiscal Year 2017/18 for LMD No. 1 will be approximately \$136,562.00. If approved, the annual assessment for a single-family dwelling would remain the same as the last two fiscal years, ranging from \$98.91 to \$200.44. The assessment revenues will fund the landscape maintenance contract, electric and water utility costs, consultant costs for design improvements, construction costs of the improvements and miscellaneous costs (additional planting materials and irrigation repairs, County Assessor's Roll charge, Advertisement, etc.).



**OPTIONS:**

1. Adopt Resolution 2017-43.
2. Reject the recommendation. If rejected, staff cannot continue with the process of assessing the homeowners and properties within LMD No. 1 a fee to pay for maintenance and servicing costs. Expenses funded by the fee currently include the LMD contractor, utility costs (water and electric), miscellaneous costs (design and construction of improvements, irrigation repair, flower and tree replacement, shrubs, etc.), and minor incidentals. Without an assessment other funding sources would have to be utilized to pay for the expenses related to the operation and maintenance of LMD No.1.

**ATTACHMENTS:**

1. Resolution 2017-43
2. LMD No. 1 Map for FY 2017/18
3. Tentative Schedule for Updating LMD No. 1
4. LMD No. 1 Assessments

Approved by:



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Michael Rock  
City Manager

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# ***ATTACHMENT 1***

(Resolution 2017-43)

## **RESOLUTION 2017-43**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, DECLARING THE INTENTION TO LEVY AND COLLECT ASSESSMENTS WITHIN LANDSCAPE MAINTENANCE DISTRICT NO. 1, DURING THE FISCAL YEAR 2017/18, PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972 FOR THE MAINTENANCE AND SERVICING OF LANDSCAPING, APPROVING THE ENGINEER'S REPORT, AND SETTING THE DATE FOR THE PUBLIC HEARING FOR THE LEVY OF SAID ASSESSMENT**

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

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

**WHEREAS**, at its regularly scheduled meeting on February 28, 2017 the City Council adopted Resolution 2017-18, initiating proceedings for the fiscal year renewal of LMD No. 1 pursuant to the "Landscaping and Lighting Act of 1972," Part 2 (commencing with Sec. 22500) of Division 15 of the Streets and Highways code, for the operation, maintenance and servicing of landscape medians, parkways, perimeter strips and slopes adjacent to sidewalks, flood detention or retention basins, and the irrigation of the above facilities and all appurtenant facilities related thereto; and

**WHEREAS**, by said Resolution the City Council ordered the City Engineer to prepare and file a report with the City Clerk in accordance with Article 4 (commencing with Sec. 22565) of Chapter 1 of Part 2 of Division 15 of the Streets and Highways code; and

**WHEREAS**, the City Engineer has filed such report with the City Clerk, and such report has been presented to and considered by the City Council; and

**WHEREAS**, it is essential that the City Council adopt Resolution 2017-43, so that the City may assess and collect assessments from the property owners located within LMD No. 1; and

**WHEREAS**, the City Council hereby finds that the funding for LMD No. 1 is available through a special assessment of property owners located within the District.

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

SECTION 1. That the City Council hereby declares its intention to levy and collect assessments within LMD No. 1 for the Fiscal Year 2017/18 pursuant to the "Landscaping and Lighting Act of 1972." The area to be assessed is located in the City of Banning, Riverside County. The boundaries of LMD No. 1 are described in Attachment "2", and are on file in the Office of the City Clerk and City Engineer.

SECTION 2. That the purpose of LMD No. 1 is for the maintenance and servicing of landscape medians and parkways, perimeter strips and backup walls, landscaped hillsides with high visibility, side slopes adjacent to sidewalks, flood detention or retention basins, and the irrigation of the above facilities.

SECTION 3. That the Engineer's Report, which is on file with the City Clerk and considered by the City Council at the meeting at which this Resolution has been adopted, is hereby approved and considered final. All interested persons are referred to that report for a full and detailed description of the work, the boundaries of the proposed assessment district, and the proposed assessments upon assessable lots and parcels of land within LMD No. 1.

SECTION 4. That the City Clerk shall give notice of the time and place of said public hearing by advertising a copy of the resolution once in the local newspaper and provide a posted notice not less than ten (10) days before the date of the hearing.

SECTION 5. That on Tuesday, May 23, 2017, at the hour of 5:00 p.m., during the course of its regularly scheduled meeting, the City Council will conduct a public hearing on the question of the levy of the proposed annual assessment. The hearing will be held at Banning City Hall, 99 E. Ramsey Street, Banning, California.

**PASSED, APPROVED AND ADOPTED** this 25th day of April, 2017.

---

George Moyer, Mayor  
City of Banning

**ATTEST:**

---

Marie A. Calderon, City Clerk  
City of Banning

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

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

**CERTIFICATION:**

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2017-43 was duly adopted by the City Council of the City of Banning at a regular meeting thereof held on the 25<sup>th</sup> day of April, 2017, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

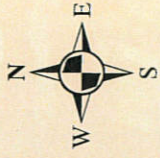
Marie A. Calderon, City Clerk  
City of Banning, California



# ***ATTACHMENT 2***

**(Landscape Maintenance District No. 1 for Fiscal Year 2017/2018)**

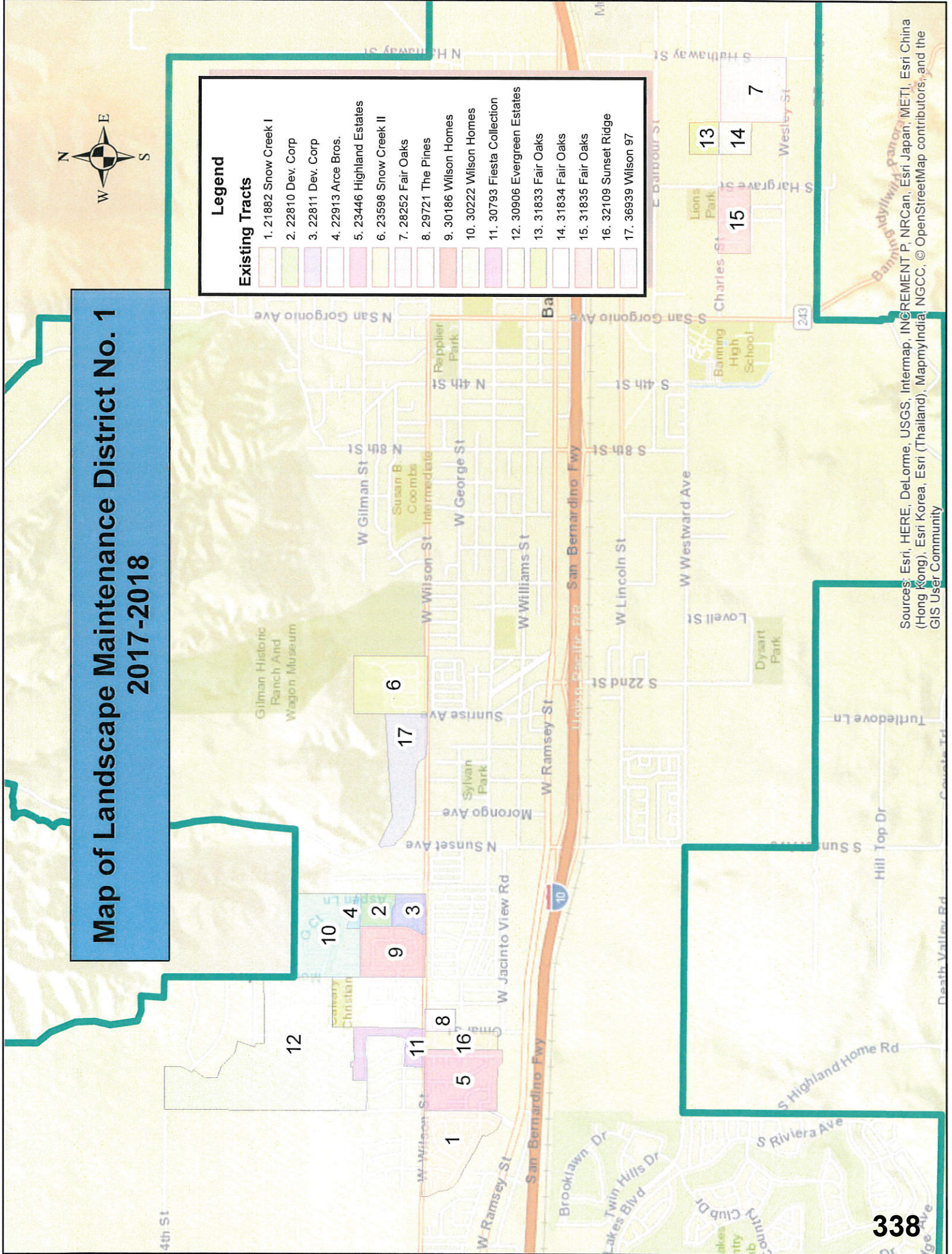
# Map of Landscape Maintenance District No. 1 2017-2018



## Legend

### Existing Tracts

1. 21882 Snow Creek I
2. 22810 Dev. Corp
3. 22811 Dev. Corp
4. 22913 Arce Bros.
5. 23446 Highland Estates
6. 23598 Snow Creek II
7. 28252 Fair Oaks
8. 29721 The Pines
9. 30186 Wilson Homes
10. 30222 Wilson Homes
11. 30783 Fiesta Collection
12. 30906 Evergreen Estates
13. 31833 Fair Oaks
14. 31834 Fair Oaks
15. 31835 Fair Oaks
16. 32109 Sunset Ridge
17. 36939 Wilson 97



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), MapmyIndia, NGCC, © OpenStreetMap contributors, and the GIS User Community

# ***ATTACHMENT 3***

**(Tentative Schedule for Updating Landscape Maintenance District No. 1)**

### **Tentative Schedule for Updating Landscape Maintenance District No. 1**

Item	Council Meeting
Resolution Initiating Update	February 28, 2017
Resolution of Intention (Approving Engineer's Report)	April 25, 2017
Resolution Confirming Assessment (Public Hearing)	May 23, 2017



# ***ATTACHMENT 4***

**(Landscape Maintenance District No. 1 Tracts and Assessments for  
Fiscal Year 2017/2018)**

**Landscape Maintenance District No. 1 Tracts and Assessments for  
Fiscal Year 2017/2018**

<b>Tract No.</b>	<b>No. of AU</b>	<b>Zone</b>	<b>Proposed Cost/AU (FY 2017/18)</b>
22810	43	A	\$108.90
22811	39	A	\$108.90
22913	9	A	\$108.90
21882	134	B	\$113.31
23446	138	B	\$113.31
29721	21	B	\$113.31
30186	107	B	\$113.31
30222	121	B	\$113.31
32109	38	B	\$113.31
23598	97	C	\$98.91
36939	(53)	C	\$98.91
28252	70	D	\$200.44
30793	43	D	\$200.44
31833	17	D	\$200.44
31834	18	D	\$200.44
31835	33	D	\$200.44
30906*	87	D	\$200.44
<b>Total</b>	<b>1,015</b>		<b>\$136,562.38</b>

AU= Assessment Unit

(#) = Tract not yet completed or will not be accepted into the Landscape Maintenance District during the next Fiscal Year. Not included in total AU.

\*Tract No. 30906 has a total of 303 AU; therefore, a total of 216 remain.





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

**TO:** CITY COUNCIL

**FROM:** Michael Rock, City Manager

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

**MEETING DATE:** April 25, 2017

**SUBJECT:** Discuss and Consider Adopting Resolution 2017-39,  
Establishing a Pre-Approved Professional Engineering Vendor  
List for the Remainder of Fiscal Year 2017 through Fiscal Year  
2020

---

### **RECOMMENDATION:**

The City Council adopt Resolution 2017-39 establishing a pre-approved professional engineering vendor list established through a formal request for proposals (RFP) for various engineering services for the remainder of fiscal year (FY) 2017 through FY 2020.

### **JUSTIFICATION:**

The Public Works Department procures several professional engineering services contracts throughout the year for the development of capital improvement projects. Establishing a pre-approved vendor list would expedite the process of obtaining these services as well as reduce the time spent by city staff preparing and evaluating formal RFPs and proposals.

### **BACKGROUND:**

On February 3, 2017 and February 10, 2017 a publication was advertised in the Record Gazette and Press Enterprise notifying qualified engineering firms of the opportunity to submit a proposal and provide the City with On-Call Engineering Services. The request was also published on the City's website and twenty-five (25) firms were directly solicited. The Request for Proposals ("RFP") closed on February 22, 2017, with the

eighteen (18) consultants listed below responding and submitting proposals by the deadline.

	<b>CONSULTANT</b>	<b>SCORE</b>
1.	Cozad & Fox, Inc.	1307.5
2.	Lee & Ro, Inc.	1207.5
3.	Carollo Engineers	1202.5
4.	CASC Engineering & Consulting	1162.5
5.	Michael Baker International	1137.5
6.	ERSC-Engineering Resources So. Cal	1122.5
7.	Hazen & Sawyer	1122.5
8.	MSA Consulting, Inc.	1120.0
9.	Albert A. Webb Associates	1117.5
10.	KWC Engineers	1110.0
11.	Linscott, Law & Greenspan Engineers	1092.5
12.	Aragon Geotechnical, Inc.	1090.0
13.	Hernandez, Kroone & Associates	1082.5
14.	TAIT & Associates, Inc.	1082.5
15.	Ludwig Engineering	1080.0
16.	Sustainable Civil Engineering Solutions	1075.0
17.	KOA Corporation	1067.5
18.	TTG Engineers	982.5

An evaluation committee consisting of three (3) engineers was assembled to evaluate the proposals based on qualifications and experience of the proposed team; ability to provide the requested engineering services and rates.

The services that were requested in the RFP include:

- |                             |                                   |
|-----------------------------|-----------------------------------|
| 1. Plan Checks              | 7. Surveying                      |
| 2. Street Improvements      | 8. Hydrology / Hydraulic Analysis |
| 3. Water Improvements       | 9. Geotechnical & Testing         |
| 4. Sewer Improvements       | 10. Environmental Analysis        |
| 5. Storm Drain Improvements | 11. Structural Design             |
| 6. Traffic Engineering      |                                   |

Based on the review of the evaluation committee members and the overall ranking of each firm (see table above) based on specific services, the following table represents the evaluation committee's recommendations for each category.

	Consultant	Plan Check	Street	Water	Sewer	Storm Drain	Traffic Eng.	Surveying	Hydrology/ Hydraulics	Geotechnical & Testing	Environmental	Structural Design
1.	Cozad & Fox, Inc.	X	X	X	X	X	X	X	X	X	X	X
2.	Lee & Ro, Inc.	X		X	X				X			
3	Carollo Engineers	X		X	X	X		X	X	X	X	X
4.	CASC Engineering & Consulting	X	X	X	X	X	X	X	X		X	X
5.	Michael Baker International	X	X	X	X	X	X	X	X	X	X	X
6.	ERSC-Engineering Resources So. Cal	X		X	X							
7.	Hazen & Sawyer			X	X				X			X
8.	MSA Consulting, Inc.	X	X	X	X	X		X	X		X	X
9.	Albert A. Webb Associates	X	X	X	X	X	X	X	X	X	X	X
10.	KWC Engineers	X	X	X	X	X	X	X	X	X	X	X
12.	Aragon Geotechnical, Inc.									X		

#### **FISCAL IMPACT:**

There is no fiscal impact related to this resolution. The funding of on-call engineering services contracts will be determined at the time of contract award within the allocated operational or project approved budget.

#### **OPTIONS:**

1. Adopt Resolution 2017-39.
2. Reject Resolution 2017-39.

**ATTACHMENTS:**

1. Resolution 2017-39
2. Publication Notice
3. Firms Directly Solicited
4. Request for Proposals and Draft Agreement

Approved by:



---

Michael Rock,  
City Manager

# ***ATTACHMENT 1***

(Resolution 2017-37)

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## RESOLUTION 2017-39

### RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, ESTABLISHING A PRE-APPROVED PROFESSIONAL ENGINEERING VENDOR LIST FOR THE REMAINDER OF FISCAL YEAR 2017 THROUGH FISCAL YEAR 2020

**WHEREAS**, on February 3, 2017 and February 10, 2017 a publication was advertised in the Record Gazette and Press Enterprise notifying qualified engineering firms of the opportunity to submit a proposal and provide the City with On-Call Engineering Services; and

**WHEREAS**, the request was also published on the City's website and twenty-five (25) firms were directly solicited with eighteen (18) firms responding and submitting proposals; and

**WHEREAS**, an evaluation committee consisting of three (3) engineers was assembled to evaluate the proposals based on qualifications and experience of the proposed team; qualifications and ability to provide specific engineering services and rates; and

**WHEREAS**, as part of the evaluation process, firms were also categorized based on qualifications and ability to provide specific engineering services and as a result recommends the following list of vendors to provide various engineering services:

	Consultant	Plan Check	Street	Water	Sewer	Storm Drain	Traffic Eng.	Surveying	Hydrology/ Hydraulics	Geotechnical & Testing	Environmental	Structural Design
1.	Cozad & Fox, Inc.	X	X	X	X	X	X	X	X	X	X	X
2.	Lee & Ro, Inc.	X		X	X				X			
3	Carollo Engineers	X		X	X	X		X	X	X	X	X
4.	CASC Engineering & Consulting	X	X	X	X	X	X	X	X		X	X
5.	Michael Baker International	X	X	X	X	X	X	X	X	X	X	X
6.	ERSC-Engineering Resources So. Cal	X		X	X							
7.	Hazen & Sawyer			X	X				X			X

8.	MSA Consulting, Inc.	X	X	X	X	X		X	X		X	X
9.	Albert A. Webb Associates	X	X	X	X	X	X	X	X	X	X	X
10.	KWC Engineers	X	X	X	X	X	X	X	X	X	X	X
12.	Aragon Geotechnical, Inc.									X		

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

SECTION 1. The Banning City Council adopts Resolution 2017-39 establishing a pre-approved professional engineering vendor list established through a formal request for proposals (RFP) for various engineering services for the remainder of fiscal year (FY) 2017 through FY 2020.

SECTION 2. The City Council authorizes the City Manager or designee to execute purchase orders for professional engineering services from the pre-approved vendor list in accordance with the City's purchasing policies.

**PASSED, APPROVED AND ADOPTED** this 25th day of April, 2017.

\_\_\_\_\_  
George Moyer, Mayor  
City of Banning

**ATTEST:**

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

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

\_\_\_\_\_  
John C. Cotti, Interim City Attorney  
Jenkins & Hugin, LLP

**CERTIFICATION:**

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution 2017-39, was duly adopted by the City Council of the City of Banning, California, at a Regular Meeting thereof held on the 25th day of April, 2017, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

---

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

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# ***ATTACHMENT 2***

(Publication Notice)

## **City of Banning**

### **Request for Proposals No. 17-009 for On Call Engineering Services**

NOTICE IS HEREBY GIVEN that sealed proposals shall be received by the City of Banning to wit: The City Clerk, P.O. Box 998, Banning, California 92220-0998, on or before the hour of 10:00 a.m. on February 22, 2017.

It shall be the responsibility of the offeror to deliver his proposal to the City Clerk's office by the announced time. Delivery Location: City of Banning, City Hall, 99 East Ramsey St. (City Clerk's Office), Banning, California 92220.

The Proposals shall be to the attention of Jennifer McCoy in a sealed envelope identified on the outside with the Offeror's Business Name, Proposer Identity— Request for Proposals for No. 17-009 for On Call Engineering Services and the due date. Proposals will not be publicly opened.

The Request for Proposals (RFP No. 17-009) may be downloaded from the City of Banning website at <http://ci.banning.ca.us/bids.aspx>.

If you have additional questions, please contact Jennifer McCoy, via e-mail at [jmccoy@ci.banning.ca.us](mailto:jmccoy@ci.banning.ca.us)

City of Banning  
99 E. Ramsey St.  
P.O. Box 998  
City Clerk's Office  
Banning, CA 92220-0998  
Phone: 951-922-3121  
Fax: 951-922-3165

CITY OF BANNING, CALIFORNIA  
Dated: 02/03/17 and 02/10/17

/s/ Jennifer McCoy  
Purchasing Manager



# ***ATTACHMENT 3***

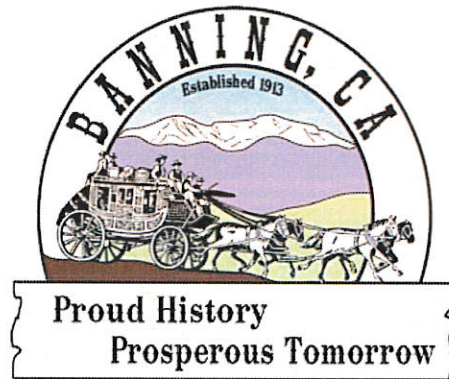
**(Firms Directly Solicited)**

## VENDOR LIST

	COMPANY	CONTACT	TELEPHONE	EMAIL ADDRESS	COMMENTS
1	Aragon Geotechnical, Inc.	C. Fernando Aragon	951-776-0345 x 201	<a href="mailto:fernando@aragoneo.com">fernando@aragoneo.com</a>	Addendum #2 Emailed 02/16/17 Plan Room/Addendum #1 Emailed 02/08/17; Addendum #2 Emailed 02/16/17
2	Associated General Contractors of America	Rae Marie S Blaha-Jones	858-558-7444 x 110	<a href="mailto:raemarie@agcscd.org">raemarie@agcscd.org</a>	Addendum #1 Emailed 02/08/17; Addendum #2 Emailed 02/16/17
3	BOA Architecture	Edward Lok Ng	562-912-7900	<a href="mailto:lok.ng@boaarchitecture.com">lok.ng@boaarchitecture.com</a>	Addendum #1 Emailed 02/08/17; Addendum #2 Emailed 02/16/17
4	Carollo Engineers, Inc.	Inge Wiersema	714-593-5100	<a href="mailto:iwiersema@carollo.com">iwiersema@carollo.com</a>	Plan Room/Addendum #1 Emailed 02/08/17; Addendum #2 Emailed 02/16/17
5	Construct Connect	Juanita Davis	770-209-3810	<a href="mailto:juanita.davis@cmdgroup.com">juanita.davis@cmdgroup.com</a>	Plan Room/Addendum #1 Emailed 02/08/17; Addendum #2 Emailed 02/16/17
6	Converse Consultants	Kathy Von Glahn	909-796-0544	<a href="mailto:kvonglahn@converseconsultants.com">kvonglahn@converseconsultants.com</a>	Plan Room/Addendum #1 Emailed 02/08/17; Addendum #2 Emailed 02/16/17
7	Cozad and Fox	Robert Vestal	951-652-4454	<a href="mailto:rlvestal@kbozad.com">rlvestal@kbozad.com</a>	Addendum #1 Emailed 02/08/17; Addendum #2 Emailed 02/16/17
8	CWE Engineering	Charlotte Knight	714-526-7500 x 201	<a href="mailto:cknight@cwecorp.com">cknight@cwecorp.com</a>	Addendum #1 Emailed 02/08/17; Addendum #2 Emailed 02/16/17
9	Earth Systems Southwest	Tony Colarossi	760-345-1588	<a href="mailto:tcolarossi@earthsystems.com">tcolarossi@earthsystems.com</a>	Addendum #1 Emailed 02/08/17; Addendum #2 Emailed 02/16/17
10	Engineering Resources	Craig Brudin	951-765-6622	<a href="mailto:cbrudin@ersinc.com">cbrudin@ersinc.com</a>	Addendum #1 Emailed 02/08/17; Addendum #2 Emailed 02/16/17
11	Godfrey's Associates	Dick Waters	401-556-2398	<a href="mailto:rwaters@godfreysassociates.com">rwaters@godfreysassociates.com</a>	Addendum #1 Emailed 02/08/17; Addendum #2 Emailed 02/16/17
12	Hermann Design Group	Chris Hermann	760-777-9131	<a href="mailto:info@hdg-inc.com">info@hdg-inc.com</a>	Addendum #1 Emailed 02/08/17; Addendum #2 Emailed 02/16/17
13	Higginson Architects	Richard Arias	909-375-3030	<a href="mailto:arias@haarchinc.com">arias@haarchinc.com</a>	Addendum #1 Emailed 02/08/17; Addendum #2 Emailed 02/16/17
14	KOA Corporation	Chuck Stephan		<a href="mailto:cstephan@koacorp.com">cstephan@koacorp.com</a>	Addendum #1 Emailed 02/08/17; Addendum #2 Emailed 02/16/17
15	Land Engineering Consultants, Inc.	Dan Haskins	909-795-8882	<a href="mailto:dan@lecincorporated.com">dan@lecincorporated.com</a>	Addendum #1 Emailed 02/08/17; Addendum #2 Emailed 02/16/17
16	LEE & RO, Inc.	Donna S. Smith	626-912-3391 x 205	<a href="mailto:donna.smith@lee-roo.com">donna.smith@lee-roo.com</a>	Addendum #1 Emailed 02/08/17; Addendum #2 Emailed 02/16/17
17	Michael Baker International	Michael Boeck	951-676-8042	<a href="mailto:mboeck@mbakerintl.com">mboeck@mbakerintl.com</a>	Addendum #1 Emailed 02/08/17; Addendum #2 Emailed 02/16/17
18	MTGL Inc.	Steven Koch	800-491-2990	<a href="mailto:skock@mtgllinc.com">skock@mtgllinc.com</a>	Addendum #1 Emailed 02/08/17; Addendum #2 Emailed 02/16/17
19	Raymundo Engineering Co., Inc.	James Dong	925-988-0172	<a href="mailto:jd@raymundo.com">jd@raymundo.com</a>	Addendum #1 Emailed 02/08/17; Addendum #2 Emailed 02/16/17
20	SCST Engineering	Dan Marino	619-280-4321	<a href="mailto:dmarino@scst.com">dmarino@scst.com</a>	Addendum #1 Emailed 02/08/17; Addendum #2 Emailed 02/16/17
21	Stantec	Kyle Emerson	909-335-6116	<a href="mailto:kyle.emerson@stantec.com">kyle.emerson@stantec.com</a>	Addendum #1 Emailed 02/08/17; Addendum #2 Emailed 02/16/17
22	TKE Engineering	Michael Thornton	951-680-0440	<a href="mailto:mthornton@tkeengineering.com">mthornton@tkeengineering.com</a>	Addendum #1 Emailed 02/08/17; Addendum #2 Emailed 02/16/17
23	United - Heider Inspection Group	Kevin Ramirez	951-697-4777	<a href="mailto:kramirez@united-heider.com">kramirez@united-heider.com</a>	Addendum #1 Emailed 02/08/17; Addendum #2 Emailed 02/16/17
24	V2C Group	Anthony Mendoza	951-784-9602	<a href="mailto:visions_v2c@yahoo.com">visions_v2c@yahoo.com</a>	Addendum #1 Emailed 02/08/17; Addendum #2 Emailed 02/16/17
25	Webb and Associates	Kerry Craft	951-248-4263	<a href="mailto:kerry.craft@webbassociates.com">kerry.craft@webbassociates.com</a>	Addendum #1 Emailed 02/08/17; Addendum #2 Emailed 02/16/17

