

MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

07/24/2018
REGULAR MEETING

A regular meeting of the Banning City Council was called to order by Mayor Moyer on July 24, 2018, at 5:21 p.m. at the Banning Civic Center Council Chamber, 99 E. Ramsey Street, Banning, California.

COUNCIL MEMBERS PRESENT: Council Member Andrade
Council Member Franklin
Council Member Peterson
Council Member Welch
Mayor Moyer

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT Rochelle Clayton, Interim City Manager
Kevin Ennis, City Attorney
Tom Miller, Electric Utility Director
Patty Nevins, Community Development Director
Suzanne Cook, Deputy Finance Director
Robert Mateau, Deputy Human Resources Director
Marie Calderon, City Clerk
Laurie Sampson, Executive Assistant
Leila Lopez, Office Specialist

The Invocation was given by Reverend Bill Dunn with St. Stephen's Episcopal Church. Council Member Andrade led the audience in the Pledge of Allegiance to the Flag.

REPORT ON CLOSED SESSION

The City Attorney indicated four items were discussed in Closed Session. 1) PUBLIC EMPLOYEE APPOINTMENT: City Manager – Pursuant to Government Code Section 54957. A status report was provided and direction given to the City's negotiator. 2) CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Paragraph (1) of Subdivision (d) of Section 54956.9) Name of Case: City of Banning v. Go Green Calming Solutions, et al., Case No. RIC 1806731. Direction was given to legal counsel.

PUBLIC COMMENTS / CORRESPONDENCE / PRESENTATIONS / APPOINTMENTS

PUBLIC COMMENTS

Ellen Carr with Tender Loving Critters provided information regarding scheduling an appointment with Animal Action League for low cost spay or neuter services. They will be in the City on August 14th and 15th. They can be reached at 760-366-1100. She provided

information regarding animal control services now that the County of Riverside has been contracted by the City (see Exhibit "A").

Inge Schuler read a prepared statement (see Exhibit "B").

Don Smith agreed with everything Inge Schuler shared. He shared a recent experience with Riverside County Animal Control and advised they handled the matter professionally and successfully. In regard to hiring police officers, he encouraged hiring reserves and putting them through the academy, much like the City did with linemen.

Val Westholder mentioned that she received a 34-day utility bill and would like to know why. She also requested an update on the audit.

Seeing no further comments, the Mayor closed Public Comment.

CORRESPONDENCE

There was no correspondence.

CONSENT ITEMS

1. Minutes – Regular Meeting – 7/10/2018

Recommendation: Approve the Minutes from July 10, 2018 Regular Meeting of the Banning City Council.

2. Minutes – Special Meeting – 7/10/2018 (Closed Session)

Recommendation: Approve the Minutes from the July 10, 2018 Special Meeting of the Banning City Council.

3. Minutes – Special Meeting – 7/12/2018 (Closed Session)

Recommendation: Approve the Minutes from the July 12, 2018 Special Meeting of the Banning City Council (Closed Session).

4. Minutes – Special Meeting – 7/16/2018 (Closed Session)

Recommendation: Approve the Minutes from the July 16, 2018 Special Meeting of the Banning City Council (Closed Session).

5. Cash, Investments, and Reserve Report for the Month of June 2018

Recommendation: Receive and file Cash, Investments, and Reserve Report for the Month of June 2018.

6. Accounts Payable and Payroll Warrants Issued in the Month of June 2018

Recommendation: Ratify Accounts Payable and Payroll Warrants Issued in the Month of June 2018.

7. Resolution 2018-102, Approving the City of Banning Electric Utility Power Content Label for Calendar Year 2017

Recommendation: Adopt Resolution 2018-102.

The Mayor opened the Consent Items for public comment. Seeing none, closed public comment.

Motion Franklin/Peterson to approve Consent Items 1 through 7. Motion carried, 5-0.

ANNOUNCEMENTS & REPORTS

CITY COUNCIL COMMITTEE REPORTS

Council Member Welch had nothing to report.

Council Member Andrade had nothing to report.

Council Member Franklin reported on the following:

- RCTC met a couple of weeks ago. The City's Short Range Transit Plan was approved for the upcoming year. The Measure A projected amount of \$560,000 was approved. The lawsuit regarding the Highway 60 truck climbing lane was settled, so it is anticipated construction will begin next year and it will be about a two-year process.
- She thanked everyone who participated in the Backpack Giveaway. The Cops vs. Clergy basketball game was on the same day and the Clergy won this year (70-62).
- The League of California Cities Division Meeting was held on July 23rd and the Mayor will report.
- The 2x2 with the School Board met and discussed the City Council participating in an Adopt-A-School program. If there is interest, guidelines would be developed.

