

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

May 28, 2019
3:00 p.m.

Banning Civic Center
Council Chamber
99 E. Ramsey Street

I. CALL TO ORDER

Roll Call – Council Members Happe, Peterson, Wallace, Mayor Pro Tem Andrade and Mayor Welch

- A. Opportunity for Public to address closed session items.
- B. Convene closed session.

II. CLOSED SESSION

1. **CONFERENCE WITH LABOR NEGOTIATORS**
Pursuant to Government Code Section 54957.6
City Designated Representatives: Douglas Schulze, City Manager,
Kevin G. Ennis, City Attorney
Employee Organization: Banning Police Officer Association (BPOA).
2. **CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION**
(Pursuant to paragraph (1) of subdivision (d) of Section 54956.9)
Name of case: City of Banning and People of the State of California v.
Go Green Calming Solution, et al., Case No. RIC 1806731
3. **CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION**
(Pursuant to paragraph (1) of subdivision (d) of Section 54956.9)
Name of case: James Arthur Algea II and Cali Emerald Care, Inc. v. City
of Banning, Case No. RIC 1903009
4. **CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION**
(Pursuant to paragraph (1) of subdivision (d) of Section 54956.9)
Name of cases: Sierra Club v. City of Banning; Case No. RIC 1900544
Golden State Environmental Justice Alliance v. City of Banning; Case
No. RIC 1900654
5. **CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision
(d) of Section 54956.9)
One potential case: facts and circumstances reported by Councilmember
Wallace that may result in litigation and in which the City could become a
party

III. ADJOURNMENT

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

NOTICE: Pursuant to Government Code § 54954.3(a), the only public comment that will be permitted during this Special Meeting is that pertaining to items appearing on this special meeting agenda. Any member of the public may address this meeting of the Mayor and Council on any item appearing on the agenda by approaching the microphone in the Council Chambers and asking to be recognized, either before the item about which the member desires to speak is called, or at any time during consideration of the item. A five-minute limitation shall apply to each member of the public, unless such time is extended by the Mayor. No member of the public shall be permitted to "share" his/her five minutes with any other member of the public.

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]

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**AGENDA
SPECIAL WORKSHOP MEETING
CITY OF BANNING
BANNING, CALIFORNIA**

May 28, 2019
4:00 p.m.

Banning Civic Center
Council Chamber
99 E. Ramsey Street

I. CALL TO ORDER

Roll Call – Council Members Happe, Peterson, Wallace, Mayor Pro Tem Andrade and Mayor Welch

II. WORKSHOP

Review of Meeting Management Techniques from other Cities and Options for Considering Improvements to City Council Meetings.....

III. PUBLIC COMMENTS – *Opportunity for the public to address items on the Agenda*

IV. ADJOURNMENT

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

NOTICE: Pursuant to Government Code § 54954.3(a), the only public comment that will be permitted during this Special Meeting is that pertaining to items appearing on this special meeting agenda. Any member of the public may address this meeting of the Mayor and Council on any item appearing on the agenda by approaching the microphone in the Council Chambers and asking to be recognized, either before the item about which the member desires to speak is called, or at any time during consideration of the item. A five-minute limitation shall apply to each member of the public, unless such time is extended by the Mayor. No member of the public shall be permitted to "share" his/her five minutes with any other member of the public.

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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.



Proud History
Prosperous Tomorrow

Review of Meeting Management Techniques from other Cities and Options for Considering Improvements to City Council Meetings

City of Banning
City Council Meeting

May 28, 2019

Presented by: Doug Schulze, City Manager & Kevin G. Ennis, City Attorney

Managing Meetings

■ Goals of Meeting Management

- Ensure that the City's business is handled in an informative, thoughtful and reasoned manner so that the Council is able to make its best decision on the issues presented
- Balance public participation with efficiency
- Comply with legal requirements, such as the Brown Act and public hearing requirements
- Provide a competent, civil and efficient image of the City so persons want to serve on the Council, prospective employees want to seek employment with the City, and the public wants to come to meetings to have their voice heard



Managing Meetings

- **Goals of Meeting Management (cont.)**
 - Relieve “meeting anxiety” for members of the public
 - Deal effectively with disruptive people
 - Allow for public comment and suggestions, particularly encouraging constructive suggestions
 - Make meetings end at a reasonable time



Organizing the Day - Types and Timing of Meetings

- **Cities often use “workshop” type special meetings for time-intensive items**
 - When Council needs to learn about a complex item or there is a lot of material to review
 - Good opportunity for back-and-forth with staff on facts and issues regarding the item
- **Cities often place Closed Session meetings at a point that does not interfere with starting Regular Meeting on time**
 - Because public cannot attend closed session, it can occur when public is not normally available

How Cities traditionally organize Regular Meeting agendas

- **Traditional organization of efficient meeting agendas**
 - They provide the general public comment section near the beginning of the agenda to allow people to not wait long to speak on non-agenda items
 - They use speaker cards for public comment on items not on the agenda and items on the agenda
 - They limit public comments to three minutes
 - They do not read the text of letters submitted, but distribute them to the Council and only note the author, date and subject if submitted in connection with a public hearing item
 - They use the Consent Calendar for more routine or non-controversial items



How Cities traditionally organize Regular Meeting agendas

- Traditional organization of efficient meeting agendas
 - City Manager and staff manage length of the meeting by capping number of items placed on agenda
 - Council starts on time
 - Council finishes at reasonable hour
 - All Participants (Staff, Council, Mayor and Public) are prepared and encouraged to be so

Traditional Role of Mayor

■ Role of the Mayor:

- Mayor is charged with applying the rules of conduct
- Somewhat like a traffic cop standing in the middle of a busy intersection
- Both pleasant and upbeat but firm when needed
- Councilmembers should ask to be recognized by the Mayor before speaking
- Mayor should take a back seat during discussions and focus on the flow of the meeting
- Common courtesy for the Mayor to speak last on an agenda item, but not a requirement
- Mayor can make or second a motion, but should do so only if other members do not do so or if he or she sees that an item needs to be moved along because discussion is complete



Basic Elements of Processing an Agenda Item

■ Basic Format for Agenda Item Discussion:

- First: Mayor should announce agenda item number and subject.
- Second: Mayor should invite staff to report on item, including the staff recommendations.
- Third: Mayor should ask Councilmembers if they have any technical questions for staff for clarification but Council should not begin to discuss the merits of the item.
- Fourth: Mayor should invite public comments, or, if applicable, open public hearing.

Basic Elements of Processing an Agenda Item (cont.)

■ Basic Format for Agenda Item Discussion

- Fifth: Mayor should ask staff if they have any comments or responses to the public comments or public testimony
- Sixth: Mayor should ask Councilmembers if they need any clarification from staff or from public speakers and obtain that clarification before the public comment section or public hearing is closed.
- Seventh: Mayor closes public comment or public testimony item and invites Councilmember discussion. If a public hearing item, Mayor should close public hearing before inviting Council discussion.

Basic Elements of Processing an Agenda Item (cont.)

■ Basic Format for Agenda Item Discussion

- Eighth: When Mayor senses the time is right, Mayor should invite a motion from Councilmembers.
- Ninth: Mayor, City Attorney or City Clerk may prompt the maker of the motion to be precise as to what is contained in the motion or if the matter needs to be taken in separate motions.
- Tenth: Mayor should determine if any member wishes to second the motion and should announce the name of the member who seconds the motion.



Basic Elements of Processing an Agenda Item (cont.)

■ Basic Format for Agenda Item Discussion

- Eleventh: If motion is made and seconded, Mayor should repeat the motion if it is not clear and seek any clarification from the Council, the City Attorney or staff as to whether the motion is clear and covers the required elements of the agenda item.
- Twelfth: Mayor calls for a vote on the motion.
- Thirteenth: Mayor or City Clerk announces the result of the vote and what action, if any, the Council has taken.



Why Meetings Go On . . . And On . . . And On

■ Staff problems

- Failure to prepare an organized presentation
 - Sometimes a PowerPoint can help show the location of a project, help describe it, or provide emphasis to important policy issues
 - Sometimes a PowerPoint (and getting it set up) is unnecessary and just delays what could otherwise be an expeditious agenda item
- Incomplete staff reports that do not describe the key elements of the action being considered or the key policy choice that is reflected in the item – the main policy point gets lost in minutia
- Non-responsive answers to questions
- Overly talkative staff or overly complete presentation that goes far “into the weeds” and takes away the focus on the main policy points



Why Meetings Go On . . . And On . . . And On

■ Audience problems

- Hostility – Use of meetings to publicly berate staff and the Council
- Disruptive “regulars”
- Failure to respect time limits
- Failure to stay on point
- Audience Members who want to speak on every issue
- Rudeness
- Personal attacks

Why Meetings Go On . . . And On . . . And On

■ Mayor problems

- Passive – lets audience interject after public comments are closed and lets Councilmembers speak before being recognized
- Autocratic – cuts other Councilmembers off before warranted and is unnecessarily stern or angry at colleagues, staff and audience
- Unprepared – does not know key points about agenda items and thus lets discussion wander
- Allows a Councilmember to monopolize discussion
- Failure to perceive when item is ready for action – allows a Councilmember to “beat a dead horse”



Why Meetings Go On . . . And On . . . And On

■ Councilmember problems

- Failure to review agenda packet in advance and prepare for meeting
- Failure to ask questions or staff in advance and therefore uses Council Meeting time to become informed of basic information
- Too talkative and getting “into the weeds” on minor or unrelated issues that could be resolved by talking to staff in advance
- Failure to focus on issues and making comments that wander into different issues
- “Beating a Dead Horse”
- Using Council Regular Meetings as a “town hall” type meeting rather than asking for town hall meetings on particular issues
- One Councilmember speaking a second time on an agenda item when all members have had an opportunity to speak



Meeting Management

■ Suggestions for Councilmembers in Preparing for Meetings:

- Review agenda packet in advance of the day of the meeting day so you can ask the City Manager questions prior to the meeting
- Set up a standing time to meet with, or have a call with, the City Manager in advance of the meeting to go over the agenda
- Provide Councilmember or City Manager a heads up as to your questions and concerns with an item so you do not need to spend time at the meeting on those questions
- Let Councilmember or City Manager know what you are hearing in the community about an item so staff can prepare to answer that issue



Meeting Management

■ Suggestions for Councilmembers:

- If a Councilmember wants to have a detailed and more informative presentation on an item, ask for a workshop on that item
- If a Councilmember wants to engage the public on an item, ask for a evening “town hall” style meeting to allow more back and forth discussion with the public on the item
- Keep Regular Meetings for business items
- If an agenda item gets bogged down, ask City Manager if the item can be continued to a workshop



Clarity of Motions

- Be clear and complete when making a motion
- Examples of motions that are not clear
 - “I move”
 - “Move approval” (approval of what?) – you and your colleagues may understand but public may not
- Examples of clear motions:
 - “I move approval of agenda item No. 5”
 - “I make a motion that we adopt the resolution to approve the new expenditure policy.”
 - “I make a motion that we approve Resolution No. 10-001, approving the new expenditure policy.”

Tips for Effectively Managing Meetings

- If there are a lot of speakers on an item, the Mayor can discourage repetition:
 - Ask audience not to repeat others
 - Ask for a show of hands of who is in support or opposed to the item
 - Ask for a representative speaker and give him/her additional time
 - Curb those who stray from subject
 - Discourage applause and demonstrations
 - Request speakers who make personal attacks to refrain from doing so



Tips for Effectively Managing Meetings

■ Manage public input

- Always helpful to explain public comment process when appropriate
- Use of speaker cards
 - Helps to allow the Council to move items up on the agenda when there are a lot of people who want to speak on an item
 - Saves time in having the Mayor ask before each item is taken if there is any one who wants to speak on that item
 - Common tool used by most cities to manage meetings
- Enforce reasonable time limits
- Require speakers to address chair
- Allow Councilmembers to ask questions
- Avoid debates between Councilmembers, City officials, City staff and members of the public



Dealing With Disruptions

- Mayor is prepared to be firm and use the gavel
- Mayor should remind audience to be civil and courteous
- Councilmembers can decide to rise above comments and not “take the bait” but provide a brief response if it warrants it
- Meet with repeat offenders privately
 - If a member of the public has brought up an issue at more than one meeting, someone on staff or a councilmember should talk to that person before that person comes to a third meeting and gets the impression no one is listening



Dealing With Disruptions

- Give offenders positive reinforcement when they are courteous
- Eject those who are disruptive only after three repeat warnings
- Take a “cooling off” break or recess after heated or controversial items
- Clear the room due to disruptions only after consulting with City Manager and City Attorney

Options for Improvements in Regular Meetings

- Periodically have town hall meetings so that the public can speak their mind on certain topics
- Then use and expect your regular meetings to be more like business meetings than town hall meetings
- Use speaker cards like other cities to manage public input and regular meetings
- Provide five minutes per speaker per item at town hall meetings
- Provide three minutes per speaker per item at regular meetings



Options for Improvements in Regular Meetings

■ Modernize Agenda format

- Start meeting as a joint meeting rather than toggling back and forth between City Council and Utility Authority Meeting during the Regular Meeting
- Update agenda numbering system so that agenda items can be referred to more easily
- Add a Councilmember Report Item
 - Allow Councilmembers to report on items attended at public expense
 - Report on their own activities rather than to fit them under a heading of “committee reports”



Options for Improvements in Regular Meetings

- Someone should interject to remind speakers who are not abiding by Rules of Decorum
 - All participants should refrain from making rude or derogatory remarks, remarks as to a person's integrity, or attack on a person's motives
 - Mayor, Councilmembers, City Manager or City Attorney can and should interject and remind speakers as to the decorum rules
 - Members have a First Amendment right to say what they want in their allotted time, but that doesn't mean that everyone else can't criticize or call out a speaker for making a personal attack or not abiding by rules of decorum



Additional Suggestions, Questions and Answers



Thank you!

Doug Schulze and Kevin G. Ennis

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

May 28, 2019
5:00 p.m.

Banning Civic Center
Council Chamber
99 E. Ramsey Street

The following information comprises the agenda for the regular meeting of the City Council, and a joint meeting of the City Council and the Banning Utility Authority.

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 – Bill Dunn, St. Stephens Episcopal Church
- Pledge of Allegiance
- Roll Call – Council Members Happe, Peterson, Wallace, Mayor Pro Tem Andrade and Mayor Welch

II. AGENDA APPROVAL

III. PRESENTATION

1. Certificate of Appreciation for Richard Sanchez, Former Parks & Recreation Commissioner **ORAL**

IV. REPORT ON CLOSED SESSION

V. PUBLIC COMMENTS, CORRESPONDENCE, AND APPOINTMENTS

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.

APPOINTMENTS:**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: Approve Consent items 1 through 10: Items ____, ____, ____, to be pulled for discussion. *(Resolutions require a recorded majority vote of the total membership of the City Council)*

• **Mayor to Open Consent Items for Public Comments**

1. Approval of Regular Meeting – 4/23/2019 Minutes **40**
2. Approval of Special Meeting – 5/14/2019 Minutes (Closed Session) **78**
3. Approval of Regular Meeting – 5/14/2019 Minutes **81**
4. Approval and Ratification of Accounts Payable and Payroll Warrants Issued in the Month of April, 2019. **104**
5. Receive and File Cash, Investments and Reserve Report for April, 2019....
..... **137**
6. Public Works Capital Improvement Project Tracking List for May, 2019. . **143**
7. Receive and File Fire Department Statistics Report for January through April, 2019. **148**
8. Adopt Resolution 2019-09, Adopting an amended Conflict of Interest Code (COI) Containing Revised Designated Positions and Disclosure Categories, and Repealing Resolution No. 2008-128.. **159**
9. Adopt Ordinance No. 1545, An Ordinance of the City Council of the City of Banning, California, Amending Chapter 3.18 (Mining Tax and Mining Impact Fund) of Title 3 (Revenue and Finance) of the Banning Municipal Code to specify the Use of Different Consumer Price Indexes Commencing Fiscal Years 2019 and 2020 to Address Cost of Living Adjustments for the Mining Tax and Making a Determination Pursuant to CEQA. **(Second Reading and Adoption)** **192**

VII. PUBLIC HEARINGS

None

VIII. ANNOUNCEMENTS AND REPORTS

CITY COUNCIL COMMITTEE REPORTS

REPORT BY CITY ATTORNEY

REPORT BY CITY MANAGER

REPORT OF OFFICERS

1. **Authorize Staff to Utilize the Public Utilities Exemptions (Electric, Sewer, and Water) that Allows for Informal Procurements Without Formal Competitive Bidding or as Provided for in Article 2, Section 3-105 (7) Notes and Exceptions, in the Purchasing Policy No. B-30, Approved by City Council Resolution No. 2018-156 on February 26, 2019 for the Purchase of Certain Supplies, Materials and Equipment for the City's Public Utility Departments202**

(Staff Report – Tom Miller, Electric Utility Director)

Recommendation (s): Staff recommends that the City Council: **1)** Adopt Resolution, Authorizing the use of the public utilities exceptions for informal procurement of specified items of equipment, materials, and supplies for the remainder of fiscal year 2019; and **2)** Adopt Resolution, Authorizing use of public utilities exceptions for informal procurement of specified items of equipment, materials, and supplies for fiscal year 2020.

2. **Withdraw from Membership from the Power Agency of California (PAC) and Terminate the Joint Powers Agreement.....213**

(Staff Report – Tom Miller, Electric Utility Director)

Recommendation: Staff recommends that the City Council Adopt Resolution, Supporting the withdrawal of membership in the Power Agency of California (PAC), and dissolving the Joint Powers Agreement. (JPA).

3. **Adopt Resolution, Awarding a Professional Services Agreement to MGT Consulting Group for the Enterprise Fund & Internal Service Fund Cost Allocation Study, in the Amount of \$17,050, with an Option for a Full Cost & CFR Part 200 (Federal) Cost Allocation Plan in the Amount of \$3,000 for a Total Not to Exceed Price of \$20,050.238**

(Staff Report – Suzanne Cook, Acting Administrative Services Director/Deputy Finance Director)

Recommendation (s): Staff recommends: **1)** Awarding a Professional Services Agreement for the Enterprise Fund and Internal Service Fund Cost Allocation Study to MGT Consulting Group in the amount of \$17,050 with an option for a Full Cost & CFR part 200 (Federal) Cost Allocation Plan in the amount of \$3,000, total not to exceed price of \$20,050; **2)** Authorizing the City Manager or his designee to make necessary budget adjustments, appropriations and transfers related to the Professional Services Agreement for the Enterprise Fund & Internal Service Fund Cost Allocation Study; **3)** Authorizing the City Manager or his designee to execute

the Professional Services Agreement with MGT Consulting Group of Sacramento, California in the not to exceed amount of \$20,050; and **4)** Authorizing the City Clerk to certify the adoption of this resolution and to have said resolution filed in the book of original resolutions

4. Butterfield Specific Plan ("Atwell") Annual Review**399**
(Staff Report – Adam Rush, Community Development Director)

Recommendation (s): Staff recommends that the City Council receive and file the enclosed Annual Review of the Butterfield Specific Plan being developed by Pardee Homes as the *Atwell Master Planned Community* and that the developer is proceeding in Good Faith in accordance with Section 12.1 of the Development Agreement and Government Code Section 65865.1.

IX. DISCUSSION ITEM

None

BANNING UTILITY AUTHORITY (BUA) – Next Meeting, June 11, 2019, 5:00 p.m.

X. ITEMS FOR FUTURE AGENDAS

1. Website Redesign
2. Policy on Naming Streets to Honor Landowners
3. Emergency Contingency Plan for Residents During Emergencies
4. Wildlife Mitigation Plan/Calfire
5. 553 E. Ramsey Street

XI. ADJOURNMENT

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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.