# ***ATTACHMENT 4***

**(Request for Proposal and Draft Agreement)**



**REQUEST FOR PROPOSAL  
FOR  
17-009  
ON CALL ENGINEERING SERVICES**

**CITY OF BANNING  
Public Works Department  
99 East Ramsey Street  
Banning, California 92220**

**Released on February 3, 2017**

## **REQUEST FOR PROPOSAL (RFP) NO. 17-009**

### **ON CALL ENGINEERING SERVICES**

Dear Proposers:

The City of Banning (hereinafter referred to as the "City") is requesting proposals from a qualified public entity or private firm, to establish a contract for ON CALL ENGINEERING SERVICES.

Sealed proposals shall be received by the City of Banning to wit: The City Clerk, 99 E. Ramsey St., Banning, California 92220, on or before the hour of **10:00 a.m. on February 22, 2017.**

It shall be the responsibility of the proposer to deliver his proposal to the City Clerk's office by the announced time. Delivery Location: City of Banning, City Hall, 99 East Ramsey St. (City Clerk's Office), Banning, California 92220.

The Proposals shall be to the attention of Jennifer McCoy in a sealed envelope identified on the outside with the Offeror's Business Name, Proposer Identity— Request for Proposals for On Call Engineering Services and the due date. Proposals will not be publicly opened.

The Request for Proposals (RFP No. 17-009) may be downloaded from the City of Banning website at <http://ci.banning.ca.us/bids.aspx>.

#### **1. BACKGROUND**

The City of Banning is strategically located astride Interstate 10 between the Inland Empire and the Coachella Valley in the San Geronio Pass. The City, incorporated in 1913, has a rich and colorful history.

Initially Banning served as a stagecoach and railroad stop between the Arizona territories and Los Angeles. This history has contributed to the present day spirit of pioneer resourcefulness and "can do" attitude that is so prevalent in the community.

Banning is a friendly and wholesome place to work and raise a family. Desirable executive housing is available, as well as moderate and lower income housing. Clean air, ample water supplies and the memorable and inspiring scenic vistas of both Mt. San Geronio and Mt. San Jacinto, the 2 tallest peaks in Southern California, are additional amenities which make the City of Banning a logical choice as a development opportunity in the Southern California area.

#### **2. SCHEDULE OF EVENTS**

This request for proposal will be governed by the following schedule:

Release of RFP

February 3, 2017



Deadline for Written Questions	February 13, 2017 by 3:00 p.m.
Responses to Questions Posted on Web	February 16, 2017 by 5:00 p.m.
Proposals are Due	February 22, 2017 by 10:00 a.m.
Interview (if held)	The Week of March 14, 2017
Approval of Contract	April 4, 2017 (Tentative)

All dates are subject to change at the discretion of the City.

### **3. SCOPE OF WORK**

The City of Banning is soliciting proposals from qualified firms to provide on-call engineering services for various types of public works projects. Qualified firms shall have experience in the preparation of design, plans, specifications, cost estimates, and contract documents for capital projects including Street Improvements, Traffic Engineering; Storm Drain Improvements, Sewer Improvements, Water Improvements and Wastewater Improvements, as well as, plan checks of the above-mentioned. Upon evaluation, the City of Banning will make an award recommendation for an aggregate annual not-to-exceed contract to the top three (3) responsible and qualified bidders.

Design engineering and surveying services may include but not limited to the following:

1. Preparation of engineering quantity estimates and costs.
2. Engineering project management.
3. Structural design.
4. Survey services necessary for required scope of work.
5. Land surveying and map/easement or legal description preparation.
6. Federally and State-mandated reports required for NPDES, general construction permit.
7. Preparation of grading improvement plans (mass, rough and precise).
8. Preparation of traffic plans (signing and striping plans, traffic detour and traffic staging plans, and signals).
9. Preparation of street improvement plans (widening and rehabilitations).
10. Preparation of traffic studies/reports to ensure conformance with traffic plans.
11. Preparation of storm drain improvement plans.
12. Preparation of hydrology and hydraulic reports.
13. Water well/booster pump stations; water main distribution or transmission improvements/replacement of pipelines (potable and recycled).
14. Sewer lines and sewer lift stations.
15. Preparation of sewer improvement plans.
16. Preparation of water and sewer pressure and capacity calculations and reports.



Plan check services may also be required with adherence to the following schedule:

1. Initial and 2nd Plan Checks to be delivered to the City within 14 calendar days.
2. All subsequent plan checks shall be completed and delivered to the City within 7 calendar days.

#### **4. PROPOSAL FORMAT GUIDELINES**

Interested entities or Consultants are to provide the City of Banning with a thorough proposal using the following guidelines:

Proposal should be typed and should contain no more than 20 typed pages using a 12-point font size, including transmittal letter and resumes of key people, but excluding Index/Table of Contents, tables, charts, and graphic exhibits. Each proposal will adhere to the following order and content of sections. Proposal should be straightforward, concise and provide “layman” explanations of technical terms that are used. Emphasis should be concentrated on conforming to the RFP instructions, responding to the RFP requirements, and on providing a complete and clear description of the offer. Proposals which appear unrealistic in terms of technical commitments, lack of technical competence or are indicative of failure to comprehend the complexity and risk of this contract may be rejected. The following proposal sections are to be included in the Proposer’s response:

- **Vendor Application Form and Cover Letter**

Complete Appendix A, “Request for Proposal-Vendor Application Form” and attach this form to the cover letter. A cover letter, not to exceed three pages in length, should summarize key elements of the proposal. An individual authorized to bind the consultant must sign the letter. The letter must stipulate that the proposal price will be valid for a period of at least 180 days. Indicate the address and telephone number of the Consultant’s office located nearest to Banning, California and the office from which the project will be managed.

- **Background and Project Summary Section**

The Background and Project Summary Section should describe your understanding of the City, the work to be done, and the objectives to be accomplished. Refer to Scope of Work of this RFP.

- **Methodology Section**

Provide a detailed description of the approach and methodology to be used to accomplish the Scope of Work of this RFP. The Methodology Section should include:

1. An implementation plan that describes in detail (i) the methods, including controls by which your firm or entity manages projects of the type sought by this RFP; (ii) methodology for soliciting and documenting views of internal and external

stakeholders; (iii) and any other project management or implementation strategies or techniques that the respondent intends to employ in carrying out the work.

2. Detailed description of efforts your firm or entity will undertake to achieve client satisfaction and to satisfy the requirements of the "Scope of Work" section.
3. Detailed project schedule, identifying all tasks and deliverables to be performed, durations for each task, and overall time of completion, including a complete transition plan. Include your plan to deal with fluctuation in service needs and any associated price adjustments.
4. Detailed description of specific tasks you will require from City staff. Explain what the respective roles of City staff and your staff would be to complete the tasks specified in the Scope of Work.
5. Proposers are encouraged to provide additional innovative and/or creative approaches for providing the service that will maximize efficient, cost-effective operations or increased performance capabilities. In addition, the City will consider proposals that offer alternative service delivery means and methods for the services desired.
6. Proposers are also requested to identify any City owned facilities or property which Proposer would propose to use or lease, purchase, or rent from the City in connection with the services to be performed, including information about the terms of any proposed lease, purchase or use of such equipment and facilities, and how this proposed structure affects the overall cost proposal to the City, if applicable.

- **Staffing**

Provide a list of individual(s) who will be working on this project and indicate the functions that each will perform and anticipated hours of service of each individual.<sup>1</sup> Include a resume for each designated individual.

Upon award and during the contract period, if the Consultant chooses to assign different personnel to the project, the Consultant must submit their names and qualifications including information listed above to the City for approval before they begin work.

- **Qualifications**

The information requested in this section should describe the qualifications of the firm or entity, key staff and sub-contractors performing projects within the past five years that are

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<sup>1</sup> Hourly rates for the proposed personnel shall be set forth on Appendix D.

similar in size and scope to demonstrate competence to perform these services. Information shall include:

Names of key staff that participated on named projects and their specific responsibilities with respect to this scope of work.

A summary of your firm's or entity's demonstrated capability, including length of time that your firm has provided the services being requested in this Request for Proposal.

For private Proposers, provide at least three references that received similar services from your firm. The City of Banning reserves the right to contact any of the organizations or individuals listed. Information provided shall include:

- Client Name
- Project Description
- Project start and end dates
- Client project manager name, telephone number, and e-mail address.

Any public entity which submits a proposal should describe in detail how it currently performs services like those identified in the scope of work within its or other jurisdictions, including photographs, written policies and/or video of services provided. If you have performed these services under contract for another public entity, please provide references for those entities as set forth above for private Proposers.

- **Financial Capacity**

Provide the Proposer's latest audited financial statement or other pertinent information such as internal unaudited financial statements and financial references to allow the City to reasonably formulate a determination about the financial capacity of the Proposer. Describe any administrative proceedings, claims, lawsuits, or other exposures pending against the Proposer.

- **Fee Proposal**

All Proposers are required to use the form in Appendix D to be submitted with their proposal. Pricing instructions should be clearly defined to ensure fees proposed can be compared and evaluated. Proposals shall be valid for a minimum of 180 days following submission.

- **Disclosure**

Please disclose any and all past or current business and personal relationships with any current Banning elected official, appointed official, City employee, or family member of any current Banning elected official, appointed official, or City employee. *Any past or current business relationship may not disqualify the firm from consideration.*

- **Sample Agreement**

The firm selected by the City will be required to execute an Agreement for Services (Agreement) with the City. The form of the Agreement is enclosed as Appendix B, but may be modified to suit the specific services and needs of the City. If a Proposer has any exceptions or conditions to the Agreement, these must be submitted for consideration with the proposal. Otherwise, the Proposer will be deemed to have accepted the form of Agreement. See Section 13, below.

- **Checklist of Forms to Accompany Proposal**

As a convenience to Proposers, following is a list of the forms, included as appendices to this RFP, which should be included with proposals

- (1) Vendor Application Form
- (2) Ex Parte Communications Certificate
- (2) Price Proposal Form
- (3) Disclosure of Government Positions
- (4) Disqualifications Questionnaire

## **5. PROCESS FOR SUBMITTING PROPOSALS**

- **Content of Proposal**

The proposal must be submitted using the format as indicated in the proposal format guidelines.

- **Preparation of Proposal**

Each proposal shall be prepared simply and economically, avoiding the use of elaborate promotional material beyond those sufficient to provide a complete, accurate and reliable presentation.

- **Number of Proposals**

Submit one original, Five (5) hard copies plus one disk copy of flash drive of your proposal in sufficient detail to allow for thorough evaluation and comparative analysis. In the event of a conflict between the original and any hard copy or disk copy, the original shall control.

- **Submission of Proposals**

*Complete written proposals must be submitted in sealed envelopes marked and received no later than 10:00 a.m. (P.S.T) on February 22, 2017 to the address below. Proposals will not be accepted after this deadline. Faxed or e-mailed proposals will not be accepted.*

City of Banning  
City Hall  
Office of the City Clerk  
99 E. Ramsey St.  
Banning, CA 92220-0998

RE: RFP No. 17-009 ON CALL ENGINEERING SERVICES

- **Inquiries**

*Questions about this RFP must be directed in writing, via e-mail to:*

Jennifer McCoy, RFP Facilitator  
jmccoy@ci.banning.ca.us

The City reserves the right to amend or supplement this RFP prior to the proposal due date. All amendments, responses to questions received, and additional information will be posted to the Banning Procurement Registry, Banning - [Official City Web Site - Business - Bids & RFP's](#); Proposers should check this web page daily for new information. The City will endeavor to answer all written questions timely received no later than 3:00 p.m. on February 13, 2017. The City reserves the right not to answer all questions.

From the date that this RFP is issued until a firm or entity is selected and the selection is announced, firms or public entities are not allowed to communicate outside the process set forth in this RFP with any City employee other than the contracting officer listed above regarding this RFP. The City reserves the right to reject any proposal for violation of this provision. No questions other than written will be accepted, and no response other than written will be binding upon the City.

- **Conditions for Proposal Acceptance**

This RFP does not commit the City to award a contract or to pay any costs incurred for any services. The City, at its sole discretion, reserves the right to accept or reject any or all proposals received as a result of this RFP, to negotiate with any qualified source(s), or to cancel this RFP in part or in its entirety. The City may waive any irregularity in any proposal. All proposals will become the property of the City of Banning, USA. If any proprietary information is contained in the proposal, it should be clearly identified.

## **6. EVALUATION CRITERIA**

The City's evaluation and selection process will be conducted in accordance with Article 4, Section 5-105 of the City's Purchasing and Procedures Policy (Policy). In accordance with the Policy, the lowest responsible bidder will be determined based on evaluation of qualitative factors in addition to price. At all times during the evaluation process, the following criteria will be used. Sub-criteria are not necessarily listed in order of importance. Additional sub criteria that logically fit within a particular evaluation criteria may also be considered even if not specified below.

### **1. Qualifications of Entity and Key Personnel-----45%**

Includes ability to provide the requested scope of services, the Proposer's financial capacity, recent experience conducting work of similar scope, complexity, and magnitude for other public agencies of similar size, references.

### **2. Approach to Providing the Requested Scope of Services-----15%**

Includes an understanding of the RFP and of the project's scope of services, knowledge of applicable laws and regulations related to the scope of services.

### **3. Price Proposal-----30%**

Price Proposals will be evaluated on the basis of the Total Estimated Annual Price submitted in Appendix D.

### **4. Innovative and/or creative approaches to providing the services that provide additional efficiencies or increased performance capabilities. ----10%**

## **7. EVALUATION OF PROPOSALS AND SELECTION PROCESS**

In accordance with its Policy, the City will adhere to the following procedures in evaluating proposals. An Evaluation/Selection Committee (Committee), which may include members of the City's staff and possibly one or more outside experts, will screen and review all proposals according to the weighted criteria set forth above. While price is one basic factor for award, it is not the sole consideration.

### **A. Responsiveness Screening**

Proposals will first be screened to ensure responsiveness to the RFP. The City may reject as non-responsive any proposal that does not include the documents required to be submitted by this RFP. At any time during the evaluation process, the City reserves the right to request clarifications or additional information from any or all Proposers regarding their proposals.



B. **Initial Proposal Review**

The Committee will initially review and score all responsive written proposals based upon the Evaluation Criteria set forth above. The Committee may also contact Proposer's references. Proposals that receive the highest evaluation scores may be invited to the next stage of the evaluation process. The City may reject any proposal in which a Proposer's approach, qualifications, or price is not considered acceptable by the City. An unacceptable proposal is one that would have to be substantially rewritten to make it acceptable. The City may conclude the evaluation process at this point and recommend award to the lowest responsible bidder. Alternatively, the City may elect to negotiate directly with one or more Proposers to obtain the best result for the City prior to making a recommendation or selection.

C. **Interviews, Reference Checks, Revised Proposals, Discussions**

Following the initial screening and review of proposals, the Proposers included in this stage of the evaluation process may be invited to participate in an oral interview. Interviews, if held, are tentatively scheduled for the week of March 13, 2017 and will be conducted at City of Banning City Hall, 99 E. Ramsey St., Banning, CA 92220. This date is subject to change. The individual(s) from Proposer's firm or entity that will be directly responsible for carrying out the contract, if awarded, should be present at the oral interview. The oral interview may, but is not required to, use a written question/answer format for the purpose of clarifying the intent of any portions of the proposal.

In addition to conducting an oral interview, the City may during this stage of the evaluation process also contact and evaluate the Proposer's references, contact any Proposer to clarify any response or request revised or additional information, contact any current users of a Proposer's services, solicit information from any available source concerning any aspect of a proposal, and seek and review any other information deemed pertinent to the evaluation process.

Following conclusion of this stage of the evaluation process, the Committee will again rank all Proposers according to the evaluation criteria set forth above. The Committee may conclude the evaluation process at this point, and make a recommendation for award, or it may request Best and Final Offers from Proposers. The City may accept the proposal or negotiate the terms and conditions of the agreement with the highest ranked firm, which shall be determined to be the lowest responsible bidder. The City may recommend award without Best and Final Offers, so Proposers should include their best proposal with their initial submission.

Recommendation for award is contingent upon the successful negotiation of final contract terms. Negotiations shall be confidential and not subject to disclosure to competing Proposers unless an agreement is reached. If contract negotiations cannot be concluded successfully within a time period determined by the City, the City may

terminate negotiations and commence negotiations with the next highest scoring Proposer or withdraw the RFP.

## **8. PROTEST PROCEDURES**

Failure to comply with the rules set forth herein may result in rejection of the protest. Protests based upon restrictive specifications or alleged improprieties in the proposal procedure which are apparent or reasonably should have been discovered prior to receipt of proposals shall be filed in writing with the RFP Facilitator at least 10 calendar days prior to the deadline for receipt of proposals. The protest must clearly specify in writing the grounds and evidence on which the protest is based.

Protests based upon alleged improprieties that are not apparent or which could not reasonably have been discovered prior to submission date of the proposals, such as disputes over the staff recommendation for contract award, shall be submitted in writing to the RFP Facilitator, within forty-eight hours from receipt of the notice from the City advising of staff's recommendation for award of contract. The protest must clearly specify in writing the grounds and evidence on which the protest is based. The RFP Facilitator will respond to the protest in writing at least three days prior to the meeting at which staff's recommendation to the City Council will be considered. Should Proposer decide to appeal the response of the RFP Facilitator, and pursue its protest at the Council meeting, it will notify the RFP Facilitator of its intention at least two days prior to the scheduled meeting.

## **9. CONFIDENTIALITY**

The California Public Records Act (Cal. Govt. Code Sections 6250 et seq.) mandates public access to government records. Therefore, unless information is exempt from disclosure by law, the content of any request for explanation, exception, or substitution, response to this RFP, protest, or any other written communication between the City and Proposer, shall be available to the public. The City intends to release all public portions of the proposals following the evaluation process at such time as a recommendation is made to the City Council.

If Proposer believes any communication contains trade secrets or other proprietary information that the Proposer believes would cause substantial injury to the Proposer's competitive position if disclosed, the Proposer shall request that the City withhold from disclosure the proprietary information by marking each page containing such proprietary information as confidential. Proposer may not designate its entire proposal as confidential nor designate its Price Proposal as confidential.

Submission of a proposal shall indicate that, if Proposer requests that the City withhold from disclosure information identified as confidential, and the City complies with the Proposer's request, Proposer shall assume all responsibility for any challenges resulting from the non-disclosure, indemnify and hold harmless the City from and against all damages (including but not limited to attorney's fees that may be awarded to the party requesting the Proposer information), and pay any and all costs and expenses related to the withholding of Proposer

information. Proposer shall not make a claim, sue, or maintain any legal action against the City or its directors, officers, employees, or agents concerning the disclosure, or withholding from disclosure, of any Proposer information. If Proposer does not request that the City withhold from disclosure information identified as confidential, the City shall have no obligation to withhold the information from disclosure and may release the information sought without any liability to the City.

#### **10. EX PARTE COMMUNICATIONS**

Proposers and Proposers' representatives should not communicate with the City Council members about this RFP. In addition, Proposers and Proposers' representatives should not communicate outside the procedures set forth in this RFP with an officer, employee or agent of the City, including any member of the evaluation panel, with the exception of the RFP Facilitator, regarding this RFP until after Contract Award. Proposers and their representatives are not prohibited, however, from making oral statements or presentations in public to one or more representatives of the City during a public meeting.

A "Proposer" or "Proposer's representative" includes all of the Proposer's employees, officers, directors, consultants and agents, any subcontractors or suppliers listed in the Proposer's proposal, and any individual or entity who has been requested by the Proposer to contact the City on the Proposer's behalf. Proposers shall include the Ex Parte Communications form (Appendix C) with their proposals certifying that they have not had or directed prohibited communications as described in this section.

#### **11. CONFLICT OF INTEREST**

The Proposer warrants and represents that it presently has no interest and agrees that it will not acquire any interest which would present a conflict of interest under California Government Code sections 1090 et seq., or sections 87100 et seq., during the performance of services under any Agreement awarded. The Proposer further covenants that it will not knowingly employ any person having such an interest in the performance of any Agreement awarded. Violation of this provision may result in any Agreement awarded being deemed void and unenforceable.

#### **12. DISCLOSURE OF GOVERNMENTAL POSITION**

In order to analyze possible conflicts that might prevent a Proposer from acting on behalf of the City, the City requires that all Proposers disclose in their proposals any positions that they hold as directors, officers, or employees of any governmental entity. Additional disclosure may be required prior to contract award or during the term of the contract. Each Proposer shall disclose whether any owner or employee of the firm currently hold positions as elected or appointed officials, directors, officers, or employees of a governmental entity or held such positions in the past twelve months using the attached "Disclosure of Government Positions Form." (See Appendix F.)