Council Member Peterson asked Interim City Manager Clayton to comment on the Utility Audit. She advised the Purchase Order had been issued for the contract with Christy White Associates. It took some time because their insurance was not in compliance with the City's requirements. However, she has discovered that their insurance is still not in compliance and a request had been submitted to Christy White Associates to provide the accurate insurance, and once that is received, they can begin work. An entrance interview is already scheduled for the beginning of August and hopefully the appropriate insurance is received prior to that meeting so the City can proceed.

Mayor Moyer reported on the following:

- The Finance Committee met and discussed several issues.
- The League of California Cities Division Meeting was held on July 23rd. They discussed what CalPERS will be doing over the next several years, which raised several financial concerns.

REPORT BY CITY ATTORNEY

City Attorney Ennis had nothing to report.

REPORT BY CITY MANAGER

Interim City Manager Clayton reported on the following:

- The contact information for Animal Control can be found on the City's Website.
- Utility bills may vary between 28 and 34 days, according to City policy.
- The meeting with Christy White Associates is scheduled for August 9th, pending receipt of required insurance.
- The City of Banning was awarded the Achievement Award for Excellence in Procurement by the National Procurement Institute. She advised the Purchasing Manager, Jennifer McCoy worked diligently with all departments to implement several control measure. The trophy should be received within 30 days and it can be brought to a future Council Meeting.

REPORTS OF OFFICERS

1. Consideration of Development Impact Fee Credit 2 Year Time Extension Request from Pardee Homes

Community Development Director Patty Nevins presented the Staff Report as contained in the Agenda packet.

Council Member Peterson commented that he does not agree with "force majeure" clause, as he does not believe there were unforeseen events that occurred. Heread the clause in the contract for the public.

The Mayor opened the item for public comment.

Inge Schuler commented on the agreement and that she believes this is just a settlement agreement. She feels Pardee should have been on the ball and the City needs to stand up and listen to the people.

Ellen Carr commented that it sounds like Pardee owes the City money, let them pay.

Frank Burgess expressed his support of Council Member Peterson's comment. He asked questions related to the agreement and shared his concern with the City charging 2006 fees in 2018. He does not want the City giving away seven million dollars.

John Hagan is against extending this, as he believes they have broken the clause by not starting when they were supposed to.

Don Smith commented on the contract and advised the City waived some fees for the first 500 units to entice Pardee to start as soon as possible during the period of time when the contract was written, however that period of time is over. He advised the Council's decision to extend should only take place if the City feels it needs to entice them to get the project started immediately.

Jerry Westholder expressed concern with the City waiving fees now, as he does not believe it would be the logical thing to do.

Chris with Pardee advised the force majeure is for unforeseen events and explained what happened. He explained that several delays were caused by the Development Agreement. They are requesting two additional years, as Tentative Maps take a lot of money. Additionally, they do not want to burden City staff.

Jeff with Pardee explained that many issues are yet to be worked out. They will work with the City moving forward, as they have been. They are not able to build a shopping center without good tenants. They are hopeful for commercial development and housing.

Diego Rose questioned the lack of planning by the developer over the last six years.

David Ellis indicated he is excited to see development in the City. He does not believe an "Act of God" has not caused this problem. He recommended the Council not move forward with this as requested by the developer.

Seeing no further comments, the Mayor closed public comment.

Mayor Moyer asked for clarification regarding the current map and the number of approved homes. Director Nevins advised 264 with 487 additional lots.

Council Member Peterson advised the project would move forward if the recommendation by the Council was not in their favor. He asked Chris with Pardee if they would still be able to pull the required permits with the fee waivers within the allotted period of time, but the extension would make it easier on them and City staff. He confirmed they would. There was discussion between Council Member Peterson and Chris regarding the matter.

Council Member Franklin explained that what was done was an effort to help the economy of the City when it needed a jumpstart and advised the City has not experienced the economic benefit Beaumont received because development has only taken place in Beaumont since that time, but Banning has experienced certain repercussions from the

development in Beaumont such as traffic, etc. Even if it was not Pardee's intent, the City has been harmed and for that reason she is unable to agree to another extension. Chris explained they wanted to move forward as well, but due to the lawsuit, they have also incurred damages and had to fight hurdles and that there are shared burdens.

Council Member Franklin asked if staff would be able to process 500 permits if pulled. Director Nevins advised it is possible, but they would have to commence construction as well to receive the credit.