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MINUTES
CITY COUNCIL

04/23/2019
REGULAR MEETING

COUNCIL MEMBERS PRESENT: Councilmember Happe
Councilmember Peterson
Councilmember Wallace
Mayor Pro Tem Andrade
Mayor Welch

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT Douglas Schulze, City Manager
Kevin G. Ennis, City Attorney
Daryl Betancur, Deputy City Clerk
Matthew Hamner, Police Chief
Heidi Meraz, Community Services Director
Tom Miller, Electric Utility Director
Art Vela, Public Works Director/City Engineer
Suzanne Cook, Deputy Finance Director
Adam Rush, Community Development Director
Ted Shove, Economic Development Manager
Laurie Sampson, Executive Assistant
Leila Lopez, Office Specialist

I. CALL TO ORDER

A regular meeting of the Banning City Council was called to order by Mayor Welch on April 23, 2019, at 5:00 p.m. at the Banning Civic Center Council Chamber, 99 E. Ramsey Street, Banning, California.

Merle Malland, Chaplain, Banning Police Department offered the invocation.

Mayor Pro Tem Andrade led the audience in the Pledge of Allegiance.

II. APPROVAL OF AGENDA

A motion was made by Councilmember Peterson seconded by Councilmember Wallace to approve the agenda as presented. Electronic roll call vote was taken as follows:

AYES: Happe, Peterson, Wallace, Andrade, & Welch
NOES: None
ABSTAIN: None
ABSENT: None

III. PRESENTATION

1. Mental Health Month **ORAL**

Mayor Welch presented a proclamation declaring the month of May as Mental Health Month in the City of Banning. Carol Schaudt accepted the proclamation on behalf of the Behavioral Health Commission of Riverside County.

IV. REPORT ON CLOSED SESSION

1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant to Government Code Section 54956.8:
Property Description: APN: 532-130-011 and 012, located in the general vicinity of adjacent and south of the Banning Airport, adjacent and west of the Morongo Reservation [Southern California Gas Company]
City Negotiator: Ted Shove, Economic Development Manager
Negotiating Parties: Southern California Gas Companies
Under Negotiation: Potential Sale of Property. **Direction provided to City Negotiator.**

2. CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant to Government Code Section 54956.8:
Property Description: APN: 532-100-003, -043, 537-261-043, 537-100-027, -028, -029, -032, -044, located in the vicinity of Ramsey Street and Highland Home Road
City Negotiator: Ted Shove, Economic Development Manager
Negotiating Parties: Khan Properties and Holdings, LLC
Under Negotiation: Potential Acquisition of the Property. **Direction provided to City Negotiator.**

3. CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant to Government Code Section 54956.8:
Property Description: APN: 532-130-011, 532-180-034 & -035, located in the general vicinity of adjacent and south of the Banning Airport, adjacent and west of the Morongo Reservation
City Negotiator: Ted Shove, Economic Development Manager
Negotiating Parties: Truck Terminal Properties
Under Negotiation: Potential Sale of the Property. **Direction provided to City Negotiator.**

V. PUBLIC COMMENTS, CORRESPONDENCE, AND APPOINTMENTS

Mayor Welch opened Public Comment for items not on the Agenda.

Mr. Frank Burgess stated for the record that at no point he had taken any photos in the Chamber of the Police Chief.

Inge Schuler expressed a concern about the minutes regarding public comments and correspondence received. She stated that it was her understanding that letters received under public comments/correspondence were attached to the minutes; she stated that in the past even lengthy correspondence were read into the record; Ms. Schuler also stated that when announcements are made, the dates of these should be included in the minutes.

Ellen Carr spoke on behalf of Tender Loving Critters and stated that Animal Action League will be in Banning on May 7th and 8th; commented that if anyone in the community wanted to make an appointment to use their services to call 760-366-1100; that if appointments were taken, then there was a waiting list; stated that if folks microchipped their pets, they also needed to register the pet with the chip company. Lastly, Ms. Carr asked for the City to remember the dispatchers as they are the heart of the department and they provide a valuable service to the community.

Paul Perkins spoke on the subject of the goals and objectives the City Manager had recently discussed and stated that there was one goal that remained to be done and that was to remove the social security requirement from the City; stated that all City employees had two retirements one social security and the other CalPERS; commented that he was in favor of the city dropping the social security tax of 12 percent, giving 6 percent back to the employees and the other 6 percent back to the City thereby reducing the City's costs; spoke on the subject of software for timely utility according to what was articulated in the goals; commented that the issue of smart meters for electric and possibly water had been going on for several years; that this was the right time to have electric utility billing automated as soon as possible. Mr. Perkins also stated that the City's website was bad and that it needed to be improved, spoke about community wide internet access.

Laura Leindecker spoke about the Chamber of Commerce celebrating the unity between the Chamber and the City on April 27; stated that the Chamber was also celebrating first responders; spoke on the chili cook off from 10 a.m. to 3:00 p.m. Ms. Leindecker complemented Community Services Director, Heidi Meraz for the great service provided in coordinating this and other events; stated that the community was welcome to participate in this event; that everyone was welcome.

Sandra Reed stated that she wanted to see the City more beautiful; stated that her dream was to make Banning beautiful and that she needed people's help in this effort; commented that through volunteering, planting flowers, and engaging the community

Banning could be beautiful; she urged people to get involved and asked anyone wishing to contribute to contact her at 951-325-0471.

Elizabeth Lopez commented that she had resided in Banning for many years and that she concurred with the earlier speaker as far as making Banning beautiful; spoke about the entrances to the City, which were not very appealing; that nobody takes care of the East side; that the community needed to come together; she offered to volunteer 909-492-6045.

CORRESPONDENCE

Deputy City Clerk, Daryl Betancur stated that a 20 page document had been received regarding the first public hearing on Ordinance No. 1541, Zone Change 18-3501 (Lawrence Equipment) and had been provided to the Mayor, members of the City Council, city staff and placed in the back table for public view; Mr. Betancur stated that said correspondence will be included as part of the record.

VI. CONSENT ITEMS

Mayor Welch asked if the Council wished to pull any items. There were no consent items pulled.

Mayor Welch open public comment on consent items, seeing none, he entertained a motion to approve the consent calendar.

A motion was made by Councilmember Peterson, seconded by Councilmember Wallace to approve the consent calendar as presented. Electronic vote was taken as follows:

AYES:	Happe, Peterson, Wallace, Andrade, & Welch
NOES:	None
ABSTAIN:	None
ABSENT:	None

1. Approval of Special Meeting – 4/09/19 Minutes (Closed Session)

Action: Approved by Minute Order No. 2019-059

2. Approval of Regular Meeting – 4/09/19 Minutes (Regular Meeting)

Action: Approved by Minute Order No. 2019-060

3. Receive and File Cash, Investments and Reserve Report for the Month of April 2019.

Action: Approved by Minute Order No. 2019-061

4. Approval and Ratification of Accounts Payable and Payroll Warrants Issued for the Month of March 2019.

Action: Receive and File by Minute Order No. 2019-062

5. Public Works Capital Improvement Project Tracking List for April 2019.

Action: Receive and Filed by Minute Order No. 2019-063

6. Receive and File Police Statistics Report for March 2019.

Action: Receive and File by Minute Order No. 2019-064

7. Adopt Ordinance No. 1542, Approving Zoning Text Amendment 19-97501 Amending Chapter 17.53 of Title 17 of the Banning Municipal Code to reduce the separation requirements between commercial cannabis cultivation, manufacturing, and testing laboratory uses and residentially zoned property and amending the definition of "Canopy Space." (***Second reading and adoption***).

Action: Adopted Ordinance No. 1542

8. Consideration and Approval of a Temporary Right of Entry Agreement with Southern California Gas Company.

Action: Adopted Resolution No. 2019-43

9. Adopt Resolution Declaring the Intention to Levy and Collect Assessments for Fiscal Year 2019/2020, Approving the Engineer's Report and Setting the Date for the Public Hearing for Landscape Maintenance District No. 1.

Action: Adopted Resolution No. 2019-44

10. Funding Agreement for Economic and Business Development Services with Banning Chamber of Commerce.

Action: Receive and File by Minute Order No. 2019-065

VII. PUBLIC HEARING(S)

1. Resolution 2019-03; General Plan Amendment 18-2501; Ordinance No. 1541 approving Zone Change 18-3501 and making findings pursuant to CEQA; Design Review 18-7001; and Environmental Assessment 18-1501 for the Proposed Development of a 146,890 Square Foot Industrial Building within the General Commercial (GC) Land Use District Located on Developed and

Undeveloped Property Located at 1897 West Lincoln Street, 1661 West Lincoln Street, 1617 West Lincoln Street, 1589 West Lincoln Street and Vacant Parcels to the East (APNs: 538-230-014, 538-220-002, 538-220-003, 538-220-004, 540-180-041, 540-180-042, 540-180-043, 540-180-044 & 540-180-045).

Mayor Welch opened the public hearing at 5:35 p.m.

Adam Rush, Community Development Director presented the staff report and engaged in a lengthy discussion by stating that this was a continued public hearing from February 26, which had been continued several times since. He explained through a PowerPoint presentation the project specifics, stating that the expansion was on the easterly portion of the project site; explained the zoning in relation to the General Plan, and presented the conceptual landscaping plan.

Community Development Director Adam Rush stated that the Planning Commission unanimously recommended adoption of the resolution and the change of zone to the City Council, that the item was heard on February 26 with some objections received; since then, staff had been working with the applicant, City Attorney's office, and internal staff to provide responses to the received objections; the letter received on February 26 was sent to the applicant's consultants to address air quality and biological concerns, he stated that on April 12, he had received responses to these concerns; that staff reviewed the responses and prepared the staff report; subsequently, the responses were sent to the City Attorney's office and some additional updates were made.

In summary, Mr. Rush stated staff had modified and updated the findings to the resolution; that staff had updated the findings in the ordinance, and therefore staff was recommending three additional conditions of approval, which were not intended to be environmental or mitigation measures but they were conditions of approval recommended through the updated reports and were reiterating existing regulations that were already going to be required on the project such as air quality mitigation protocols that had to be followed under U.S. Fish and Wildlife and CVFW; he asserted that as the City Clerk had indicated this morning staff received another correspondence from the same law office that provided the February 26 correspondence in response to the staff report including the applicant's responses.

Mr. Rush explained the three new additional conditions of approval as follows:

Recommended Condition No. 1 – Prior to Issuance of a Grading Permit:

Birds and their nests are protected by the Migratory Bird Treaty Act (MBTA) and California Department of Fish and Wildlife (CDFW) Codes. Removal of vegetation or any other potential nesting bird habitat disturbances shall be conducted outside of the avian nesting season (February 1 through August 31). If habitat must be cleared during the nesting season, a preconstruction nesting bird survey shall be conducted. The preconstruction nesting bird survey must be conducted by a qualified biologist. If nesting activity is observed, appropriate avoidance measures shall be adopted to avoid

any potential impacts to nesting birds. The nesting bird survey must be completed no more than 3 days prior to any ground disturbance. If ground disturbance does not begin within 3 days of the survey date, a second survey must be conducted. Prior to issuance of a permit for rough grading, the Project's consulting biologist shall prepare and submit a report, documenting the results of the survey, to the Community Development Director.

Recommended Condition No. 2 – Prior to Issuance of a Grading Permit:

Prior to the issuance of a grading permit, the owner / applicant shall obtain a BMP (Best Management Practices) Permit for the monitoring of the erosion and sediment control BMPs for the site. The Public Works Department will conduct NPDES (National Pollutant Discharge Elimination System) inspections of the site based on Risk Level to verify compliance with the Construction General Permit, Stormwater ordinances and regulations until completion of the construction activities, permanent stabilization of the site and permit final. Grading and construction sites of "ONE" acre or larger required to develop a STORM WATER POLLUTION PREVENTION PLAN (SWPPP) - the owner/applicant shall submit the SWPPP to the Public Works Department for review and approval prior to issuance of a grading permit.

Recommended Condition No. 3 – Prior to Issuance of a Grading Permit:

The use of "Tier IV" equipment is recommended for certain grading and earth movement activities, as detailed in the updated Air Quality/GHG Analysis entitled "Response to the Comments Provided by SWAPE on the Lawrence Equipment Industrial Warehouse Project Initial Study/Mitigated Negative Declaration," dated April 8, 2019. The applicant shall incorporate Tier IV equipment into the Project Design, as specified by the report referenced herein. The Community Development Department and the SCAQMD shall monitor compliance with the Air Quality report, as revised, through implementation of this Condition of Approval.

Community Development Director Adam Rush stated that staff just wanted to make sure that we were being as environmentally responsible as possible; the applicant had accepted these conditions of approval; and that we had their concurrence; he commented that the applicant was present with their consultants should the council have any questions.

Staff recommended that any additional public comments were received; that the City Council close the public hearing; and the City Council adopt the resolution as incorporated and as revised; that the City Council introduce and adopt the revised ordinance and thereby approve the design review for the project.

Public Comment

Douglas Chermak attorney for Brazeau Drury, LLP in Oakland, California addressed the City Council with respect to the project site; stated that his office had submitted the February 26 letter that Community Development Director Rush had mentioned earlier;

that he had submitted an additional letter this morning; commented that he was here in support of that letter and on behalf of SAFER (Sustainers Alliance for Environmental Responsibility) a non-profit, public benefit corporation, whose purposes included contributing to the enhancement and preservation of the environment and advocating for programs, policies, and development projects that promote not only good jobs but also a healthy natural environment and working environment.

Mr. Chermak further stated that he wanted to touch on the key points in the letter, which included comments from the same experts that were included in the February 26 correspondence, those comments represented substantial evidence of a fair argument that the project will still have significant environmental impacts that need to be analyzed in a full environmental impact report; he argued that it was not appropriate to go forward approving a project with a mitigated negative declaration in light of the evidence that they had submitted.

He further stated that he wanted to highlight what those comments were in two key areas, with respect to significant impacts on biological resources, they had submitted an additional letter from Dr. Shawn Smallwood, Ph.D., in support of the letter earlier submitted in February, in essence, there was still an inadequate baseline in the environmental document with respect to analyzing impact on species; stated that the City had not conducted a consistency analysis per the Multiple Species Habitat Conservation Plan; that the City had not performed surveys for special status species and wildlife, notwithstanding the additional comments from the applicant's biologist, Dr. Smallwood explained how there had not been in fact any adequate detection surveys at this point.

He stated that Dr. Smallwood introduced evidence from current studies, and from literature and his own observations identifying special status species that would be present at the site; that the City should also conduct surveys for burrowing owls in accordance with the California Department of Fish and Wildlife guidelines; asserted that the occurrence of so many species at and near the site warrants the preparation of an environmental impact report; he stated that Dr. Smallwood also noted the shortcomings with the mitigated negative declaration to the extent that it attempted to rely on the Habitat Conservation Plan, which in and out of itself failed to meet its goals and objectives; the mitigated negative declaration also failed to adequately analyze wildlife movement via wildlife corridors at the project site.

Mr. Chermak outlined a number of deficiencies in the environmental report and stated that Dr. Smallwood recommended certain mitigation measures that should be included in an adequate impact analysis, which included: adequate protection surveys, compensatory mitigation and potential wildlife rehabilitation; that the air quality impacts were still inadequately analyzed in the MMD with respect to particular matter. Finally, Mr. Chermak urged the Council to consider these comments and order the preparation of an environmental impact report.

Ellen Carr spoke on behalf of Tender Loving Critters stating that she was concerned for the humane treatment of all animals that could potentially be on the subject property site that are protected; that the City was obligated to do surveys to check; she urged that these animals be protected.

Oleg Ivaschuk, Frank Burgess, Laura Leindecker spoke in favor of the project citing various reasons among them: local employment, economic development, business creation, and benefits to the local economy base; that the City of Banning really needed businesses.

Melissa Fowler, Senior Biologist with PaleoWest spoke on behalf of DJL Properties, LLC stated that she had surveyed the project site for sensitive biological resources including United States Fish and Wildlife Service (USFWS) designated critical habitat, special-status plant and wildlife species, and sensitive vegetation communities. She further spoke of the methodology employed stating that lists of potential special-status species were queried from USFWS (2018a, 2018c, and 2018d); and the California Natural Diversity Database; that the results of these queries and other environmental analyses were reviewed in support of the biological resources assessment.

Ms. Fowler further stated that the project disturbance areas and suitable habitat for jurisdictional waterways, special-status species, and nesting birds within a 100-foot buffer were surveyed with 30-foot pedestrian transects where access was permitted; that inaccessible areas of the project site were surveyed using binoculars. She asserted that with respect to Dr. Shawn Smallwood's contention of impacts, she stated that Dr. Smallwood conducted a site visit of the proposed project site on February 2, 2019 and since this was a rainy day, his survey was conducted solely from his car window rather than a walk on the project site as she had; this meant that he did not survey the site with pedestrian transects; she further stated that regarding Dr. Smallwood's assertion that the City had not performed a consistency analysis per the Western Riverside County Multiple Species Habitat Conservation Plan, she argued that the project site did not fall within the land covered by a criteria cell unit of the Western Riverside County Multiple Species Habitat Conservation Plan contrary to what was asserted by Dr. Smallwood; and that boundaries of the Western Riverside County MSHCP were obtained from the County's database and the project site does not fall within the special survey area.

Ms. Fowler concluded that there was no critical habitat within the project area based on the biological resources assessment conducted within the project area; that no special-status plant or wildlife species were observed during the assessment; furthermore, the majority of special-status species that had been documented within the regional vicinity of the project site were not expected to occur because there is a lack of suitable habitat. She recommended that if construction mobilization occurs within the nesting season, a preconstruction survey was suitable; should active nests be identified, buffers should be established around the active nest until it has successfully fledged to adhere to Migratory Bird Treaty Act (MBTA) and California Fish and Wildlife and Game Codes. Lastly, she stated that with BMP's in place and

preconstruction nesting bird surveys, significant impacts to biological resources were not anticipated from the proposed project.

Ms. Fowler answered Council's questions relative to the survey methods she employed, which were the subject of some concern.

Mr. Vince Mirabella consultant on the project for DJL Properties, LLC, stated that he had prepared the health risk assessment, spoke about the level of emission control; and briefed the City Council about the type of equipment proposed to be used on the project site and answered Council's questions.

Mr. Wade Riggering spoke on behalf of DJL Properties, LLC and stated that he was part of the environmental team for Lawrence Equipment; that he was the person who brings all the consultants together; he stated that the documents presented as part of the project had been part of his work product, he summarized for the Council a number of points including the use of tier IV equipment, air quality, that tier IV was what it was used in the modeling; that the entire team of project managers, construction staff, environmental staff and architects discussed thoroughly what equipment was going to be on site; he further commented that ultimately due diligence had been made to satisfy the conditions of approval of the project.

Mayor Welch closed the public hearing at 6:02 p.m.

Councilmembers engaged in a substantial discussion about the merits of the project, and the length of time this project had been in the works; that there had been numerous delays; that there was nothing wrong with the Mitigated Negative Declaration, and that generally speaking, it was a good project because it was a project that would generate jobs and would provide other community benefits. It was also expressed by the Council that this was a good site for this type of project.

City Attorney Kevin Ennis reiterated that the Council's actions with respect to this item were to: 1) consider adoption of Resolution 2019-03; 2) approving General Plan Amendment 18-2501; and 3) approving Design Review 18-7001.

A motion was made by Mayor Pro Tem Andrade, seconded by Councilmember Peterson to approve the items as read into the record by the City Attorney. Electronic vote was taken as follows:

AYES:	Happe, Peterson, Wallace, Andrade, & Welch
NOES:	None
ABSTAIN:	None
ABSENT:	None

A motion was made by Mayor Pro Tem Andrade, seconded by Councilmember Wallace to waive further reading and introduce by title only Ordinance No. 1541 as presented. Electronic vote was taken as follows:

AYES: Happe, Peterson, Wallace, Andrade, & Welch
 NOES: None
 ABSTAIN: None
 ABSENT: None

Deputy City Clerk, Daryl Betancur read the title of Ordinance No. 1541 into the record.

Action: Waived further reading and introduced Ordinance No. 1541

Action Adopted Resolution No. 2019-03

2. Discuss and Consider Approving a Twelve (12) Month Extension for Tentative Parcel Map 33326 Located Generally North of Sun Lakes Boulevard and East of Highland Springs Avenue; APN # 419-140-057 Granting the Requested Twelve (12) Month Extension.