### **13 CONDITIONS TO AGREEMENT, IF ANY.**

The selected Proposer will execute an Agreement for Services with the City describing the Scope of Services to be performed, the schedule for completion of the services, compensation, and other pertinent provisions. The contract shall follow the sample form of Agreement provided as Appendix B to this RFP, which may be modified by City. All Proposers are directed to particularly review the indemnification and insurance requirements set forth in the sample Agreement.

The terms of the agreement, including insurance requirements have been mandated by the City and can be modified only if extraordinary circumstances exist. Submittal of a proposal shall be deemed acceptance of all the terms set forth in this RFP and the sample Agreement for Services unless the Proposer includes with its proposal, in writing, any conditions or exceptions requested by the Proposer to the proposed Agreement. In accordance with the Municipal Code, the City may consider the scope and number of conditions in evaluation proposals and determining the lowest responsible bidder.

### **14. DISQUALIFICATION QUESTIONNAIRE**

Proposers shall complete and submit, under penalty of perjury, a standard form of questionnaire inquiring whether a Proposer, any officer of a proposer, or any employee of a Proposer who has a proprietary interest in the Proposer, has ever been disqualified, removed, or otherwise prevented from proposing on, or completing a federal, state, or local government project because of a violation of law or safety regulation and if so, to explain the circumstances. A proposal may be rejected on the basis of a Proposer, any officer or employee of such Proposer, having been disqualified, removed, or otherwise prevented from proposing on, or completing a federal, state, or local project because of a violation of law or a safety regulation. See Appendix E.

### **15. STANDARD TERMS AND CONDITIONS**

#### **Addendums**

The City reserves the right to amend or supplement this RFP prior to the proposal due date. All addendums and additional information will be posted to the Banning Procurement Registry, [Banning - Official City Web Site - Business - Bids & RFP's](#); Proposers should check this web page daily for new information.

#### **Cost for Preparing Proposal**

The cost for developing the proposal is the sole responsibility of the Proposer. All proposals submitted become the property of the City.

#### **Insurance Requirements**

City requires that licensees, lessees, and vendors have an *approved* Certificate of Insurance (not a declaration or policy) or proof of legal self-insurance on file with the City for the issuance of a

permit or contract. Within ten (10) consecutive calendar days of award of contract, successful Proposer must furnish the City with the Certificates of Insurance proving coverage as specified within Appendix B.

# APPENDIX A





**REQUEST FOR PROPOSAL**  
***ON CALL ENGINEERING SERVICES***  
**VENDOR APPLICATION FORM**

TYPE OF APPLICANT: ☐ NEW ☐ CURRENT VENDOR

Legal Contractual Name of Corporation: \_\_\_\_\_

Contact Person for Agreement: \_\_\_\_\_

Corporate Mailing Address: \_\_\_\_\_

City, State and Zip Code: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Contact Person for Proposals: \_\_\_\_\_

Title: \_\_\_\_\_ E-Mail Address: \_\_\_\_\_

Business Telephone: \_\_\_\_\_ Business Fax: \_\_\_\_\_

Is your business: (check one)

☐ NON PROFIT CORPORATION ☐ FOR PROFIT CORPORATION

Is your business: (check one)

☐ CORPORATION ☐ LIMITED LIABILITY PARTNERSHIP

☐ INDIVIDUAL ☐ SOLE PROPRIETORSHIP

☐ PARTNERSHIP ☐ UNINCORPORATED ASSOCIATION

**Names & Titles of Corporate Board Members**

(Also list Names & Titles of persons with written authorization/resolution to sign contracts)

Names	Title	Phone
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Federal Tax Identification Number: \_\_\_\_\_

City of Banning Business License Number: \_\_\_\_\_

(If none, you must obtain a Banning Business License upon award of contract.)

City of Banning Business License Expiration Date: \_\_\_\_\_

# APPENDIX B

**CONTRACT FOR PROFESSIONAL SERVICES  
BETWEEN  
THE CITY OF BANNING  
AND**

---

This AGREEMENT is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between the CITY OF BANNING, a general law city a municipal corporation ("CITY") and \_\_\_\_\_, a California corporation ("CONSULTANT").

**RECITALS**

- A. The City does not have the personnel able and/or available to perform the services required under this agreement.
- B. Therefore, the City desires to contract out for consulting services for certain projects relating to preparation of documents in connection with a design project.
- C. The Consultant warrants to the City that it has the qualifications, experience and facilities to perform properly and timely the services under this Agreement.
- D. The City desires to contract with the Consultant to perform the services as described in Exhibit A of this Agreement.

**NOW, THEREFORE**, based on the foregoing recitals, the City and the Consultant agree as follows:

**1. CONSIDERATION AND COMPENSATION**

- A. As partial consideration, CONSULTANT agrees to perform the work listed in the SCOPE OF SERVICES, attached as EXHIBIT A;
- B. As additional consideration, CONSULTANT and CITY agree to abide by the terms and conditions contained in this Agreement;
- C. As additional consideration, CITY agrees to pay CONSULTANT a total of \$\_\_\_\_, for CONSULTANT's services, unless otherwise specified by written amendment to this Agreement.
- D. No additional compensation shall be paid for any other expenses incurred, unless first approved by the City Manager or his designee.
- E. CONSULTANT shall submit to CITY, by not later than the 10th day of each month, its bill for services itemizing the fees and costs incurred during the previous month. The City shall pay the Consultant all uncontested amounts set forth in the Consultant's bill within 30 days after it is received.

2. SCOPE OF SERVICES.

- A. CONSULTANT will perform the services and activities set forth in the SCOPE OF SERVICE attached hereto as Exhibit A and incorporated herein by this reference.
- B. Except as herein otherwise expressly specified to be furnished by CITY, CONSULTANT will, in a professional manner, furnish all of the labor, technical, administrative, professional and other personnel, all supplies and materials, equipment, printing, vehicles, transportation, office space, and facilities necessary or proper to perform and complete the work and provide the professional services required of CONSULTANT by this Agreement.

3. PAYMENTS. For CITY to pay CONSULTANT as specified by this Agreement, CONSULTANT must submit an invoice to CITY which lists the reimbursable costs, the specific tasks performed, and, for work that includes deliverables, the percentage of the task completed during the billing period.

4. TIME OF PERFORMANCE. The services of the CONSULTANT are to commence upon receipt of a notice to proceed from the CITY and shall continue until all authorized work is completed to the CITY's reasonable satisfaction, in accordance with the schedule incorporated in "Exhibit A," unless extended in writing by the CITY.

5. FAMILIARITY WITH WORK. By executing this Agreement, CONSULTANT represents that CONSULTANT has (a) thoroughly investigated and considered the scope of services to be performed; (b) carefully considered how the services should be performed; and (c) understands the facilities, difficulties, and restrictions attending performance of the services under this Agreement.

6. KEY PERSONNEL. CONSULTANT's key person assigned to perform work under this Agreement is \_\_\_\_\_. CONSULTANT shall not assign another person to be in charge of the work contemplated by this Agreement without the prior written authorization of the City.

7. TERM OF AGREEMENT. The term of this Agreement shall commence upon execution by both parties and shall expire on \_\_\_\_\_, 20\_\_ unless earlier termination occurs under Section 11 of this Agreement, or extended in writing in advance by both parties. Maximum term and any subsequent amendment or modification shall not exceed five (5) years.

8. CHANGES. CITY may order changes in the services within the general scope of this Agreement, consisting of additions, deletions, or other revisions, and the contract sum and the contract time will be adjusted accordingly. All such changes must be authorized in writing, executed by CONSULTANT and CITY. The cost or credit to CITY resulting from changes in the services will be determined in accordance with written agreement between the parties.

9. TAXPAYER IDENTIFICATION NUMBER. CONSULTANT will provide CITY with a Taxpayer Identification Number.

10. PERMITS AND LICENSES. CONSULTANT will obtain and maintain during the term of this Agreement all necessary permits, licenses, and certificates that may be required in connection with the performance of services under this Agreement.

11. TERMINATION.

- A. Except as otherwise provided, CITY may terminate this Agreement at any time with or without cause. Notice of termination shall be in writing.
- B. CONSULTANT may terminate this Agreement. Notice will be in writing at least 30 days before the effective termination date.
- C. In the event of such termination, the CONSULTANT shall cease services as of the date of termination, all finished or unfinished documents, data, drawings, maps, and other materials prepared by CONSULTANT shall, at CITY's option, become CITY's property, and CONSULTANT will receive just and equitable compensation for any work satisfactorily completed up to the effective date of notice of termination.
- D. Should the Agreement be terminated pursuant to this Section, CITY may procure on its own terms services similar to those terminated.

12. INDEMNIFICATION.

- A. CONSULTANT shall indemnify, defend with counsel approved by CITY, and hold harmless CITY, its officers, officials, employees and volunteers from and against all liability, loss, damage, expense, cost (including without limitation reasonable attorneys fees, expert fees and all other costs and fees of litigation) of every nature arising out of or in connection with CONSULTANT's performance of work hereunder or its failure to comply with any of its obligations contained in this AGREEMENT, regardless of CITY'S passive negligence, but excepting such loss or damage which is caused by the sole active negligence or willful misconduct of the CITY. Should CITY in its sole discretion find CONSULTANT'S legal counsel unacceptable, then CONSULTANT shall reimburse the CITY its costs of defense, including without limitation reasonable attorneys fees, expert fees and all other costs and fees of litigation. The CONSULTANT shall promptly pay any final judgment rendered against the CITY (and its officers, officials, employees and volunteers) covered by this indemnity obligation. It is expressly understood and agreed that the foregoing provisions are intended to be as broad and inclusive as is permitted by the law of the State of California and will survive termination of this Agreement.
- B. The requirements as to the types and limits of insurance coverage to be maintained



by CONSULTANT as required by Section 17, and any approval of said insurance by CITY, are not intended to and will not in any manner limit or qualify the liabilities and obligations otherwise assumed by CONSULTANT pursuant to this Agreement, including, without limitation, to the provisions concerning indemnification.

**13. ASSIGNABILITY.** This Agreement is for CONSULTANT's professional services. CONSULTANT's attempts to assign the benefits or burdens of this Agreement without CITY's written approval are prohibited and will be null and void.

**14. INDEPENDENT CONTRACTOR.** CITY and CONSULTANT agree that CONSULTANT will act as an independent contractor and will have control of all work and the manner in which it is performed. CONSULTANT will be free to contract for similar service to be performed for other employers while under contract with CITY. CONSULTANT is not an agent or employee of CITY and is not entitled to participate in any pension plan, insurance, bonus or similar benefits CITY provides for its employees. Any provision in this Agreement that may appear to give CITY the right to direct CONSULTANT as to the details of doing the work or to exercise a measure of control over the work means that CONSULTANT will follow the direction of the CITY as to end results of the work only.

**15. AUDIT OF RECORDS.**

- A. CONSULTANT agrees that CITY, or designee, has the right to review, obtain, and copy all records pertaining to the performance of this Agreement. CONSULTANT agrees to provide CITY, or designee, with any relevant information requested and will permit CITY, or designee, access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with this Agreement. CONSULTANT further agrees to maintain such records for a period of three (3) years following final payment under this Agreement.
- B. CONSULTANT will keep all books, records, accounts and documents pertaining to this Agreement separate from other activities unrelated to this Agreement.

**16. CORRECTIVE MEASURES.** CONSULTANT will promptly implement any corrective measures required by CITY regarding the requirements and obligations of this Agreement. CONSULTANT will be given a reasonable amount of time as determined by the City to implement said corrective measures. Failure of CONSULTANT to implement required corrective measures shall result in immediate termination of this Agreement.

**17. INSURANCE REQUIREMENTS.**

- A. The CONSULTANT, at the CONSULTANT's own cost and expense, shall procure and maintain, for the duration of the contract, the following insurance policies:
  - 1. Workers Compensation Insurance as required by law. The Consultant shall require all subcontractors similarly to provide such compensation insurance for their respective

employees. Any notice of cancellation or non-renewal of all Workers' Compensation policies must be received by the CITY at least thirty (30) days prior to such change. The insurer shall agree to waive all rights of subrogation against the CITY, its officers, agents, employees, and volunteers for losses arising from work performed by the CONSULTANT for City.

2. General Liability Coverage. The CONSULTANT shall maintain commercial general liability insurance in an amount of not less than one million dollars (\$1,000,000) per occurrence for bodily injury, personal injury, and property damage. If a commercial general liability insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit.
  3. Automobile Liability Coverage. The CONSULTANT shall maintain automobile liability insurance covering bodily injury and property damage for all activities of the CONSULTANT arising out of or in connection with the work to be performed under this Agreement, including coverage for owned, hired, and non-owned vehicles, in an amount of not less than one million dollars (\$1,000,000) combined single limit for each occurrence.
  4. Professional Liability Coverage. The CONSULTANT shall maintain professional errors and omissions liability insurance for protection against claims alleging negligent acts, errors, or omissions which may arise from the CONSULTANT'S operations under this Agreement, whether such operations be by the CONSULTANT or by its employees, subcontractors, or subconsultants. The amount of this insurance shall not be less than one million dollars (\$1,000,000) on a claims-made annual aggregate basis, or a combined single-limit-per-occurrence basis. When coverage is provided on a "claims made basis," CONSULTANT will continue to renew the insurance for a period of three (3) years after this Agreement expires or is terminated. Such insurance will have the same coverage and limits as the policy that was in effect during the term of this Agreement, and will cover CONSULTANT for all claims made by CITY arising out of any errors or omissions of CONSULTANT, or its officers, employees or agents during the time this Agreement was in effect.
- B. Endorsements. Each general liability, automobile liability and professional liability insurance policy shall be issued by a financially responsible insurance company or companies admitted and authorized to do business in the State of California, or which is approved in writing by City, and shall be endorsed as follows. CONSULTANT also agrees to require all contractors, and subcontractors to do likewise.
1. "The CITY, its elected or appointed officers, officials, employees, agents, and volunteers are to be covered as additional insureds with respect to liability arising out of work performed by or on behalf of the CONSULTANT, including materials, parts, or equipment furnished in connection with such work or operations."
  2. This policy shall be considered primary insurance as respects the CITY, its elected or appointed officers, officials, employees, agents, and volunteers. Any insurance

maintained by the CITY, including any self-insured retention the CITY may have, shall be considered excess insurance only and shall not contribute with this policy.

3. This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring company.
  4. The insurer waives all rights of subrogation against the CITY, its elected or appointed officers, officials, employees, or agents.
  5. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its elected or appointed officers, officials, employees, agents, or volunteers.
  6. The insurance provided by this policy shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days' written notice has been received by the CITY.
- C. CONSULTANT agrees to provide immediate notice to CITY of any claim or loss against Consultant arising out of the work performed under this agreement. CITY assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve CITY.
- D. Any deductibles or self-insured retentions must be declared to and approved by the CITY. At the CITY's option, the CONSULTANT shall demonstrate financial capability for payment of such deductibles or self-insured retentions.
- E. The CONSULTANT shall provide certificates of insurance with original endorsements to the CITY as evidence of the insurance coverage required herein. Certificates of such insurance shall be filed with the CITY on or before commencement of performance of this Agreement. Current certification of insurance shall be kept on file with the CITY at all times during the term of this Agreement.
- F. Failure on the part of the CONSULTANT to procure or maintain required insurance shall constitute a material breach of contract under which the CITY may terminate this Agreement pursuant to Section 11 above.

**18. USE OF OTHER CONSULTANTS.** CONSULTANT must obtain CITY's prior written approval to use any consultants while performing any portion of this Agreement. Such approval must include approval of the proposed consultant and the terms of compensation.

**19. FINAL PAYMENT ACCEPTANCE CONSTITUTES RELEASE.** The acceptance by the CONSULTANT of the final payment made under this Agreement shall operate as and be a release of the CITY from all claims and liabilities for compensation to the CONSULTANT for anything done, furnished or relating to the CONSULTANT'S work or services. Acceptance of payment shall be any negotiation of the CITY'S check or the failure to make a written extra compensation claim within ten (10) calendar days of the receipt of that check. However, approval or payment by the CITY shall not constitute, nor be deemed, a release of the responsibility and liability of the

CONSULTANT, its employees, sub-consultants and agents for the accuracy and competency of the information provided and/or work performed; nor shall such approval or payment be deemed to be an assumption of such responsibility or liability by the CITY for any defect or error in the work prepared by the Consultant, its employees, sub-consultants and agents.

**20. CORRECTIONS.** In addition to the above indemnification obligations, the CONSULTANT shall correct, at its expense, all errors in the work which may be disclosed during the City's review of the Consultant's report or plans. Should the Consultant fail to make such correction in a reasonably timely manner, such correction shall be made by the CITY, and the cost thereof shall be charged to the CONSULTANT. In addition to all other available remedies, the City may deduct the cost of such correction from any retention amount held by the City or may withhold payment otherwise owed CONSULTANT under this Agreement up to the amount of the cost of correction.

**21. NON-APPROPRIATION OF FUNDS.** Payments to be made to CONSULTANT by CITY for services preformed within the current fiscal year are within the current fiscal budget and within an available, unexhausted fund. In the event that CITY does not appropriate sufficient funds for payment of CONSULTANT'S services beyond the current fiscal year, the Agreement shall cover payment for CONSULTANT'S only to the conclusion of the last fiscal year in which CITY appropriates sufficient funds and shall automatically terminate at the conclusion of such fiscal year.

**22. NOTICES.** All communications to either party by the other party will be deemed made when received by such party at its respective name and address as follows:

CITY	CONSULTANT
<u>City of Banning</u>	_____
<u>99 East Ramsey Street</u>	_____
<u>Banning, CA 92220</u>	_____
<u>ATTN: City Manager</u>	<u>ATTN: _____</u>

Any such written communications by mail will be conclusively deemed to have been received by the addressee upon deposit thereof in the United States Mail, postage prepaid and properly addressed as noted above. In all other instances, notices will be deemed given at the time of actual delivery. Changes may be made in the names or addresses of persons to whom notices are to be given by giving notice in the manner prescribed in this paragraph. Courtesy copies of notices may be sent via electronic mail, provided that the original notice is deposited in the U.S. mail or personally delivered as specified in this Section.

**23. SOLICITATION.** CONSULTANT maintains and warrants that it has not employed nor retained any company or person, other than CONSULTANT's bona fide employee, to solicit or secure this Agreement. Further, CONSULTANT warrants that it has not paid nor has it agreed to pay any company or person, other than CONSULTANT's bona fide employee, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Should CONSULTANT breach or violate this warranty, CITY may rescind this Agreement without liability.

24. THIRD PARTY BENEFICIARIES. This Agreement and every provision herein is generally for the exclusive benefit of CONSULTANT and CITY and not for the benefit of any other party. There will be no incidental or other beneficiaries of any of CONSULTANT's or CITY's obligations under this Agreement.

25. INTERPRETATION. This Agreement was drafted in, and will be construed in accordance with the laws of the State of California, and exclusive venue for any action involving this agreement will be in Los Angeles County.

26. ENTIRE AGREEMENT. This Agreement, and its Attachments, sets forth the entire understanding of the parties. There are no other understandings, terms or other agreements expressed or implied, oral or written.

27. RULES OF CONSTRUCTION. Each Party had the opportunity to independently review this Agreement with legal counsel. Accordingly, this Agreement will be construed simply, as a whole, and in accordance with its fair meaning; it will not be interpreted strictly for or against either Party.

28. AUTHORITY/MODIFICATION. The Parties represent and warrant that all necessary action has been taken by the Parties to authorize the undersigned to execute this Agreement and to engage in the actions described herein. This Agreement may be modified by written amendment with signatures of all parties to this Agreement. CITY's city administrator, or designee, may execute any such amendment on behalf of CITY.

29. ACCEPTANCE OF FACSIMILE OR ELECTRONIC SIGNATURES. The Parties agree that this Contract, agreements ancillary to this Contract, and related documents to be entered into in connection with this Contract will be considered signed when the signature of a party is delivered by facsimile transmission or scanned and delivered via electronic mail. Such facsimile or electronic mail copies will be treated in all respects as having the same effect as an original signature.

30. FORCE MAJEURE. Should performance of this Agreement be impossible due to fire, flood, explosion, war, embargo, government action, civil or military authority, the natural elements, or other similar causes beyond the Parties' control, then the Agreement will immediately terminate without obligation of either party to the other.

31. TIME IS OF ESSENCE. Time is of the essence to comply with dates and schedules to be provided.

32. ATTORNEY'S FEES. The parties hereto acknowledge and agree that each will bear his or its own costs, expenses and attorneys' fees arising out of and/or connected with the negotiation, drafting and execution of the Agreement, and all matters arising out of or connected therewith except that, in the event any action is brought by any party hereto to enforce this Agreement, the prevailing party in such action shall be entitled to reasonable attorneys' fees and costs in addition to all other relief to which that party or those parties may be entitled.

33. STATEMENT OF EXPERIENCE. By executing this Agreement, CONSULTANT represents that it has demonstrated trustworthiness and possesses the quality, fitness and capacity to



perform the Agreement in a manner satisfactory to CITY. CONSULTANT represents that its financial resources, surety and insurance experience, service experience, completion ability, personnel, current workload, experience in dealing with private consultants, and experience in dealing with public agencies all suggest that CONSULTANT is capable of performing the proposed contract and has a demonstrated capacity to deal fairly and effectively with and to satisfy a public agency.

**34. DISCLOSURE REQUIRED.** (City and Consultant initials required at one of the following paragraphs)

By their respective initials next to this paragraph, City and Consultant hereby acknowledge that Consultant is a "consultant" for the purposes of the California Political Reform Act because Consultant's duties would require him or her to make one or more of the governmental decisions set forth in Fair Political Practices Commission Regulation 18701(a)(2) or otherwise serves in a staff capacity for which disclosure would otherwise be required were Consultant employed by the City. Consultant hereby acknowledges his or her assuming-office, annual, and leaving-office financial reporting obligations under the California Political Reform Act and the City's Conflict of Interest Code and agrees to comply with those obligations at his or her expense. Prior to consultant commencing services hereunder, the City's Manager shall prepare and deliver to consultant a memorandum detailing the extent of Consultant's disclosure obligations in accordance with the City's Conflict of Interest Code.

City Initials \_\_\_\_\_  
Consultant Initials \_\_\_\_\_

**OR**

By their initials next to this paragraph, City and Consultant hereby acknowledge that Consultant is not a "consultant" for the purpose of the California Political Reform Act because Consultant's duties and responsibilities are not within the scope of the definition of consultant in Fair Political Practice Commission Regulation 18701(a)(2)(A) and is otherwise not serving in staff capacity in accordance with the City's Conflict of Interest Code.

City Initials \_\_\_\_\_  
Consultant Initials \_\_\_\_\_



**IN WITNESS WHEREOF** the parties hereto have executed this contract the day and year first hereinabove written.

CITY OF BANNING

CONSULTANT

\_\_\_\_\_  
MICHAEL ROCK, CITY MANAGER

By:

\_\_\_\_\_  
NAME:  
TITLE:

By:

\_\_\_\_\_  
NAME:  
TITLE:

ATTEST:

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

\_\_\_\_\_  
Tax ID No.

APPROVED AS TO FORM:

\_\_\_\_\_  
John C. Cotti, Interim City Attorney

**Two signatures are required if a corporation**

**NOTE: CONSULTANT'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO DEVELOPER'S BUSINESS ENTITY.**

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )

County of \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_

Date

Here Insert Name and Title of the Officer

personally appeared \_\_\_\_\_

Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

Capacity(ies) Claimed by Signer(s)

Signer's Name: \_\_\_\_\_

☐ Corporate Officer — Title(s): \_\_\_\_\_

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_

☐ Corporate Officer — Title(s): \_\_\_\_\_

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

# APPENDIX C

## EX PARTE COMMUNICATIONS CERTIFICATION

Please indicate by signing below one of the following two statements. **Only sign one statement.**

I certify that Proposer and Proposer's representatives have not had any communication with a City Councilmember concerning the On Call Engineering Services RFP at any time after February 3, 2017.

---

**OR**

I certify that Proposer or Proposer's representatives have communicated after February 3, 2017 with a City Councilmember concerning the On Call Engineering Services RFP. A copy of all such communications is attached to this form for public distribution.