Council Member Andrade shared her excitement for the project to begin and advised she would like this project to move forward. Chris advised they are looking at a 30-day timeframe.

Council Member Welch would like the project to move ahead, but what bothers him the most is the concessions that were made.

Mayor Moyer advised that he has trouble extending anything when Banning has been second fiddle.

Motion Franklin/Welch to approve Option 3 - not concur with the invocation of the "force majeure" section of the Development Agreement under the facts stated and direct staff to inform Pardee that an extension of the deadline for DIF Credits must be obtained, if at all, under other provisions of the Agreement, such as by formal amendment. Motion carried 5-0.

2. Resolution 2018-27 Approving a Consultant Services Agreement with Albert A. Webb Associates for Peer Review Services in Connection with the Banning Quarry Environmental Assessment.

Community Development Director Patty Nevins presented the Staff Report as contained in the Agenda packet.

Council Member Peterson commented that he believes the mining reports have been violated through the years and asked why it has been allowed to remain open when things have not been remediated. He read from a report from 2017. He expressed his concern with spending money on someone to analyze reports. Director Nevins explained the applicant will reimburse the City's costs. Council Member Andrade clarified that the City would ultimately not be paying for the services. Director Nevins confirmed and advised Council Member Peterson she would go back to see if there were any outstanding issues.

Council Member Andrade asked about shutting down the plant because of permits and Director Nevins advised the City does an annual inspection and a Code Enforcement officer also goes out there. At one point a stop work order was issued due to lack of permit and the situation was resolved.

Council Member Franklin would like a timeline to show how long it takes to review reports and asked if their permits are still valid. Director Nevins confirmed.

The Mayor opened the item for public comment.

Inge Schuler commented on reports from 2012 with the same offenses and violations. She believes the City has ignored these reports and shared her support of Council Member Peterson's comments. She advised that it is the quality of life that invites people into the City.

David Ellis advised he has lived next to the mine for 40 years and the last five years of reports tell of the problems. He feels nothing has been done to correct the issues and the problems need to be corrected, as they are a danger to the City. He would like them to be a good neighbor.

Jerry Westholder discussed five years of mining reports and would like this handled legally, as he believes they are in violation.

Seeing no further comments, the Mayor closed public comment.

The Mayor advised that any unpermitted work was stopped a couple of years ago and without these documentation the City won't get the reclamation plans it needs and it isn't costing the City anything.

Council Member Peterson asked if there would be a mitigated negative declaration (MND). Director Nevins advised that if they are able to mitigate any impact they could potentially do a mitigated negative declaration. If not, there needs to be an environmental impact report (EIR). Director Nevins indicated funding for an EIR has been requested in anticipation of them not being able to do a MND.

Council Member Franklin thought that some things have been corrected. Director Nevins advised she is not aware of what was done prior to her arrival, but that last time something was found that needed to be corrected a stop work order was issued and they did come in and received a permit.

Motion Peterson/Welch to adopt Resolution 2018-27, approving a Professional Services Agreement between the City of Banning and Albert A. Webb Associates to provide peer review services to the City of Banning for the review of a Draft Environmental Impact Report ("DEIR") and associated documents for the Banning Quarry project. Motion carried 5-0.

3. Resolution No. 2018-107, Amending Resolution 2018-72 to Reschedule the Public Hearing for the Consideration of Rate Adjustments for the Collection, Transportation and Disposal of Solid Waste Services to September 11, 2018

Interim City Manager Rochelle Clayton presented the Staff Report as contained in the Agenda packet.

The Mayor opened the item for public comment. Seeing none, closed public comment.

Motion Andrade/Welch to adopt Resolution 2018-107, adjusting the Public Hearing date to the Regular City Council Meeting on September 11, 2018 at 5:00 p.m. Motion carried 5-0.

4. City Policy No. B-32 on Agreements

Interim City Manager Rochelle Clayton presented the Staff Report as contained in the Agenda packet.

The Mayor opened the item for public comment. Seeing none, closed public comment.

Motion Franklin/Peterson to adopt City Policy B-32 on Agreements, including Leases, Memorandums of Understanding and Contracts. Motion carried 5-0.

The Mayor recessed the meeting at 7:12 P.M. and reconvened at 7:20 P.M.

5. City Policy No. A-35 on Review of Existing Policies for Necessary Revisions

Interim City Manager Rochelle Clayton presented the Staff Report as contained in the Agenda packet.