Adam Rush, Community Development Director presented the staff report and answered Council's questions in relation to the requested extension. Mr. Rush stated that this was the second to last extension granted.

There were a number of questions from the Council relative to the length of time this project had been in process, which according to record dates back to 2006, questions were asked of the applicant about the intentions with this property.

Mayor opened the public hearing at 6:10 p.m.

Public Comment

Bo Cooper representing the property owner stated that his client had purchased this property back in 2007; that they had been marketing it since then, he stated that due to its configuration it had been a challenge finalizing and recording a final map because they do not know what the final map was going to look like.

Mayor Welch closed the public hearing at 6:23 p.m.

A motion was made by Councilmember Happe, seconded by Councilmember Peterson to approve the item as presented. Electronic vote was taken as follows:

AYES: Happe, Peterson, Wallace, Andrade, & Welch
 NOES: None
 ABSTAIN: None
 ABSENT: None

Action: Approved 12 month extension by Minute Order No. 2019-066

VIII. ANNOUNCEMENTS AND REPORTS

CITY COUNCIL COMMITTEE REPORTS

Councilmember Happe. No report.

Mayor Pro Tem Andrade reported on the Coffee with the City Manager event in her District with representatives from all over the city being present; thanked the staff for organizing this meeting; spoke about a local meeting she and Councilmember Wallace attended here in Banning with the elected women of Riverside County, which was a good opportunity to showcase the City; mentioned the Easter egg hunt at Sylvan Park, which was a successful event where the community came together. She thanked Chief Hamner for participating, and former Councilmember Franklin for helping organize this event.

Councilmember Wallace stated she had attended the 2x2 meeting with the School Board; reported that she had asked School Board officials if they were interested in serving on the Downtown Ad-hoc Committee, and two Board members expressed interest in attending the next meeting.

Councilmember Peterson. No report.

Mayor Welch. No report.

REPORT BY CITY ATTORNEY

None.

REPORT BY CITY MANAGER

City Manager, Douglas Schulze reported on the Cannabis dispensary lottery process stating that the City had received 25 applications that were submitted for the lottery, two of those were rejected at the review process, both of those applicants appealed that decision, which caused some substantial delays due to the time it took to identify a hearings officer to hear those appeals; he stated that the City had entered into an agreement with the Office of Administrative Hearings and dates had been set up for those hearings; he also reported on the Coffee with the City Manager event, and that staff was planning additional meetings for Districts 2 and 4.

Mr. Schulze provided an update on city recruitments indicating that all authorized dispatcher positions had been filled; with Sol Avila, being appointed as Executive Assistant to Chief Hamner, and that staff was working on filling other critical positions. He mentioned that he wanted to remind Mayor Welch that the School District had asked Councilmembers to identify one of the schools to adopt; two Councilmembers had actually selected schools; and that we needed preferences from other Councilmembers.

REPORT OF OFFICERS

1. Adopt Resolution Amending Classification and Compensation Plan.

City Manager, Douglas Schulze presented the staff report and answered Council's questions. He explained that the Administrative Services Director/Deputy City Manager position had become vacant following the resignation of Ms. Rochelle Clayton; he explained that the Administrative Services Director was responsible for financial services, human resources and risk management, information technology, utility billing, and oversight of the City Clerk's functions, that the amount of time required to properly manage these functions and supervise the direct reports did not allow for additional duties, which would be assigned to a Deputy City Manager, consequently, he was proposing to eliminating the Deputy City Manager responsibilities from that job description and reclassifying that position to Administrative Services Director only.

There were several questions from the City Council regarding the structural reorganization, salary savings, and whether or not the position of Deputy City Manager was an additional budgeted position. City Manager Douglas Schulze responded that he did not intend to fill the position at this time.

There was no public comment.

A motion was made by Councilmember Wallace, seconded by Mayor Welch to approve the item as presented. Electronic vote was taken as follows:

AYES:	Happe, Peterson, Wallace, Andrade, & Welch
NOES:	None
ABSTAIN:	None
ABSENT:	None

Action: Adopted Resolution No. 2019-45

2. Adopt Resolution Approving a Professional Services Agreement with CPS HR Consulting for Executive Recruitment Services in an Amount Not to Exceed \$27,000.

City Manager, Douglas Schulze presented the staff report and answered Council's questions relative to the recruitment process, length of time for the recruitment and any guarantees of an applicant remaining on the job.

There was no public comment.

A motion was made by Councilmember Peterson seconded by Councilmember Wallace to approve the item as presented. Electronic vote was taken as follows:

AYES: Happe, Peterson, Wallace, Andrade, & Welch
 NOES: None
 ABSTAIN: None
 ABSENT: None

Action: Adopted Resolution No. 2019-46

3. Adopt Resolution of the City Council of the City of Banning, California, Authorizing Application for, and Receipt of SB 2 Planning Grants Program Funds.

Adam Rush, Community Development Director presented the staff report and answered questions on the application process, intend, and type of funding received for this competitive grant.

There was no public comment.

A motion was made by Councilmember Happe seconded by Mayor Pro Tem Andrade to approve the item as presented. Electronic vote was taken as follows:

AYES: Happe, Peterson, Wallace, Andrade, & Welch
 NOES: None
 ABSTAIN: None
 ABSENT: None

Action: Adopted Resolution No. 2019-47

4. Adopt Resolution, Awarding a Construction Agreement for Project No. ATP-5214 (012) "ATP Cycle 2 – Bicycle and Safe Routes to School Improvements" to Calpromax Engineering, Inc., Placentia, California, in the Amount of \$882,814 and Establishing a Total Project Budget of \$905,095 and Rejecting all Other bids.

Art Vela, Public Works Director/City Engineer presented the staff report providing a brief history of the process that led to the selection of this contractor, and answered Council's questions.

There was no public comment.

A motion was made by Councilmember Happe seconded by Councilmember Peterson to approve the item as presented. Electronic vote was taken as follows:

AYES: Happe, Peterson, Wallace, Andrade, & Welch
 NOES: None

ABSTAIN: None
ABSENT: None

Action: Adopted Resolution No. 2019-48

5. Discuss and Consider One-Year Suspension of Certain Business Related Planning Department Application Fees.

Ted Shove, Economic Development Manager presented the staff report and indicated that last year on March 27, 2018, the Council had approved a one-year fee suspension on certain business planning department applications fees, and that those fees included conditional use permits, sign permits and one-time home occupation permits, the intent of the fee suspension was to promote economic growth and improve the City's competitive position for business recruitment. He stated that the purpose of this item tonight was to determine if the Council had any intention of extending this for another year or terminating the fee suspension.

There was a brief discussion on how the fee suspension initially started with Councilmembers articulating the merits of continuing with any economic incentive that the City can afford in order to attract new businesses; although some Councilmembers addressed the need for promoting the fee suspension more aggressively to ensure businesses were taking advantage of the program, and using this benefit.

Public comment

Paul Perkins commented that the City should have a way to FastTrack starting a business in the City in order to stimulate economic development.

A motion was made by Councilmember Happe seconded by Councilmember Peterson to extend the fee suspension of certain business related Planning Department Application Fees. Electronic vote was taken as follows:

AYES: Happe, Peterson, Wallace, Andrade, & Welch
NOES: None
ABSTAIN: None
ABSENT: None

Action: Adopted Resolution No. 2019-49

RECESS THE REGULAR MEETING OF THE CITY COUNCIL AND CALL TO ORDER A JOINT MEETING OF THE BANNING CITY COUNCIL AND THE BANNING UTILITY AUTHORITY

- Roll Call – Board Members Happe, Peterson, Wallace, Vice Chairman Andrade, and Chairman Welch
-

IX. CONSENT ITEMS

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

Motion: Approve Consent items 1 through 1: Item ___, to be pulled for discussion. *(Resolutions require a recorded majority vote of the total membership of the Utility Authority)*

1. Adopt Resolution of the Utility Authority, Awarding a Professional Services Agreement to Falen Law Offices, LLC for Legal Services Related to the Transfer of the San Gorgonio Flume System in the Amount of \$100,000 and Awarding a Professional Services Agreement to Churchwell White, LLP in the Amount of \$100,000 for Legal Services to the Water and Wastewater Divisions of the Public Works Department.

Art Vela, Director of Public Works/City Engineer presented the staff report. He explained that the Water and Waste Water Divisions of the Public Works Department were currently engaged in several projects and activities that required specialized legal representation; some of the projects included the San Gorgonio Flume or the transfer of that flume from SCE to the City of Banning, it also included current activities related to sustainable ground water management act, something new to California; that we are currently getting into compliance with.

Director of Public Works Art Vela further commented that the City also held a seat on the committee of the Beaumont Water Master, which he currently chairs and that in order to meet these specialized legal consultations, an RFP was developed back in October, 2018 resulting in six responses, which were evaluated against specific criteria; he reiterated that he was very comfortable making the recommendation of awarding these professional services agreements to these two law firms.

Following Mr. Vela's presentation, there were several comments and questions from the Council relative to whether or not these firms have brought legal actions against the government and whether or not they had prevailed. Other issues raised whether or not they had any issues practicing in the State of California.

Public Comment

Paul Perkins asked a question related to the Flume cost allocation. Director of Public Works/City Engineer, Art Vela stated that these law firms would be representing the City of Banning's interests; that the members of the joint group had their own legal representation.

A motion was made by Councilmember Peterson, seconded by Councilmember Wallace to approve the item as presented. Electronic vote was taken as follows:

AYES: Happe, Peterson, Wallace, Andrade, & Welch
 NOES: None
 ABSTAIN: None
 ABSENT: None

Action: Adopted Resolution No. 2019-07 UA

**RECESS THE JOINT MEETING OF THE CITY COUNCIL AND UTILITY AUTHORITY AND
RECONVENE THE REGULAR MEETING OF THE BANNING CITY COUNCIL**

X. DISCUSSION ITEM

None

**BANNING UTILITY AUTHORITY (BUA) – Next Meeting, May 14, 2019,
5:00 p.m.**

BANNING FINANCING AUTHORITY (BFA) – no meeting.

XI. ITEMS FOR FUTURE AGENDAS

1. Website Redesign
2. Policy on Naming Streets to Honor Landowners
3. Emergency Contingency Plan for Residents
4. Golf Carts
5. Digital Billboards

XII. ADJOURNMENT

By consensus, the meeting was adjourned at 8:11 P.M.

Minutes Prepared by:

Daryl Betancur, 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:

<http://banning.ca.us/ArchiveCenter/ViewFile/Item/2037> or by requesting a CD or DVD at Banning City Hall located at 99 E. Ramsey Street.

ATTACHMENT 1

(CORRESPONDENCE RECEIVED FOR THE APRIL 23, 2019 MEETING)



T 510.836.4200
F 510.836.4205

1939 Harrison Street, Ste. 150
Oakland, CA 94612

www.lozeaudrury.com
doug@lozeaudrury.com

April 23, 2019

Via E-Mail and Hand Delivery

Art Welch, Mayor
Daniela Andrade, Mayor Pro Tem
Don M. Peterson, Council Member
Colleen Wallace, Council Member
David Happe, Council Member
City of Banning
99 E Ramsey Street
Banning, CA 92220

Laurie Sampson
Executive Assistant to the City Manager
City of Banning
99 E Ramsey Street
Banning, CA 92220
lsampson@banningca.gov

[Sent via e-mail to Daryl Betancur, Deputy City Clerk, dbetancur@banningca.gov]

Re: The Lawrence Warehouse Project
(GPA18-2501, ZC18-3501, DR18-7001, EA18-1501)

Dear Mayor Welch and Honorable Members of the City Council:

I am writing on behalf of the Supporters Alliance for Environmental Responsibility ("SAFER") regarding the Initial Study and Mitigated Negative Declaration ("IS/MND") prepared for the Lawrence Warehouse Project ("Project") (EA18-1501) in the City of Banning ("City"). SAFER is a California nonprofit public benefit corporation whose purposes include contributing to the preservation and enhancement of the environment and advocating for programs, policies, and development projects that promote not only good jobs but also a healthy natural environment and working environment.

This letter follows the initial comment letter on the Project that my firm sent on behalf of SAFER to the City Council on February 26, 2019 ("February Comment Letter"). In Douglas Schulze's report to the City Council regarding the April 23, 2019 City Council meeting ("Staff Report"), Mr. Schulze references that the city staff received responses on April 12, 2019, to the February Comment Letter. Those responses include responses to some of the points regarding impacts to health risks and biological resources raised in SAFER's February Comment Letter.

Specifically, the Staff Report attaches an April 8, 2019 letter from Jason M. Brandman from FirstCarbon Solutions. Mr. Brandman's letter contains a Health Risk Assessment claiming that the health risk from the Project will not exceed any CEQA significance threshold. In response, attached hereto as Exhibit A, is a letter from environmental consulting firm SWAPE. SWAPE's letter demonstrates shortcomings of Mr. Brandman's analysis and concludes that there

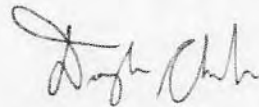
The Lawrence Warehouse Project
April 23, 2019
Page 2 of 2

is still a fair argument that the health risk from the Project may exceed the South Coast Air Quality Management District's significance threshold for cancer risks to nearby sensitive receptors.

The Staff Report also attaches a March 6, 2019 memo from Melissa Fowler regarding potential Project impacts on biological resources. In response, attached here as Exhibit B, is a letter from wildlife biologist Dr. Shawn Smallwood. Dr. Smallwood points out numerous inadequacies and flawed research methodology contained in Ms. Fowler's memo. Coupled with Dr. Smallwood's original comments submitted with the February Comment Letter, there remains substantial evidence of a fair argument that the Project may have unmitigated adverse environmental impacts to biological resources.

Accordingly, given these additional written expert comments, there is substantial evidence of a fair argument that the Project may have significant environmental impacts. These impacts must be analyzed in an environmental impact report ("EIR") that must include all feasible mitigation measures to reduce those impacts. We again urge the City Council to decline to approve the IS/MND, and to prepare an EIR for the Project prior to any Project approvals.

Sincerely,



Douglas Chermak
Lozeau | Drury LLP

EXHIBIT A



Technical Consultation, Data Analysis and
Litigation Support for the Environment

2656 29th Street, Suite 201
Santa Monica, CA 90405

Matt Hagemann, P.G., C.Hg.
(949) 887-9013
mhagemann@swape.com

April 22, 2019

Doug Chermak
Lozeau Drury LLP
1939 Harrison Street, Suite 150
Oakland, CA 94612

Subject: Response to Comments on the Lawrence Equipment Industrial Warehouse

Dear Mr. Chermak,

We have reviewed the April 2019 Applicant's Response to Comment Letter ("Responses") included as Attachment 7 of the Public Hearing Agenda for April 23, 2019. The Responses addressed comments we made in a February 18, 2019 comment letter on the January 2019 Mitigated Negative Declaration (MND) for the Lawrence Equipment Industrial Warehouse Project ("Project") located in the City of Banning ("City"). After our review, we find the Responses provided to be insufficient in addressing the Project's potential health risk impacts. As we asserted in our February 2019 letter, a Draft Environmental Impact Report ("DEIR") should be prepared for the Project in order to adequately evaluate the Project's potential impacts.

Air Quality

Diesel Particulate Matter Inadequately Evaluated

Our February 2019 comment letter determined that the MND failed to evaluate the health risk posed to nearby sensitive receptors as a result of Project construction and operation. We provided a supplemental analysis in order to demonstrate that the Project will create a significant health risk to nearby sensitive receptors. We prepared a screening level health risk assessment (HRA) to evaluate the health risk posed to residences near the Project site. We concluded that a residential receptor over a 30-year period, started at the 3rd trimester stage of life would have an excess cancer risk of 100 in one million.¹ This risk significantly exceeds South Coast Air Quality Management District's (SCAQMD) significance threshold of 10 in one million. In response to our February 18, 2019 comment letter discussing the lack of a proper HRA, the City states,

"The comment is fully addressed in the refined detailed HRA provided as Attachment B to these responses. On the basis of the results contained within Attachment B, the construction and

¹ See SWAPE's February 18, 2019 comment letter on the Lawrence Equipment Industrial Warehouse Project.

operation of the project would not result in a project-level or cumulatively significant health risk impact" (Responses, p. 4).

While we appreciate the City's responses to our comments, we maintain that the Project's health risk has not been properly evaluated and are inadequately addressed.

The Responses prepared a Health Risk Assessment of construction and operational emissions, found in Attachment B, that utilizes the United States Environmental Protection Agency's (U.S. EPA) Regulatory Model AERMOD in order to find the health risk posed to the nearest residential receptor as a result of Project construction and operation over a 30-year period beginning at the 3rd trimester gestation period is approximately 8.2 in one million, which is less than the 10 in one million threshold set forth by the SCAQMD (see excerpt below) (Table 12, Responses, Attachment B, p. 23).

Table 12: Maximum Cancer Risks and Non-Cancer Hazard Index at the MEI During Construction and Operation

Health Metric	Impact	SCAQMD Significance Threshold	Exceeds Threshold?
Cancer Risk			
Maximum Impacted Sensitive Receptor ⁽¹⁾			
Prenatal to Adult (30 years)	8.2	10 in 1 million	No
Adult (30 years)	0.8		No
Worker Cancer Risk (25 years) ⁽²⁾	0.1	10 in 1 million	No
Non-Cancer Hazard Index			
All Off-site Receptors	<0.01	1.0	No
Notes:			
⁽¹⁾ Location: an existing residence across West Lincoln Street.			
⁽²⁾ Location: location along the eastern project boundary.			
Source: see Appendix D.			

However, review of the HRA and the Responses demonstrates that the Project Applicant continues to inadequately evaluate the potential health risk impact that the proposed Project would have on nearby sensitive receptors. Specifically, the HRA relies on a flawed CalEEMod model that underestimated diesel particulate matter (DPM) emissions resulting from construction. As a result, the Project's health risk is underestimated and the Responses' conclusion that the Project would not result in a significant health risk impact is incorrect.

Incorrectly Applied Tier 4 Final Equipment to Estimate Construction Emissions

According to HRA, the scrapers, bulldozers, and excavators used during Project construction would be equipped with Tier 4 engines based on a March 27, 2019 communication with the contractor of the Project. The HRA states,

"Communications with the project applicant and construction contractor indicates that Tier 4 construction equipment is available for certain pieces of construction equipment for application to this project" (Responses, Attachment B, p. 22).

As a result of this communication, the construction emissions were modeled assuming ten pieces of construction equipment would be equipped with Tier 4 Final engines (see excerpt below) (Attachment B, Appendix A, p. 3).

Table Name	Column Name	Default Value	New Value
tblConstEquipMitigation	NumberOfEquipmentMitigated	0.00	1.00
tblConstEquipMitigation	NumberOfEquipmentMitigated	0.00	1.00
tblConstEquipMitigation	NumberOfEquipmentMitigated	0.00	2.00
tblConstEquipMitigation	NumberOfEquipmentMitigated	0.00	3.00
tblConstEquipMitigation	NumberOfEquipmentMitigated	0.00	3.00
tblConstEquipMitigation	Tier	No Change	Tier 4 Final
tblConstEquipMitigation	Tier	No Change	Tier 4 Final
tblConstEquipMitigation	Tier	No Change	Tier 4 Final

As you can see in the excerpt above, ten pieces of construction equipment are modeled with Tier 4 *Final* engines. However, the limited information provided about the March 2019 communication does not specify whether Tier 4 Interim or Tier 4 Final equipment would be available during construction. The United States Environmental Protection Agency (U.S. EPA) has slowly adopted more stringent standards to lower the emissions from off-road construction equipment since 1994. Since that time, Tier 1, Tier 2, Tier 3, Tier 4 Interim, and Tier 4 Final construction equipment has been phased in over time. Tier 4 Final represents the cleanest burning equipment and therefore has the lowest emissions compared to other tiers, including Tier 4 Interim equipment (see excerpt below):²

Maximum horsepower	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015+
250hp<90							7.1/4.1/0.60				5.6/4.1/0.45					5.6/4.1/0.22				3.5/4.1/0.12	
500hp<75											5.6/2.7/0.30					3.5/3.7/0.22 ^a				3.5/3.7/0.12 ^a	
750hp<100																3.5/3.7/0.30				0.14/2.5/3.7/0.015 ^b	0.14/0.30/3.7/0.015
1000hp<175											4.9/2.7/0.22					3.0/3.7/0.22				0.14/2.5/3.7/0.015 ^b	0.14/0.30/3.7/0.015
1750hp<300											4.9/2.6/0.15									0.14/2.5/3.7/0.015 ^b	0.14/0.30/3.7/0.015
3000hp<600											4.9/2.6/0.15					3.0/2.6/0.15 ^a				0.14/2.5/3.7/0.015 ^b	0.14/0.30/3.7/0.015
6000hp<T50																				0.14/2.5/3.7/0.015 ^b	0.14/0.30/3.7/0.015
Mobile Machines > 750hp																				0.14/2.5/3.7/0.015 ^b	0.14/0.30/3.7/0.015
750hp<G50											1.0/6.5/0.40									0.30/2.5/2.5/0.07	0.14/0.30/3.7/0.015
c1200hp																				0.30/2.5/2.5/0.07	0.14/0.30/3.7/0.015
G50<1200 hp																				0.30/2.5/2.5/0.07	0.14/0.30/3.7/0.015

Source: derived from California Air Resources Board, http://www.arb.ca.gov/msprog/orcise/documents/OR-Phase_One_Standards.xls.

a) When ARB and USEPA standards differ, the standards shown here represent the more stringent of the two.

b) Standards given for all sizes of Tier 1 engines are hydrocarbons/oxides of nitrogen (NOx)/carbon monoxide (CO)/particulate matter (PM) in grams per brakehorsepower per hour (g/bhp-hr).