---

# APPENDIX D

## PRICING PROPOSAL FORM

### RFP No. 17-009 On Call Engineering Services

Provide hourly rates, along with estimated annual pricing in accordance with the City's current requirements, as set forth in section 3 Scope of Work. Also provide your firm's proposed Staffing Plan on a separate sheet of paper. Proposer should use a separate form to state pricing for any added value.

Pricing shall remain firm for a minimum of two (2) years. Any and all requests for pricing adjustments for follow-on contract renewal periods shall be provided no later than sixty (60) days prior to the end of the contract period. Any such proposed price adjustments shall not exceed The Bureau of Labor Statistics Consumer Price Index (CPI) data for Los Angeles-Riverside-Orange County, CA, All Items, Not Seasonally Adjusted, "annualized change comparing the original proposal month and the same month in the subsequent year. (This information may be found on the U.S. Department of Labor's website at [www.bls.gov](http://www.bls.gov).)

Employee Name & Title	Hourly Rate	Hours Worked	Total Cost	Overtime Rate
	\$			\$
	\$			\$
	\$			\$

Total Price	\$
-------------	----



# APPENDIX E

## DISQUALIFICATION QUESTIONNAIRE

The Consultant shall complete the following questionnaire:

Has the Consultant, any officer of the Consultant, or any employee of the Consultant who has proprietary interest in the Consultant, ever been disqualified, removed, or otherwise prevented from bidding on, or completing a federal, state, or local government project because of a violation of law or safety regulation?

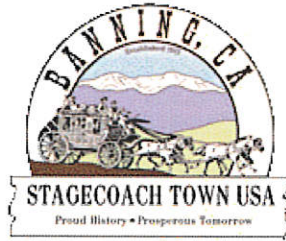
Yes \_\_\_\_\_ No \_\_\_\_\_

If the answer is yes, explain the circumstances in the following space.

# APPENDIX F

## DISCLOSURE OF GOVERNMENT POSITIONS

Each Proposer shall disclose below whether any owner or employee of the firm currently hold positions as elected or appointed officials, directors, officers, or employees of a governmental entity or held such positions in the past twelve months. List below or state "None."



**ADDENDUM NO. 1**

**REQUEST FOR PROPOSAL**

**FOR**

**ON CALL ENGINEERING SERVICES**

**RFP No. 17-009**

**PUBLIC WORKS DEPARTMENT**

**CITY OF BANNING**

**Released on February 3, 2017**

**The referenced document has been modified as per the attached Addendum No. 1**

**Please sign this Addendum where designated and return the executed copy with submission of your proposal. This addendum is hereby made part of the referenced quote as through fully set forth therein.**

**Any questions regarding this addendum should be addressed to:**

**Jennifer McCoy**

**Telephone: (951) 922-3121**

**Email: [jmccoy@ci.banning.ca.us](mailto:jmccoy@ci.banning.ca.us)**

## REQUEST FOR INFORMATION

### RESPONSES TO ALL QUESTIONS ARE IN RED

1. Are you looking for firms that are able to provide every service listed below, or will you consider specialty firms to provide services under only select categories?

- Preparation of engineering quantity estimates and costs.
- Engineering project management.
- Structural design.
- Survey services necessary for required scope of work.
- Land surveying and map/easement or legal description preparation.
- Federally and State-mandated reports required for NPDES, general construction permit.
- Preparation of grading improvement plans (mass, rough and precise).
- Preparation of traffic plans (signing and striping plans, traffic detour and traffic staging plans, and signals).
- Preparation of street improvement plans (widening and rehabilitations).
- Preparation of traffic studies/reports to ensure conformance with traffic plans.
- Preparation of storm drain improvement plans.
- Preparation of hydrology and hydraulic reports.
- Water well/booster pump stations; water main distribution or transmission improvements/replacement of pipelines (potable and recycled).
- Sewer lines and sewer lift stations.
- Preparation of sewer improvement plans.
- Preparation of water and sewer pressure and capacity calculations and reports.

For example, if we submit an RFP that shows we are highly qualified in storm drain plans, hydrology and hydraulic reports, and NPDES/General Construction Permits, but weak in the area of traffic studies and reports, could we still be awarded the contract to perform work on projects that fall within our specialty? **Yes, the City will accept proposals from firms that provide only some of the services requested in the RFP.**

2. I was wondering if the City of Banning will add Geotechnical Engineering to list of scope of work? **Geotechnical Services are being added, (see below).**
3. Our firm does not provide ALL of the services requested. Is the City looking for the proposing firm to provide all of the services listed, or is a subset of these services allowable? **See answer to question #1.**
4. Would you like each proposer to form a team that could handle each discipline listed within the RFP, Section 3, or should we state which disciplines we are proposing for within our firm's capability? **See answer to question #1**
5. I am touching base to see if these services are included in your "On Call" services:
  - Testing of Materials - Concrete, Masonry, Steel, Fireproofing , Fabrication, Ultrasonic, Wood



- Geotechnical Services - Grading Inspection, Soil Backfill, Paving, Soil Stabilization, Paving Design
- Laboratory Technical Staff - NICET, AASHTO, CCRL, CAL TRANS, DSA, ACI, ICC, AWS
- Specialized Testing- Ground & Concrete Penetrating Radar, Super pave, Quality Control Managers

See answer to question #2.

### **SCOPE OF WORK ADDITION (Section 3 of RFP)**

#### **3. Scope of Work**

##### **Geotechnical Design:**

All services shall be performed in accordance with all applicable State and City regulations and ordinances, including, but not limited to, the California Professional Engineers Act and AASHTO.

1. Perform geotechnical design services as necessary on City Capital Improvement Projects (street, water, sewer, and storm drain).
2. Perform construction material testing services as necessary on City Capital Improvement Projects.
3. Perform special inspections as necessary on City Capital Improvement Projects.
4. Perform research and document review as directed by the City.

##### **Fee Proposal:**

Submit a fee proposal, corresponding with each of the tasks as outlined in the scope of work, to include:

1. Hourly rate for professional services, field inspection services, and special inspections.
2. Unit rates for laboratory tests.
3. An acknowledgement that each individual project will be based upon a detailed Not-To Exceed fee proposal using a project specific scope of services.

Proposals for these services shall be labeled "On-Call Geotechnical Services".

*All other provisions of the request for quote shall remain in their entirety.*

*Vendors hereby acknowledge receipt and understanding of the above Addendum. Complete and submit this Addendum with your bid.*

\_\_\_\_\_  
Signature                      Date

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Typed Name and Title

\_\_\_\_\_  
Address

\_\_\_\_\_  
City                      State                      Zip



**ADDENDUM NO. 2**

**REQUEST FOR PROPOSAL**

**FOR**

**ON CALL ENGINEERING SERVICES**

**RFP No. 17-009**

**PUBLIC WORKS DEPARTMENT**

**CITY OF BANNING**

**Released on February 3, 2017**

**The referenced document has been modified as per the attached Addendum No. 2**

**Please sign this Addendum where designated and return the executed copy with submission of your proposal. This addendum is hereby made part of the referenced quote as through fully set forth therein.**

**Any questions regarding this addendum should be addressed to:**

**Jennifer McCoy**

**Telephone: (951) 922-3121**

**Email: [jmccoy@ci.banning.ca.us](mailto:jmccoy@ci.banning.ca.us)**

## REQUEST FOR INFORMATION

### SECOND SET OF QUESTIONS RECEIVED

#### RESPONSES TO ALL QUESTIONS ARE IN RED

1. Since we do not have a detailed scope of work for each task (given this is an “on-call contract”), can you clarify what kind of detailed schedule you are looking for?
  - a. A detailed schedule is not required to be submitted with proposal. The selected consultants will provide a detailed schedule with each specific project.
2. Please clarify “overall time of completion” for each task since again, we do not have specific scopes.
  - a. An “overall time of completion” is not required to be submitted with proposal. The selected consultants will provide a “overall time of completion” with each specific project
3. Please elaborate on what you mean by “complete transition plan”.
  - a. See RFP adjustment below.
4. Are “separation tabs” excluded from the total page count?
  - a. Yes
5. Will the forms the City provided in the RFP to be included in our proposal count toward the 20-page maximum?
  - a. No.
6. If we are proposing on multiple categories, would you consider either extending the page limit to allow room to show resumes for staff specializing in particular tasks listed in the scope of work, or would you consider allowing us to include all resumes as an appendix?
  - a. Yes. See RFP adjustment below.
7. Does the City require resumes for key personnel only, or will resumes for support personnel be included as well?
  - a. Key personnel only.
8. Would you please be able to clarify Section 6 – Evaluation Criteria, Number 3 – Price Proposal: You state “Price Proposal will be evaluated on the basis of the Total Estimated Annual Price submitted.” How many hours should we assume for the year? Or is it simply based on the hourly rates?
  - a. The evaluation of this criteria will be based on hourly rates.
9. Does the Vendor Application Form, Ex Parte Communications Certificate, Disclosure of Government Positions, and Disqualifications Questionnaire forms that need to accompany the proposal count towards the 20 page limit?
  - a. See answer to question #5.



10. Under the Methodology section, #3, the City is requesting a detailed project schedule, identifying all tasks and deliverables to be performed, durations for each task, and overall completion time. Since this is an on-call proposal and there are no specific projects at this time, how would the City like this to be addressed?
  - a. See answer to question #1.
11. Under Staffing, the City is asking for anticipated hours of service for each individual. Because this is for on-call services and there are no specific projects at this time, how should this be addressed?
  - a. Hours of service is not required for this RFP.
12. Under Financial Capacity, the City is asking for financial statements. Is a narrative acceptable? If the City does want actual statements, would those count towards the page limit?
  - a. A Financial Narrative is acceptable. Actual statements can be submitted in a separate envelope from your proposal.
13. Addendum No. 1 asks for us to submit a fee proposal. Should this be replacing Appendix D, Pricing Proposal Form?
  - a. Submit hourly rates only on proposal form.
14. Will the fee proposal with our rate sheet count towards the 20 page limit?
  - a. See answer to question #5.
15. I am hoping that you could clarify the requested annual pricing in Appendix D for us. As we understand the On-Call Engineering Services contract would require the selected consultants to provide cost proposal for each assigned tasks based on the specific scope of work and the required staff hourly rate. Since the tasks are unknown at this time, how can we provide an estimated annual pricing for each staff member?
  - a. See answer to question #11.
16. Also, the scope of service includes Plan Check Services which we are also interested in providing to the City, however, Appendix "D" does not include a copy of City's current plan check fee schedule for reference. We are assuming that any Fee Proposal for Plan Check Services must be based on the percentage of the collected plan check Fee by the City.
  - a. Fees for plan checking services will be negotiated with the selected consultant(s). Submit hourly rates only.
17. Since the services are to be provided in on-call basis, how would the City like the proposing firms to complete the hours section in Appendix D which asks for labor rates and hours per individual staff classification? Is it sufficient to submit a schedule of hourly billing rates in place of Appendix D?
  - a. See answer to questions #11 and #13.
18. Similarly, since the services are on-call, how should we answer item 3 on p. 5 of the RFP, which asks for a detailed project schedule?
  - a. See answer to #1.

19. Does the City anticipate including federally funded projects as well as the associated funding documentation and assistance services as part of this on-call contract?
  - a. No.
20. May we place our resumes in an appendix that doesn't count against the page limit? I know it says including resumes, but wanted to double check with you.
  - a. See answer to question #6.
21. Due to the confidential nature of the audited financial statement can these be given in a separate sealed envelope? Also would it count towards the page count; as ours in 24 pages long?
  - a. See answer to question #12.
22. According to the RFP Appendix A is to be attached to the cover letter, but you also require in the forms to be accompanied in the proposal. Do you want this in two sections?
  - a. Sort according to order of RFP. No section separation required.
23. Please clarify what is included in the page count. For example are the appendix items, tabs or the cover page part of the count?
  - a. See answer to question #5.
24. Could you please let us know what types of projects you have coming up this next year and where you might need the most help from your on call engineering services the most?
  - a. Street, Water and Sewer infrastructure projects.

### **SCOPE OF WORK MODIFICATIONS (Section 3 of RFP)**

#### **3. SCOPE OF WORK (STRIKEOUT)**

The City of Banning is soliciting proposals from qualified firms to provide on-call engineering services for various types of public works projects. Qualified firms shall have experience in the preparation of design, plans, specifications, cost estimates, and contract documents for capital projects including Street Improvements, Traffic Engineering; Storm Drain Improvements, Sewer Improvements, Water Improvements and Wastewater Improvements, as well as, plan checks of the above-mentioned. Upon evaluation, the City of Banning will make an award recommendation for an aggregate annual not-to-exceed contract. ~~to the top three (3) responsible and qualified bidders.~~

#### **4. PROPOSAL FORMAT GUIDELINES (ADJUSTED)**

Interested entities or Consultants are to provide the City of Banning with a thorough proposal using the following guidelines:

Proposal should be typed and should contain no more than ~~20~~ 40 typed pages using a 12-point font size, including transmittal letter and resumes of key people, but excluding Index/Table of Contents, tables, charts, and graphic exhibits.

**Methodology Section (STRIKEOUT)**

Provide a detailed description of the approach and methodology to be used to accomplish the Scope of Work of this RFP. The Methodology Section should include:

- ~~1. Detailed project schedule, identifying all tasks and deliverables to be performed, durations for each task, and overall time of completion, including a complete transition plan. Include your plan to deal with fluctuation in service needs and any associated price adjustments.~~

*All other provisions of the request for quote shall remain in their entirety.*

*Vendors hereby acknowledge receipt and understanding of the above Addendum. Complete and submit this Addendum with your bid.*

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Typed Name and Title

\_\_\_\_\_  
Address

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip





**CITY OF BANNING  
CITY COUNCIL REPORT**

**TO:** CITY COUNCIL

**FROM:** Michael Rock, City Manager

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

**MEETING DATE:** April 25, 2017

**SUBJECT:** Discuss and Consider Adopting Resolution 2017-44, Declaring That It Shall Be a Goal of the City of Banning to Close the Banning Municipal Airport, as Soon as Legally Permitted and Directing the City Manager to Implement All Necessary Administrative Measures Accordingly

---

**RECOMMENDATION:**

That the City Council discuss and consider the adoption of Resolution 2017-44, declaring that it shall be a goal of the City of Banning to close the Banning Municipal Airport (BMA) as soon as legally permitted, and directing the City Manager to implement necessary administrative measures accordingly.

**JUSTIFICATION:**

On September 13, 2016 the City Council held an Airport Study Session focused on the results of an Airport Feasibility Study ("Study") prepared by HdL Companies. The purpose of the study was "to analyze and evaluate the Banning Municipal Airport, including its effectiveness as a land use, along with exploring the possibility of closing down the airport operation and looking at the 'highest and best' land use for the future."

The Study, attached hereto, stated that "investing more resources into the airport and providing upgrades would not be cost-effective or provide the city with an adequate return on investment." Additionally, the Study highlights the dramatic decrease in not only the operations at the BMA, but also the decrease in general aviation nationally. Data in the report identifies declines in the number of public airports, registered pilots and manufacturing of new aircrafts. It is expected that the repurposing of the BMA land for industrial use such as distribution, logistics, e-commerce and light manufacturing will lead to job creation, sales tax and demand for housing.

The approval of Resolution 2017-44 will provide formal direction to staff to implement the necessary measures for the closure of the airport.

### **BACKGROUND:**

The BMA is made up of several parcels together consisting of a total of approximately 160 acres. The City of Banning also owns an additional 59 acres contiguous to the BMA along its southern property line.

The BMA is equipped with a single runway, three taxiways and navigational aids such as pavement edge lighting, precision approach path indicator (PAPI), threshold lighting, pavement markings, wind cones and a rotating beacon.

Landside facilities at the BMA include a terminal building, apron areas, storage areas which include 10 hangar buildings (63 total hangars spaces), one private building/hangar, air quality monitoring station and fueling station.

Currently the airport has 32 based aircrafts operating out of the airport. It should be noted that only 32 of the total 63 hangars are currently rented out; some hangars are not available to be rented due to their dilapidated condition. There is currently no one on the waiting list for a hangar space.

The Airport Fund is an enterprise fund which generates revenues primarily through hangar rent and fuel sales. The fiscal year 2016/2017 budget includes:

Revenues:	\$138,750
<u>Expenses:</u>	<u>\$136,285</u>
Gain/(Loss):	\$ 2,465

The Airport Fund is projected to have a balance of \$88,957 at the end of the fiscal year.

For many years the BMA has struggled financially and currently does not generate sufficient revenue for the general maintenance of equipment, airport hangars, buildings and grounds. In order to maintain the BMAs facilities and infrastructure the City would have to obligate other funding sources such as the General Fund which would have a direct impact to other services provided by the City. At this point the revenue shortfall for providing adequate maintenance of the BMA is unknown. It is also noted that revenues generated by the BMA must remain in the BMA enterprise fund and cannot be transferred to other funds. Benefits from the BMA to the City come as indirect benefits from airport users visiting local establishments (i.e. sales tax).

At the conclusion of the September 13, 2016 Airport Study Session, City Council directed staff and the Public Works Advisory Committee to begin researching the process for closing the airport; attached hereto is a table summarizing the results of the requested research. The table includes multiple phases, main tasks associated with each phase and estimated costs for completing each phase. It should be noted that the estimated costs are high level estimates that would be revised as the project progresses.

Phase 1, as listed in the attached table, has been completed by City staff and is attached hereto. One requirement of an airport closure would be to pay back to FAA grants that we have received for improvements to the FAA. The payback amount, which was prepared as part of Phase 1, would be based on the amortized value of the grant over a 20 year term. It is estimated that the payback value at the end of 2017 is approximately \$2,030,777, see Attachment 4.

If approved, Resolution 2017-44 will provide formal direction to begin the airport closure process and additionally it authorizes the City Manager and assigned staff to begin working on hiring qualified consultant(s) to provide support services (i.e. plans, studies, etc.). Staff will present to City Council recommendations for award of professional service agreements and will identify funding sources for the agreements.

It is expected that the repurposing of the BMA land for industrial use such as distribution, logistics, e-commerce and light manufacturing will lead to job creation, sales tax and demand for housing. The adjacent railroad line can provide a possible connection to the rail system which could be an attractive use to potential industrial users. The Airport Feasibility Study states that "Industrial development including distribution and logistics is clearly the #1 category of new commercial development in the Inland Empire (IE) Region that includes Riverside and San Bernardino counties."

#### **FISCAL IMPACT:**

There is no fiscal impact related to this resolution, however by adoption of Resolution 2017-44 the City Manager is authorized to implement the necessary administrative measures to move forward with the closure of the Banning Municipal Airport. Said measures will include the solicitation of proposals from consulting firms for the development of necessary technical studies for the closure. Recommendation for award of professional service agreements shall be presented at a future meeting to the City Council for approval.

#### **OPTIONS:**

1. Adopt Resolution 2017-39.
2. Reject Resolution 2017-39 and provide alternative direction to City Staff.

#### **ATTACHMENTS:**

1. Resolution 2017-44
2. Banning Airport Feasibility Study
3. Airport Closure Phases
4. Phase 1 Research

Approved by:



Michael Rock,  
City Manager

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# ***ATTACHMENT 1***

(Resolution 2017-44)

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## **RESOLUTION 2017-44**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, DECLARING THAT IT SHALL BE A GOAL OF THE CITY OF BANNING TO CLOSE THE BANNING MUNICIPAL AIRPORT, AS SOON AS LEGALLY PERMITTED AND DIRECTING THE CITY MANAGER TO IMPLEMENT ALL NECESSARY ADMINISTRATIVE MEASURES ACCORDINGLY**

**WHEREAS**, the Banning Municipal Airport (BMA), owned and operated by the City of Banning, is made up of several parcels together consisting of a total of approximately 160 acres. Additionally, the City of Banning owns an additional 59 acres contiguous to the BMA along its southern property line; and

**WHEREAS**, the BMA consists of a single runway, supporting taxiways, navigational aids and several landside facilities including a fueling facility, hangars, terminal building and an air monitoring station and currently has 32 based aircraft; and

**WHEREAS**, over the past several years the Airport Enterprise Fund has faced financial challenges resulting in a shortfall of revenues that have made it difficult to maintain the existing buildings and infrastructure at an acceptable level; and

**WHEREAS**, an Airport Feasibility Study of the BMA highlights the dramatic decrease in not only the operations at the BMA, but also the decrease in general aviation nationally and states that the "highest and best" use of the land the makes up the airport is not general aviation but instead industrial use including distribution, logistics, e-commerce and light manufacturing; and

**WHEREAS**, it is expected that the repurposing of the BMA land for industrial use such as distribution, logistics, e-commerce and light manufacturing will lead to job creation, sales tax and demand for housing.

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

The City Council adopts Resolution 2017-44 declaring that it shall be a goal of the City of Banning to close the Banning Municipal Airport as soon as legally permitted, and directing the City Manager to implement necessary administrative measures accordingly.

**PASSED, ADOPTED AND APPROVED** this 25th day of April, 2017.

---

George Moyer, 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, LLP

**CERTIFICATION:**

I, Marie Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution 2017-44, was duly adopted by the City Council of the City of Banning, California, at a Regular Meeting thereof held on the 25th day of April, 2017, by the following vote, to wit:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

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

# ***ATTACHMENT 2***

**(Banning Airport Feasibility Study)**

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# ECON Solutions

By HdL

Development **Driven By Data**

## BANNING AIRPORT FEASIBILITY STUDY

ECON Solutions by HdL  
1340 Valley Vista Dr., Suite 200  
Diamond Bar, CA 91765  
[www.hdlcompanies.com](http://www.hdlcompanies.com)  
[www.econsolutionsbyhdl.com](http://www.econsolutionsbyhdl.com)

Contact: Barry Foster 909.861.4335  
[bfoster@hdlcompanies.com](mailto:bfoster@hdlcompanies.com)

**BANNING AIRPORT FEASIBILITY STUDY****OBJECTIVE**

The purpose of this report is to analyze and evaluate the Banning Municipal Airport, including its effectiveness as a land use, along with exploring the possibility of closing down the airport operation and looking at the 'highest and best' land use for the future, as well as suggested next steps for the City of Banning to consider.

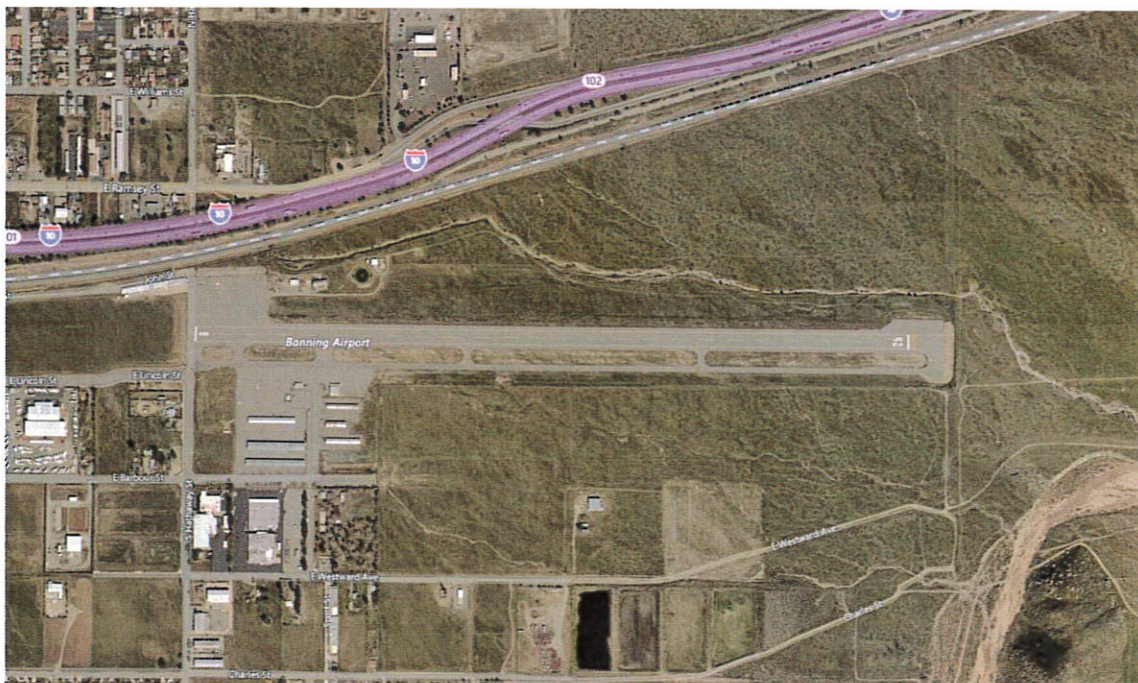
**BACKGROUND**

The Banning Municipal Airport consists of 153.83 acres situated on the eastern edge of the City of Banning and just south of I-10. The Banning Municipal Airport is owned and operated by the City of Banning and serves as a general aviation airport. The following represents a summary of the facilities at the Banning Municipal Airport:

- Total size is 153.83-acres
- 5,200-foot-long asphalt runway that is generally classified as in good condition
- Contains a small office/terminal structure
- 54 City-owned hangars
- 7 Privately owned hangars

The FY 2016/17 Operating Budget for the Banning Municipal Airport includes \$136,285 in estimated total annual expenditures and \$138,750 in projected annual revenues.