Council Member Peterson asked about policies dating back to 1974. Interim City Manager Clayton explained the Employee Handbook is from 1974, but there are a handful of policies dating back to 1978, a few from the 80's, and a majority of them are from the 90's. Council Member Peterson asked if everything will be brought up to date or will they review every five years going forward. Interim City Manager Clayton would like to review all of the policies, make sure they are in compliance, and update as necessary. All outdated policies are planned to be updated this fiscal year. Some policies are obsolete and will be deleted and several will be combined so there are fewer policies going forward. An RFP will be issued for personnel policies to be updated in one fell swoop.

The Mayor opened the item for public comment. Seeing none, closed public comment.

Motion Andrade/Franklin to review City Policy No. A-35 on the Review of Policies for necessary updates and revisions. Motion carried 5-0.

6. Riverside County Grand Jury Report to the City of Banning

Interim City Manager Rochelle Clayton presented the Staff Report as contained in the Agenda packet.

Council Member Peterson expressed his disagreement with the response to Finding No. 6, as he feels Council Member Andrade was properly trained. Also in the regard to the response to Finding No. 7, he would like a date when the report will be on the City's website.

Interim City Manager Clayton suggested October 1st In regard to the response to Recommendation 7.

Council Member Franklin recommended 90 days from the election for training to be completed.

The Mayor opened the item for public comment. Seeing none, closed public comment.

Motion Welch/Peterson to approve the Letter of Response to the Grand Jury to formally respond to the Grand Jury regarding its recommendations including recommended changes from Council. Motion carried 5-0.

DISCUSSION ITEMS

1. Review and Discuss Sending a Letter to Congressman Raul Ruiz, M.D. Requesting Legislative Assistance for the Substitution of Census Tract 438.13 in Place of Census Tract 442 as a Designated Opportunity Zone

Interim City Manager Clayton presented the Staff Report as contained in the Agenda packet.

At the request of the Mayor, Pete Pitassi provided additional explanation for the benefit of the public.

The Mayor opened the item for public comment. Seeing none, closed public comment.

Motion Peterson/Franklin to send a letter to Congressman Raul Ruiz, M.D. requesting legislative assistance for the substitution of Census tract 438.13 in place of Census Tract 442 as a Designated Opportunity Zone. Motion carried 5-0.

The Mayor recessed the Regular meeting and called to order a regular meeting of the Banning Utility Authority

Board Members Present: Andrade, Franklin, Peterson, Welch, and Chairman Moyer

REPORTS

REPORTS OF OFFICERS

1. Resolution 2018-05 UA, Approving the Second Amendment to the Maintenance and Operations Agreement with Suez Water Environmental Services, Inc. for an Adjustment in Compensation and to Extend the Term of the Agreement

Interim City Manager Rochelle Clayton presented the Staff Report as contained in the Agenda packet along with a PowerPoint presentation (see Exhibit "C").

The Mayor asked about the 720 hours annually to do landscaping at prevailing wage rates and why the City has them do that. Interim City Manager Clayton explained they do various tasks during their 40 hours per week.

Board Member Peterson asked how many hours per week they are there. Interim City Manager Clayton believed they are there 40 hours per week. There was discussion regarding hours and what is contracted and what City employees do. Board Member Peterson would like to table the item and bring back details of every hour the City is paying for.

Utility Authority Counsel Ennis directed the Board to page 330 regarding prevailing wage rates.

Board Member Peterson questioned the amount of the contract and what work is actually being done, and advised he's not concerned with prevailing wage.

The Chairman would like to see the entire contract so they can see the total scope of services rendered.

Board Member Andrade advised that Council Member Peterson had supplied her with a memo that went to the Budget & Finance Committee on July 16th regarding Suez (see Exhibit "D"). She expressed some of her concerns and would like more information prior to making a decision.

Interim City Manager Clayton explained that staff is requesting approval for one year and during that time will do a full comprehensive analysis.

Board Member Peterson advised that he knows two individuals who are willing to come here and do this work immediately, so no time would be needed for recruiting. He also doesn't believe the City would need to buy equipment. Interim City Manager Clayton pointed out that there are five positions that would need to be filled. The Chairman opened the item for public comment.

Don Smith commented on the sewer plant operation and that when the City was operating the plant they decided to contract with United Water because they needed their expertise, especially their technical engineering expertise. To his knowledge the sewer plant hasn't had a deficiency in 22 years. He cautioned about doing it cheaper and risking quality and success.

Seeing no further comments, the Chairman closed public comment.

Motion Peterson/Andrade to table the item until September. Motion carried 5-0.