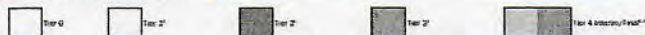
c) Standards given for all sizes of Tier 2 and Tier 3 engines, and Tier 4 engines below 75 horsepower are non-methane hydrocarbons (NMHC)/NOx/CO/PM in g/bhp-hr.

d) Standards given for Tier 4 engines above 75 horsepower are NMHC/NOx/CO/PM in g/bhp-hr.

e) Engine families in this power category may alternately meet Tier 3 PM standards (0.30 g/bhp-hr) from 2008-2011 in exchange for introducing final PM standards in 2012.

f) The implementation schedule shown is the three-year alternate NOx approach. Other schedules are available.

g) Certain manufacturers have agreed to comply with these standards by 2005.



² "San Francisco Clean Construction Ordinance Implementation Guide for San Francisco Public Projects." August 2015, available at: https://www.sfdph.org/dph/files/EHSdocs/AirQuality/San_Francisco_Clean_Construction_Ordinance_2015.pdf, p. 6

As demonstrated in the figure above, Tier 4 Interim equipment has greater emission levels than Tier 4 Final equipment. Therefore, by modeling construction emissions assuming Tier 4 Final equipment, the Project Applicant failed to account for higher emissions that may occur as a result of the use of Tier 4 Interim scrapers, bulldozers, and excavators. Since the Responses fails to specify if Tier 4 Interim or Tier 4 Final equipment will be used, it is incorrect to model emissions assuming that Tier 4 Final equipment will be used for the scrapers, bulldozers, and excavators.

Additionally, regardless that the Applicant failed to specify between Tier 4 Interim and Final, according to the March 2019 communication, the Applicant and contractor state that this equipment would be "available." Simply because the equipment is available does not mean that the Project is required to use Tier 4 scrapers, bulldozers, or excavators. The use of Tier 4 equipment of any kind should be made enforceable through mitigation or a condition of approval (COA) prior to modeling emissions with this reduction. Since the use of Tier 4 equipment is not currently enforceable, the health risk is completely underestimated. Prior to Project Approval, the Applicant should either include mitigation for Tier 4 engines or prepare an updated air model and HRA in a project-specific DEIR.

Incorrectly Models the Proposed Construction Equipment Horsepower and Usage Hours

The Applicant provided a construction equipment list that included the preliminary equipment, amount, horsepower, and load factor during each phase of construction (see excerpt below) (Table 2, Attachment B, p. 11).

Table 2: Preliminary Construction Equipment Inventory

Activity	Equipment	Number	Hours per Day	Horsepower	Load Factor
Demolition	Excavators	1	8	162	0.38
Site Preparation	Rubber Tired Dozers	1	8	436	0.43
	Scraper	1	8	451	0.37
Grading	Rubber Tired Dozers	1	8	436	0.40
	Scrapers	2	8	451	0.37
Underground Utilities	Excavator	1	8	162	0.38
	Rubber Tired Dozers	1	8	436	0.40
Building Construction	Cranes	1	7	523	0.29
	Pavers	2	8	130	0.42
Paving	Rollers	2	8	80	0.38
	Paving Equipment	2	8	132	0.36
Architectural Coating	Air Compressors	1	8	78	0.48

Source: Construction equipment inventory provided by project applicant; see Appendix A

Review of the CalEEMod output files demonstrates that the Project Applicant failed to correctly model the horsepower from the rubber tired dozer that will be used during the underground utilities phase and

failed to model the correct number of usage hours for the air compressor during the architectural coating phase (see excerpt below) (Attachment B, Appendix A, p. 13).

Phase Name	Offroad Equipment Type	Amount	Usage Hours	Horse Power	Load Factor
Demolition	Concrete/Industrial Saws	0	8.00	81	0.73
Demolition	Excavators	1	8.00	162	0.38
Demolition	Rubber Tired Dozers	0	8.00	247	0.40
Site Preparation	Tractors/Loaders/Backhoes	0	8.00	97	0.37
Grading	Excavators	0	8.00	158	0.38
Grading	Graders	0	8.00	187	0.41
Grading	Rubber Tired Dozers	1	8.00	436	0.40
Grading	Tractors/Loaders/Backhoes	0	8.00	97	0.37
Building Construction	Cranes	1	7.00	523	0.29
Building Construction	Forklifts	0	8.00	89	0.20
Building Construction	Generator Sets	0	8.00	84	0.74
Building Construction	Tractors/Loaders/Backhoes	0	7.00	97	0.37
Building Construction	Welders	0	8.00	46	0.45
Paving	Pavers	2	8.00	130	0.42
Paving	Paving Equipment	2	8.00	132	0.36
Paving	Rollers	2	8.00	80	0.38
Architectural Coating	Air Compressors	1	6.00	78	0.48
Site Preparation	Rubber Tired Dozers	1	8.00	436	0.38
Site Preparation	Scrapers	1	8.00	451	0.48
Grading	Scrapers	2	8.00	451	0.48
Underground Utilities	Excavators	1	8.00	162	0.38
Underground Utilities	Rubber Tired Dozers	1	8.00	215	0.40

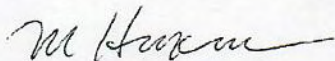
As a result, the construction DPM emissions may be underestimated and should not be used to determine the health risk posed to the nearest sensitive receptor.

In conclusion, the HRA relied on a flawed CalEEMod model that uses incorrect and unsubstantiated inputs to determine the health risk posed to the nearest sensitive receptor. As a result, the health risk may be underestimated during the construction phase of the Project. Since this would impact the most sensitive groups of receptors, third trimester gestation and infant, there is a fair argument that the health risk may exceed SCAQMD's significance threshold of 10 in one million. Prior to Project Approval, and updated air model and health risk should be conducted.

SWAPE has received limited discovery regarding this project. Additional information may become available in the future; thus, we retain the right to revise or amend this report when additional information becomes available. Our professional services have been performed using that degree of care and skill ordinarily exercised, under similar circumstances, by reputable environmental consultants practicing in this or similar localities at the time of service. No other warranty, expressed or implied, is made as to the scope of work, work methodologies and protocols, site conditions, analytical testing results, and findings presented. This report reflects efforts which were limited to information that was

reasonably accessible at the time of the work, and may contain informational gaps, inconsistencies, or otherwise be incomplete due to the unavailability or uncertainty of information obtained or provided by third parties.

Sincerely,

A handwritten signature in cursive script, appearing to read "M Hagemann".

Matt Hagemann, P.G., C.Hg.

A handwritten signature in cursive script, appearing to read "Kaitlyn Heck".

Kaitlyn Heck

EXHIBIT B

Shawn Smallwood, PhD
3108 Finch Street
Davis, CA 95616

Maryann Marks, Interim Community Development Director
City of Banning
P.O. Box 998
99 E. Ramsey Street
Banning, CA 92220

22 April 2019

RE: Lawrence Equipment Industrial Warehouse

Dear Ms. Marks,

I write in response to Melissa Fowler's replies to my comments of 13 February 2019. My response are organized by her topical headings, but start with her introductory paragraph (below). My qualifications as an expert were summarized in my original comment letter.

Fowler (2019:488) characterizes the project site as "*marginal plant and wildlife habitat*" without explaining what she means by "marginal." She says the site's open space consists of "*low habitat quality*." Whereas the term *marginal habitat* remains undefined in the scientific literature (Hall et al. 1997, Morrison et al. 1998), and therefore vague, the term *habitat quality* has been addressed extensively by scientists (Smallwood 2002, 2015). Wildlife scientists have long debated over how to assess habitat quality, including which metric(s) most appropriately measures habitat quality. Wildlife scientists have debated the shortfalls and benefits of using density as an indicator of habitat quality (Hall et al. 1997), while others have similarly debated measuring productivity, persistence, and genetic diversity as indicators of habitat quality (Morrison and Mathewson 2015). Fowler, of course, has measured no indicators of habitat quality, and therefore has no basis for determining whether habitat quality is high or low for any species of wildlife.

Rather than pretending to see the environment through the eyes of animals at issue, hence assigning value to habitat without having ever personally attempted to use the habitat, the safer approach is to allow the species to define their habitat through their use of the environment. This approach goes to the definition of habitat, which is that portion of the environment used by a species (Hall et al. 1997, Morrison et al. 1998, Smallwood 2002). Wildlife scientists typically measure a species' use of the environment, such as by employing use-and-availability analysis (Smallwood 2002), and we then infer habitat through that measured use. Without having taken these steps, declaring habitat to be marginal or of low quality lacks foundation and is prone to bias. The safer approach begins with either assuming a species is present at a site, or with performing appropriate detection surveys.

Fowler (2019:488) says that no special-status species were seen on site during her 21 October 2018 site visit (her site visit was actually on 21 September 2018). But this is not

surprising, nor is it enlightening, because special-status species are often rare and cryptic, and therefore difficult to detect. This is why detection survey guidelines and protocols have been developed by experts on each special-status species. One should not expect these species to be detected during a cursory two-hour survey performed on a single day in September. Fowler did not perform a detection survey for any single species of wildlife, and therefore lacks foundation for concluding any species are absent or for whether habitat on site is of lower or higher quality.

MSHCP

Fowler cites Figure 6 in her App. B in support of her conclusion that the project site does not fall within a critical area or special linkage area, but her Figure in App. B is of Conserved Lands. What does this Figure have to do with my comments? As I commented, "*a[n MSHCP] consistency analysis would need to be more expansive than simply asking whether a project site is within a critical area or special linkage area.*" If the project fails to mitigate for take of burrowing owls, then the project might interfere with the MSHCP.

Special-status Wildlife Species

Fowler disputes my conclusion that no surveys were performed for special-status species of wildlife. She cites her 21 September 2018 as proof that a survey was performed. Her survey, however, was a reconnaissance-level survey that was grossly inadequate for detecting special-status species of wildlife. It was also inadequate for detecting nesting birds, contrary to her claim in her report, as for the most part birds are no longer nesting in late September. Surveying for courtship and for behavioral cues of nesting, as she reported, would have been a waste of time in late September. Late winter through spring would be the appropriate period time for such surveys. I suggest that Fowler should refrain from claiming to have surveyed for nesting birds in late September.

Detection surveys have been developed for special-status species by experts on each species. Guidelines and protocols for such species detail the methods and minimum levels of effort needed for supporting a determination of absence. An example includes CDFW (2012), which presents guidelines for detecting burrowing owls. A wetland delineation cannot substitute for wildlife detection surveys, nor can a reconnaissance survey do so. I therefore stand by my conclusion that no surveys have been completed on the project site for special-status species of wildlife.

Fowler says that she relied on California Natural Diversity Data Base (CNDDDB) queries to assess occurrence potentials of special-status species. Doing so was inappropriate because CNDDDB was not designed for this purpose. CNDDDB is unsuitable for concluding species absence because the reporting to CNDDDB is voluntary and not based on scientific sampling or equal access to properties. The limitations of CNDDDB are well-known, and are summarized in a warning presented by CDFW on the CNDDDB web site (<https://www.wildlife.ca.gov/Data/CNDDDB/About>): "*We work very hard to keep the CNDDDB and the Spotted Owl Database as current and up-to-date as possible given our*

capabilities and resources. However, we cannot and do not portray the CNDDDB as an exhaustive and comprehensive inventory of all rare species and natural communities statewide. Field verification for the presence or absence of sensitive species will always be an important obligation of our customers... Rather than using CNDDDB to arrive at a list of species potentially occurring at a site, the more careful approach would be to identify species whose geographic ranges overlap the site and whose habitat descriptions better match conditions on the project site. For birds it is also helpful to query eBird (<http://ebird.org/ebird/explore>), which has resulted in new understanding and ongoing revisions of geographic range maps (Sullivan et al. 2014, 2017).

Fowler claims that previous disturbance of the site somehow precludes special-status wildlife species from using it. If her claim was true, then wildlife would have long ago been extirpated from California, as all parts of California have been previously disturbed in various ways, including by noise, atmospheric pollution, resource extractions, altered hydrology, grading, invasive species, and etc. Swainson's hawks and white-tailed kites nest in trees along the borders of agricultural fields (Erichsen et al. 1996, Smallwood 1995). Burrowing owls are known to be disturbance-adapted (Smallwood and Morrison 2018), as acknowledged by Fowler in her first sentence under **Burrowing Owl**. Burrowing owls can get along in highly disturbed environments so long as they have access to appropriate burrows and are relatively free of threats from dogs and house cats. Peregrine falcons often nest on buildings. Just last year I documented prairie falcons nesting in the nacelle of a wind turbine. I have even intentionally disturbed lands to conserve the Endangered Fresno kangaroo rat (Smallwood and Morrison 2013). I have spent my entire career studying special-status species that reside upon previously disturbed – and even currently disturbed – open spaces, including on agricultural and industrial landscapes. Fowler's conclusion lacks foundation. It also lacks any explanation of why or how previous disturbance would limit use of the site by special-status species.

Burrowing owl

Fowler implies that she followed the detection survey guidelines of CDFW (2012), citing her transect spacing as a specific example. She did not. In her survey report Fowler did not even mention burrowing owl as a subject of her survey. Not even her transect spacing met the minimum standard of CDFW (2012). In Table 1, I crosswalk the standards in CDFW (2012) against what I can determine was done by Fowler. Fowler failed to meet any of the standards of CDFW (2012). She did not survey the site for burrowing owls.

Fowler *did* report having detected ground squirrels on the project site. That observation should have prompted detection surveys for burrowing owl, because burrowing owls in California primarily rely on ground squirrels for access to burrows and for mutual predator vigilance and alarm (Smallwood et al. 2013, Smallwood and Morrison 2018). With ground squirrels known to be on site, detection surveys for burrowing owl are warranted.

Wildlife Movement

Fowler says the project site is not an important wildlife corridor, but she does not explain how she comes to this conclusion other than her speculation that wildlife cannot cross the transportation corridors north of the project. As I explained in my comment, however, not all wildlife walk or crawl to get around. Birds and bats can fly, and they can fly over the transportation corridors north of the project site. Birds and bats need open spaces such as that of the project site to find stop-over refuge during regional movements. Taking those open spaces away can interfere with wildlife movement in the region, especially for wildlife migrating through the San Geronio Pass.

Traffic Impacts on Wildlife

Fowler misses my point about species at risk of traffic-caused mortality. Any species in the region, including those occurring or not occurring on the project site, can be killed by cars and trucks traveling to or from the project site. Automobile traffic generated by the project will not be restricted to the project site, but will also traverse roadways that extend into areas occupied by special-status species not necessarily occurring on the project site.

West Lincoln Avenue dips down to cross Montgomery Creek just west of the project site. Traffic generated from the project will cross Montgomery Creek every day, thereby endangering all animals moving along that stream corridor. Some of these animals will be members of species not occurring on the project site.

Fowler downplays the project-generated traffic, but 56 daily trips translates to more than 20,000 trips per year, which is no small number. What needs also to be known, however, is how far from the project site these trips would extend, and into which habitats of special-status species. An EIR is needed to make these assessments.

Fowler claims that American badgers and mountain lions do not occur in the project area, again inappropriately relying on CNDDDB as evidence of absence. I disagree with Fowler. Since 1985 I have detected mountain lions in the mountains immediately north and south of the project site 1985 (Smallwood and Fitzhugh 1995, Smallwood 1997, Smallwood unpublished data 1985 through 2008). While performing my own track surveys in the area, I have also encountered biologists monitoring mountain lions via telemetry. As for American badger, iNaturalist includes numerous sightings of this species both north and south of the project site, which is also within the geographic range of the species. Project-generated traffic would likely affect these species, as traffic deaths have emerged as the greatest threat to these species.

Thank you for your attention,



Shawn Smallwood, Ph.D.

Table 1. Assessment of whether Fowler achieved the standards in CDFW's (2012) recommended survey protocol. Standards are numbered to match those in CDFW (2012).

Standard in CDFW (2012)	Assessment of surveys performed in 2008	Was the standard met?
Minimum qualifications of biologists performing surveys and impact assessments		
(1) Familiarity with the species and local ecology	No summary demonstrating familiarity	No
(2) Experience conducting habitat assessments and breeding and non-breeding season surveys	No experience provided.	No
(3) Familiarity with regulatory statutes, scientific research and conservation related to burrowing owls	Nothing demonstrating familiarity with research or conservation of burrowing owls	No
(4) Experience with analyzing impacts on burrowing owls	None demonstrated.	No
Habitat assessment		
(1) Conduct at least 1 visit covering entire site and offsite buffer to 150 m	One site visit made in October for other purposes, and only to 30 m buffer.	No
(2) Prior to site visit, compile relevant biological information on site and surrounding area	No evidence provided of any such effort directed toward burrowing owl	No
(3) Check available sources for occurrence records	Did not check eBird	Partly
(4) Identify vegetation cover potentially supporting burrowing owls on site and vicinity	Did not specifically do this	No
(5a) Describe project and timeline of activities		No
(5b) Regional setting map showing project location		No
(5c) Detailed map with project footprint, topography, landscape and potential vegetation-altering activities		No
(5d) Biological setting including location, acreage, terrain, soils, geography, hydrology, land use and management history		No
(5e) Analysis of relevant historical information concerning burrowing owl use or occupancy	No such analysis provided	No
(5f) Vegetation cover and height typical of temporal and spatial scales relevant to the assessment	No heights reported	No

Standard in CDFW (2012)	Assessment of surveys performed in 2008	Was the standard met?
(5g) Presence of burrowing owl individuals, pairs or sign	Nothing reported at all	---
(5h) Presence of suitable burrows or burrow surrogates		No
Breeding season surveys		
Perform 4 surveys separated by at least 3 weeks	Not done	No
1 survey between 15 February and 15 April		No
2-3 surveys between 15 April and 15 July		No
1 survey following June 15		No
Walk transects spaced 7 m to 20 m apart	Reported using 30-foot spacing, which was too far apart	No
Scan entire viewable area using binoculars at start of each transect and at 100 m intervals	No such detail was provided	No
Record all potential burrow locations determined by presence of owls or sign	No map or records reported	No
Survey when temperature >20° C (68° F), winds <12 km/hr, and cloud cover <75%	Temperature was too high	No
Survey between dawn and 10:00 hours or within 2 hours before sunset	Survey was too late in the day	No
Identify and discuss any adverse conditions such as disease, predation, drought, high rainfall or site disturbance	None reported	No
Survey several years where activities will be ongoing, annual or start-and-stop to cover high nest site fidelity		---
Reporting should include:		
(1) Survey dates with start and end times and weather conditions	Only the one date was reported, which was in the wrong season.	No
(2) Qualifications of surveyor(s)	Not provided	No
(3) Discussion of how survey timing affected comprehensiveness and detection probability	No such discussion.	No
(4) Description of survey methods including point count dispersal and duration	Insufficiently reported.	No

Standard in CDFW (2012)	Assessment of surveys performed in 2008	Was the standard met?
(5) Description and justification of the area surveyed	Not reported.	No
(6) Numbers of nestlings or juveniles associated with each pair and whether adults were banded or marked		---
(7) Descriptions of behaviors of burrowing owls observed		---
(8) List of possible burrowing owl predators in the area, including any signs of predation of burrowing owls		No
(9) Detailed map showing all burrowing owl locations and potential or occupied burrows		No
(10) Signed field forms, photos, etc.		No
(11) Recent color photos of project site		No
(12) Copies of CNDDDB field forms		---

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MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

05/14/2019
SPECIAL MEETING- CLOSED SESSION

COUNCIL/BOARD MEMBERS PRESENT: Councilmember Happe
Councilmember Peterson
Councilmember Wallace
Mayor Pro Tem Andrade
Mayor Welch

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT: Doug Schulze, City Manager
Kevin Ennis, City Attorney
Jennifer Petrusis, Deputy City Attorney
Daryl A. Betancur, Deputy City Clerk

I. CALL TO ORDER

A special meeting of the Banning City Council was called to order by Mayor Welch on May 14, 2019 at 4:00 p.m. at the Banning Civic Council Chambers, 99 E. Ramsey Street, Banning, California.