**Source: City of Banning**





## OTHER AIRPORTS

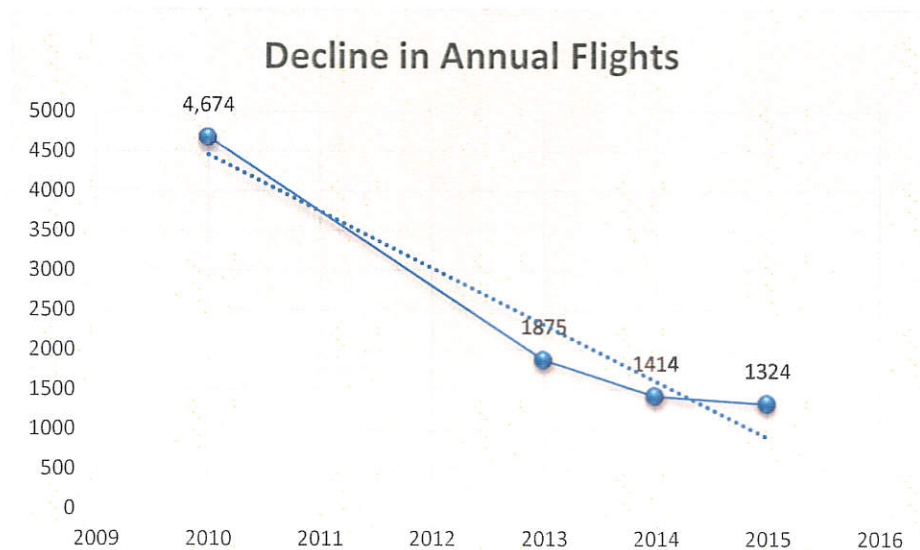
Regional Airports—Source: AirNav.com/FAA				
Airport	Ownership	Runways	Number of Planes Based at Airport	Number of Annual Operations
Palm Springs	City of Palm Springs	Two asphalt runways of 10,000 feet and 3,048 feet	96	54,480 annual flight operation in 2015
Ontario International Airport	City of Ontario	Two concrete runways of 12,197 feet and 3,718 feet	37	83,585 annual flight operations in 2015
Commuter and General Aviation Airports-Source: AirNav.com/FAA				
Bermuda Dunes Airport	Privately Owned	One asphalt runway of 5,002 feet	101	10,950 annual flight operations in 2015
Chino Airport	San Bernardino County	Three asphalt runways of 7,000 feet, 4,919 feet and 4,858 feet	479 (FY2013/14)	164,615 flights operations in 2014
Corona Municipal Airport	City of Corona	One asphalt runway of 3,200 feet	251	50,000 flight operations in 2015
French Valley Airport	Riverside County	One asphalt runway of 6,000 feet	195	98,185 flight operations in FY 2014/15
Hemet-Ryan Airport	Riverside County	One asphalt runway of 4,315 feet	69	75,555 flight operations in 2015
March Air Reserve Base	US Air Reserve	One Concrete runway of 13,300 feet and one asphalt runway of 3,059 feet	0	Open to the public with Air Museum and looking to expand services with new private terminal operations
Riverside Municipal Airport	City of Riverside	Two asphalt runways of 5,401 feet and 2,850 feet	159	109,865 flight operations in 2015
Riverside-Flabob Airport	Privately owned	One asphalt runway of 3,190 feet	86	7,665 flight operations in 2015
Jacqueline Cochran Airport	Riverside County	Two asphalt runways of 8,500 feet and 4,995 feet	47	76,285 annual flight operations in 2015
Perris Valley Airport	Privately owned	One asphalt runway of 5,100 feet	56	27,375 annual flight operations in 2015
San Bernardino Airport	San Bernardino International Airport Authority	One concrete runway 10,000 feet	38	30,660 annual flight operations in 2014
Upland-Cable Airport	Privately owned	One asphalt runway of 3,863 feet	298	91,980 annual flights in 2014
Banning Municipal Airport	City of Banning	One asphalt runway of 4,955 feet	38	1,324 annual flights operations in 2015

In reviewing the data from the fourteen other airports, it appears that the Banning Municipal Airport lacks the needed infrastructure, amenities or superior location to successfully compete with other airports for more business. The hangars available in Banning are lacking as compared to other nearby airports. Presently, only 38 or 62% of the total of 61 hangars at the Banning Municipal Airport are used. The number of planes based at Banning, in conjunction with a steady decline in the total annual flight operations seems to present a less than optimistic future for the Banning Municipal Airport. In fact, from 2010 to 2015, annual flight operations decreased by 71.7%. Below demonstrates the trend of significantly decreasing annual flight operations in recent years for the Banning Municipal Airport.

Annual Flights			
Flights	Year	Previous Year % Change	Total % Change 2010 - 2015
4,674	2010		
1,875	2013	59.99%	
1,414	2014	24.6%	
1,324	2015	6.4%	71.7%

Source: City of Banning/FFA

Given the significant decline in annual flight operations and low number of aircraft based at the Banning Municipal Airport as compared to other airports, the ability to compete with other airports for business in the future seems unattainable. Investing more resources into the airport and providing upgrades would not be cost-effective or provide the city with an adequate return on investment.

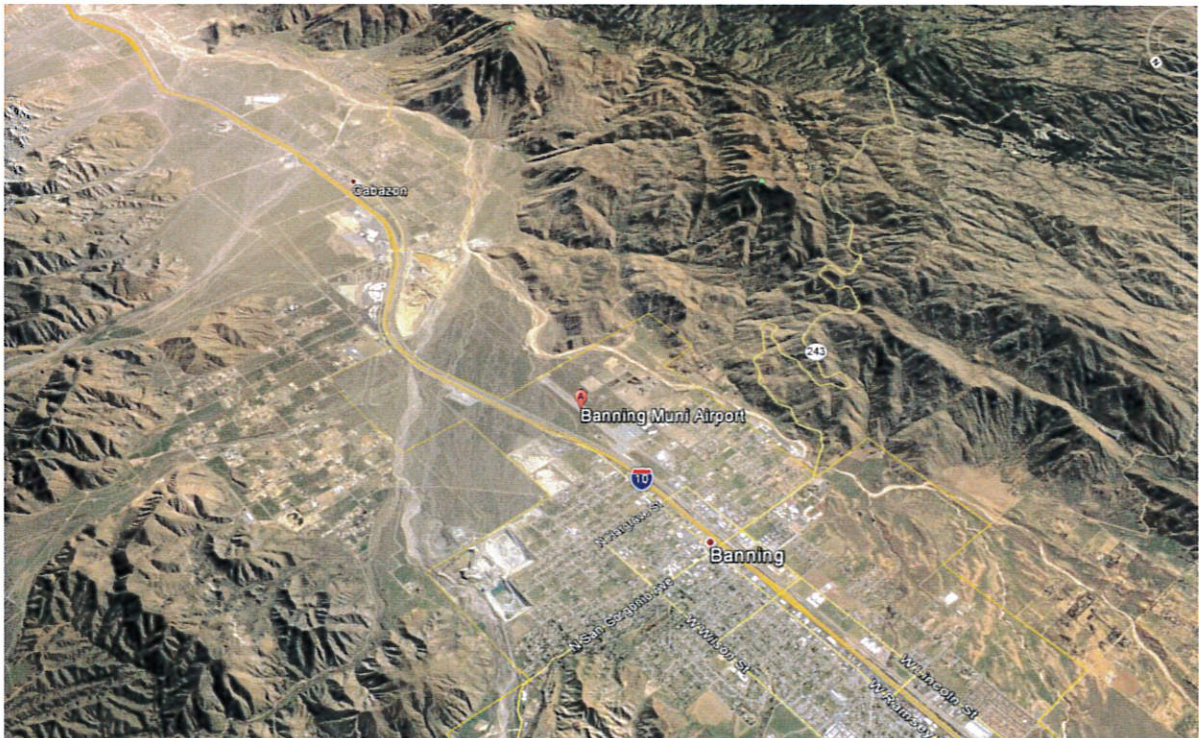




## LOCATION

The Banning Municipal Airport consists of 153.83 acres and is situated on the eastern border of the City of Banning, adjacent to the Union Pacific Railroad and just south of Interstate 10 (I-10). The airport is approximately 85 miles east of the City of Los Angeles and 28 miles east of the City of Riverside. The airport is surrounded by the I-10 to the north, South Hathaway St to the west, East Barbour St to the south and Morongo tribal land to east.

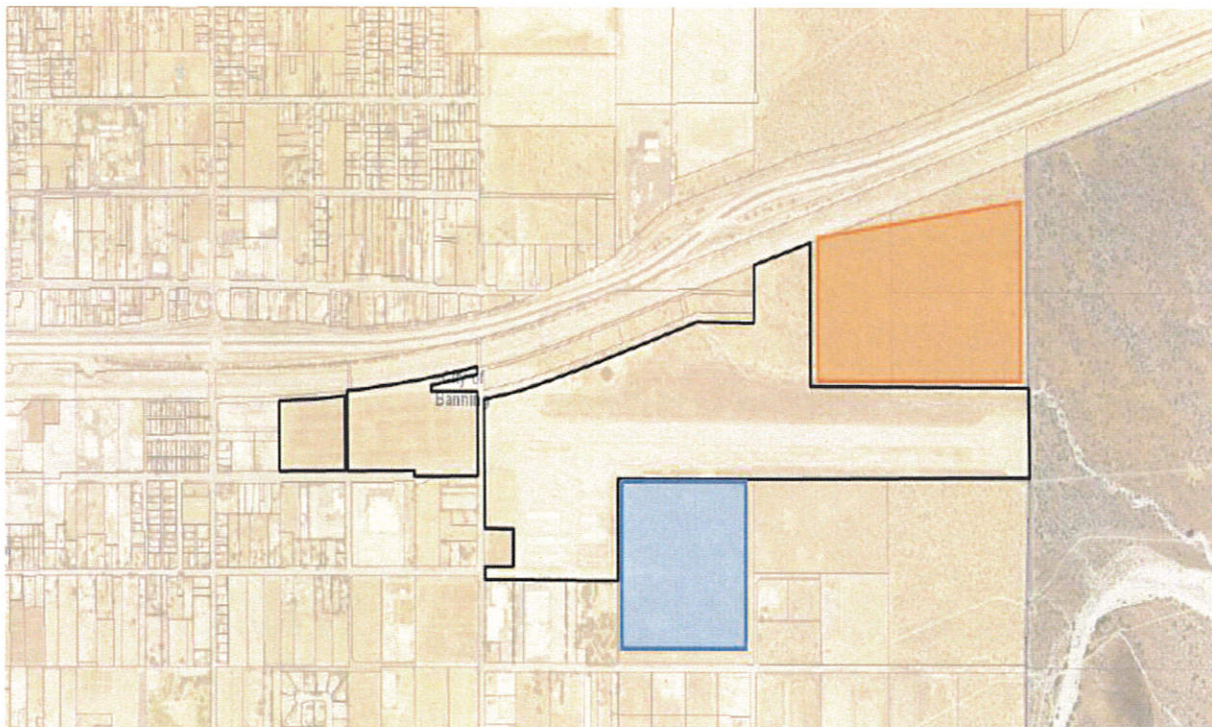
The airport property is located in the Inland Region's Banning Pass area (the Pass) where the climate is generally excellent year-round and is centrally located to accommodate business needs. The Pass encompasses 234 square miles along I-10, and is located approximately 75 miles east of Los Angeles and 25 miles west of Palm Springs. The Union Pacific Railroad parallels I-10 through the Pass, along with easy access to the ports of Long Beach and Los Angeles-San Pedro. The Pass area is a component of the Inland Empire Region, one of the fastest growing regions in the United States. Air cargo is available at Ontario, March Global Port and San Bernardino International Airport, along with passenger air at Ontario International Airport and Palm Spring International Airport.






The Banning Municipal Airport and adjacent property is situated right along the I-10, which is the major east-west corridor in the Southwest region of the United States, along with having close proximity to State Highways 60 and 79, which serve the area with convenient accessibility to I-15, I-215 and State Highway 91. Nearby you will find the 44-acre Casino Morongo, the Desert Hills Premium Outlets and the Cabazon Outlets. The site is minutes away from Arrowhead Mountain Spring Water's 383,000 square foot bottling plant. The City of Banning maintains effective partnerships with regional groups such as Riverside County Economic Development Agency and Western Riverside Council of Governments who work on regional improvements and ways to make the Inland Region an attractive place for new development. Banning has a municipally



owned and operated electrical utility providing service at competitive rates for businesses and residents, as well potentially being an incentive tool to assist in the redevelopment of the airport site. The airport site is also centrally located along the NAFTA (North American Free Trade Agreement) Corridor that serves to eliminate tariffs and barriers, along with encouraging free trade between the U.S., Mexico and Canada. NAFTA assists many businesses such as manufacturing, agriculture and logistics doing work in California and Mexico. The Banning area is also being included in an expansion of Palm Springs Foreign Trade Zone 236 to go westward to Cabazon, Morongo tribal lands and the City of Banning. This will provide another economic development tool for possible users (manufacturing and logistics) that could locate in Banning if the Banning Municipal Airport is redeveloped.



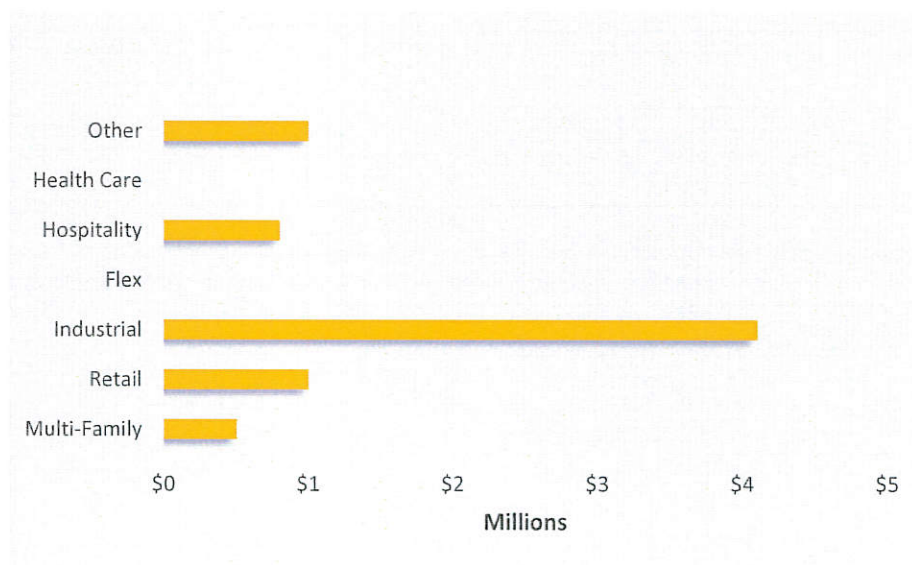
-  154 acres – Banning Municipal Airport
-  39 acres available – represented by Grubb & Ellis
-  59 acres “held for development” – owned by Pacific Newport Properties

## AREA ANALYTICS FOR COMMERCIAL REAL ESTATE– AUGUST 2015 THROUGH AUGUST 2016

The commercial real estate market is still 'soft' in the Banning area. A CoStar report for the one-year period between August 2015 and August 2016 provided just 13 commercial real estate transactions in Banning. By far the most active sector for commercial real estate in this marketplace is industrial. Industrial is also the most active sector for commercial real estate in the Inland Region.

The Analytics includes all land designation types and both raw and developed land.

Sales Volume	Survey
Transactions	13
Sales Volume (Mil)	\$7.0
SF Sold (Mil)	0.18
Average Months on Market	19
Sales	Survey
Sales Price/SF	\$37
Ave Sales Price (Mil)	\$0.7
Cap Rate	8.8%



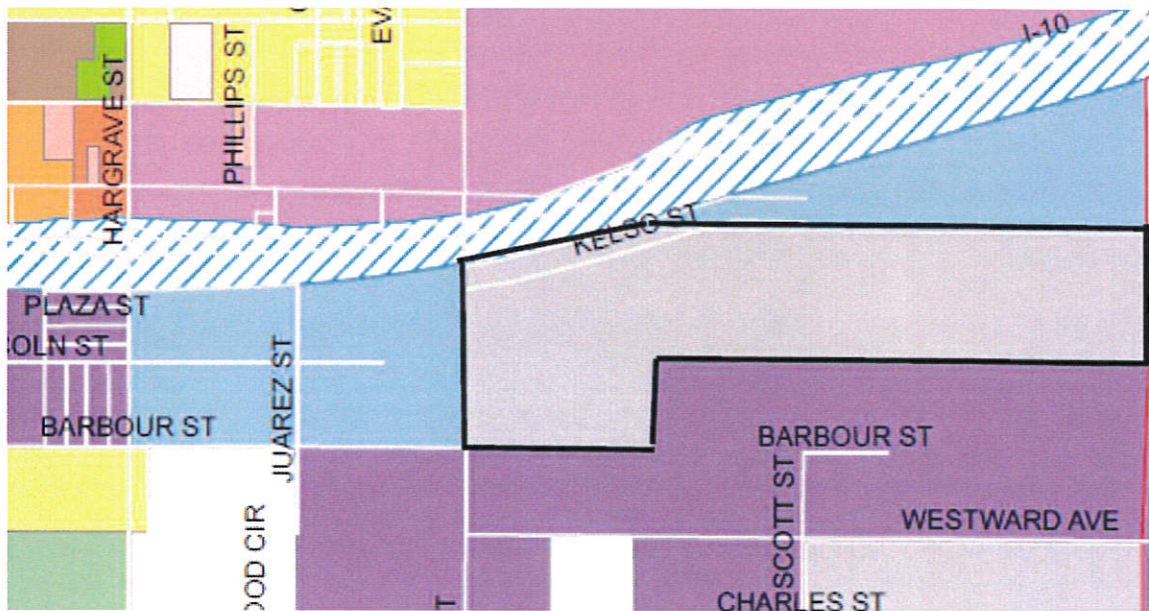
Source: CoStar



## LAND USE

The property that borders the Airport to the north and to the west is zoned “Airport Industrial”: Currently land uses must be focused on airport-related and transportation-related functions, including machining, manufacturing, warehousing, flight schools, restaurants and office uses. Aircraft maintenance, repair and catering services are also appropriate. The property south of the Airport is zoned “Industrial.” This district includes industrial parks and freestanding industrial users. Examples of permitted uses include light and medium intensity manufacturing operations, warehousing and distribution, mini-storage, associated offices, commercial recreation facilities, auto storage and repair, and retail uses supplementary to the industrial area.

Please note that the land presently zoned ‘Airport Industrial’ really hasn’t produced development consistent with airport operations—flight schools, restaurants, aircraft repair/maintenance or catering. The parcels zoned industrial are generally smaller and not conducive for the larger scale projects being pursued for logistic buildings in the 400,000 to 1 million square foot size range.



Current zoning designations:

- Airport Industrial
- Industrial
- Public Facilities - Airport



Land directly east of Runway 26 is owned and controlled by the Morongo Band of Mission Indians. Some uses that would be permitted and conditional are as follows (not exhaustive):

Permitted Uses	Conditionally Permitted Uses
Warehousing	Cargo/Storage Containers
Distribution	Billiards/Pool Halls
Machining/Welding	Indoor Recreation Facilities
Sheet Metal Shops	Outdoor Commercial Recreation
Public Utility Facility	Sports Facility Outdoor Public Assembly
Vehicle Fueling/Service Station	Theaters and Meeting Halls
Parks and Playgrounds	Manufacturing Facilities
Accessories and Retail Uses	Mixed Use Industrial Office
Breweries ancillary to a bar or restaurant	Wholesaling

The property owned and controlled by the Morongo Band of Mission Indians appears suitable for larger scale distribution-logistics development.

#### UTILITIES

Access to the Banning Municipal Airport is good. The primary airport entrance road, Veterans Way, is a 31-foot wide asphalt road and is accessible off of Barbour Street. The entrance road is in good condition and terminates at the auto parking area behind the terminal-office building at a secured airport entrance gate. Access to the airport property is convenient from I-10, via Hargrave Street to Barbour Street. This easy connection to I-10 would be helpful for the redevelopment of the property with industrial uses, consistent with other land uses adjacent to the airport property.

Information regarding utilities available at Banning Municipal Airport is listed below:

Utility	Source
Water	City of Banning
Sewer	United Water Services, Inc.
Electricity	City of Banning
Gas	Southern California Gas Company
Telephone	Verizon

Please note that any redevelopment of the airport property would require a comprehensive assessment of utility needs and/or upgrades of utilities consistent with any planned uses.

## **FACILITIES/INFRASTRUCTURE**

The following provides an assessment of the facilities and infrastructure at the Banning Municipal Airport.

<b>Category</b>	<b>Condition</b>
Runway	Good
Taxiway	Good
Hangers	Fair to Poor
Navigation Equipment	Good
Weather Station	Good
Perimeter Fencing	Poor
Gates/Interior Roadway	Poor
Office/Terminal	Poor

## **GRANTS FROM FAA**

Since 1983, Banning has received \$4,577,581 in grant funding from the FAA. Based on research from other cities that pursued closing airports, there should be an expectation that much of this money will have to be repaid if the City of Banning moves forward with closing its airport. Please note this will include discussion and negotiation registration with the FAA. Consulting the advice of legal counsel will be important.

## **CLOSING AN AIRPORT**

The closing of an airport is challenging and will encounter significant opposition, including possible legal challenges from aviation interests (pilots) and the Federal government—the Federal Aviation Administration (FAA). Since 1990, there have been 30 airports that have closed in California. Two Cities; Rialto and Santa Monica are worthy of looking at in how they have approached closing their municipal airports. The City of Rialto worked for nearly 20 years to close the Rialto Municipal Airport. The City of Santa Monica has been working for nearly 35 years in closing the Santa Monica Municipal Airport. Both encountered significant challenges in pursuing the closure of their airports. Relocation expenses, loan repayments for past FFA loans, and demolition/remediation costs all must be considered in determining the cost to close an airport.

## **RIALTO EXAMPLE**

For more than 20 years, the City of Rialto worked on closing its municipal airport and redeveloping the 437-acre area with more productive land uses. For years both local aviation interests (local pilots) and the FAA led opposition against closing the Rialto Municipal Airport. Facing declining use—including a decrease of aircraft based at the Rialto Municipal Airport and decreased flight operations and a diminishing revenue stream, the City of Rialto determined it was more cost-effective to for the City to close the airport operations and redevelop the area with more productive uses. Please note the Rialto Municipal was similar to the Banning Municipal Airport in condition, as well as experiencing a steady decline in use and revenues.