The Chairman adjourned the Banning Utility Authority meeting and the next meeting will be held on September 10, 2018.

The Mayor reconvened the regular meeting.

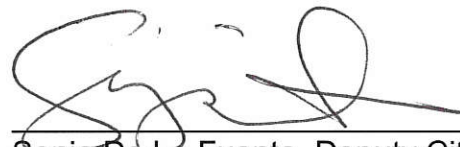
ITEMS FOR FUTURE AGENDAS

None

ADJOURNMENT

By common consent the meeting was adjourned at 8:13 P.M. in memory of Geraldine "Gerry" Van Wormer.

Minutes Prepared by:

A handwritten signature in black ink, appearing to read 'Sonja De La Fuente', written over a horizontal line.

Sonja De La Fuente, Deputy City Clerk

These Minutes reflect actions taken by the City Council. The entire discussion of this meeting can be found by visiting the following website: <https://banninglive.viebit.com/player.php?hash=Eh6zbwldYY66> or by requesting a CD or DVD at Banning City Hall located at 99 E. Ramsey Street.

Exhibit “A”

to the July 24, 2018, Regular Meeting Minutes



EXHIBIT "A"
TO Minutes of the
July 24, 2018, Regular Meeting Minutes

Banning Police Department
125 E. Ramsey Street, Banning, CA 92220 (951) 922-3170

*Public Comments
Elen Carr 7/24/18*

Animal Control

Animal Shelter Bulletin Board

Phone calls to Animal Control:

For pick-up of loose dogs: Call 951-358-7387

Officers are available Monday through Friday 8 am to 4 pm

Weekend and after hours: Call 951-358-7387.

A stand-by officer is on duty during all off hours.

Caller will speak to a live person after hours on a recorded line. Information will be taken and the officer on-duty will be paged. Calls will be handled on a case by case basis to determine if officer will be dispatched out after hours or the next business day.

Dead animal removal: Call 951-358-7387 removals will be conducted during normal business hours.

Animal neglect and abuse: Call 951-358-7387. These calls are handled as a priority.

After hour calls for neglect and abuse: Call 951-358-7387. Caller will speak to a live person after hours on a recorded line. Information will be taken and the officer on-duty will be paged. Calls will be handled on a case by case basis to determine if officer will be dispatched out after hours or the next business day.

Licenses can be obtained from either the San Jacinto or Western Riverside Shelters.

San Jacinto Valley animal Campus

581 S Grand Ave

San Jacinto CA 92585

951-358-7387

Western Riverside County/ City Animal Shelter

6851 Van Buren Blvd

Jurupa Valley CA 92059 phone number: 951-358-7387

Dog License Fees;

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City of Banning

Type of License	1 Year	2 Year	3 Year	Late Fee *
Altered Dogs	\$17	\$34	\$49	\$25
Unaltered Dogs	\$100	\$200	\$300	\$25
Altered Dog, owned by Senior Citizen 60+	\$12	\$24	\$36	\$25

Exhibit “B”

to the July 24, 2018, Regular Meeting Minutes

Received 7/24/18
Public Comments

EXHIBIT "B"

TO Minutes of the
July 24, 2018, Regular Meeting Minutes

July 25, 2018, City Council meeting

Public Comment - Inge Schuler

Several days ago, I noticed that in the eastbound direction on W Westward Avenue, starting at Sunset Avenue, and repeated at the intersection with 22nd Street, new speed limit sign have been installed. The previous limit of 35 mph has been raised to 40 mph. This issue was discussed at a previous City Council meeting, and after several comments from citizens, including Don Smith and me, we were assured that the above mentioned limit would remain at 35 mph. What has changed?

A decades old absurd state law is suddenly rediscovered to defy all logic. It requires cities to set speed limits based on how fast people are already driving, regardless of whether that speed is safe. The law was passed to prevent cities from setting speed traps aimed at sticking drivers with pricey tickets.

Simple physics cannot be ignored: A pedestrian hit by a car traveling at 20 mph has an 80% chance of survival, but someone hit by a car traveling at 40 mph has just a 10% chance. There are two schools on W Westward Avenue between Sunset and San Geronio, one at each end. This absurd law to determine speed limits is in contradiction with California law that requires cities and counties to develop so called Complete Streets that are designed to safely accommodate all users, including cyclists, transit riders, pedestrians, and the disabled – not just motorists.

The next logical step would be to change the state law that bars cities from setting speed limits for safe travel, rather than just fast travel. Assembly Bill 2363 is a baby step forward.