II. CLOSED SESSION

Mayor Welch opened the closed session items for public comments.

There were no public comments.

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Paragraph (1) of subdivision (d) of Section 54956.9
Name of Case: *Southern California Edison Company v. RRM Properties, Ltd., et al. (Riverside County Superior Court)*
Case No. RIC 1813789. **Direction given to legal counsel on this item.**
2. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to paragraph (1) of subdivision (d) of Section 54956.9
Name of Case: *City of Banning and People of the State of California v. Go Green Calming Solutions, et al.*
Case No. RIC 1806731. **Direction given to legal counsel on this item.**
3. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to paragraph (1) of subdivision (d) of Section 54956.9
Name of Case: *Williams v. City of Banning*

DFEH Case No. 201805-02183508. Direction given to City Manager and City Attorney with respect to this matter. Approved settlement agreement on a vote of (4-1) with Mayor Pro Tem Andrade voting no.

The meeting convened to closed session at 4:01 p.m. and reconvened to open session at 4:50 p.m.

III. ADJOURNMENT

By consensus, the meeting adjourned at 4:50 p.m.

Minutes Prepared by:

Daryl Betancur, Deputy City Clerk

The entire discussion of this meeting and related documents can be found by visiting the following website: <https://banningca.gov/ArchiveCenter/ViewFile/Item/2073> or by requesting a CD or DVD at Banning City Hall located at 99 E. Ramsey Street.

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MINUTES
CITY COUNCIL

05/14/2019
REGULAR MEETING

COUNCIL MEMBERS PRESENT: Councilmember Happe
Councilmember Peterson
Councilmember Wallace
Mayor Pro Tem Andrade
Mayor Welch

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT Doug Schulze, City Manager
Kevin Ennis, City Attorney
Daryl Betancur, Deputy City Clerk
Matthew Hamner, Police Chief
Heidi Meraz, Community Services Director
Tom Miller, Electric Utility Director
Art Vela, Public Works Director/City Engineer
Suzanne Cook, Deputy Finance Director
Adam Rush, Community Development Director
Ted Shove, Economic Development Manager
Laurie Sampson, Executive Assistant
Leila Lopez, Office Specialist

I. CALL TO ORDER

A regular meeting of the Banning City Council was called to order by Mayor Welch on May 14, 2019, at 5:00 p.m. at the Banning Civic Center Council Chamber, 99 E. Ramsey Street, Banning, California.

Jim Price, Church of Jesus Christ of Latter Day Saints offered the invocation.

Mayor Welch led the audience in the Pledge of Allegiance.

II. APPROVAL OF AGENDA

A motion was made by Councilmember Wallace, seconded by Councilmember Peterson to approve the agenda as presented. Electronic roll call vote was taken as follows:

AYES: Happe, Peterson, Wallace, Andrade, & Welch
NOES: None
ABSTAIN: None
ABSENT: None

III. PRESENTATION

1. Introduction of New Fire Chief, Bill Otterman..... **ORAL**

Todd Hopkins, Battalion Chief, Introduced Fire Chief Bill Otterman

2. Proclamation for Former Mayor/Councilmember Don Smith **ORAL**

Presentation was tabled until the family of the late Don Smith is able to attend.

IV. REPORT ON CLOSED SESSION

1. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**

Pursuant to Paragraph (1) of subdivision (d) of Section 54956.9

Name of Case: *Southern California Edison Company v. RRM Properties, Ltd., et al. (Riverside County Superior Court)*

Case No. RIC 1813789. **Direction given to legal counsel on this item.**

2. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION** Pursuant to paragraph (1) of subdivision (d) of Section 54956.9

Name of Case: *City of Banning and People of the State of California v. Go Green Calming Solutions, et al.*

Case No. RIC 1806731. **Direction given to legal counsel on this item.**

3. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION** Pursuant to paragraph (1) of subdivision (d) of Section 54956.9

Name of Case: *Williams v. City of Banning*

DFEH Case No. 201805-02183508. **Direction given to City Manager and City Attorney with respect to this matter. Approved settlement agreement on a vote of (4-1) with Mayor Pro Tem Andrade voting no.**

V. PUBLIC COMMENTS, CORRESPONDENCE, AND APPOINTMENTS

Mayor Welch opened Public Comment for items not on the Agenda.

Public Comments

Diego Rose addressed the City Council regarding several issues such as beautification; he reported on multiple dead trees along San Gorgonio Avenue; he offered to donate a tree to beautify the City for every hour Director of Public Works/City Engineer Art Vela could spend with him in order to him to show Mr. Vela some easy fixes for the City; commented about an article in the record gazette entitled, "*Conduct Unbecoming at Banning Council meeting*", in which staff writer Trevor Cadell offer his opinion on the proceedings; Mr. Rose asserted that it was not the job of the press or journalist to offer

opinions but to report what happens and remain objective; he commented that political disagreements and dissenting opinions should not be categorized as a form of bullying.

Jack Anderson thanked the Council for assisting in the clean-up of the homeless encampments; spoke about the empty buildings on eighth and Lincoln and asked if there was a status on what was going to happen to clean this site and if there was a plan.

Douglas Schulze, City Manager explained that the property was in receivership meaning that it was not City owned nor controlled by the City, but controlled by the receiver; that there was a new judge assigned to that process with mediation set up for July 15th, and that at this point, this matter was in the hands of the Court to determine what happens with the property.

Inge Schuler addressed the City Council regarding the posted speed limits, which were changed sometime ago; she stated that Councilmember Peterson and her had been concerned about the increasing speed limits on Westwood Avenue; reported that on Sunset going south and north the posted speed limit was 35 miles per hour, however, when they make a left hand turn onto Westwood and go east it was 40 miles per hour; that at that point, they can really step on it and keep going; commented that there were some repair items between Twelve Street and April Street, and then west of April Street some pavement had been repaired and now it was sinking, which will slow them down a little bit; but they pick up speed again, but if they do not see anybody coming south on April towards the stop sign, they just go through the stop sign; commented that this was something that needed to be observed by somebody who can do something about it; commented on the issues of concern Mr. Rose had been saying with respect to trees; commented that people may not know that a mature tree absorbs, 22 Kilograms of co2 (Carbon Dioxide) per day thereby cleaning up the air and hoped more trees could be planted.

Sandra Reed spoke on the issue of City beautification and urged the Council to make Banning beautiful and asked people to join her in this effort by contacting her at 951-325-0471.

Jerry Westholder commented also on the record gazette newspaper article stating that the paper should not be lecturing, instead, they should be reporting the news; stated that he had received two electric bills in one week, one for \$415 and the other for \$418, that these were received within one week; inquired about why he was getting two bills in a week's period; stated that this simply reflected bad management and that the billing for the City's electric company should be accurate and consistent, which never has been. He stated that he wanted to know when the forensic audit was to be conducted to have these issues taken care of; he further commented on the Coffee with the City Manager events around town and that they had not had one in District 4, he would gladly let the City Manager use his building; lastly, Mr. Westholder spoke about people being afraid to come down to these meetings, and that at a recent meeting with Diversified Pacific, 80 percent of the people had spoken against that project.

Mr. Addison stated that he wanted to let the public know that one of the best things that had happened in years downtown came about a couple of weeks ago; that he wanted to thank Councilmember Peterson; that two years ago, we started an effort to try to get the city to pay attention to the people that were jay walking on Ramsey Street from the Courthouse; that it took two years to get a sidewalk to serve the people; he stated that it amazed him to think that a sidewalk was the only good thing that has happened downtown in all these years; he reported on the 17 or 19 dead Cyprus located as you drive up on San Gorgonio from Wilson Street to Summit; and lastly, spoke on the issue of water rates.

Frank Burgess also spoke on the issue of the electric utility bill, which was also inconsistent with respect to the billing cycle.

Araceli Carranza spoke with respect to finally getting a Chief of Police; commented that in terms of the police department she had not seen a lot of police department presence in the community yet; inquired as to what the City is doing regarding community safety; spoke about concerns about crime; stated that as an avid runner using City streets, she had witnessed several accidents due to high speed on City streets; made reference to speed, cross walks, traffic enforcement on Hemmerling School.

CORRESPONDENCE

Deputy City Clerk, Daryl Betancur stated that a letter had been received from Mr. Brent Bumpus, Kjrsten Haaland, and Sandice Alaska articulating opposition to the Cedar Hills Apartment project.

VI. CONSENT ITEMS

Mayor Welch asked if the Council wished to pull any items. Councilmember Peterson requested that item No. 6 be pulled for a separate discussion.

Mayor Welch open public comment on consent items.

Inge Schuler stated that on the agenda, the minutes for the last City Council meeting were not included; stated that whenever there had been correspondence submitted, these should be attached to the minutes.

Diego Rose spoke regarding consent item No. 6, which had been pulled.

A motion was made by Councilmember Wallace, seconded by Councilmember Happe to approve the rest of the consent calendar as presented. Electronic vote was taken as follows:

AYES:	Happe, Peterson, Wallace, Andrade, & Welch
NOES:	None
ABSTAIN:	None
ABSENT:	None

1. Approval of Special Meeting – 4/23/19 Minutes (Closed Session)

Action: Approved by Minute Order No. 2019-067

2. Approval of Special Meeting – 4/23/19 Minutes (Workshop)

Action: Approved by Minute Order No. 2019-068

3. Receive and File Contracts Approved Under the City Manager's Signature Authority.

Action: Approved by Minute Order No. 2019-069

4. Adopt Resolution Supporting Balanced Energy Solutions and the Maintaining of Local Control of Energy Solutions.

Action: Adopted Resolution No. 2019-50

5. Adopt Ordinance No. 1541, An Ordinance of the City Council of the City of Banning, California, Approving the Zone Change from General Commercial (GC) to Business Park (BP) and to the Business Park Zoning District for property located at 1897 West Lincoln Street, 1661 West Lincoln Street, 1589 West Lincoln Street and Vacant Parcels to the East (APNs: 538-230-014, 538-220-002, 538-220-003, 538-220-004, 540-180-041, 540-180-042, 540-180-043, 540-180-044 & 540-180-045). (*Second reading and adoption*)

Action: Adopted Ordinance No. 1541

6. Adopt Resolution No. 2019-13, Approving and Authorizing the City Manager to Execute an Improvement and Credit/Reimbursement Agreement with Pardee Homes, Inc., for the Transportation Uniform Mitigation Fee Program Related to Improvements Along Highland Springs Avenue. (Pulled)

Councilmember Peterson stated that his understanding was that the City was to receive the TUMF fees for the Pardee project from WRCOG and then as they need the funds to improve Highland Springs, then, the City Manager will disburse those funds.

Art Vela, Public Works Director/City Engineer explained that the purpose of the TUMF credit agreement was to give Pardee the opportunity to get it to credit by building the improvements, that they won't get the credit until the improvements are 100 percent complete, therefore, they are going to upfront the money, they are going to pay for the design, engineering, construction, and construction management until that process is completed and they submit all of the required documents at that point, it will be converted to a TUMFs credit; in essence, there was no exchange of funds, that the TUMF share was about \$5,128,000, which is the maximum amount of credit that they can for this one project.

A brief discussion ensued with respect to the TUMF fee distribution and other project relates specifics. Councilmember Peterson asked if possible at the next council meeting come back with a brief staff report and let us know where we are at as far as the waived developer fees for the first 500 homes.

Councilmember Happe asked if the TUMF project goes to Oak Valley Parkway and why not all the way up to Highland Springs Avenue. Director of Public Works/City Engineer Art Vela stated that in order for that to happen the project needed to meet certain criteria of ratio and volume and capacity of the road; that threshold was met in that segment of road.

Public Comment

Frank Burgess commented that he was confused with respect to the TUMF fee and stated that in the absence of the TUMF fee, who would then pay for that street under our program in the City of Banning.

Director of Public Works/City Engineer Art Vela stated that if there were no TUMF fee the developer would be conditioned to construct the improvements.

City Attorney Kevin Ennis further clarified the financial structure by which the TUMF fee was collected, and how it was subsequently distributed, which essentially, through the proposed mechanism of the credit/reimbursement agreement will stay completely in Banning.

Diego Rose stated that what he had just heard through the dialogue was more political double speak; that rather than issues being clear cut and concise, they were complicated in such a manner; he commented that the structure of how the money was to come back to the City was confusing; that he had to question the reason we were doing this.

A motion was made by Councilmember Happe, seconded by Councilmember Wallace to approve the item as presented. Electronic vote was taken as follows:

AYES:	Happe, Peterson, Wallace, Andrade, & Welch
NOES:	None
ABSTAIN:	None
ABSENT:	None

Action: Adopted Resolution No. 2019-13

7. Adopt Resolution, Declaring Opposition to the 2019 Budget Trailer Bill Language and Assembly Bill 217 Unless Amended to Remove the Proposed Statewide Water Tax.

Action: Adopted Resolution No. 2019-51

8. Adopt Resolution, Requesting Approval of Stipulation for Entry of Interlocutory Judgement Between Southern California Edison Company and City of Banning in Connection with Southern California Edison Company v. RRM Properties, LTD., et al. (Riverside County Superior Court Case No. RIC 1813789).

Action: Adopted Resolution No. 2019-52

VII. PUBLIC HEARING(S)

1. Cedar Hills Apartments (The Project), Ordinance No. 1543, Adopting Zone Change No. No. 18-3503, City Council Resolution, Adopting a Mitigated Negative Declaration and Mitigation Monitoring Report and Approving General Plan Amendment No. 18-2504, and Design Review No. 18-7001 for the Proposed Development of a 96-Unit Apartment Facility and Associated Infrastructure on 7.08 Acres of Land Within the Low Density Residential (LDR) Land Use District (APN:534-283-011 and 534-283-014).

Mayor Welch opened the public hearing at 6:10 p.m.

Adam Rush, Community Development Director stated that on April 3, 2019, the Planning Commission had conducted a duly noticed public hearing on this project, and as such, it had recommended adoption of the Mitigated Negative Declaration and thus approval of the project that was before the Council

Mr. Rush commented that in terms of the project, the applicant was proposing a General Plan Amendment and Zone Change in order to change the zoning and land use designation from Low Density Residential (LOR) to High Density Residential; and they applicant was also seeking a Design Review application approval for the construction of a 95-unit apartment complex, which contained a club house, swimming pool, and all purpose recreation court on 7.04 acres of land located south of East Hoffer Street and west of North Hathaway Street.

He pointed out that this project has been going through the approval process for the past year and a half, with the applicant incurring significant approval and application expenses; that the project will have a positive financial impact on the City of Banning through the increase in the assessed land value for the subject parcel; that in addition to these benefits, the project will improve an area that had a vacant property for many years. (<https://banninglive.viebit.com/player.php?hash=LK1SNGfvKyX1>)

Councilmember Peterson stated that this project went beyond a Mitigated Negative Declaration and what fitted into the community profile with three apartment complexes in close proximity to each other; he expressed that this area was zoned for Low Density Residential (LDR), and that the neighbors expected to see single family homes in that area; he expressed concerns with the inconsistent swapping between high and low density zoning areas; spoke about the shrinking of lots, which were becoming small and smaller; stated that the City needed to stick to the general plan;

that Wilson Street was supposed to come through and that was not shown on the plans. In addition to these concerns, there was a substantial discussion on affordable housing and the affordability of these apartments.

Councilmember Happe inquired about the General Plan and stated that this project per se did not fall into the guidelines of the General Plan because it was not an affordable housing project; inquired about other areas that were suitable for affordable housing; and what was the status on the City's affordable housing element; stated that there was a lack of affordable housing units for families starting up; expressed that he saw a need for this type of project;

Public Comment

Inge Schuler stated that she was on the Planning Commission that had approved this project; stated that she wanted to address the safety issue, that by looking at the map, the roads were of great concern because the roads are only 26 feet wide meaning that there can be no parking on these roads; that there was no driveway to any place thus the parking had to be in the perimeter in the designated parking spots.

Ms. Schuler articulated that another issue of concern was the number of occupants well over 400 in 7.04 acres; that these were families with children there was no playground; she inquired about the fire zone in this area; and she found out that the areas is designated as a high fire zone, which meant that there are certain restrictions; she stated that she had pleaded to add a condition of approval that they have to have an evacuation plan, she stated that she checked with three people at Calfire, with the County animal rescue system; they all confirmed that anything that is in a high fire zone had to have an evacuation plan, and yet still it had not been put in the plan; in the event of a fire these people had to go through these narrow streets to two exits and this was a problem that needed to be addressed.

Jerry Westholder stated that some years ago the City had gone from low density at Wilson Street and Sunset Street to high density at a developer's request; that he was on the City Council when they had to make the decision on a similar issue on Bobcat Street and Sunset Street to make that high area a high density residential area; spoke about the people who reside in that area saying that they those folks do not want to see apartments across the street; also addressed the traffic coming in and out of Robinsons in the area; stated that he did not think this was the best place for that project.

Diana Hannah Project Developer addressed the City Council to clarify a few concerns with respect to the project; stated that at the very inception of the project the first thing they did was to come up with an idea, which they had presented it to the City Planners and they asked them whether or not this was a project that was good with the City and they were told that this project fitted with their Plan; they were told that this is what the City needed and to go ahead and move forward.

Ms. Hannah commented that this had been a long process that it took them a year and four months to get to this point; and that many studies and many surveys to make sure that this is good for the City had been conducted; she stated that with respect to the tot lot; they were fine with that condition and she thought that would have been included in the conditions of approval; she asserted that thus far they have to abide by almost 100 conditions that have been required, which too benefit the City; stated that the fees for developing alone were 1.6 million dollars; accordingly through his project the City will have funds for the Police Department; and to not forget that one of the requirements was security cameras, which feed to the Police Department.

In summary, Ms. Hannah address the issue of the alternatives stating that leaving the property undeveloped would not provide a benefit to anyone; that building homes would not provide a benefit either and on the issue of the truck traffic that they are moving that mill because they may be top out soon; thus she urged the City Council to approve the project.

Councilmember Wallace commented that she was not against it, but that her concern was that the majority of the apartments were located on the East side; she inquired as to whether or not the developer had asked the people residing in the area about how they felt about the project.

Val Westholder spoke against the project stating that some home owners may want to sell their homes because of the impact of the project in the area; spoke about the high concentration of people in only 7.04 acres.

Frank Burgess spoke about the City's income demographics and stated that the City needs to bring income up collectively; that the City of Banning has too many apartment complexes currently; and that we need first class growth.

David Ellis spoke in favor of the project stating that this was the reason Banning is where is at today; stated that we have a developer, people that want to build in our City; that they spend a year and four months going through the process to get everything ready and at the very end they are turned down because people do not like it; stated that we need housing of all kinds; he concurred that this was a good project for the City.