In March 2005, the Former Redevelopment Agency of the City of Rialto approved Contracts of Sale with Lewis Hillwood Rialto LLC (joint venture of Lewis Operating Companies and Hillwood

Investment Properties) for the redevelopment of the Rialto Municipal airport and adjoining land owned by the Redevelopment Agency. The City of Rialto and Lewis-Hillwood lobbied for special federal legislation to close the Rialto Municipal Airport. In August 2005, the Congress of the United States adopted Public Law 109-59, which authorized the closure of the Rialto Municipal Airport, the transfer of certain assets of the airport and the conveyance of property, as well as sharing of the fair market value of the Rialto Municipal Airport property with the Federal government to move aviation operations to the San Bernardino International Airport. Under the terms of the transaction, Rialto was responsible for paying 45% of the fair market value of the Rialto Municipal Airport to the Federal government. The fair market value reflected demolition and environmental remediation costs. The City of Rialto was also responsible for paying 90% of the unamortized portion of any outstanding FAA grants and this will be included in the payment to the federal government. The payment from the City of Rialto will occur over time as land is sold to Lewis Hillwood Rialto LLC.

As part of the closure of the Rialto Municipal Airport, Rialto worked with Lewis-Hillwood and the planning firm of LSA to create a Specific Plan for the redevelopment of approximately 1,500 acres with approximately 1,735 residential units, 800 acres of industrial/warehouse uses, 25.5 acres of office uses, 62.3 acres of retail uses, 20.9 acres of parks and open spaces and an elementary school. Please note that 53% of the land area in the Specific Plan consists of industrial land use. Unfortunately, the recession hit and then the State of California abolished redevelopment all of which delayed implementation of Rialto's redevelopment efforts. After establishing a new fair market value and after transferring the obligations of the former RDA to the City of Rialto, in September 2012, Lewis-Hillwood entered into a binding agreement with the City of Rialto to acquire the 437 acres of property over a phased period of time. Finally, in 2015, Lewis-Hillwood started acquiring property and pursuing the development of projects, including the development of a large scale 800-acre business park—Renaissance Rialto.

#### **SANTA MONICA EXAMPLE**

In 1981, the City of Santa Monica started to consider closing the Santa Monica Municipal Airport. While Santa Monica has experienced declining use and revenues, the primary reason for closing the airport is for safety and noise concerns because of the airports location within a densely populated urban area. The City of Santa Monica and many community groups strongly desire the airport to be closed and redeveloped.

The Santa Monica Airport was originally developed by Douglas Aircraft Company starting in the 1920's. Over time-in the 1950's and 1960's more general aviation uses also happened at the Santa Monica Airport. In its peak, Douglas Aircraft Company employed 44,000 at its Santa Monica Airport operation. In 1975, Douglas closed its Santa Monica operation and relocated its entire business to the Long Beach Airport. By 1977, the Santa Monica Municipal Airport was only a general aviation airport.

Over the years there has been significant political and legal challenges to closing the Santa Monica Municipal Airport from local aviation interests and the FAA. In the 1970's and 1980's a number of legal challenges put forth by neighborhood groups and the FFA regarding operations at the airport have resulted in noise and use restrictions, along with reducing the size of the airport. The FAA has also stated that a Federal grant from the FAA to the Santa Monica Municipal Airport in the amount of \$250,000 prohibits the airport from closing before 2023, if at all (several court rulings

still leave this issue in a gray area). Furthermore, from the 1980's through 2015 there have been at least 12 aircraft accidents associated with the Santa Monica Municipal Airport operations.

In July 2016, the Santa Monica City Council voted to close the airport using a phased approach of reducing flights and eventually closing the airport by July 1, 2018. The City of Santa Monica's goal is to redevelop the airport property with a park and open space, along with sports and recreation uses.

### GENERAL AVIATION USE DECLINING

General aviation use has been declining nationally and in California for more than twenty years. The number of operating airports, number of registered pilots and new aircraft being manufactured all are decreasing. According to data from the General Aviation Manufacturing Association (GAMA), the number of operating public use airports, number of registered pilots and new aircraft being produced all has decreased considerably in the U.S. since the late 1980's. The following are several key indicators highlighting the decline in general aviation use.

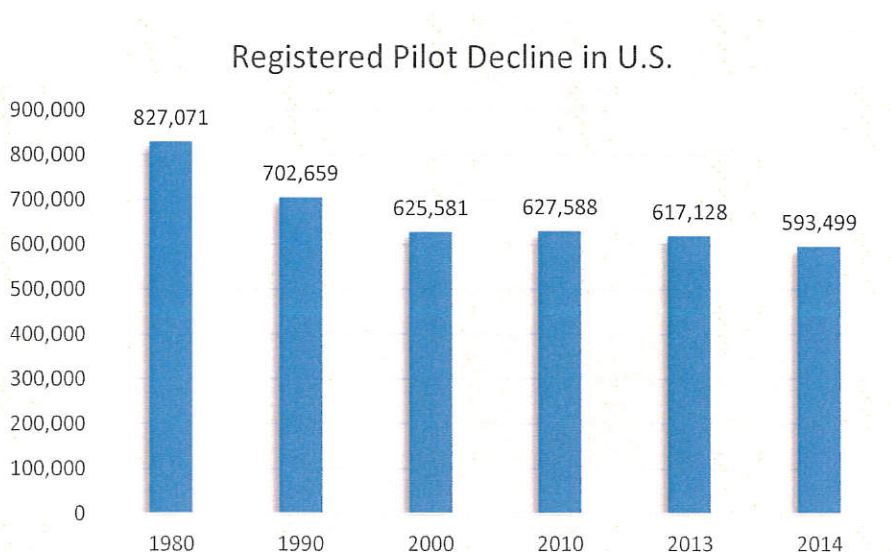
#### Airports

- 5,590 public use airports in the U.S in 1990
- 5,049 public airports in the U.S in 2014
- 2,952 general aviation airports in the U.S. in 2014
- 378 primary airports in the U.S. in 2014—this includes Ontario International Airport and Palm Springs International Airport
- 251 general aviation airports currently operating in California

Note: 9.7% decrease in public use airports since 1990

#### Registered Pilots

- 827,071 registered pilots in the U.S. in 1980
- 702,659 registered pilots in the U.S. in 1990
- 625,581 registered pilots in the U.S. in 2000
- 627,588 registered pilots in the U.S. in 2010
- 617,128 registered pilots in the U.S. in 2013
- 593,499 registered pilots in the U.S in 2014

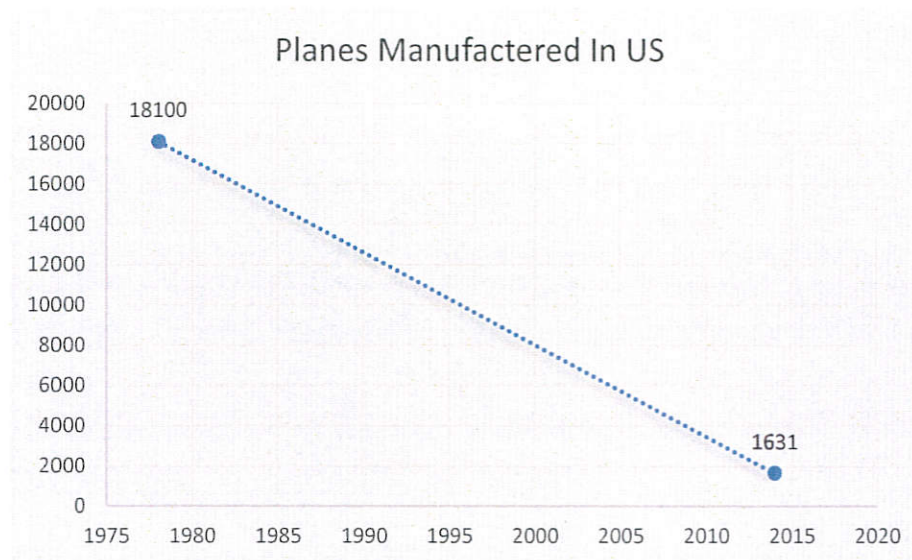




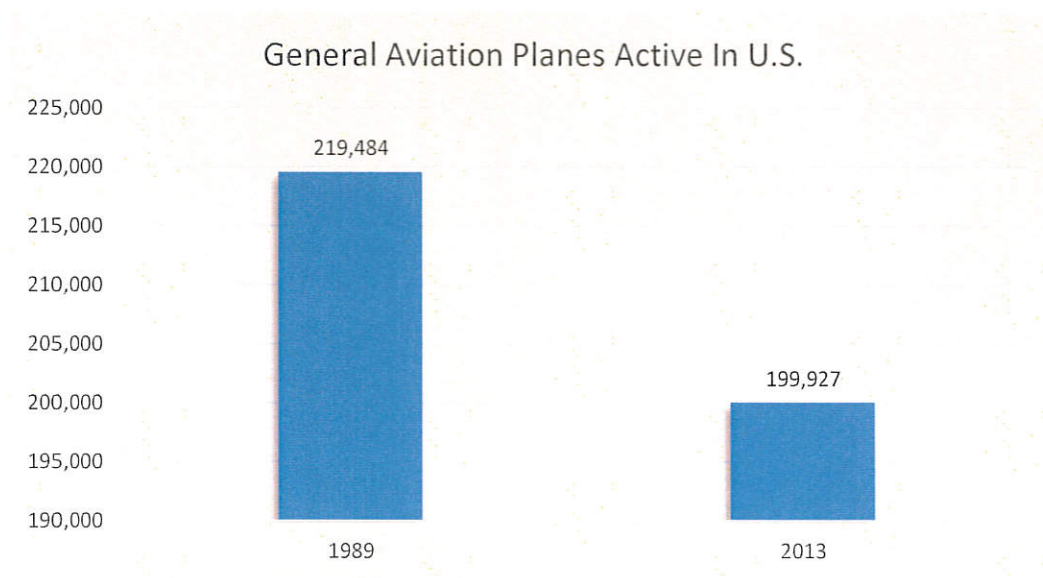
Note: 28.2 % decrease in registered pilots in the U.S. from 1980 to 2014

### Aircraft

- 18,100 aircraft manufactured in the U.S in 1978
- 1,631 aircraft manufactured in the U.S in 2014
- 219,484 general aviation aircraft active in the U.S. at the end of 1989
- 199,927 general aviation aircraft active in the U.S. at the end of 2013



Note: 91.0% decrease in the number of new manufactured aircraft in the U.S from 1978 to 2014



Note: 8.9% decline in number of general aviation aircraft active in the U.S. from 1990 to 2013

**Source:** General Aviation Manufacturing Association and FAA

## HIGHEST & BEST USES

The highest and best use for the airport property in Banning--now or in the future doesn't appear to be operating it as a municipal airport. Clearly the data shows that general aviation use has been declining in both California and the U.S. for the past 20 years. The use and revenue stream for the Banning Municipal Airport reflect this trend. Additionally, based on research, the Banning Municipal Airport doesn't compare well with other nearby airports in terms of infrastructure and use.

In considering market conditions and adjacent land uses, along with its location, the airport property doesn't seem suitable for land uses such as residential (single-family or multi-family), office or commercial retail. Given its location and adjacent land uses, along with mid to near term market conditions any redevelopment possibility of the Banning Municipal Airport should focus on future land use for industrial development, which could include users such as distribution, logistics, e-commerce and light manufacturing. With convenient access from I-10, along with possible connection to rail service, as well as existing industrial zoning already in place with adjacent properties, redeveloping the airport with an industrial land use designation seems logical and in tune with market conditions.

Industrial development including distribution and logistics is clearly the #1 category of new commercial development in the Inland Empire (IE) Region that includes Riverside and San Bernardino counties. A Cushman & Wakefield market report for 2<sup>nd</sup> Quarter 2016 indicates vacancy rates in the IE region have decreased to 4.7% for the 490.22 million square feet (SF) of total industrial inventory in the IE. The decline to 4.7% was from a high of 12.8% during the recession period. Cushman & Wakefield reports there was 12.4 million SF of new industrial product finished in the IE in the first half of 2016, along with another 15.7 million SF of industrial space presently under construction in the IE, which represents 80% of all the industrial development underway in Southern California. The Inland Empire East, which includes Riverside, San Bernardino, Rialto, Colton, Redlands, the High Desert, Perris, Moreno Valley and Beaumont/Banning, built 8.36 million SF of new industrial in the first half of 2016, as well as another 5.55 million SF presently under construction. According to Cushman & Wakefield, Banning has 187,500 SF of industrial inventory and there is no development presently underway. Beaumont has 1,285,627 SF of industrial inventory. Clearly there is more opportunity for additional industrial development in the Banning/Beaumont area.



## Industrial Snapshot 2Q 2016

SUBMARKET	INVENTORY (SF)	OVERALL VACANCY RATE (SF)	UNDER CONSTR (SF)	YTD CONSTR COMPLETIONS (SF)
Riverside	42,032,944	5.60%	271,237	716,672
San Bernardino	34,123,808	8.00%	624,627	1,516,659
Colton	6,903,553	0.60%	0	0
Redlands	26,358,628	14.00%	927,798	1,101,889
Rialto	22,843,521	10.60%	0	3,457,333
Moreno Valley	20,214,503	8.70%	0	1,568,231
Perris	16,137,867	1.30%	3,281,987	0
Hesperia	795,073	0.00%	0	0
Victorville	5,985,068	1.00%	444,740	0
Banning	187,500	3.00%	0	0
Beaumont	1,285,627	34.60%	0	0
<b>INLAND EMPIRE EAST</b>	<b>176,868,092</b>	<b>7.70%</b>	<b>5,550,389</b>	<b>8,360,784</b>
Ontario	106,384,339	2.20%	2,663,330	1,687,949
Rancho Cucamonga	38,979,243	2.10%	116,480	156,900
Fontana	52,613,291	7.50%	4,523,778	1,888,793
Chino	44,655,131	0.40%	180,000	0
Jurupa Valley/Eastvale	30,709,661	1.20%	2,261,907	122,585
Montclair	3,102,477	0.50%	0	0
Upland	2,890,169	1.00%	0	0
<b>INLAND EMPIRE WEST</b>	<b>279,334,311</b>	<b>2.80%</b>	<b>9,745,495</b>	<b>3,856,227</b>
Corona	27,406,185	4.70%	422,441	196,628
Temecula	4,270,879	4.00%	0	0
Lake Elsinore	754,104	0.00%	0	0
Murrieta	1,583,579	0.40%	0	0
<b>Inland Empire Totals</b>	<b>490,217,150</b>	<b>4.70%</b>	<b>15,718,325</b>	<b>12,413,639</b>

Source: Cushman & Wakefield

Logistics clearly is the business sector for which the IE has its greatest competitive advantage, with close proximity to the ports (LA-San Pedro and Long Beach) and having land available for large scale development projects, plus having a qualified workforce ready to work close to home. All of this is why the IE is clearly the dominant area for new logistics development. Major industrial developers such as Alere, IDI, IDS, Hillwood, Majestic Realty, Panattoni Development, ProLogis, Ridge Development, Sares-Regis Group, Trammell Crow Companies and Western Realco all have numerous projects under development in the IE region.

A new and rapidly emerging focus in logistics development is fulfillment and e-commerce uses. According to CBRE, in 2016-e-commerce/fulfillment related industrial development projects represented 37% of the total activity for industrial development in Southern California and was 57% of the transacted square footage for buildings over 100,000 SF. The IE Region has a significant portion of this development (the IE Region has seven Amazon fulfillment centers - including two in Moreno Valley, two in San Bernardino, Redlands, and recently opened in Eastvale, along with an 880,000 SF e-commerce fulfillment center in Rialto that employs more than 1,000 and situated on land that was formerly part of Rialto Municipal Airport. Typically, these types of supply-chain network projects produce more jobs and sales tax revenue opportunities than traditional warehouses. On average the number of jobs is 2 to 3 times more with a fulfillment center/e-commerce use rather than a traditional warehouse. In 2015, e-commerce represented 7% of retail revenues in California, but this is rapidly growing.



**Amazon Fulfillment Center Interior**

Recently, the City of Beaumont approved a logistics-distribution center project with Wolverine Worldwide Inc. that will include a fulfillment operation and point of sale in Beaumont. The two-phase development proposes constructing a Phase 1 720,000 SF building to be followed by a Phase 2 580,000 SF building. Total employment is estimated at 280 to 300, which does not reflect any construction jobs. Wolverine estimates total value of the project including land, building and equipment at \$57 million. Beaumont is providing Wolverine with an economic incentive package, including a sale tax participation agreement.

Creating employment opportunities in the community is an important component of successful economic development. Pursuing a proper balance of jobs to housing is a must for creating a strong economic foundation for a city. According to ICSC (International Council of Shopping Centers) 83% of purchases are made within five miles of where we live or work. Having a strong daytime population and strong local workforce is also important to the success of local retailers and restaurants. A 252-acre logistics business park is projected to create between 1,700 to 2,400 new jobs for Banning.



Inland Empire Employment Indicators		
	2Q 2015	2Q 2016
I.E. Employment	1.3M	1.4M
I.E. Unemployment	6.4%	5.5%
U.S. Unemployment	5.4%	4.9%

Source: Cushman & Wakefield

Banning Employment Indicators		
	2015	2016
Banning Labor Force	10,700	10,900
Banning Employment	10,100	10,200
Banning Unemployment	5.9%	6.3%
Riverside County Unemployment	6.7%	7.1%

Source: California Employment Development Department

Given the location of the airport property in Banning, along with current and near-term market development conditions, the highest and best use for the Banning's airport property is industrial—not as an airport. With land quickly becoming scarce for new industrial development projects in the IE West area (Chino, Ontario, Upland, Rancho Cucamonga, Corona Eastvale Jurupa Valley and Fontana), the IE East area including Moreno Valley, Perris the High Desert and Banning/Beaumont will only garner more development interest for new logistics-distribution development projects. Combining the 154-acre airport property, along with the two adjacent undeveloped privately owned properties would create an industrial development opportunity of 252 acres.

#### NEXT STEPS

The following are suggested next steps for the Banning Municipal Airport.

- City Council shall contemplate what the long-term use should be—either continue operating as an airport or closing down the airport and pursuing a redevelopment project—with industrial land use recommended.
- Consider the idea of phasing out the airport operations over a specified period of time. Consider retaining a consultant with experience in closing an airport.
- Consider possible development partners to assist with the redevelopment of the airport property, including pursuing a Request for Qualifications (RFQ) process.
- Consider retaining a land use planner to create a specific plan or overlay zone for the airport property and other adjacent industrial zoned properties.

# ***ATTACHMENT 3***

**(Airport Closure Phases)**

## Phase Descriptions and Estimated Costs

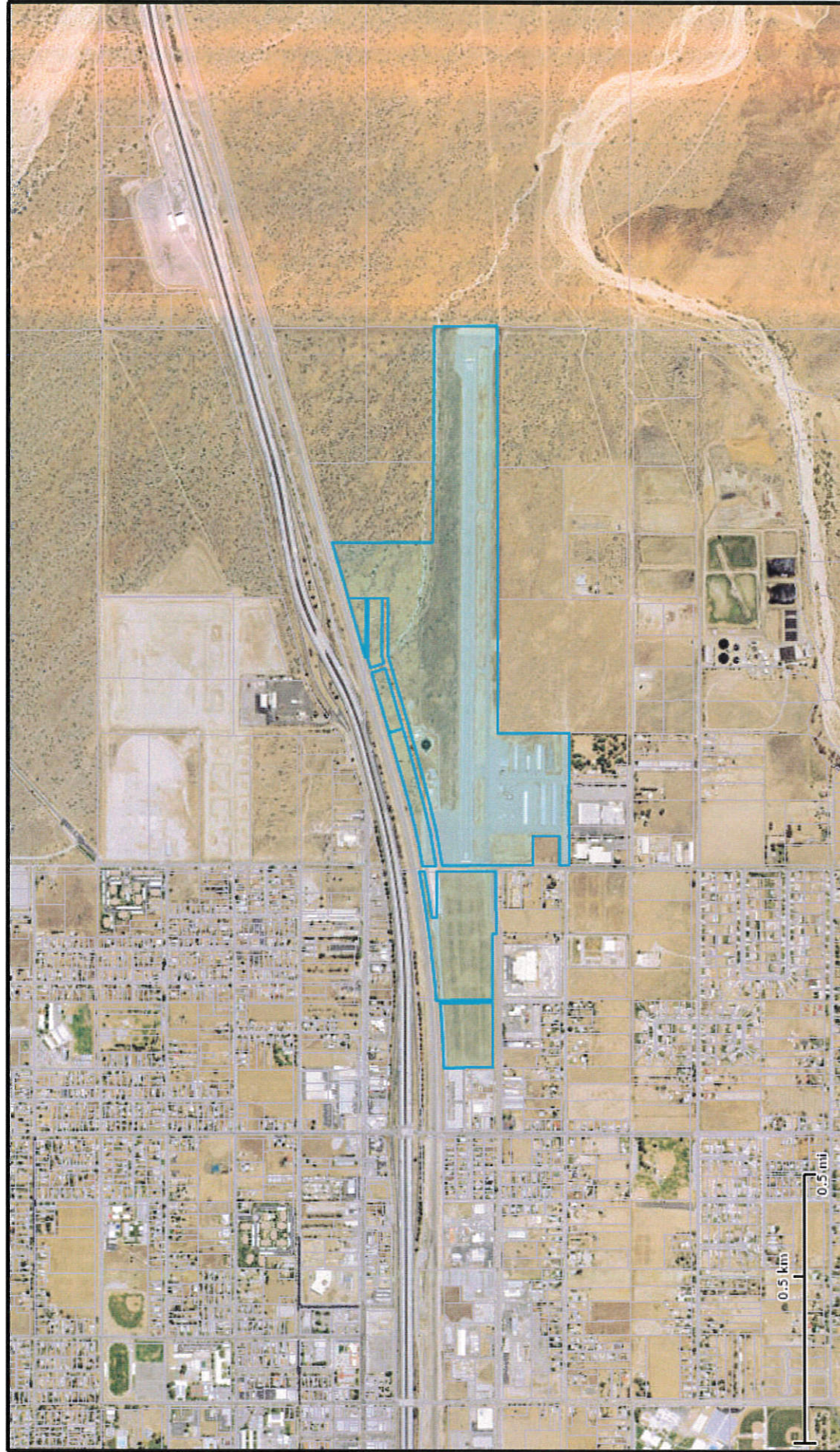
Phase	Description	Cost Range*
1	Compile: 1. Property, land acquisition and grant information	Completed by City Staff
CITY COUNCIL ACTION TO PURSUE CLOSURE If Yes, Proceed to Step 2		
2	Complete: 1. Justification Report 2. Regional impact summary statement 3. Economic impact statement 4. Re-use study 5. Property appraisals	Some work completed by City Staff  \$150,000 - \$350,000
3	Complete: 1. Lease/Sale proceeds plan 2. Facility disposition request 3. Airport closure package 4. Environmental Assessment (?)	Some work completed by City Staff  \$500,000 - \$850,000
FAA DECISION TO APPROVE CLOSURE If Yes, Proceed to Step 4		
4	Complete: 1. FAA Land Release 2. Tenant Notification 3. Filing of FAA Form 7480	Completed by City Staff
5	Complete: 1. Environmental work 2. Tenant lease termination 3. Demolish structures and AC surfaces, if required 4. Market land for sale 5. Sell property 6. Repay federal grants for land acquisitions 7. Repay federal grants for construction projects 8. Payment to airports for construction of hangars	\$2,000,000 - \$4,000,000 (Demo)  \$2,000,000 - \$2,500,000 (Grant payback)  Fair market value for land acquired by grant  \$550,000 - \$1,500,000 (new hangars)
Total		\$5,200,000 - \$9,200,000 Plus Fair Market Value of Land Acquired by Grant

# ***ATTACHMENT 4***

(Phase 1 Documents)

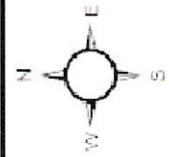


# AIRPORT PROPERTIES



1" = 1,505 ft

04/17/2017



This map represents a visual display of related geographic information. Data provided hereon is not a guarantee of actual field conditions. To be sure of complete accuracy, please contact Banning staff for the most up-to-date information.