Lower speed limits alone will not make streets safer. There needs to be public information about the risks of speed as well as traffic enforcement in speed prone corridors. Streets also need to be engineered for safety. The streets don't belong just to drivers; they belong to everyone.

Here is a job for our local leaders of government to push for sanity. Do something!

Inge Schuler
Banning

Exhibit “C”

to the July 24, 2018, Regular Meeting Minutes

EXHIBIT "C"
TO Minutes of the
July 24, 2018, Regular Meeting Minutes

IN HOUSE OPERATION AND MAINTENANCE OF THE BANNING WASTEWATER TREATMENT/RECLAMATION PLANT

JULY 24, 2018

BACKGROUND

- THE BUDGET AND FINANCE COMMITTEE EXPRESSED INTEREST IN THE IN-HOUSE OPERATION AND MAINTENANCE OF THE WASTEWATER TREATMENT/RECLAMATION PLANT
- STAFF PERFORMED A **LIMITED** SURVEY OF FOUR AGENCIES: CITY OF REDLANDS, CITY OF SAN BERNARDINO, CITY OF COACHELLA AND EASTERN MUNICIPAL WATER DISTRICT.
 - SURVEY DID NOT CONSIDER DIFFERENCES IN BENEFIT PACKAGES, DEDUCTIBLES (E.G. SOCIAL SECURITY, PERS CONTRIBUTIONS, ETC.)

POSITION	HOURLY RATES			COB FULLY BURDEN FACTOR	ESTIMATED FULLY BURDENED ANNUAL SALARIES		
	AVERAGE LOW	AVERAGE MEDIAN	AVERAGE HIGH		AVERAGE LOW	AVERAGE MEDIAN	AVERAGE HIGH
Chief Plant Operator	\$46.07	\$51.69	\$57.67	70.00%	\$162,892.91	\$182,781.14	\$203,931.73
O&M Tech 3	\$31.86	\$35.46	\$39.31	70.00%	\$112,670.22	\$125,393.63	\$138,993.09
O&M Tech 2	\$28.72	\$31.98	\$35.45	70.00%	\$101,560.11	\$113,083.05	\$125,345.90
O&M Tech 1	\$24.60	\$27.33	\$30.27	70.00%	\$86,983.83	\$96,654.79	\$107,034.72
O&M Tech 1/OIT*	\$20.97	\$23.27	\$25.76	70.00%	\$74,164.95	\$82,297.75	\$91,071.45
					\$538,272.02	\$600,210.36	\$666,376.88

*OIT: OPERATOR IN TRAINER

	LOW	AVERAGE	HIGH
SUEZ CONTRACT	\$747,148	\$747,148	\$747,148
FULLY BURDENED SALARIES	\$538,272	\$600,210	\$666,377
SAVINGS	\$208,876	\$146,938	\$80,771

- IT IS EXPECTED THAT SALARY SAVINGS WOULD BE CLOSE TO THE AVERAGE AMOUNT.
- ADDITIONAL EXPENSES THAT SHOULD BE CONSIDERED:
 - ADMIN/TECHNICAL/ENGINEERING STAFF SUPPORT PROVIDED BY SUEZ. THIS SERVICE WOULD BE PROVIDED PERIODICALLY BY CONSULTANTS
 - SUEZ PROVIDES OWN FLEET/EQUIPMENT (2 TRUCKS, 1 LOADER). CITY WOULD HAVE TO PROCURE/MAINTAIN FLEET/EQUIPMENT
 - SOFTWARE LICENSES

CONCLUSION

- SAVINGS COULD BE REALIZED BY IN-HOUSE O&M OF WASTEWATER TREATMENT/RECLAMATION PLANT.
- ADDITIONAL TIME SHOULD BE SPENT UNDERSTANDING PROS/CONS OF OPTIONS.
- IF CITY COUNCIL IS INTERESTED IN THE IN-HOUSE OPTION STAFF CAN GATHER ADDITIONAL INFORMATION AND REPORT BACK TO COUNCIL.
- STAFF RECOMMENDS APPROVAL OF SUEZ CONTRACT EXTENSION WITH OPTION TO RENEW FOR A SECOND YEAR.