Don Haggan spoke against the project for a variety of reasons including the rezoning low density for high density areas; that when these type of projects are built, they are beautiful, but that over time they become dilapidated; that if homes were built there, property owners had a more vested interest in maintaining their properties, that renters do not have such an incentive.

Jim Price commented that one of his concerns was the amenities for the small children and inquired as to whether or not they had been areas designated for children to play.

Councilmember Happe commented that people came up and expressed their opinion that they do not want an apartment complex in their backyard; that they don't want anything in their backyard because it may bring people as if people were bad; he stated that people need a place to live and that he would like to bring a nice place for them to live and this was a nice plan.

Councilmember Happe inquired as to whether or not in light of the concerns, if we could make changes to the documents presented to address some of the concerns raised during the public hearing.

Mayor Welch closed the public hearing at 7:12 p.m.

Deputy City Clerk, Daryl Betancur read the title of Ordinance No. 1543 into the record.

City Attorney Kevin G. Ennis stated that if the Council was ready to proceed with the Ordinance as presented or if it desired to make revisions by adding conditions, that he and staff could add those conditions tonight.

Mayor Welch reopened public hearing at 7:22 p.m.

The City Council recessed to a short break at 7:30 p.m.

The City Council reconvened the meeting at 7:46 p.m.

Mayor Welch asked City Attorney Kevin G. Ennis to report on the progress of the sidebar discussion.

City Attorney Kevin G. Ennis reported that Mr. Adam Rush, Community Development Director and him were able to come up with language to address the concerns raised, however, in that discussion staff identified the issue involving Wilson Street, and specifically, the fact that this project was not designed to provide an offer of dedication for a future potential expansion of the right-of-way involving Wilson Street; staff understood that there was a problem with the southerly side of Wilson being already developed, but in light of that issue, staff believed more time was needed at the staff level to think through the ramifications of either suggesting that the Council vacate or eliminate that segment of Wilson from the circulation plan or require this project to be redesign to accommodate that future right-of-way. Therefore, he stated that staff and the applicant needed more time to work that issue through.

Mayor Welch stated that for the record, he was once again reopening the public hearing, and continuing this item and the public hearing to the June 11, City Council meeting.

A motion was made by Councilmember Wallace, seconded by Mayor Pro Tem Andrade to continue the item and the public hearing to June 11. Electronic vote was taken as follows:

AYES: Happe, Peterson, Wallace, Andrade, & Welch
 NOES: None
 ABSTAIN: None
 ABSENT: None

Action: Item continued to June 11, 2019 by Minute Order No. 2019-070

VIII. ANNOUNCEMENTS AND REPORTS

CITY COUNCIL COMMITTEE REPORTS

Councilmember Happe. No report.

Mayor Pro Tem Andrade reported on having attended the grand opening for Route 66, following the grand opening, the Council proceeding to judge the chili cook off and that the Banning Police Department had won first place; attended the WRCOG meeting where it was announced that Banning schools had surpassed other cities with respect to their performance and that they had moved from Bronze to Silver status thereby inferring that Banning schools were continuing to make progress; spoke about the Ad-hoc Committee having its first meeting where a lot of important issues were discussed including the coordination of a community clean-up.

Councilmember Wallace reported that on May 21 at Nicolette school gym we will be having the Clergy and vs Coss Basketball game that will start at 5:00 pm; on July 24 at the Rick Valero Park, we will be giving out back packs for kids; reported on having received the raising start award from the women of the Democratic Party of the Desert.

Councilmember Peterson. No report.

Mayor Welch. No report.

REPORT BY CITY ATTORNEY

City Attorney Kevin G. Ennis reported on having attended the League of California Cities, City Attorney's spring conference where he had heard about the new housing laws, small wireless facility regulations and enforcement actions against Cannabis, homeless issues, Brown Act and regulations of scooters.

REPORT BY CITY MANAGER

City Manager, Douglas Schulze stated he had several items to report, including the new webpage for opportunity zones within the City's website, which contains information on the two opportunities that are designated in Banning; provided an update on the cannabis dispensary lottery stating that the appeal hearing was heard on Monday, May 6; that the Hearing Officers decision had been received a week earlier than anticipated; that there were two applicants that had appeal the decision to disqualify them from the

lottery with one of them providing additional information prior to the hearing which staff analyzed and consequently determined that the applicant would be allowed to participate in the lottery; he reported that the second applicant went through the hearing process and that the decision that the Administrative Law judge rendered was to uphold the city's decision to disqualify that applicant; Mr. Schulze indicated that lottery was scheduled to take place on Thursday, May 23 at 5:30 p.m.

City Manager Douglas Schulze stated that he wanted to remind everyone of the community workshop that had been planned for the former San Geronio end property to seek information, which will be used to inform the RFP as directed by Council previously; he explained the process that staff will undertake with respect to the RFP submittal and review process; he announced that the workshop will be held at the Banning Boys and Girls Club facility located at 24 W. Ramsey Street on June 4, from 5:30 p.m. to 7:30 p.m. Lastly, Mr. Schulze reported on the ransomware attack and provided detail on what had transpired; with the help of agency partners, the City was able to restore some systems and that staff was working diligently to restore all systems.

In response to a comment made earlier relative to police presence in the community, Mr. Schulze provided an update on current and future police department recruitment efforts; as it related to police department matters, he reported that some good news was that the police department had identified about \$700,000 in grant funds that had been awarded to the City, and the funds had not been spent and they continue to be carried over; stated that staff will be bringing a report to the City Council to explain what purposes those grant funds can be used for.

REPORT OF OFFICERS

1. Ordinance No. 1545, An Ordinance of the City Council of the City of Banning, California, Amending Chapter 3.18 (Mining Tax and Mining Impact Fund) of Title 3 (Revenue and Finance) of the Banning Municipal Code to specify the Use of Different Consumer Price Indexes Commencing Fiscal Years 2019 and 2020 to Address Cost of Living Adjustments for the Mining Tax and Making a Determination Pursuant to CEQA. (*First reading and introduction*)

City Manager, Douglas Schulze reported that in November of 2014 voters approved Measure J setting a tax of 80 cents per ton of mine aggregate; in September 2016 the City entered into a Memorandum of Understanding (MOU) with Robertson's to resolve existing and potential legal actions and disputes, said MOU reduced the tax to 25 cents per ton; was unanimously approved by the City Council with part of that MOU including a percentage change to the tax that was based on the Los Angeles-Anaheim-Riverside Consumer Price Index (CPI), the U.S. Bureau of Labor Statistics changed the index area from Los Angeles-Anaheim-Riverside to two different indexes, one was the Los Angeles-Long Beach-Anaheim and the one we are now in the Riverside-San Bernardino-Ontario Index.

In summary, Mr. Schulze stated that the action staff was recommending was to make sure this language reflects the current index that we are in for Fiscal Year 2020 and beyond.

There was no public comment.

A motion was made by Councilmember Peterson, seconded by Mayor Pro Tem Andrade to waive further reading and introduce Ordinance No. 1545 as presented. Electronic vote was taken as follows:

AYES:	Happe, Peterson, Wallace, Andrade, & Welch
NOES:	None
ABSTAIN:	None
ABSENT:	None

A motion was made by Councilmember Peterson, seconded by Mayor Pro Tem Andrade ordering that Ordinance No. 1545 pass its first reading. Electronic vote was taken as follows:

AYES:	Happe, Peterson, Wallace, Andrade, & Welch
NOES:	None
ABSTAIN:	None
ABSENT:	None

Action: Waive further reading and introduced Ordinance No. 1545

2. Adopt Urgency Ordinance No. 1546, An Urgency Ordinance of the City of Banning, California, Regarding Small Wireless Facilities in the Public Right-of-Way, Amending the Banning Municipal Code Regarding the Same, and Declaring the Urgency and Immediate effectiveness of the Ordinance, and Approving California Environmental Quality Act Exemptions; and Approving a Resolution Adopting a Citywide Policy Regarding Permitting Requirements and Development Standards for Small Wireless Facilities in the City, Including Public Rights-of-Way. (***Urgency Ordinance***).

City Attorney Kevin Ennis presented the staff report providing a legal perspective relative to the urgency of this Ordinance. Mr. Ennis stated that On September 26, 2018, the Federal Communications Commission (FCC) adopted a Declaratory Ruling and Third Report and Order geared toward speeding up the deployment of small wireless facilities in the public right-of-way (hereinafter the "FCC Ruling"). The FCC Ruling went into effect January 14, 2019 and sets forth limitations on state and local government regulation of small wireless facilities including facilities that are placed on existing or new utility poles and street light standards, and other City structures located in the public right-of-way.

Further, he commented that the FCC Ruling clarifies and specifically restricts the authority of state and local governments to regulate small wireless facilities in the public right-of-way. This Ruling is significant in that there are several characteristics in small "cell" wireless facilities technology and application, which set them apart from other wireless communication facilities. Although there are pending legal challenges to the Ruling, as of today it remains in effect. Therefore, it is prudent for the City to address this matter as soon as possible in order to have appropriate procedures and standards in effect in order to immediately require permits and otherwise deal with applications for these facilities. Staff from the Public Works Department and the City Attorney's Office have prepared the Urgency Ordinance and a Policy containing special procedures and regulations (including objective aesthetic standards) to be adopted by resolution to administer applications for permits for such facilities.

There was a brief discussion with respect to the FCC regulations, which had very specific and tight deadlines that cities need to meet; limitation on rates, City not required to consider health effects due to the proliferation of these devices on the right-of-way; that these regulations had been subject to significant legal challenges. (<https://banninglive.viebit.com/player.php?hash=dUUZAtdCDzva>)

There was no public comment.

A motion was made by Councilmember Peterson seconded by Councilmember Happe to waive further reading and adopt urgency Ordinance No. 1546 as presented. Electronic vote was taken as follows:

AYES:	Happe, Peterson, Wallace, Andrade, & Welch
NOES:	None
ABSTAIN:	None
ABSENT:	None

Action: Adopted Urgency Ordinance No. 1546

A motion was made by Councilmember Peterson seconded by Councilmember Happe to approve passage of Urgency Ordinance No. 1546 on its first reading. Electronic vote was taken as follows:

AYES:	Happe, Peterson, Wallace, Andrade, & Welch
NOES:	None
ABSTAIN:	None
ABSENT:	None

Deputy City Clerk, Daryl Betancur read the title of Ordinance 1546 into the record.

A motion was made by Mayor Welch, seconded by Mayor Pro Tem Andrade to adopt Resolution adopting a citywide policy regarding permitting requirements and

development standards for small wireless facilities. Electronic vote was taken as follows:

AYES: Happe, Peterson, Wallace, Andrade, & Welch
 NOES: None
 ABSTAIN: None
 ABSENT: None

Action: Adopted Resolution No. 2019-54

3. Revision and Update of Electric Utility Rule #10- Adjustments for Customer Billing.

Tom Miller, Electric Utility Director presented the staff report, indicating that the Banning Electric Utility was not a for-profit publicly-owned load serving retail electrical energy distribution utility for end-use customers; that the Utility is locally governed by the City Council of the City of Banning and has the sole rights and authorities to resolve, declare, direct, approve, adopt, and establish rules and regulation of the Utility, including amending or revising utility rules and regulations from time-to-time.

Mr. Miller further asserted that in this case, staff has caused Electric Rule #10 to be reviewed and is recommending the replacement and revision of the rule as a matter of sound business practice.

There were a number of questions from the Council with respect to how was it that this issue was never discovered; that what was being done to prevent this from happening or reoccurring and whether or not there were similar cases out there that we may not yet know about.

Electric Utility Director Tom Miller stated that staff was working diligently to potentially identified other relates issues; that protocols have been set up to prevent similar incidents; he thanked the folks from the church for their patience and for working with him on this matter while attempting to rectify the overcharge.

There was no public comment.

A motion was made by Councilmember Peterson, seconded by Councilmember Wallace to approve the item as presented. Electronic vote was taken as follows:

AYES: Happe, Peterson, Wallace, Andrade, & Welch
 NOES: None
 ABSTAIN: None
 ABSENT: None

Action: Adopted Resolution No. 2019-55

4. Adopt Resolution Amending the Classification and Compensation Plan to Delete the Position of Community Services Director, Create a New Position of Parks and Recreation Director, and Approving a Job Description for the Parks and Recreation Director (attached).

City Manager Douglas Schulze stated that with the recent announcement of the retirement of Community Services Director Heidi Meraz scheduled for mid-June, there was a further opportunity to make additional structural changes to the administrative reorganization; he stated that the Community Services Department was currently responsible for parks, recreation and community transit services. However, transit services was planned to be assigned to Fleet Maintenance within the Public Works Department when Pass Transit is dissolved on July 1, 2019, consequently, the Community Services Department will focus its resources on parks and recreation programs. The Community Services Department will then be renamed, Parks and Recreation Department.

Councilmember Peterson inquired about the salary range for the Parks & Recreation Director given the fact that this person would not have Transit as part of their functions.

City Manager Douglas Schulze commented that the classification of the Parks and Recreation Director position was proposed to remain at the D92 level, which was the current classification of the Community Services Director position.

There was no public comment.

A motion was made by Councilmember Peterson seconded by Councilmember Happe to approve the item as presented. Electronic vote was taken as follows:

AYES:	Happe, Peterson, Wallace, Andrade, & Welch
NOES:	None
ABSTAIN:	None
ABSENT:	None

Action: Adopted Resolution No. 2019-56

RECESS THE REGULAR MEETING OF THE CITY COUNCIL AND CALL TO ORDER A JOINT MEETING OF THE BANNING CITY COUNCIL AND THE BANNING UTILITY AUTHORITY

- Roll Call – Board Members Happe, Peterson, Wallace, Vice Chairman Andrade, and Chairman Welch

IX. REPORTS OF OFFICERS

1. Adopt Resolution of the Banning Utility Authority, Approving a Professional Services Agreement in the Amount of \$102,464 with U. S. Geological Survey for

the Continued Implementation of a Stream Flow Monitoring Program Related to the San Gorgonio Flume.

Art Vela, Director of Public Works/City Engineer presented the staff report and stated that the City continues working with Banning Heights Mutual Water Company and the San Gorgonio Pass Water Agency, referred to as the Participating Entities (PE), as they had for several years, to secure control of the San Gorgonio Flume once SCE's Surrender Application has been accepted by the Federal Energy Regulatory Commission (FERC).

Mr. Vela commented that because a portion of the Flume was located on federal land, once SCE's Surrender Application is accepted by FERC, the PE's must obtain approval of a Special Use Permit (SUP), from the Forest Service for those parts of the San Gorgonio Flume system that were not currently covered by an existing right-of-way; that as part of the SUP approval process the SUP applicant, in this case the City of Banning, must conduct and provide to the Forest Service several studies and analysis to comply with National Environmental Policy Act (NEPA) requirements which includes water diversion volumes.

There was no public comment

A motion was made by Councilmember Peterson, seconded by Councilmember Wallace to approve the item as presented. Electronic vote was taken as follows:

AYES:	Happe, Peterson, Wallace, Andrade, & Welch
NOES:	None
ABSTAIN:	None
ABSENT:	None

Action: Adopted Resolution No. 2019-08 UA

2. Adopt Resolution of the Banning Utility Authority, Awarding a Professional Services Agreement to Woodward & Curran of Los Angeles, California for Grant Application Preparation Services for the Proposition 1, Round 1, Integrated Water Management Implementation Grant Program in the Amount of 486,230.

Art Vela, Director of Public Works/City Engineer stated that the City of Banning was awarded a million dollar grant a couple of years ago to develop an Integrated Regional Water Management Plan; that the plan had been submitted to DWR and had been accepted with two primary reasons for the development of that plan; 1) being a useful planning document for the region; and 2) with an approved IRWMP the City is able to apply for funding sources that otherwise would not have available.

He stated that he was recommending an award of the professional services agreement to Woodward & Curran in the amount of \$86,000.

There was no public comment

A motion was made by Councilmember Wallace, seconded by Councilmember Peterson to approve the item as presented. Electronic vote was taken as follows:

AYES: Happe, Peterson, Wallace, Andrade, & Welch
 NOES: None
 ABSTAIN: None
 ABSENT: None

Action: Adopted Resolution No. 2019-09 UA

**RECESS THE JOINT MEETING OF THE CITY COUNCIL AND UTILITY AUTHORITY AND
 RECONVENE THE REGULAR MEETING OF THE BANNING CITY COUNCIL**

X. DISCUSSION ITEM

None

**BANNING UTILITY AUTHORITY (BUA) – Next Meeting, May 28, 2019,
 5:00 p.m.**

BANNING FINANCING AUTHORITY (BFA) – no meeting.

XI. ITEMS FOR FUTURE AGENDAS

1. Website Redesign
2. Policy on Naming Streets to Honor Landowners
3. Emergency Contingency Plan for Residents
4. Golf Carts
5. Digital Billboards

XI. ADJOURNMENT

By consensus, the meeting was adjourned at 8:53 p.m.

Minutes Prepared by:

 Daryl Betancur, 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://banningca.gov/ArchiveCenter/ViewFile/Item/2073> or by requesting a CD or DVD at Banning City Hall located at 99 E. Ramsey Street.

ATTACHMENT 1

(CORRESPONDENCE RECEIVED FOR THE MAY 14TH, 2019 MEETING)

To:
 Banning City Council
 Re. Hanna 96 unit apartment project

Mayor and Councilors;

I live at 882 N. Allen St. and oppose this project for the following reasons:

1. The site is not consistent with our General Plan.

The applicant proposes changing the General Plan and Zoning from LDR to HDR. In the 30 years that I have lived at my property I have made plans for my future based on the General Plan and the zoning surrounding my house. I have anticipated the land to the east of my property to be developed at some point with single family homes and would have no objection to that. However, I did not anticipate a 96 unit apartment project because it is not zoned for that.

A lot of hard work and effort went into creating our General Plan and it seems unfair to existing citizens to alter it by spot re-zoning for the benefit of an out of town, profit motivated Developer.

I agree with our Community Development Director that it may be time to review and revise our General Plan. This proposed spot re-zoning is the antithesis of good Planning. If we as a city are going to let property owners choose their own zoning why even have a General Plan?

I urge you to NOT adopt this General Plan amendment in a piecemeal manner but wait until a comprehensive over-all review can take place.

2. The MND is fatally flawed.

a. This site was teeming with wildlife until March 2018 when the land owner came in and scraped the entire 7 acre site clean, killing every living thing right BEFORE they did the biological assessment. (see attached photos)

How can you possibly determine if there will be any significant impacts on the biology of the site that doesn't have any biological assets?

b. The noise study was done on a Sunday, the quietest day of the week.

How can you possibly determine if there will be any significant noise impacts to adjacent residents with a study that doesn't include the weekday traffic of a steady parade of heavy trucks from the quarry or the commercial collection of trash required to service the project?

Why even have environmental regulations if the city allows developers to skirt around them so blatantly?

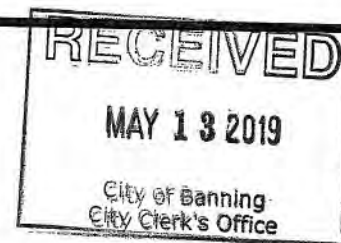
I urge you to NOT adopt this MND because I believe it is obvious that it was **pre-determined** to conclude there would be no significant impacts.

Sincerely;

Brent Bumpus
 882 N. Allen St.

Daryl Betancur

From: kjrsten haaland <kjrstenh@yahoo.com>
Sent: Monday, May 13, 2019 6:03 PM
To: Daryl Betancur
Subject: Please stop the 96 unit apartment project

**Warning**

This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender's email address and know the content is safe.

City of Banning Information Technology

To whom it may concern:

We are from Big Bear, but we stay on N. Allen St. when we have work down here.

We are Electricians who wired the new Boys and Girls Club on Ramsey.

We really like Banning and are seriously considering buying a vacant lot on N. Allen St. and building a custom home. The land prices are a bargain, the people are friendly, it's quiet and safe and there is a great view to east. However, it will be a deal breaker for us if you build these apartments. We don't want to live with hundreds of people basically in our backyard.