## Full Property Details : City of Banning

### PROPERTY DETAIL

Parcel#(APN): 532150003 Use Description:

Parcel Status:

Owner Name: CITY OF BANNING

Mailing Addr: P O BOX 998, BANNING CA - 92220

Situs Addr:

Legal Description:

### ASSESSMENT

Total Value: Use Code: Zoning:

Land Value: 0.00 Tax Rate Area: 001004 Impr Type:

Impr Value: Year Assd: Price/Sqft:

Other Value: Property Tax: 201.00000000

% Improved: Delinquent Yr:

Exempt Amt: Exempt Codes:

### SALE HISTORY Sale 1

### Sale 2

### Sale 3

### Transfer

Recording Date:

Recording Doc: 0.00000000

Rec. Doc Type: 0.00000000

Transfer Amount:

Seller (Grantor):

1st Trst Dd Amt: Code 1: 2nd Trst Dd Amt: Code 2:

### PROPERTY CHARACTERISTICS:

Lot Acres: 1.96000004 Year Built: Fireplace:

Lot SqFt: Effective Yr: A/C:

Bldg/Liv Area: 0.00000000 Total Rooms: Heating:

Units: Bedrooms: 0.00000000 Pool:

Buildings: Baths ( Full ): 0.00000000 Flooring:

Stories: Baths (Half): Park Type:

Style: Bsmt SqFt: Spaces:

Construct: Garage SqFt: 0.00000000 Site Influence:

Quality: Other: Timber :

Building Class: Other Rooms: Ag Preserve:

Condition:

\*\*\*The information provided here is deemed reliable, but is not guaranteed.

## Full Property Details : City of Banning

### PROPERTY DETAIL

Parcel#(APN): 532150004 Use Description:

Parcel Status:

Owner Name: CITY OF BANNING

Mailing Addr: P O BOX 998, BANNING CA - 92220

Situs Addr:

Legal Description:

### ASSESSMENT

Total Value: Use Code: Zoning:

Land Value: 0.00 Tax Rate Area: 001004 Impr Type:

Impr Value: Year Assd: Price/Sqft:

Other Value: Property Tax: 201.00000000

% Improved: Delinquent Yr:

Exempt Amt: Exempt Codes:

### SALE HISTORY

Sale 1

Sale 2

Sale 3

Transfer

Recording Date:

Recording Doc: 0.00000000

Rec. Doc Type: 0.00000000

Transfer Amount:

Seller (Grantor):

1st Trst Dd Amt: Code 1: 2nd Trst Dd Amt: Code 2:

### PROPERTY CHARACTERISTICS:

Lot Acres: 1.30999994 Year Built: Fireplace:

Lot SqFt: Effective Yr: A/C:

Bldg/Liv Area: 0.00000000 Total Rooms: Heating:

Units: Bedrooms: 0.00000000 Pool:

Buildings: Baths ( Full ): 0.00000000 Flooring:

Stories: Baths (Half): Park Type:

Style: Bsmt SqFt: Spaces:

Construct: Garage SqFt: 0.00000000 Site Influence:

Quality: Other: Timber :

Building Class: Other Rooms: Ag Preserve:

Condition:

\*\*\*The information provided here is deemed reliable, but is not guaranteed.

## Full Property Details : City of Banning

### PROPERTY DETAIL

Parcel#(APN): 532140003 Use Description:

Parcel Status:

Owner Name: CITY OF BANNING

Mailing Addr: P O BOX 998, BANNING CA - 92220

Situs Addr:

Legal Description:

### ASSESSMENT

Total Value: Use Code: Zoning:

Land Value: 0.00 Tax Rate Area: 001004 Impr Type:

Impr Value: Year Assd: Price/Sqft:

Other Value: Property Tax: 201.00000000

% Improved: Delinquent Yr:

Exempt Amt: Exempt Codes:

### SALE HISTORY

Sale 1

Sale 2

Sale 3

Transfer

Recording Date:

Recording Doc: 0.00000000

Rec. Doc Type: 0.00000000

Transfer Amount:

Seller (Grantor):

1st Trst Dd Amt: Code 1: 2nd Trst Dd Amt: Code 2:

### PROPERTY CHARACTERISTICS:

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Lot SqFt: Effective Yr: A/C:

Bldg/Liv Area: 0.00000000 Total Rooms: Heating:

Units: Bedrooms: 0.00000000 Pool:

Buildings: Baths ( Full ): 0.00000000 Flooring:

Stories: Baths (Half): Park Type:

Style: Bsmt SqFt: Spaces:

Construct: Garage SqFt: 0.00000000 Site Influence:

Quality: Other: Timber :

Building Class: Other Rooms: Ag Preserve:

Condition:

\*\*\*The information provided here is deemed reliable, but is not guaranteed.

## Full Property Details : City of Banning

### PROPERTY DETAIL

Parcel#(APN): 532130012 Use Description:  
Parcel Status:  
Owner Name: CITY OF BANNING  
Mailing Addr: P O BOX 998, BANNING CA - 92220  
Situs Addr:  
Legal Description:

### ASSESSMENT

Total Value: Use Code: Zoning:  
Land Value: 0.00 Tax Rate Area: 001004 Impr Type:  
Impr Value: Year Assd: Price/Sqft:  
Other Value: Property Tax: 201.00000000  
% Improved: Delinquent Yr:  
Exempt Amt: Exempt Codes:

### SALE HISTORY

Sale 1

Sale 2

Sale 3

Transfer

Recording Date:  
Recording Doc: 0.00000000  
Rec. Doc Type: 0.00000000  
Transfer Amount:  
Seller (Grantor):  
1st Trst Dd Amt: Code 1: 2nd Trst Dd Amt: Code 2:

### PROPERTY CHARACTERISTICS:

Lot Acres: 127.15000153 Year Built: Fireplace:  
Lot SqFt: Effective Yr: A/C:  
Bldg/Liv Area: 0.00000000 Total Rooms: Heating:  
Units: Bedrooms: 0.00000000 Pool:  
Buildings: Baths ( Full ): 0.00000000 Flooring:  
Stories: Baths (Half): Park Type:  
Style: Bsmt SqFt: Spaces:  
Construct: Garage SqFt: 0.00000000 Site Influence:  
Quality: Other: Timber :  
Building Class: Other Rooms: Ag Preserve:  
Condition:

\*\*\*The information provided here is deemed reliable, but is not guaranteed.

## Full Property Details : City of Banning

### PROPERTY DETAIL

Parcel#(APN): 532150002 Use Description:

Parcel Status:

Owner Name: CITY OF BANNING

Mailing Addr: P O BOX 998, BANNING CA - 92220

Situs Addr:

Legal Description:

### ASSESSMENT

Total Value: Use Code: Zoning:

Land Value: 0.00 Tax Rate Area: 001004 Impr Type:

Impr Value: Year Assd: Price/Sqft:

Other Value: Property Tax: 201.00000000

% Improved: Delinquent Yr:

Exempt Amt: Exempt Codes:

### SALE HISTORY Sale 1

### Sale 2

### Sale 3

### Transfer

Recording Date:

Recording Doc: 0.00000000

Rec. Doc Type: 0.00000000

Transfer Amount:

Seller (Grantor):

1st Trst Dd Amt: Code 1: 2nd Trst Dd Amt: Code 2:

### PROPERTY CHARACTERISTICS:

Lot Acres: 1.53999996 Year Built: Fireplace:

Lot SqFt: Effective Yr: A/C:

Bldg/Liv Area: 0.00000000 Total Rooms: Heating:

Units: Bedrooms: 0.00000000 Pool:

Buildings: Baths ( Full ): 0.00000000 Flooring:

Stories: Baths (Half): Park Type:

Style: Bsmt SqFt: Spaces:

Construct: Garage SqFt: 0.00000000 Site Influence:

Quality: Other: Timber :

Building Class: Other Rooms: Ag Preserve:

Condition:

\*\*\*The information provided here is deemed reliable, but is not guaranteed.



## Full Property Details : City of Banning

### PROPERTY DETAIL

Parcel#(APN): 541240009 Use Description:  
Parcel Status:  
Owner Name: CITY OF BANNING  
Mailing Addr: P O BOX 998, BANNING CA - 92220  
Situs Addr:  
Legal Description:

### ASSESSMENT

Total Value: Use Code: Zoning:  
Land Value: 0.00 Tax Rate Area: 001004 Impr Type:  
Impr Value: Year Assd: Price/Sqft:  
Other Value: Property Tax: 201.00000000  
% Improved: Delinquent Yr:  
Exempt Amt: Exempt Codes:

### SALE HISTORY Sale 1 Sale 2 Sale 3 Transfer

Recording Date:  
Recording Doc: 0.00000000  
Rec. Doc Type: 0.00000000  
Transfer Amount:  
Seller (Grantor):  
1st Trst Dd Amt: Code 1: 2nd Trst Dd Amt: Code 2:

### PROPERTY CHARACTERISTICS:

Lot Acres: 7.36000013 Year Built: Fireplace:  
Lot SqFt: Effective Yr: A/C:  
Bldg/Liv Area: 0.00000000 Total Rooms: Heating:  
Units: Bedrooms: 0.00000000 Pool:  
Buildings: Baths ( Full ): 0.00000000 Flooring:  
Stories: Baths (Half): Park Type:  
Style: Bsmt SqFt: Spaces:  
Construct: Garage SqFt: 0.00000000 Site Influence:  
Quality: Other: Timber :  
Building Class: Other Rooms: Ag Preserve:  
Condition:

\*\*\*The information provided here is deemed reliable, but is not guaranteed.

## Full Property Details : City of Banning

### PROPERTY DETAIL

Parcel#(APN): 541250009 Use Description:

Parcel Status:

Owner Name: CITY OF BANNING

Mailing Addr: P O BOX 998, BANNING CA - 92220

Situs Addr:

Legal Description:

### ASSESSMENT

Total Value: Use Code: Zoning:

Land Value: 0.00 Tax Rate Area: 001004 Impr Type:

Impr Value: Year Assd: Price/Sqft:

Other Value: Property Tax: 201.00000000

% Improved: Delinquent Yr:

Exempt Amt: Exempt Codes:

### SALE HISTORY Sale 1 Sale 2 Sale 3 Transfer

Recording Date:

Recording Doc: 0.00000000

Rec. Doc Type: 0.00000000

Transfer Amount:

Seller (Grantor):

1st Trst Dd Amt: Code 1: 2nd Trst Dd Amt: Code 2:

### PROPERTY CHARACTERISTICS:

Lot Acres: 19.31999969 Year Built: Fireplace:

Lot SqFt: Effective Yr: A/C:

Bldg/Liv Area: 0.00000000 Total Rooms: Heating:

Units: Bedrooms: 0.00000000 Pool:

Buildings: Baths ( Full ): 0.00000000 Flooring:

Stories: Baths (Half): Park Type:

Style: Bsmt SqFt: Spaces:

Construct: Garage SqFt: 0.00000000 Site Influence:

Quality: Other: Timber :

Building Class: Other Rooms: Ag Preserve:

Condition:

\*\*\*The information provided here is deemed reliable, but is not guaranteed.

**City of Banning**  
**Municipal Airport - FAA Grant Awards and Amortization Schedule**

Grant #	FY	Description	Award Amount	Terminus to Funding Amort.	Annual Reduction Amount/FY Base Year - 2004	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
005-2003	2003	Rehab runway, taxi apron and	\$ 450,000	2024	\$ 22,500	\$ 157,500	\$ 135,000	\$ 112,500	\$ 90,000	\$ 67,500	\$ 45,000	\$ 22,500	\$ -									
006-2004	2004	Install perimeter fence	\$ -	2015	\$ 12,500	\$ 100,000	\$ 87,500	\$ 75,000	\$ 62,500	\$ 50,000	\$ 37,500	\$ 25,000	\$ 12,500									
007-2008	2008	Install perimeter fence, rehab	\$ 350,000	2028	\$ 7,500	\$ 82,500	\$ 75,000	\$ 67,500	\$ 60,000	\$ 52,500	\$ 45,000	\$ 37,500	\$ 30,000	\$ 22,500	\$ 15,000	\$ 7,500						
008-2009	2009	Improve airport drainage	\$ 150,000	2029	\$ 21,485	\$ 257,816	\$ 236,331	\$ 214,847	\$ 193,362	\$ 171,877	\$ 150,393	\$ 128,908	\$ 107,423	\$ 85,939	\$ 64,454	\$ 42,969	\$ 21,485					
009-2009	2009	Improve airport drainage	\$ 429,893	2029	\$ 28,077	\$ 386,922	\$ 368,845	\$ 346,768	\$ 324,691	\$ 302,614	\$ 280,538	\$ 258,461	\$ 236,384	\$ 214,307	\$ 192,230	\$ 170,154	\$ 148,077					
010-2010	2010	Install NAVADS, weather	\$ 566,750	2030	\$ 26,838	\$ 348,888	\$ 322,050	\$ 295,213	\$ 268,375	\$ 241,538	\$ 214,700	\$ 187,863	\$ 161,025	\$ 134,188	\$ 107,350	\$ 80,513	\$ 53,675	\$ 26,838				
011-2011	2011	Reporting equipment	\$ 193,922	2031	\$ 9,696	\$ 135,745	\$ 126,049	\$ 116,353	\$ 106,657	\$ 96,961	\$ 87,265	\$ 77,569	\$ 67,873	\$ 58,177	\$ 48,480	\$ 38,784	\$ 29,088	\$ 19,392	\$ 9,696			
012-2012	2012	Contract taxiway	\$ 84,127	2032	\$ 4,206	\$ 63,095	\$ 58,889	\$ 54,682	\$ 50,476	\$ 46,270	\$ 42,063	\$ 37,857	\$ 33,651	\$ 29,444	\$ 25,238	\$ 21,031	\$ 16,825	\$ 12,619	\$ 8,412	\$ 4,206		
013-2013	2013	Contract taxiway	\$ 558,220	2033	\$ 27,911	\$ 446,576	\$ 418,665	\$ 390,754	\$ 362,843	\$ 334,932	\$ 307,021	\$ 279,110	\$ 251,199	\$ 223,288	\$ 195,377	\$ 167,466	\$ 139,555	\$ 111,644	\$ 83,733	\$ 55,822	\$ 27,911	
014-2015	2014	Obstruction Removal	\$ 127,170	2033	\$ 6,359	\$ 101,736	\$ 95,378	\$ 89,019	\$ 82,661	\$ 76,302	\$ 69,944	\$ 63,585	\$ 57,227	\$ 50,868	\$ 44,510	\$ 38,151	\$ 31,793	\$ 25,434	\$ 19,076	\$ 12,717	\$ 6,359	
Cumulative Grant Amount: \$					\$ 167,070.90	\$ 2,090,777	\$ 1,863,706	\$ 1,696,635	\$ 1,529,565	\$ 1,362,494	\$ 1,195,423	\$ 1,028,352	\$ 861,281	\$ 716,710	\$ 584,539	\$ 452,568	\$ 320,497	\$ 195,926	\$ 120,917	\$ 72,745	\$ 34,270	

\*Assumptions: Grant funding amortized (for reduced equally) over a period of 30 years, real property was not acquired with these funding awards

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

**TO:** CITY COUNCIL

**FROM:** Michael Rock, City Manager

**PREPARED BY:** Philip Southard, Public Information Officer

**MEETING DATE:** April 25, 2017

**SUBJECT:** 2017 Legislative Platform

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### **RECOMMENDATION:**

That the City Council approve the 2017 Legislative Platform to allow the Mayor, in coordination with City staff, to advocate on behalf of the City regarding pending legislation.

### **JUSTIFICATION:**

As State and Federal lawmakers introduce legislation, it is important for the City of Banning to add its voice in support or opposition to bills that may impact the City.

Current legislation under consideration both in Congress and Sacramento could affect the City's ability to maintain local control on land use matters, Community Development Block Grant funding, and requirements for water quality.

A Council-approved legislative platform would serve as the framework for the Mayor to sign letters on behalf of the City to advocate for or against legislation in a timely manner.

### **BACKGROUND:**

The Legislative Platform was developed after reviewing similar platforms from other cities and with feedback from the City's Department Directors. The Legislative Platform was reviewed by the Intergovernmental Lobbying Committee consisting of Mayor George Moyer and Mayor Pro Tem Debbie Franklin and it was recommended to be brought to the full City Council for further discussion.

Staff will continue to monitor legislation and make recommendations to the Mayor based on the Legislative Platform. The Mayor will have the final signature authority to support or oppose legislation as needed.

**FISCAL IMPACT:**

None.

**OPTIONS:**

1. Approve the Legislative Platform.
2. Reject the Legislative Platform.

**STRATEGIC PLAN OBJECTIVE:**

Legislation could potentially impact any of the City Council's Strategic Plan Objectives and the Legislative Platform would provide the basis to advocate for or against those legislative items.

**ATTACHMENTS:**

1. 2017 Legislative Platform

Approved by:



Michael Rock  
City Manager



## **CITY OF BANNING 2017 LEGISLATIVE PLATFORM**

This Legislative Platform, adopted by the City Council, clearly outlines the position of the City on priority issues that impact the City's ability to operate effectively. The Legislative Platform allows City elected officials and staff to act quickly in reaching out to legislators, executive branch elected officials, and their staff in order to communicate the City's interests at the Federal, State, and regional levels.

For legislative or regulatory issues for which the City Council has established a policy within this Legislative Platform, the Legislative Affairs Ad-Hoc Committee may approve a position letter to be communicated by the Mayor, City Manager or designated staff to legislators, administration officials, legislative or administration staff, and other entities. When timeliness of action is required, position letters on legislative or regulatory issues covered within the Platform may be communicated by the Mayor, City Manager, or designated staff without prior approval of the Legislative Affairs Ad-Hoc Committee.

For those legislative or regulatory issues for which no policy exists within this Legislative Platform, the issue will be brought to the Legislative Affairs Ad-Hoc Committee for a recommendation to the full City Council. These matters may also be brought directly to the full City Council in the event that timeliness of action by the Council is required or upon request of the Council.

### **PLATFORM OVERVIEW**

The City values its ability and authority to exercise local control and to protect and enhance the quality of life for Banning residents. To that end, the City's primary legislative focus is to protect local government control and promote stable revenue for local governments to plan for future growth and needed public facilities and services.

### **GENERAL ADMINISTRATION**

1. Support legislation that enhances local control and allows cities to address the needs of local constituents within a framework of regional cooperation. Oppose preemption of local authority whether by state or federal legislation or ballot propositions. Support legislation that streamlines and simplifies the job of running a city and oppose efforts that erode the City's authority to control its own affairs.
2. Support reforms related to pensions and other post-employment benefits (OPEB) that would allow cities to better manage the long-term growth of unfunded pension and OPEB liabilities and reduce the risk of fiscal and service level insolvency by cities.

3. Oppose legislation that mandates cities provide specific benefits which can be more properly determined through labor negotiations.
4. Oppose legislation that would diminish or eliminate local governments' ability to contract out for the provision of services.

### **FISCAL STABILITY**

5. Support legislation that maintains or enhances ongoing revenues to the City. Oppose legislation that undermines and preempts local authority over local taxes and fees. Monitor the State and Federal budget deliberations and oppose attempts to balance the State and/or Federal budget by shifting funds from local government.
6. Support legislation which updates the tax structure to enhance local government revenues that have declined due to the expansion of e-commerce, increased consumption of services rather than durable goods, and innovations in technology.
7. Support legislation that makes the distribution of property taxes more equitable for cities and counties throughout the state.
8. Oppose the imposition of unfunded or inadequately funded federal and state mandates on local governments. Support legislative reform that would remove unnecessary state-imposed mandates. Encourage the use of incentives for local government action rather than mandates (funded or unfunded).
9. Support legislation and regulatory actions that ensure timely distribution of mandated reimbursements owed to the City. Oppose actions that defer reimbursements for state mandated programs.
10. Oppose measures that eliminate development fees or limit the ability of cities to levy fees to provide for infrastructure or services.

### **PUBLIC WORKS/AIRPORT**

11. Support legislation that will provide local governments with long term and stable revenue options and resources to finance critical infrastructure maintenance and construction needs for transportation, water supply, wastewater, stormwater, and other critical infrastructure systems.
12. Support efforts to ensure the City receives its fair share of transportation funding.
13. Support legislation that enhances the safety of City streets for car, bicycle, and pedestrian traffic, reduces traffic congestion, or supports public transportation and regional transportation improvements.

14. Support legislation that enhances transparency in the decision-making process of the State Water Resources Control Board and the Regional Water Quality Control Board.
15. Support legislation that encourages the optimum and sustainable utilization of local groundwater basins. Support legislation that provides funding for the cost effective development of local water resources to reduce dependence on imported water sources.
16. Support legislation that creates flexibility in the implementation of mandatory stormwater programs and provides funding for those programs.
17. Oppose legislation that would infringe upon the ability of local governments to effectively administer and modify state and local construction provisions and standards.
18. Support any legislation and litigation that provides for funding for the planning, design and construction of Chromium-6 treatment facilities, specifically funding earmarked for Disadvantaged Communities.
19. Support any legislation that further delays compliance periods for the new Chromium-6 standards.

#### **COMMUNITY AND ECONOMIC DEVELOPMENT**

20. Support legislation that maintains cities' authority over land use decisions. Oppose legislation that would interfere with the decision-making authority of local government in the area of local land use and zoning.
21. Oppose legislation that erodes the ability of cities to condition and deny projects that inadequately mitigate impacts to the community.
22. Support legislation that strengthens local governments' regulatory authority and control over the siting of medical marijuana dispensaries.
23. Oppose legislation that weakens local governments' ability to regulate massage establishments through zoning code provisions.
24. Oppose legislation and regulatory efforts that would diminish or eliminate the authority of cities to zone and plan for the development of telecommunications infrastructure, including the siting of cellular communications towers or transmission sites.
25. Support legislation that preserves or increases funding for the Community Development Block Grant (CDBG) program as provided by the U.S. Department of Housing and Urban Development. Support legislation that expands the eligibility and

allowable uses of CDBG funds. Oppose legislation that would reduce funds dedicated to the CDBG program.

26. Oppose legislation that would diminish or eliminate cities' authority to regulate condominium conversions.
27. Support legislation that enhances the City's efforts to retain existing businesses and attract new businesses.
28. Support legislation that provides tangible and productive tools and incentives to support job creation and retention.
29. Support legislation that develops programs to increase housing opportunities to meet growth demand. Support legislative efforts that provide incentives to local governments and private developers to develop additional housing opportunities including affordable housing for low income and disabled seniors, adults and veterans.

## **PUBLIC SAFETY**

30. Support legislation and grant opportunities that increase funding for local law *enforcement specific to hiring patrol personnel, as well as fire suppression and prevention, hazardous materials mitigation, and emergency medical services.*
31. Support legislation that provides funding to local agencies for training, disaster preparedness, and emergency planning.
32. Support legislation that provides funding in support of Public Safety Realignment bills AB 109 and AB 117.
33. Support efforts to maintain permanent, sufficient Public Safety Realignment funding and establish an equitable county allocation formula in order for local governments to adequately manage the shifting of inmates from state prisons to local jails and back to their local communities.
34. Oppose legislation that would impede local law enforcement from addressing crime problems and recovering costs resulting from a crime committed by the guilty party.
35. Support efforts that strengthen local law enforcement's ability to prevent and fight crime.
36. Oppose legislation that minimizes marijuana and alcohol-related criminal behavior, driving under the influence and texting penalties, and underage drinking.

- 37. Support legislation to reimburse the City for overtime costs paid to public safety personnel who are required to appear in State and/or County courts.
- 38. Support legislation to grant state and federal funding to supplement local law enforcement to increase staffing, equipment and capital improvements to maintain public safety.
- 39. Support legislation and funding to coordinate mutual aid agreements, homeland security programs, training and emergency response efforts among federal, state, and local governments with clearly defined roles and responsibilities.