Exhibit “D”

to the July 24, 2018, Regular Meeting Minutes

EXHIBIT "D"
TO Minutes of the
July 24, 2018, Regular Meeting Minutes



**CITY OF BANNING
BUDGET & FINANCE COMMITTEE REPORT**

TO: BUDGET & FINANCE COMMITTEE

FROM: Art Vela, Director of Public Works
Rochelle Clayton, Deputy City Manager

MEETING DATE: July 16, 2018

SUBJECT: Discuss the SUEZ Contract extension and fiscal impacts related to Prevailing Wage requirements

BACKGROUND:

On December 12, 2017 staff presented to the Budget and Finance Committee ("Committee") a request to extend the Operations and Maintenance (O&M) contract with SUEZ for O&M services at the City of Banning Wastewater Treatment Plant. The existing contract is set to expire on September 30, 2018. At that time the Committee recommended that the extension be for two years.

Recently, the City of Banning and SUEZ entered into a discussion related to the applicability of prevailing wages to the O&M contract. The subject came up from other discussions that had ensued between SUEZ and other agencies that they provide similar services too.

Prevailing Wage requirements apply to construction, alteration, demolition, installation, repair and maintenance work done under contract and paid in whole or in part of public funds.

City staff, including legal counsel, and SUEZ analyzed the O&M tasks performed under the City of Banning O&M contract that are subject to prevailing wage requirements, which were identified and detailed in Attachment No. 1. SUEZ utilized the list of tasks to perform a comparison of the cost impact for the City of Banning O&M contract based upon the difference between SUEZ's existing wage rates and the published prevailing wage rates for the job classifications necessary to perform the tasks identified. Details of the wage rate comparison are shown in Attachment No. 2.

FISCAL IMPACT:

Applying prevailing wage rates to the identified tasks increases the costs of the O&M contract by \$42,987.96 for a total annual cost of \$747,159.96. The increase represents a 6.1% increase.

RECOMMENDATION:

In order to comply with prevailing wage requirements, staff request that the Committee consider and vote on recommending to City Council that the contract extension be approved, for two years, and to include the increase to the contract related to prevailing wages.

ATTACHMENTS:

1. Prevailing Wage Tasks
2. Wage comparison

How many years have the contracted
- 20 years -
why no RFP -

Wage Comparison

Name	FLSA	Job Code	Job Title	Projected Annual PW Hours	Annual PTO Hours*	Annual Reg Hours	SUEZ Annual Base Rate	SUEZ Annual Fringe (95%)	SUEZ Total Wages	Hourly Rate	Job Category	PW Rate	Annual PW Wages	SUEZ Annual Wages	Applicable PW Fringe	SUEZ Fringe Credit	Adjusted Fringe Due	Adjusted Annual Fringe	SUEZ Annual Fringe	Total PW Wages	VARIANCE
Holub, John T	N	NNC007	O&M Tech III	378	280	1338	\$73550.05	\$25742.52	\$99292.57	\$35.36	Plumber/Pipelitter	\$51.44	\$13,366.31	\$47,312.48	\$20.54	\$6.34	\$14.20	\$5,367.60	\$30,911.32	\$106,888.67	\$7,566.11
Holub, John T	N	NNC007	O&M Tech III	60					\$99292.57	\$35.36	Plumber/Pipelitter	\$51.44	\$3,086.40		\$22.86	\$6.34	\$16.52	\$991.20		\$4,077.60	\$4,077.60
Holub, John T	N	NNC006	O&M Tech II	24						\$35.36	Painting	\$29.82	\$848.64		\$15.23	\$6.34	\$8.89	\$213.36		\$1,062.00	\$1,062.00
Lomell, Ronnie	N	NNC005	O&M Tech I	192	280	1608	\$60639.90	\$21223.97	\$81863.87	\$29.15	Plumber/Pipelitter	\$33.19	\$6,372.48	\$46,879.31	\$20.54	\$0.16	\$20.38	\$3,912.96	\$23,445.84	\$88,773.66	\$6,908.79
Duarte, Jose	N	NNC005	O&M Tech I	192	280	1608	\$45600.05	\$15960.02	\$61560.07	\$21.92	Plumber/Pipelitter	\$33.19	\$6,372.48	\$35,252.34	\$20.54	\$6.46	\$14.08	\$2,703.36	\$20,573.15	\$71,039.81	\$9,475.74
Vacancy	N	NNC005	O&M Tech I	192	280	1608	\$43,680.00	\$15,288.00	\$58,968.00	\$21.00	Plumber/Pipelitter	\$33.19	\$6,372.48	\$33,788.00	\$20.54	\$6.46	\$14.08	\$2,703.36	\$17,678.57	\$66,402.41	\$7,434.41
																				\$36,523.64	

*Column F: Assumption used = 15 vacation days + 7 sick days + 13 Holidays = 35 days of PTO = 280 hours
 NO OVERTIME WAS ASSUMED IN THESE CALCULATIONS.