We have a friend who is a Banning native and lived at Peppertree apartments and he says it's a terrible place to live. People hang out in the parking lots and party all night, people that don't even live there.

They hangout under the carports and blast their music and speak so loud you can hear them even when you are inside trying to sleep. He finally left Peppertree with his wife and kids because he said it was a terrible place to live. We are afraid the same thing will happen at these apartments.

Not only that, but these apartment buildings are so densely packed that the view to the east is totally ruined. At night there is a great light show from the cars on I-10 to the Cabazon outlet lighting to the amazing colorful lights on Casino Morongo.

We also enjoy the spectacular sunrises over the desert and the peace and quiet in the early morning. That's all going to get lost for us if these apartments get built.

We have already enjoyed the pinball museum, the brewery on San Geronio, the movie theater, the Firesstop restaurant, the great breakfasts at the place across from the courthouse and plan to go back to them and explore more of the businesses.

Pizza hut, Banning Ranch market, Sportsmans Liquor We want to live in Banning, we want to spend money in Banning, we want to be your neighbors. We could handle single family homes being built here, but not apartments.

Please vote NO on this project.

Thank you for considering my viewpoint.

Kjrsten Haaland
 909-648-0928

Daryl Betancur

From: Sandice Alaska <alaskaelectric@yahoo.com>
Sent: Monday, May 13, 2019 6:41 PM
To: Daryl Betancur
Subject: 96-unit project on Hathaway

**Warning**

This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender's email address and know the content is safe.

City of Banning Information Technology

5/13/2019

To the Banning Mayor and City council;

There is no justice. The rich win; the poor are powerless. We become tired of hearing people lie.

And after a time we become dead, a little dead.

We think of ourselves as victims -- and we become victims.

We become weak; we doubt ourselves; we doubt our beliefs and we doubt our institutions.

But today you are the institution, not some Regulation, not the Vision Plan, not the General Plan. Those are just symbols of our desire to be just.

If we are to have faith in justice we need only to believe in ourselves and act with justice. I believe there is justice in our hearts.

Say NO to the rich and give power to the poor, please vote no on this project.

Sandice Alaska
 708 W. Aeroplane Blvd, Big Bear City, CA

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CITY OF BANNING CITY COUNCIL REPORT

TO: CITY COUNCIL

FROM: Doug Schulze, City Manager

PREPARED BY: Suzanne Cook, Deputy Finance Director

MEETING DATE: May 28, 2019

SUBJECT: Approval and Ratification of Accounts Payable and Payroll Warrants Issued in the Month of April 2019

RECOMMENDATION:

That City Council review and ratify the warrants for period ending **April 30, 2019**, per California Government Code Section 37208.

WARRANT SUMMARY:

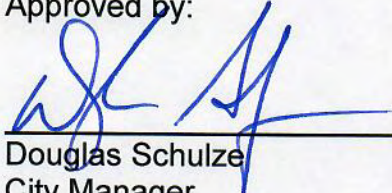
Description	Payment #	Amount	Total Amount
Checks:			
Checks Issued during Month	168631 - 169008	\$ 1,631,786.04	
Voided / Reissue Check		\$ 243,305.74	
Check Total			\$ 1,388,480.30
Wires Total	1004 - 1006		\$ 1,725,820.70
ACH payments:			
	9006418 - 9006434		
Payroll Direct Deposit 4/12/2019		\$ 362,985.62	
Payroll Direct Deposit 4/26/2019		\$ 409,499.53	
Other Payments		\$ 746,882.53	
ACH Total			\$ 1,519,367.68
Payroll Checks:			
	11735 - 11751		
Payroll - Regular 4/12/2019		\$ 3,296.04	
Payroll - Regular 4/26/2019		\$ 2,722.17	
Payroll Check Total			\$ 6,018.21
Total Warrants Issued for April 2019			\$ 4,639,686.89

ATTACHMENTS:

- Fund List
- Warrant List April 2019
- Warrant List Detail April 2019
- Voided Check Log – April 2019
- Payroll Log
- Payroll Registers

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

Approved by:



Douglas Schulze
City Manager

CITY of BANNING

Fund/Department Legend

Fund/Department Legend

0001 General Fund Departments

0001 – General
 1000 – City Council
 1200 – City Manager
 1210 – Economic Development
 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
 4050 – Senior Center
 4060 – Sr. Center Advisory Board
 4500 – Central Services
 4800 – Debt Service
 5400 – Community Enhancement

Special Revenue Funds

002 – Developer Deposit Fund
 003 – Riverside County MOU
 005 – Successor Agency Admin Fund
 100 – Gas Tax Street Fund
 101 – Measure A Street Fund
 102 – RMRA (SB1) Gas Tax 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
 150 – State Park Bond Fund
 190 – Housing Authority Fund
 200 – Special Donation Fund
 201 – Sr. Center Activities Fund
 4050 – Senior Center
 4060 – Senior Center Advisory Board
 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

Capital Improvement Funds

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

Banning Utility Authority Funds

660 – Water Fund
 661 – Water Capital Facilities
 663 – BUA Water Capital Project Fund
 669 – BUA Water Debt Service Fund
 680 – Wastewater Fund
 681 – Wastewater Capital Facility Fund
 683 – BUA Wastewater Capital Project Fund
 685 – State Revolving Loan Fund
 689 – BUA Wastewater Debt Service Fund
 662 – Irrigation Water Fund
 682 – Wastewater Tertiary

Enterprise Funds

600 – Airport Fund
 610 – Transit Fund
 5800 – Transit
 5850 – Dial-A-Ride
 690 – Refuse Fund
 670 – Electric Fund
 7000 – Electric
 7010 – Generation & Transmission
 672 – Rate Stability Fund
 673 – Electric Improvement Fund
 674 – '07 Electric Revenue Bond Project Fund
 675 – Public Benefit Fund
 678 – '07 Electric Revenue Bond Debt Service Fund

Internal Service Funds

700 – Risk Management Fund
 5020 – Workers Compensation
 5030 – Unemployment Insurance
 5040 – Liability Insurance
 5300 – City Attorney
 702 – Fleet Maintenance
 703 – Information Systems Services
 761 – Utility Billing Administration
 3100 – Account & Collection Service
 3110 – Meter Reading Service

Successor Agency Funds

805 – Redevelopment Obligation Retirement Fund
 810 – Successor Housing Agency
 830 – Debt Service Fund
 840 – Bond Expenditure Agreement (BEA) Project Fund
 841 – Bond Expenditure Agreement (BEA) Low/Mod Fund
 850 – Successor Agency
 855 – 2007 TABS Bond Proceeds - Replaced by Fund 840
 856 – 2003 TABS Bond Proceeds - Replaced by Fund 840
 857 – 2003 TABS Bond Proceeds Low/Mod - Replaced by Fund 841

City of Banning
Warrant Report Detail April 2019

Warrant Number	Warrant Date	Vendor Name	Invoice Number	P.O. Number	Account Number	Payment Description	Warrant Amount
1004	4/4/2019	U.S. BANK	1372225		689-0000-102.12-00	LESS CASH ON HAND ACCT # 792143000	(38.84)
1005	4/4/2019	U.S. BANK	1372221		689-0000-454.62-02	INTEREST DUE PAYMENT ACCT # 792143000	104,390.64
1006	4/17/2019	RIVERSIDE PUBLIC UTILITIES	215		669-0000-102.12-15	LESS CASH ON HAND ACCT # 258228000	(631.93)
					669-6300-471.62-18	INTEREST DUE ACCT # 258228000	506,531.26
					670-7000-331.20-01	INTEREST REVENUE REV RCVD DURING MARCH 19	(2,088.11)
					670-7000-356.38-10	ENERGY REVENUE REV RCVD DURING MARCH 19	(5,746.89)
					670-7000-356.38-17	CRR REVENUE REV RCVD DURING MARCH 19	(39,712.43)
					670-7000-356.38-20	TRANS REVENUE REV RCVD DURING MARCH 19	(59,390.47)
					670-7010-473.27-09	S & D EXPENSE PAID DURING PERIOD MAR 19	51,024.00
					670-7010-473.27-50	CAPACITY EXPENSE PAID DURING PERIOD MAR 19	359,628.66
					670-7010-473.27-60	ENERGY EXPENSE PAID DURING PERIOD MAR 19	494,074.80
					670-7010-473.27-70	TRANS EXPENSE PAID DURING PERIOD MAR 19	311,478.37
					670-7010-473.33-02	LEGAL EXPENSE PAID DURING PERIOD MAR 19	6,301.64
168631	4/4/2019	ALESHIRE & WYNDER, LLP	50589		700-5300-480.33-04	MARCH 2019 LEGAL SERVICES	1,588.00
168632	4/4/2019	AMAZON CAPITAL SERVICES	14XG-C6JP-PDPP	029100	001-4050-461.36-65	SR CTR GAMES	29.84
			17MX-Y4RR-MCK3		001-0000-201.10-00	SALES TAX	(1.56)
					670-7000-473.36-00	INDEX DIVIDERS	21.60
					001-0000-201.10-00	SALES TAX	(21.45)
168633	4/4/2019	ANIXTER, INC		029100	670-7000-473.36-00	GATE OPENERS	298.20
					670-0000-131.00-00	FULL RANGE CLF FOR ELBOW PO NUM 029177	224.12
168634	4/4/2019	ARCEAUX, LA TOYA D	4036287-01		670-0000-131.00-00	PED-3 CONNECTOR PO NUM 029177	124.13
168635	4/4/2019	ARROW STAFFING SERVICE	4093764-01	029307	670-7000-473.45-16	INSU BLANKET/RUBB BLANKET	2,985.08
			000089869		001-0000-218.22-22	UB CR REFUND-FINALS 000003970	77.59
			106672		761-3100-480.33-11	RUIZ, TAMMIE W/E 2/16/19 CUSTOMER SERVICE REP	1,063.26
			106739		761-3100-480.33-11	RUIZ, TAMMIE W/E 2/23/19 CUSTOMER SERVICE REP	1,045.59
			106826		761-3100-480.33-11	RUIZ, TAMMIE W/E 3/02/19 CUSTOMER SERVICE REP	1,054.42
			106875		761-3100-480.33-11	RUIZ, TAMMIE W/E 3/09/19 CUSTOMER SERVICE REP	1,080.93
			106876		761-3100-480.33-11	CARROLL, GARY W/E 3/16 FINANCE	1,229.53
			106978		761-3100-480.33-11	RUIZ, TAMMIE W/E 3/16/19 CUSTOMER SERVICE REP	1,080.93
168636	4/4/2019	ARROYO BACKGROUND INVESTIGATIONS	1878	029113	001-1900-412.23-27	CARROLL, GARY W/E 3/23 FINANCE	1,222.00
168637	4/4/2019	ASPEN ENVIRONMENTAL GROUP	1886	029113	001-1300-412.33-11	PO BKGRND	992.31
168638	4/4/2019	ATWORK FRANCHISE, INC	3313.002-13	027504	001-1300-412.33-11	PO BACKGROUND	1,143.07
			069414		660-6300-471.90-78	BANNING FLUME FIELD SURVE	4,354.16
			070731		761-3100-480.33-11	LATHROM, TWILA W/E 2/17 CUSTOMER SERVICE REP	929.76
			071883		761-3100-480.33-11	LATHROM, TWILA W/E 3/03 CUSTOMER SERVICE REP	964.63
			072608		761-3100-480.33-11	LATHROM, TWILA W/E 3/17 CUSTOMER SERVICE REP	929.76
168639	4/4/2019	BABCOCK LABORATORIES, INC	BC90757-0030	029259	001-1910-412.23-27	STEINER, CHANDRA W/E 3/24 PURCHASING	892.57
			BC91111-0030		660-6300-471.23-32	VARIOUS CHEMICALS	2,126.00
			BC91115-0030		660-6300-471.23-32	COLIFORMS P/A BY MMO/MUG	165.00
			BC91129-0030		660-6300-471.23-32	GENERAL PHYSICAL ANALYSIS	54.00
168640	4/4/2019	BANNING POLICE OFFICERS ASSOC	MARCH 2019	029259	680-8000-454.23-32	TOTAL DISSOLVED SOLIDS	20.00
168641	4/4/2019	BANNING POLICE OFFICERS ASSOC	NOVEMBER 2018		001-0000-204.50-00	POLICE OFFICER ASSOC MARCH 2019	2,100.00
168642	4/4/2019	BARRETT, ELENA & KEITH	000064231		001-0000-218.22-22	POLICE OFFICER ASSOC DUES NOVEMBER 2018- REISSUE	2,100.00
168643	4/4/2019	BEAUMONT DO IT BEST HOME CENTER	469090	029051	001-3200-412.30-02	UB CR REFUND-FINALS 000008122	214.21
			469502		001-3200-412.30-02	CAP MOULDING & ADHESIVE	31.86
168644	4/4/2019	BLACKWILL, JANICE	000097077	029051	001-3200-412.30-02	BRUSH, ROLLER & SPRAY TEX	24.75
168645	4/4/2019	BLUE SHIELD OF CALIFORNIA	APRIL 2019-1		001-0000-218.22-22	UB CR REFUND-FINALS 000017614	119.99
168646	4/4/2019	CALIFORNIA LAW ENFORCE ASSN	APRIL 2019		001-0000-204.31-00	INSURANCE PREMIUMS-RETRO APRIL 2019	729.00
168647	4/4/2019	CALIFORNIA LAW ENFORCEMENT ASSOC	LAM.A 04/09/19		001-0000-204.80-13	POLICE LTD PREMIUM APRIL 2019	612.50
168648	4/4/2019	CASTILLO, GUILLERMO	000083427		001-2200-421.23-06	ANGIE LAM - CLEARS MTG 4/09/19 DMV CLETS	20.00
168649	4/4/2019	CDW GOVERNMENT, INC	RJR8999	029175	001-0000-218.22-22	UB CR REFUND-FINALS 000019878	136.90
168650	4/4/2019	CHARLES ABBOTT ASSOCIATES, INC	59360	028250	670-7000-473.89-48	HP LASERJET PRO	342.84
168651	4/4/2019	COLONIAL INSURANCE	3229614-0401239		001-3000-442.33-53	CONSULTING SERVICES FEBRUARY 2019	1,833.50
					001-0000-204.80-02	TERM LIFE PREMIUMS MARCH 2019	2,162.16
					001-0000-204.80-03	CANCER PREMIUM MARCH 2019	1,665.96
					001-0000-204.80-09	UNIVERSAL LIFE PREMIUM MARCH 2019	3,016.05
					001-0000-204.80-11	ACCIDENT PREMIUM MARCH 2019	3,216.99
						SUPPLEMENTAL DISABILITY MARCH 2019	6,279.63

City of Banning
Warrant Report Detail April 2019

Warrant Number	Warrant Date	Vendor Name	Invoice Number	P.O. Number	Account Number	Payment Description	Warrant Amount
168651	4/3/19	COLONIAL INSURANCE	3229614-0401239		001-0000-204.80-12	CRITICAL ILLNESS PREMIUM MARCH 2019	1,556.30
168652	4/4/2019	CORELOGIC INFORMATION SOLUTIONS INC	81949720	029225	001-0000-204.80-16 001-2700-442.23-33	HOSPITAL CONFINEMENT PREM MARCH 2019 FEB 2019 METROSCAN	1,670.35 100.00
168653	4/4/2019	COUNSELING TEAM INTERNATIONAL, THE	71739		001-2740-442.23-33	FEB 2019 METROSCAN	50.00
168654	4/4/2019	EVANS, ELAINE	000089251		700-5040-480.23-07	FEB 2019 EMPLOYEE SUPPORT	700.00
168655	4/4/2019	FANDANGO SOLAR PROTECTION LLC	000089819		001-0000-218.22-22	UB CR REFUND-FINALS 000014012	59.26
168656	4/4/2019	FRED PRYOR SEMINARS	20-27154500		001-0000-218.22-22 761-3100-480.23-06	UB CR REFUND-FINALS 000001834 GINA BOEHM MANAGER TRAINING	155.82 149.00
168657	4/4/2019	FRONTIER COMMUNICATIONS	2091884027MAR 19		761-3110-480.23-06	TODD PARKER MANAGER TRAINING	149.00
			2130197968MAR		001-4500-412.26-05	209-188-4027 MAR 16, 2019 - APR 15, 2019	81.61
			19		001-2200-421.26-05	213-019-7968 MAR 7, 2019 - APR 6, 2019	308.72
			2131817186MAR		703-3700-480.30-17	213-181-7186 MAR 19, 2019 - APR 18, 2019	468.90
			19		9518491575MAR		
			19		001-2200-421.26-05	951-849-1575 MAR 13, 2019 - APR 12, 2019	134.51
			9518493260APR19		001-4500-412.26-05	951-849-3260 MAR 28, 2019 - APR 27, 2019	256.46
			9518496777MAR				
			19		001-2200-421.26-05	951-849-6777 MAR 1, 2019 - MAR 31, 2019	109.15
168658	4/4/2019	FRYBARGER, JOSEPHINE	98261-50324/19		675-7020-473.42-35	RESIDENTIAL CENTRAL A/C SPLIT SYSTEM-REBATE-REISS	1,500.00
168659	4/4/2019	GARDA CL WEST INC	10468106	029388	761-3100-480.23-43	MARCH 2019 ARMORED SRV	598.49
			20357840	028837	761-3100-480.23-43	EXCESS ITEMS	35.80
168660	4/4/2019	GAS COMPANY, THE	03292684002MR		001-4000-461.26-06	789 N SAN GORGONIO AVE FEB 15, 2019 - MAR 19, 2019	288.29
			19		05192710001MR		
			19		001-3600-461.26-06	201 W GEORGE ST FEB 15, 2019 - MAR 19, 2019	21.43
			05602682006MR				
			19		001-2400-422.26-06	172 N MURRAY ST FEB 15, 2019 - MAR 19, 2019	490.50
			07702683751MR				
			19		001-2200-421.26-06	125 E RAMSEY ST FEB 15, 2019 - MAR 19, 2019	1,475.59
			09142474007MR				
			19		001-4050-461.26-06	84 W WILSON ST FEB 15, 2019 - MAR 19, 2019	366.59
			15684815176MR				
			19		001-4500-412.26-06	99 E RAMSEY ST FEB 15, 2019 - MAR 19, 2019	864.40
			16108344439MR				
			19		001-4010-461.26-06	749 N SAN GORGONIO AVE FEB 15, 2019 - MAR 19, 2019	34.61
168661	4/4/2019	GERDES, PERRY	EYEWEAR 3/2019		660-6300-471.25-10	EYEWEAR REIMBURSEMENT TEAMSTERS MOU	300.00
168662	4/4/2019	GILBERT, PAULINE M & JOHN	000057443		001-0000-218.22-22	UB CR REFUND-FINALS 000016268	57.48
168663	4/4/2019	GOMEZ, MARIA	000082877		001-0000-218.22-22	UB CR REFUND-FINALS 000010560	42.47
168664	4/4/2019	GRAINGER	9050103432	029057	702-3800-480.38-52	CREDIT- GAS PRESS WASHER	(521.88)
			9084881185	029057	702-3800-480.36-00	MARKING STICK	35.00
			9101156298	029057	680-8000-454.45-16	TAPERED CORK	117.64
			9102352284	029057	660-6300-471.45-16	CHAIN OIL/MARKING FLAG	61.22
					670-7000-473.45-16	CHAIN OIL/MARKING FLAG	29.70
			9106400352	029057	680-8000-454.45-16	HOLE SAW ARBOR, EAR MUFFS	104.48
			9122163083	029382	001-3600-461.36-00	PARKS SUPPLIES	218.95
			4012811	029093	660-6300-471.45-08	PIPE, HEXSPRING, COUPLING	34.49
168665	4/4/2019	HOME DEPOT #8987	JAN 18 - JUN 18		675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM REBATE JAN 2018- JUN 2018	119.07
168666	4/4/2019	HOPKINS, VICKI	SEP 18 - FEB 19		675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM REBATE SEP 2018- FEB 2019	108.95
168667	4/4/2019	HORTA, MARGARET	MARCH 2019		001-0000-204.80-01	GEN / UTILITY UNION DUES MARCH 2019	7,799.92
168668	4/4/2019	I.B.E.W. LOCAL 47	MARCH 2019		761-3100-480.23-02	UB BILL SRVCE 3/11-3/14	44.00
168669	4/4/2019	I.B.E.W. LOCAL 47 (PAC)	MARCH 2019		761-3100-480.23-04	UB BILL SRVCE 3/11-3/14	61.23
168670	4/4/2019	INFOSEND, INC	150865	029174	761-3100-480.23-11	UB BILL SRVCE 3/11-3/14	556.35
			151090	029174	761-3100-480.23-02	UB BILL SRVCE 3/11-3/14	157.51
					761-3100-480.23-04	UB BILL SRVCE 3/18-3/22	138.09
					761-3100-480.33-11	UB BILL SRVCE 3/18-3/22	1,198.08
							273.75