### **PARKS & RECREATION**

- 40. Support legislation that creates new funding opportunities for parks and community facilities. Support funding for ADA facility and park upgrades.
- 41. Support funding for the development and preservation of open space consistent with the City's General Plan, Trails and Bikeways Master Plan and other related policies.
- 42. Support funding for the construction, rehabilitation and maintenance of public facilities, parks and open space.
- 43. Support funding for policies and programs that promote the overall health and wellness of families, veterans, seniors and youth in the City.
- 44. Support funding for youth-related prevention and intervention programs, including after school educational and recreational programs.

### **ENVIRONMENTAL SUSTAINABILITY**

- 45. Support legislation that provides flexibility and incentives to pursue cost-effective environmental policy programs in the areas of energy and water efficiency, greenhouse gas reduction, solid waste, and storm- and waste- water, among others. Support legislation that lessens the financial impact of state and federal unfunded mandates related to compliance with environmental programs and regulations.
- 46. Support legislation that maintains local authority and flexibility to regulate solid waste and recyclables. Oppose waste and resource recovery measures imposing state mandated costs when there is no guarantee of local cost recovery or offsetting benefit.
- 47. Support legislation and regulatory actions that expand the markets for recyclable materials by providing economic incentives to innovative in-state businesses that utilize recyclable materials to create new products. Support incentives for the development of alternatives to recycling and composting, such as conversion

technologies which convert post-recycled residual solid waste into renewable energy, biofuels and useful products.

48. Support legislation requiring manufacturers to be responsible for safe disposal or reuse of their products and by-products, particularly for hazardous products such as sharps, unused prescription drugs, and fluorescent light bulbs.
49. Support programs that provide incentives for “green” commercial and residential development. Support legislation that provides incentives to individual homeowners and businesses for the installation of solar panels. Support state efforts to rebate individual homeowners and businesses for returning excess power back into the grid as a result of owner-generated energy.
50. Support legislation that keeps funding for State energy public benefits programs in local communities.
51. Oppose efforts to mandate a state water public benefits charge unless funds remain within the local community.
52. Oppose legislation that imposes undue hardship on local agencies to implement environmental regulations.
53. Oppose air quality legislation that restricts the land use authority of cities.
54. Oppose actions by Regional Water Quality Control Boards that impose mandates on cities that exceed state or federal regulations and/or are outside their jurisdictional authority to impose or enforce.

### **ELECTRIC UTILITY**

55. Support local decision-making authority and oppose preemption of local control. Oppose statewide efforts to remove the ability to set policy at the local level, while promoting legislation that allows flexibility in the Utility’s effort to cost-effectively meet energy goals and mandates.
56. Promote environmental stewardship and urban sustainability. Support legislation that 1) improves the availability of renewable energy; 2) increases energy efficiency; 3) reduces greenhouse gas emissions; 4) supports green buildings; 5) improves opportunities for environmentally beneficial jobs; and 6) supports cleaner emissions from vehicles. Also support renewable energy derived from sustainable resources such as geothermal, landfill gas, solar, and hydroelectric facilities that can be cost-effectively procured for residents and businesses.
57. Support responsible and transparent requirements for hydraulic fracturing to ensure that such processes continue in a safe and environmentally responsible manner that considers public health, the water supply, and the environment.



58. Support statewide policy that takes a holistic/integrated approach to achieving GHG reductions and focus on overall GHG reduction goals instead of the current arbitrary approach of individual resource-specific mandates. Oppose GHG emissions reduction legislation that would add financial risk, create regulatory uncertainty, impact participation in the Cap & Trade Program, or penalize early voluntary action.
59. Support legislation and regulations that provide local control and support for: equitable rate design and tariffs, balance of state and local policy implementation and ratepayer equity, cost-effective storage integration, cost-effective and equitable DG standards for connecting resources to the local distribution system, ratepayer protections from deceptive or misleading sales practices by third-party DG companies.
60. Support funding opportunities and incentives for the evaluation and initiation of new cost-effective demand reduction programs to offset residential and commercial energy use and costs.
61. Support legislation that improves procurement flexibility. RPS procurement requirements should not limit procurement choices and must also consider the unique circumstances, existing commitments, and customer needs of each utility.
62. Support broader strategies for compliance and considerations for market and operational challenges so that RPS legislation can meet intended environmental goals and protect ratepayers from unnecessary economic impacts.
63. Oppose RPS legislation that extends California Energy Commission (CEC) jurisdiction over POU's.
64. Support efforts to eliminate unnecessary and duplicative reporting requirements, and streamline regulatory reporting and data submittals to multiple state regulatory agencies, including the CEC, California Air Resources Board (CARB), and the California Independent System Operator (CAISO).

#### **City Council**

65. Support legislation and regulations that help advance the City Council's adopted goals and policy objectives.

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## CITY OF BANNING CITY COUNCIL REPORT

**TO:** CITY COUNCIL

**FROM:** Michael Rock, City Manager

**PREPARED BY:** Rochelle Clayton, Deputy City Manager

**MEETING DATE:** April 25, 2017

**SUBJECT:** Report on Utility Bill Complaints from Vista Serena Residents.

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### **RECOMMENDATION:**

This is informational only; receive and file report.

### **JUSTIFICATION:**

Information was requested by Council at its March 28, 2017 meeting, regarding the complaints that have been made by Vista Serena residents.

### **BACKGROUND:**

The Vista Serena development is an all-electric development with no gas service. A majority of the customers experienced an increase in their bills from January 2017 to March 2017 bills due to higher usage during those billing periods. Upon review of utility accounts in Vista Serena, many accounts had triple or more the usage during January, February, and March, compared to their December bills, as Banning experienced an unusually colder winter.

Energy Efficiency Evaluations have been scheduled and performed on several homes in Vista Serena, and a new meter has been installed in one unit to determine if there were any issues with the previous meter.

The Energy Efficiency Evaluations are a useful tool to determine which appliances may be using more energy, to educate the resident on how they can lower their electricity usage which could lower future bills (however, it does not allow for any type of reduction in previous bills).

The Los Angeles Times published an article on the effect of all-electric home on electric bills, which is included in the attachments to this report along with Schedule A of the Electric Rate Schedule for Residential homes. The rate schedule indicates that all-electric homes receive an additional allowance for their baseline rates.

**FISCAL IMPACT:**

None

**ATTACHMENTS:**

- A. Los Angeles Times Article "The All-Consuming Bills of an All-Electric Home"
- B. Schedule A of the Electric Utility Rate Schedule

Approved by:



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Michael Rock  
City Manager

[— Back to Original Article](#)

THE NATION

## The All-Consuming Bills of an All-Electric Home

August 13, 2001 | DIANE WEDNER | TIMES STAFF WRITER

Judy Gertner was ecstatic over the all-electric Costa Mesa home she bought in 1979, with its extra-large electric water heater, electric appliances and electric radiant-heat system that gently warmed rooms according to individual thermostats.

She was shocked, however, when her monthly electric bill rose to \$200 in July. It was double the bill from June, when Southern California Edison's rate hike took effect, and equal to what she paid in the winter months during the 1980s when five people lived in the generously heated house.

"I never turn the heat on anymore," said Gertner, a UC Irvine administrative assistant who now lives alone. "It was 52 degrees in my bedroom all winter."

Yesterday's dream house has become today's budget-buster for thousands of Southern Californians who live in all-electric homes. As their utility bills skyrocket, these homeowners are taking drastic measures to conserve energy and change their living arrangements.

In cities such as Torrance, Long Beach and Thousand Oaks, the all-electric houses were the cornerstone of a nationwide electrical-industry campaign in the 1950s and 1960s that promised lower power bills and modern living through electricity.

The hundreds of thousands of these homes nationwide typically include electric water heaters and heating and air systems, as well as electric kitchen and laundry appliances. Some even boast electric curtain rods and baseboard heating, and in cold climates, electric snow-melting units in the driveway.

With soaring power bills recently, all-electric homeowners have been forced to implement such conservation measures as cutting off all heat and air and affixing timers to electric water heaters. All-electric homes pose a particular hardship for those on fixed incomes or with medical conditions. And they are harder to sell, with buyers leery of the high costs.

Everything from power-hungry electric water heaters to electric clothes dryers are racking up huge bills. In Pasadena, for example, an all-electric homeowner pays about \$2,572 annually for power, compared to \$1,108 paid by a neighbor living in an energy-efficient home that uses mostly natural gas, according to Evan Mills, an energy analyst at Lawrence Berkeley National Laboratory at UC Berkeley.

Cypress car mechanic Brian Fields, who bought his all-electric townhome in 1990, said he is struggling to keep his electricity bills down after his so-called baseline allocation was reduced in 1994. A baseline allocation is the minimum level of electricity needed for household usage, and is used to help determine electricity rates. The measure, which varies by climate and region, is assigned to homeowners by the California Public Utilities Commission.

In May, the PUC opened proceedings to determine whether baseline allocations should be revised again to offer relief to electricity consumers. A decision could be made by the end of the year.

Meanwhile, Fields, a single homeowner, neither heats his home nor lights more than one room at a time, but still exceeded his winter baseline allocation this year.

"If you don't have gas lines into your home, you're toast," Fields said. "I think a lot of us feel left in the lurch; we're trapped and can't change this."

All-electric homeowners who want access to natural gas first must find out if there is a gas main under their street, said Denise King, a Southern California Gas Co. spokeswoman. If one exists, customers then must request installation of a gas service line to their residence, which one Torrance homeowner had priced at \$7,500.

A lack of access to natural gas isn't the only problem facing all-electric homeowners. Replacing broken radiant heating coils, a huge source of electricity consumption, is expensive too, Gertner said. When a wire in her heating system broke last year, it cost \$1,200 to break the ceiling plaster, find the broken wire, replace it and replaster the ceiling.

Many Southland real estate agents report that prices of all-electric homes have not diminished, largely because demand for housing is still high. Nevertheless, they claim that a home's all-electric status is a major deterrent to potential buyers, who fear the high energy costs.

Owners of all-electric homes say that they have become obsessed with finding ways to slash electric bills. Judy Jordan, a Long Beach teacher, managed to keep last winter's monthly electric bills down to a reasonable \$40 because she sets the kitchen timer in her triplex, limiting her radiant-heat usage to a couple of hours a day.

## Legacy of Decisions Made Long Time Ago

Jeanne and William Chalmers spend the bulk of their time in only one part of their Torrance house--the den and kitchen--which they have tried to partition from the rest of the house with a large curtain. This conservation measure shaved the retired couple's last electric bill to \$167, down 27% from their highest bill of \$228.

Those with medical disabilities who rely on electricity to power equipment find it particularly difficult to cut back.

"I'm applying for a medical-necessity adjustment on our baseline because my wife uses an electric chair to get up and down our stairs," said Long Beach resident Eric David, a retired electrical contractor. "I've done all the power-cutting I can do; there's nowhere else to go."

All-electric homeowners get a slight break through an additional baseline power allotment. Desert residents who use only electricity, for example, are allotted more summer kilowatt-hours than residents who use both gas and electricity. The utilities also are pushing for a variety of conservation measures, from adjusting thermostats to replacing dark roofs with light-colored ones.

"People living in all-electric homes have to live with the legacy of decisions that were made a long time ago," Mills said. The utilities and developers "made a multiyear decision in the '60s when they created all-electric homes. Now homeowners are stuck with this for a long time."

In the 1950s, when the all-electric home-building campaign was launched, the process of making electricity was not as efficient as it is today. The utilities rushed to build electrical plants to streamline production, and as the cost of electricity decreased, homeowners were encouraged to consume more power. The more they used, the less they paid.

To keep demand high, the electrical industry launched the Live Better Electrically, or LBE, campaign in March 1956. It was supported nationwide by 300 electric utilities and 180 electrical manufacturers.

The campaign got then-actor Ronald Reagan, the popular host of "General Electric Theater," to take his television audience on a series of tours of his and wife Nancy's all-electric Pacific Palisades home.

An in-house GE sales pitch declared that "by Thanksgiving, there should not be a man, woman or child in America who doesn't know that you can 'Live Better Electrically' with General Electric appliances and television."

In October 1957, LBE launched the "Medallion Homes" campaign, which sought to sell 20,000 all-electric homes nationwide by 1958, 100,000 by 1960 and 970,000 by 1970.

To earn a gold medallion--a decal affixed to a home's entryway and considered the apex of modern, all-electric living--a home had to have an electric clothes washer and dryer, waste disposal, refrigerator and all-electric heating.

The Medallion Homes campaign was a huge success. By some estimates, the nationwide goal of about 1 million all-electric homes was achieved, according to the Edison Electric Institute, although data on the actual number built is unavailable.

Local builders such as Michael L. Tenzer, president of Larwin Homes from 1962-75, said that his company built several thousand Medallion homes in Simi Valley, San Diego, Chatsworth and other West Valley areas.

## Getting By With the Barbecue

Paul Griffin Jr., chairman of Griffin Industries in Calabasas, said that Southern California Edison offered an allowance to builders who supplied their new homes with electric wiring and appliances. Griffin built about 300 all-electric homes.

"Edison did everything in the world to promote the use of electricity," said Eric David, the Long Beach electrical engineer who wired many all-electric homes in his town.

Steve Nelson, an Edison regional manager who helped pitch Medallion homes for the utility in the '60s, said the company created "electric living centers" in their local offices, where they taught homemakers how to use electric appliances.

But that was then. Today, all-electric homeowners are waiting anxiously to see if the PUC will give them another break.

Until that relief arrives, homeowners such as Brian Fields of Cypress are left wringing their hands. "I cook on a barbecue several times a week and wash my clothes only once a week," he said. "What more can I do?"

\*

MORE INSIDE



Power grid vulnerable: Internet connections leave energy utilities open to hackers, experts say. C1

(BEGIN TEXT OF INFOBOX / INFOGRAPHIC)

Electric Shock

All-electric homeowners pay significantly higher power bills than those who use natural gas for heat, water heating and appliances.

\*

Total bill: Electricity price of \$0.12 kilowatt per hour, gas price of \$1.50 per therm

\*

All-electric: \$2,572

Efficient gas appliances and A/C: \$1,108

Source: Lawrence Berkeley National Lab

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# **CITY OF BANNING**

## **ELECTRIC UTILITY RATE SCHEDULE**

**May 2013**

CITY OF BANNING  
Electric Division

SCHEDULE A

RESIDENTIAL SERVICE

A) APPLICABILITY

This schedule is applicable to single family and multiple family accommodations devoted primarily to domestic use, and includes services for lighting, cooking, heating and power consuming appliances.

B) CHARACTER OF SERVICE

Alternating current with regulated frequency of 60 hertz, delivered at 120 or 240 volts, single phase, as may be specified by the Division.

C) TERRITORY

Within the area served by the City of Banning

D) RATES

	<u>Per Meter</u> <u>Per Month</u>
Customer Charge	\$ 3.00
Energy Charge	<u>Per kWh</u>
Baseline Service	
All kWh	\$.1688
Low Income Qualified Baseline Service	
All kWh as described below	\$.0972
Non-baseline Service (Winter)	
All kWh above baseline through 1,000	\$.2190
All kWh above 1,000	\$.2880
Non-baseline Service (Summer)	
All kWh above baseline through 1,500	\$.2190
All kWh above 1,500	\$.2880

## Schedule A – Residential Service (continued)

Non-baseline service includes all kWh in excess of applicable baseline allowance as described below.

### E) MINIMUM CHARGE

The Customer Charge plus the Energy Charge shall be subject to a minimum charge of \$3.00 per billing cycle.

### F) MINIMUM REQUIREMENTS

1. Meter: All services shall be through one meter.

2. Multiple Family Dwellings

Whenever two or more individual family accommodations (in an apartment house, duplex, court, mobile home park, etc.) receive electric service from the Division through a master meter, the service shall be billed under this Schedule. The customer charge per month will be \$3.00 multiplied by the number of individual dwelling units served. The baseline service allocation shall be 308 kWh per month multiplied by the number of individual dwelling units served, plus additional baseline kWh as specified below. In no case shall the base rate billing be less than the Minimum Charge.

3. Energy Surcharge

The charges in the above rate are subject to California State Energy surcharge tax and shall be adjusted accordingly.

### G) LOW INCOME SENIOR CITIZEN SERVICE

Upon application to the City, each eligible low-income senior citizen (62 years or older) residential customer shall pay a customer charge of \$1.00 only. The customer shall notify the City when the conditions of the application are no longer valid.

### H) LOW INCOME QUALIFIED BASELINE SERVICE

Upon application to the City, each approved low-income residential customer shall be placed on the Low Income Qualified Baseline rate as described below. The customer shall be required to recertify their eligibility on an annual basis. Failure to recertify will result in removal from the Low Income Qualified Baseline rate.

### I) BASELINE SERVICE

All domestic customers on this schedule are entitled to an allocation of a baseline quantity of electricity that is necessary to supply the minimum energy needs of the average residential user. The total baseline allocation to a customer is the sum of all

## Schedule A – Residential Service (continued)

applicable baseline quantities described in items 1 through 6 shown below. However, the Low Income Qualified Baseline rate will only be applied to items 1 and 2. If a Low Income Qualified customer is also eligible for items 3 through 6, any baseline allocation in excess of 1 and 2 will be charged at the regular Baseline Service rate:

	kWh Per <u>Month</u>
1. For basic standard residential use	308
2. For air conditioning use during June through September.	250
3. For life support devices	500
4. For all-electric residential heat use during November through March	498
5. For all-electric basic residential use (year around)	150
6. For residential water-well pump use (year around)	500

The all-electric residential heat allowance applies only to residences in which the sole source of heat consists of electric resistance heating. Upon application to the City, the account of each eligible customer shall be provided with the all-electric allocation, including heat use and the year around basic residential use to cover water heaters and cooking.

### J) LIFE SUPPORT DEVICES

1. Medical Baseline Allocation: Upon application to the City, the account of each eligible residential customer will be provided a year-around Medical Baseline Allocation.
  - a. Eligibility: For an account to be eligible for the standard Medical Baseline Allocation, the residential customer will provide certification as set forth in Paragraph E below to the City that:
    - (1) Regular use in the customer's home of one or more medical life support devices is essential to maintain the life of a full-time resident of the household; and/or
    - (2) A full-time resident of the household is a paraplegic, hemiplegic, quadriplegic, multiple sclerosis, or schlerodemic patient.
  - b. Life-support Devices

The account of each eligible residential customer will be provided a standard Medical Baseline Allocation following certification acceptable to the City that a full-time resident of the household requires the regular use in the customer's home of one or more life-support devices.



## Schedule A – Residential Service (continued)

Life-support devices means those devices or equipment which utilize mechanical or artificial means to sustain, restore, or supplement a vital function, or mechanical equipment which is relied upon for mobility both within and outside of buildings. Life-support devices or equipment include the following:

Aerosol Tent	Electrostatic Nebulizer
Compressor	Electric Nerve Stimulator
Iron Lung	Ultrasonic Nebulizer
Pressure Pump	Motorized Wheel Chair
IPPB Machine	Kidney Dialysis Machine
Suction Machine	Respirator (all types)
Oxygen Generator (Electrically Operated)	

### c. Paraplegic, Hemiplegic, Quadriplegic, Multiple Sclerosis or Scherodemic Patients

The account of each eligible residential customer, who provides certification that a full-time resident of the household is a paraplegic, hemiplegic, quadriplegic, multiple sclerosis or scherodemic patient or suffers from abnormality of centrally controlled body thermostat will be provided a standard Medical Baseline Allocation in consideration of special heating and/or cooling needs.

### d. Hardship Cases

If the customer believes that the life-support device and/or a patient's space conditioning equipment (as set forth in Paragraph B and C above) requires more than 500 kWh per month to operate, the customer may apply for a higher allocation than the standard Medical Baseline Allocation. Upon receipt of such application, the City shall make a determination if any additional monthly baseline quantity is required to operate the device or equipment based on the nameplate rating and operating hours. The monthly amount of the Medical Baseline Allocation shall be increased to the number of kWh so determined.

### e. Certification

The City may require the following Certification:

- (1) The Customer shall have a medical doctor or osteopath licensed to practice medicine in the State of California provide the City with a certification letter, acceptable to the City. The letter shall describe in detail the type of life-support device(s) regularly required by the patient and the utilization requirements, and/or certify that the full-time resident is a paraplegic, hemiplegic, quadriplegic, multiple sclerosis, or scherodemic patient; or
- (2) County, State, or Federal agencies, using an established notification letter to electric utilities, shall provide the City with information relative to a

## **Schedule A – Residential Service (continued)**

patient who regularly requires the use of a life-support device in a customer's residence.

Within 15 days after acceptance of the above certification, the City will provide a Medical Baseline Allocation to the customer's account. The City may require a new or renewed application and/or certification when needed, in the opinion of the City.

### **f. Termination of Use**

The Customer shall notify the City of termination of use of equipment or devices set forth above.

## **K) WATER WELL PUMPS**

This allocation is for Banning Electric Utility customers that are not connected to the City's water distribution system, and have a water well onsite. Customers must request this designation, and an onsite inspection must be completed before the allocation is authorized.



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

**TO:** CITY COUNCIL

**FROM:** Michael Rock, City Manager

**PREPARED BY:** Rochelle Clayton, Deputy City Manager

**MEETING DATE:** April 25, 2017

**SUBJECT:** Clearing of Oleander Bushes from Caltrans Right of Way

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### **RECOMMENDATION:**

This is informational only; receive and file report.

### **JUSTIFICATION:**

At its April 11, 2017, meeting, the Council requested information on the clearing by a City crew of oleander brush from the Caltrans Right-of-Way located on the Interstate 10 freeway.

### **BACKGROUND:**

A Caltrans right-of-way runs along Interstate 10 adjacent to Diamond Hills Chevrolet Buick GMC (Diamond Hills) that contains several large oleander bushes that block visibility of Diamond Hills from the freeway. Unsuccessful in its attempts to obtain a permit to trim or to have Caltrans trim or remove the bushes, Diamond Hills approached the City to request assistance with the visibility of the dealership through the removal or pruning of the bushes along I-10. It is not clear when the oleanders were last trimmed, but they have grown to a height that obscures Diamond Hills from the freeway. Diamond Hills relies heavily on their visibility to attract business. The City, in turn, relies heavily on Diamond Hills as one of its largest sales tax generators.

While Diamond Hills was unsuccessful in getting a permit, the City was able to obtain a permit at no cost from Caltrans within four months. Consistent with the encroachment permit obtained from Caltrans, the City only cleared brush from the area in the right-of-

way. The City incurred no costs for this project. Diamond Hills made a payment to the City in the amount of \$3,000 for the work performed on their behalf, until the total cost was determined and invoiced.

The cost of labor, which included salaries and benefits for the employees who performed the work, was \$3,431.66 and the balance due of \$431.66 has been invoiced to Diamond Hills.

**FISCAL IMPACT:**

None

**ATTACHMENTS:**

1. Invoice to Diamond Hills

Approved by:



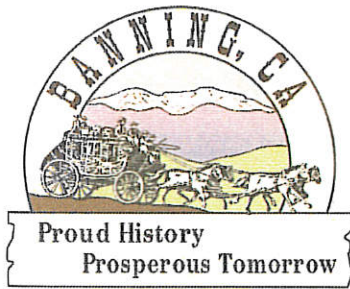
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Michael Rock  
City Manager

# ***ATTACHMENT 1***

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## City of Banning Finance Department

April 10, 2017

Diamond Hills Chevrolet Buick GMC  
Accounts Payable  
4545 West Ramsey Street  
Banning, CA 92220

SUBJECT: REIMBURSEMENT REQUEST

Dear Mr. Knight

The City of Banning respectfully requests payment for the balance due in the amount of \$431.66. The balance due is for reimbursement for the costs incurred for the Cal Trans Right of Way project, which totaled \$3,431.66, less the amount received from check number 15013 in the amount of \$3,000.

Enclosed is a copy of supporting documentation for expenses incurred. Please remit payment within 30 days from the date of this notice.

Should you have any questions or need any additional information, please contact me at 951-922-3118.

Respectfully,

A handwritten signature in blue ink, which appears to read "Suzanne Cook", is positioned below the word "Respectfully,".

Suzanne Cook  
Finance Manager  
City of Banning

Enclosure

LABOR

[illegible]