Maintenance Task List
Banning Project

Type of work	Description of Task	Frequency	O&M Tech III John	O&M Tech Jose	O&M Tech II Ronnie	OIT Vacant
PM	Boiler Inspection and Safety Checks	Weekly	.5 hr			
PM	Secondary Return Pump Packing Lubrication	Weekly	.25 hr (x-3)			
PM	Primary Effluent Pumps Packing Service	Monthly	1.0 hr (x-3)			
PM	Gas System Manometer - Zero Check	Monthly	.25 hr (x-5)			
PM	Boiler Hot Water Pump Service/Lube	Quarterly	1.0 hr (x-2)			
PM	Air Blower Service	Quarterly	1.5 hr (x-2)			
PM	Sump Pump Checks and Pit Cleaning	Quarterly	1.0 hr (x-3)			
PM	Grit Tank Center Drive Checks/Inspection	Quarterly	1.0 hr			
PM	Headworks Gate Valve Lubrication	Quarterly	1.0 hr			
PM	Bar Screen Drive Lube Change	Annual	3.0 hr			
PM	Grit Classifier Cone Inspection	Bi-annual	1.5 hr			
PM	Clarifier Center Drive Checks	Weekly	.5 hr (x-5)			
PM	Clarifier Center Drive Lube Change	Annual	1.5 hr (x-5)			
PM	Grit Pump Seal Water line Service	Weekly	.75 hr			
PM	Grit Pump Ops Inspection Service	Quarterly	1.0 hr (x-2)			
PM	Grit Conveyor Screw Inspection	Quarterly	1.0 hr			
PM	Digester Mixing Pumps Seal Water Service	Quarterly	.75 hr (x-4)			
PM	Lab Exhaust Fan Service	Annual	1.0 hr			
PM	Equipment Motor Lubrication	Annual	1.0 hr (x-6)			
PM	Primary Effluent Pump Motor Lubrication	Quarterly	1.0 hr (x-3)			
PM	Sludge Bed Gate Valve Lubrication	Quarterly	1.0 hr			
PM	Trickling Filter Lubrication Change	Annual	2.0 hr (x-2)			
PM	Process Water Pump Motor Lube	Quarterly	.5 hr			
PM	Case Loader Oil Change	Annual	1.5 hr			
PM	Flame Arrestor Service	Annual	.75 hr (x-7)			
PM	Gas Flow Meter removal (for calibration)	Annual	1.0 hr (x-3)			
PM	Gas Flow Meter replace (after calibration)	Annual	1.0 hr (x-3)			
PM	Heat Exchanger Cleaning	Annual	3.0 hr (x-2)			
PM	Bar Screen Ops Service/Lube	Monthly	.5 hr			
PM	Landscape	Monthly	20 hr	40 hrs		
PM	Painting (as needed, 2 hr per mo max)	Monthly	2 hrs			
PM	Estimated Corrective Maint	Monthly	5 hrs			
CM	Assist John with PM/CM	Monthly		16 hrs	16 hrs	16 hrs
Total			70 hrs/mo	56 hrs/mo	16 hr/mo	16 hrs/mo

Monthly	Annual
John	315
Landscaping	20
Painting	2
Electrician/Plumber	5
Landscaping	40
General Laborer 1	16
General Laborer 1	16
OIT	16

158 hrs per mo. - 1,896 annual
1757 annual

425.00 per hour

$$24 \times 365 = 8,760 \text{ hrs} \quad 746,725 \div 8760 = 85.29$$

Monthly	Annual
Laborer Group 1	2
Laborer Group 1	3
Laborer Group 1	3
Laborer Group 1	1.25
Laborer Group 1	0.5
Laborer Group 1	0.75
Laborer Group 1	0.75
Laborer Group 1	0.25
Laborer Group 1	0.25
Laborer Group 1	0.25
Laborer Group 1	0.25
Laborer Group 1	10
Laborer Group 1	0.625
Laborer Group 1	3
Laborer Group 1	0.5
Laborer Group 1	0.25
Laborer Group 1	0.75
Laborer Group 1	0.083333333
Laborer Group 1	0.5
Laborer Group 1	0.75
Laborer Group 1	0.25
Laborer Group 1	0.333333333
Laborer Group 1	0.125
Laborer Group 1	0.125
Laborer Group 1	0.4375
Laborer Group 1	0.25
Laborer Group 1	0.25
Laborer Group 1	0.5
Laborer Group 1	0.5
Landscaping	20
Painting	2
Electrician/Plumber	5
Laborer Group 1	60

146 1757