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168670	4/3/2019	INFOSEND, INC	151248	029372	670-7000-473.23-02	INSERTION FEE	104.52
168671	4/4/2019	IRON MOUNTAIN INFORMATION MGMT, LLC	ANMU189	029123	001-4500-412.33-11	REG STORAGE APR 2019	349.00
168672	4/4/2019	JAUREGUI, ROBERTO	MEAL 3/11/19		001-2200-421.23-06	PSP TRAINING MEAL 3/11/19	12.00
168673	4/4/2019	KAHLON, KULDEEP	000082943		001-0000-218.22-22	UB CR REFUND-FINALS 000011856	127.79
168674	4/4/2019	KELLY, PATRICK	MEAL 4/02/19		001-2200-421.23-06	PSP TRAINING MEAL 4/02/19	12.00
168675	4/4/2019	KESTER, ELIZABETH	TUITION 3/2019		001-1300-412.25-09	TUITION REIMBURSEMENT NETWORK & SECURITY APPL	911.43
168676	4/4/2019	LANCE, SOLL & LUNGHARD, LLP	2019-GASB		001-1900-412.23-06	TUITION REIMBURSEMENT ORGANIZATIONAL BEHAVIOR	736.15
168677	4/4/2019	LARA, JOSEPH F	000073557		001-0000-218.22-22	2019 GOV ACCT & AUDIT UPDATE- COOK / STAFFORD	190.00
168678	4/4/2019	LAW ENFORCEMENT APPRECIATION	001182019		001-2200-421.23-05	UB CR REFUND-FINALS 000014546	12.50
168679	4/4/2019	LEGRANDE, CATHERINE L & JOE	000082475		001-0000-218.22-22	2019 LEAC CEREMONY TABLE SPONSORSHIP 04/18/2019	600.00
168680	4/4/2019	LITHOPASS PRINTING, FORMS,	3098	029437	001-1900-412.36-00	UB CR REFUND-FINALS 000004468	62.29
168681	4/4/2019	LOADER, MICHAEL	3099	029437	001-1900-412.36-00	#10 WINDOW ENVELOPES	417.59
168682	4/4/2019	LOPEZ JR, MARCO	MEAL 3/22/19		001-2200-421.23-06	# 9 REGULAR ENVELOPES	184.88
168683	4/4/2019	MAC PROPERTY REDEVELOPMENT, LLC	000086053		001-0000-218.22-22	PSP TRAINING MEAL 3/22/19	12.00
168684	4/4/2019	MACAMAY &, ANDREW	000098317		001-0000-218.22-22	UB CR REFUND-FINALS 000013088	53.66
168685	4/4/2019	MANERI SIGN COMPANY INC.	000096697		001-0000-218.22-22	UB CR REFUND-FINALS 000002976	215.44
168686	4/4/2019	MASCORRO, LILIANA	40005365	029254	001-0000-218.22-22	UB CR REFUND-FINALS 000011574	38.77
168687	4/4/2019	MEGGER	PC LOAN 4/19		100-4900-431.89-54	STREET SIGNS	111.95
168688	4/4/2019	MICHAEL BAKER INTERNATIONAL, INC	5590531726	029207	761-0000-116.21-02	EMPLOYEE COMPUTER LOAN PER GEN MOU	626.21
168689	4/4/2019	MICHALEC, MARY	1043470	029248	670-7000-473.45-16	MAT'L & LABOR REPAIR	450.00
168690	4/4/2019	MONTROSE ENVIROMENTAL GROUP, INC	OCT 18 - MAR 19		661-6300-471.95-09	BANNING ALTITUDE VALVES	1,048.15
168691	4/4/2019	NAPA AUTO PARTS	INV1154698	029266	675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM REBATE OCT 2018- MAR 2019	120.19
168692	4/4/2019	NOTTINGHAM, MICHAEL	082584	029135	680-8000-454.90-78	PROJECT 2018-03WWW	25,575.00
168693	4/4/2019	OFFICE DEPOT	MEAL 4/04/19		702-3800-480.38-52	DETERGENT	53.86
			290683608001	029065	001-2200-421.23-06	PSP TRAINING MEAL 4/04/19	12.00
					001-1200-412.36-00	COLOR TONER	258.24
					001-1400-412.36-00	COLOR TONER	258.25
168694	4/4/2019	OGAZ, LUCY	JUN 18 - NOV 18		670-7000-356.38-01	MEDICAL LIFELINE REBATE JUN 2018 - NOV 2018	83.79
					675-7020-356.38-15	PUBLIC BENEFIT CHARGE REB JUN 2018 - NOV 2018	2.81
168695	4/4/2019	ORONA, DIANE	SEP 18 - FEB 19		675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM REBATE SEP 2018 -FEB 2019	147.42
168696	4/4/2019	PRE-PAID LEGAL SERVICES, INC	MARCH 2019		001-0000-204.80-07	PREPAID LEGAL PREMIUMS	234.18
168697	4/4/2019	PRECIADO, VANESSA A	000047249		001-0000-218.22-22	UB CR REFUND-FINALS 000023218	62.20
168698	4/4/2019	PRUDENTIAL OVERALL SUPPLY	22649843	029184	702-3800-480.23-16	FLEET UNIFORMS & TOWELS	10.36
					702-3800-480.25-02	FLEET UNIFORMS & TOWELS	17.90
					761-3110-480.25-02	FSR UNIFORMS	33.63
					761-3110-480.25-02	FSR UNIFORMS	26.23
					670-7000-473.25-02	ELEC UNIFORMS 10/2/19	139.29
					702-3800-480.23-16	FLEET UNIFORMS & TOWELS	10.36
					702-3800-480.25-02	FLEET UNIFORMS & TOWELS	17.90
					610-5800-434.23-16	TRANSIT UNIFORM SERVICE ORG INVOICE DATE 11/06/18	20.75
					610-5800-434.25-02	TRANSIT UNIFORM SERVICE ORG INVOICE DATE 11/06/18	48.52
					610-5850-434.25-02	TRANSIT UNIFORM SERVICE ORG INVOICE DATE 11/06/18	3.89
					761-3110-480.25-02	FSR UNIFORMS	26.23
					761-3110-480.25-02	ELEC UNIFORMS 11/6/18	139.29
					670-7000-473.25-02	TRANSIT UNIFORM SERVICE ORG INVOICE DATE 11/20/18	20.75
					610-5800-434.23-16	TRANSIT UNIFORM SERVICE ORG INVOICE DATE 11/20/18	48.52
					610-5800-434.25-02	TRANSIT UNIFORM SERVICE ORG INVOICE DATE 11/20/18	3.89
					761-3110-480.25-02	FSR UNIFORMS	26.23
					670-7000-473.25-02	ELEC UNIFORMS 11/20/18	139.29
					670-7000-473.25-02	ELEC UNIFORMS 12/18/18	33.92
					702-3800-480.23-16	FLEET UNIFORMS & TOWELS	10.36
					702-3800-480.25-02	FLEET UNIFORMS & TOWELS	17.90
					761-3110-480.25-02	FSR UNIFORMS	33.92
					670-7000-473.25-02	ELEC UNIFORMS 1/8/19	139.29
					670-7000-473.25-02	FLEET UNIFORMS & TOWELS	10.36
					702-3800-480.25-02	FLEET UNIFORMS & TOWELS	17.90
					610-5800-434.23-16	TRANSIT UNIFORM SERVICE	20.75

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168698	4/4/2019	PRUDENTIAL OVERALL SUPPLY	22744394	029184	610-5800-434.25-02	TRANSIT UNIFORM SERVICE	52.78
			22744414	029184	610-5850-434.25-02	TRANSIT UNIFORM SERVICE	3.89
			22744416	029184	001-3600-461.25-02	PARKS UNIFORM SERVICE ORG INVOICE DATE 1/29/19	12.30
			22744417	029184	761-3110-480.25-02	FSR UNIFORMS	33.92
			22751684	029184	670-7000-473.25-02	ELEC UNIFORMS 1/29/19	142.77
				029184	702-3800-480.23-16	FLEET UNIFORMS & TOWELS	10.36
				029184	702-3800-480.25-02	FLEET UNIFORMS & TOWELS	17.90
			22758883	029184	761-3110-480.25-02	FSR UNIFORMS	33.92
			22762498	029184	761-3110-480.25-02	FSR UNIFORMS	33.92
			22765769	029184	761-3110-480.25-02	FSR UNIFORMS	33.92
			22765770	029184	670-7000-473.25-02	ELECTRIC UNIFORMS SERV	140.16
			22770330	029184	660-6300-471.25-02	UNIFORMS - WATER	57.10
			22770331	029184	680-8000-454.25-02	UNIFORMS - WASTEWATER	15.00
			22770354	029184	001-3200-412.25-02	BUILDING MAIN. UNIFORMS	6.03
			22770355	029184	761-3110-480.25-02	FSR UNIFORMS	33.92
			22770356	029184	670-7000-473.25-02	ELEC UNIFORM SERV	140.16
			22774050	029184	660-6300-471.25-02	UNIFORMS - WATER	57.10
			22774051	029184	680-8000-454.25-02	UNIFORMS - WASTEWATER	15.00
			22774052	029184	610-5800-434.23-16	TRANSIT UNIFORM SERVICE	20.75
					610-5800-434.25-02	TRANSIT UNIFORM SERVICE	51.76
					610-5850-434.25-02	TRANSIT UNIFORM SERVICE	3.89
			22774072	029184	100-4900-431.25-02	STREET UNIFORMS	14.50
			22774073	029184	001-3600-461.25-02	PARKS UNIFORM SERVICE	12.30
			22774074	029184	001-3200-412.25-02	BUILDING MAIN. UNIFORMS	6.03
			22774075	029184	761-3110-480.25-02	FSR UNIFORMS	33.92
			22774076	029184	670-7000-473.25-02	ELEC UNIFORM SERVICE	140.16
168699	4/4/2019	RANCHO PASEO MEDICAL GROUP	02012019-1		001-1300-412.33-32	FEBRUARY RANDOM DRUG SCREENING	50.00
168700	4/4/2019	RICHARDS WATSON GERSHON	221210		700-5300-480.33-04	FEBRUARY 2019 LEGAL SRVCS	6,652.98
			221211		700-5300-480.33-04	FEBRUARY 2019 LEGAL SRVCS	4,609.04
			221212		700-5300-480.33-04	FEBRUARY 2019 LEGAL SRVCS	2,323.18
			221213		700-5300-480.33-04	FEBRUARY 2019 LEGAL SRVCS	2,358.80
			221214		700-5300-480.33-04	FEBRUARY 2019 LEGAL SRVCS	3,606.00
			221215		700-5300-480.33-04	FEBRUARY 2019 LEGAL SRVCS	4,533.50
			221216		700-5300-480.33-04	FEBRUARY 2019 LEGAL SRVCS	1,170.00
			221217		700-5300-480.33-04	FEBRUARY 2019 LEGAL SRVCS	10,715.37
			221218		700-5300-480.33-04	FEBRUARY 2019 LEGAL SRVCS	137.50
			221219		700-5300-480.33-04	FEBRUARY 2019 LEGAL SRVCS	12,537.50
			221220		700-5300-480.33-04	FEBRUARY 2019 LEGAL SRVCS	240.00
			221221		700-5300-480.33-04	FEBRUARY 2019 LEGAL SRVCS	522.50
			221222		700-5300-480.33-04	FEBRUARY 2019 LEGAL SRVCS	220.00
			221223		700-5300-480.33-04	FEBRUARY 2019 LEGAL SRVCS	1,072.21
			221224		700-5300-480.33-04	FEBRUARY 2019 LEGAL SRVCS	5,978.34
			221225		700-5300-480.33-04	FEBRUARY 2019 LEGAL SRVCS	1,728.40
			221226		700-5300-480.33-04	FEBRUARY 2019 LEGAL SRVCS	605.00
			221227		700-5300-480.33-04	FEBRUARY 2019 LEGAL SRVCS	550.00
			221228		700-5300-480.33-04	FEBRUARY 2019 LEGAL SRVCS	236.00
			221229		700-5300-480.33-04	FEBRUARY 2019 LEGAL SRVCS	1,185.50
			221230		700-5300-480.33-04	FEBRUARY 2019 LEGAL SRVCS	8,922.99
			221231		700-5300-480.33-04	FEBRUARY 2019 LEGAL SRVCS	495.00
168701	4/4/2019	RIV. CO. CLERK RECORDER	APN 532-170-001		001-2740-442.23-07	RELEASE PEND/LIEN BY GOV 1824 CHARLES ST	24.00
168702	4/4/2019	RIV. CO. CLERK RECORDER	APN 540-202-001		001-2740-442.23-07	RELEASE PEND/LIEN BY GOV 270 W RAMSEY ST	8.00
168703	4/4/2019	RIV. CO. HEALTH SVCS AGENCY	IN0346529		702-3800-480.41-04	FLEET MAINTENANCE PERMIT FAC ID # FA0015678-2019	2,938.00
168704	4/4/2019	RIVERA, KATHLEEN	OCT 18 - MAR 19		675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM REBATE OCT 2018 - MAR 2019	37.02
168705	4/4/2019	RIVERSIDE, COUNTY OF	FEBRUARY 2019		001-2200-321.18-06	FEB 2019 PARKING CITATION ASSESSMENT	2,218.00
168706	4/4/2019	ROBLEE, DAVID	TUITION 3/2019		001-1300-412.25-09	TUITION REIMBURSEMENT WEB DEVELOPMENT FOUNDATNS	744.23
168707	4/4/2019	RODRIGUEZ, MICHAEL & HELEN	000084989		001-0000-218.22-22	UB CR REFUND-FINALS 000012484	115.07
168708	4/4/2019	RUSH, ADAM	COMPUTER LOAN		001-0000-116.21-00	EMPLOYEE COMPUTER LOAN TEAMSTERS MOU	1,169.99
168709	4/4/2019	SALAZAR &, MARCO A	000090125		001-0000-218.22-22	UB CR REFUND-FINALS 000013988	115.97

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168710	4/4/2019	SAN BERNARDINO PUBLIC EMPLOYEES	MARCH 2019		001-0000-204.51-00	SBPEA DUES MARCH 2019	1,126.42
168711	4/4/2019	SAN GORGONIO PASS DESIGN AND PRINT	11048	029329	001-2740-442.23-02	#10 REG ENVELOPES	107.75
168712	4/4/2019	SANCHEZ, MARISA MARLENE	000095543		001-0000-218.22-22	UB CR REFUND-FINALS 000004156	25.13
168713	4/4/2019	SHERIFF'S SPECIAL EVENTS	REG 4/10/19		001-1000-411.23-05	ART WELCH SHERIFF'S DEPT AWD CEREMO	30.00
168714	4/4/2019	SHERIFF'S SPECIAL EVENTS	REG 4/10/19		001-1000-411.23-05	DANIELA ANDRADE SHERIFF'S DEPT AWD CEREMO	30.00
168715	4/4/2019	SHERIFF'S SPECIAL EVENTS	REG 4/10/19		001-1000-411.23-05	COLLEEN WALLACE SHERIFF'S DEPT AWD CEREMO	30.00
168716	4/4/2019	SITONE LANDSCAPE SUPPLY	89674136-001	029430	100-4900-431.36-57	ROUNDUP PROMAX	959.21
168717	4/4/2019	SMART & FINAL	026521	029045	610-5800-434.36-00	SUPPLIES FOR TRANSIT	18.14
168718	4/4/2019	SMITH, BRANDON	026524	029045	001-1300-412.41-15	EMPLOYEE RECOGNITION	155.03
168719	4/4/2019	STAPLES BUSINESS ADVANTAGE	MEAL 4/04/19		001-2200-421.23-06	PSF TRAINING MEAL 4/04/19	83.82
			3405231124	029099	761-3100-480.36-00	BOX FILE/GEL PENS	12.00
			3405480057	029099	761-3100-480.36-00	ROLL 82MM RECYCLED	340.96
			3405995625	029099	761-3100-480.36-00	ANTI-GLARE STANDUP HOLDER	87.91
			3407928432	029099	001-4500-412.36-00	COFFEE/CUPS	16.15
168720	4/4/2019	STERLING TALENT SOLUTIONS	7711303	029115	001-1300-412.33-11	BACKGROUND FEES FOR FEB ORG INVOICE DATE 2/28/19	310.82
168721	4/4/2019	SUPERION	227777	029306	761-3100-480.23-52	JAN 2019 TRANS MGR	242.15
168722	4/4/2019	TELEPACIFIC COMMUNICATIONS	229687	029306	761-3100-480.23-52	FEB 2019 TRANS MGR	268.06
168723	4/4/2019	TIME WARNER CABLE	114469763-0		001-2200-421.26-05	PD PHONE SERVICES MAR 16, 2019 - APR 15, 2019	249.95
			CITY HALL 4/19		001-4500-412.26-05	CENTRAL SERVICES PHONE SR MAR 16, 2019 - APR 15, 2019	661.64
			COMM CTR 4/19		001-2060-446.26-09	99 F RAMSEY ST MAR 25, 2019 - APR 24, 2019	2,277.25
			CORP YARD 4/19		001-2060-446.26-09	789 N SAN GORGONIO AVE APR 1, 2019 - APR 30, 2019	115.19
			FIRE ADM 4/19		670-7000-473.26-07	176 E LINCOLN ST - FIBER MAR 25, 2019 - APR 24, 2019	20.74
			F589 4/19		001-2400-422.26-09	3900 W WILSON ST APR 1, 2019 - APR 30, 2019	823.84
			SR CTR 4/19		001-2400-422.26-09	172 N MURRAY ST APR 1, 2019 - APR 30, 2019	5.30
168724	4/4/2019	TOTAL-WESTERN, INC	185-008-1	029370	001-2060-446.26-09	769 N SAN GORGONIO AVE APR 1, 2019 - APR 30, 2019	37.45
168725	4/4/2019	TRAPANI, SHARON	OCT 18 - MAR 19		680-8000-454.30-04	ANNUAL BOILER MAINTENANCE	20.74
168726	4/4/2019	ULINE	105767393	029357	001-3600-461.25-02	ENERGY ASSISTANCE PROGRAM REBATE OCT 2018 - MAR 2019	3,200.00
			106664278	029419	670-7000-473.45-16	PARKS SUPPLIES ORG INVOICE DATE 2/11/19	106.37
			0119-008		005-1210-412.33-11	9' RED ID TIES	136.37
168727	4/4/2019	URBAN FUTURES INCORPORATED	FEBRUARY 2019		690-9600-453.23-10	ROA WIND DOWN SERVICES ROPS RESEARCH JAN 2019	675.00
168728	4/4/2019	WASTE MANAGEMENT OF THE	TM 6336 MAR19		670-7000-473.23-05	REFUSE FOR FEBRUARY 2019	0.00
168729	4/4/2019	WELLS FARGO CARD SERVICES INC			670-7000-473.42-50	REGISTRATION - TOM MILLER CMUA 4/08 - 4/09 SAN FRAN	430.00
						CONSUELO'S MEXICAN FOOD SAFETY MEETING REFRESHMNT	168.27
						SMART & FINAL MEETING SUPPLIES - DRINKS	37.00
						SUPER SUBS+ ORAL LUNCH WATER SERVICE WORKER INT	26.47
168730	4/4/2019	WELLS FARGO CARD SERVICES INC	TJ 2930 MAR19		001-1300-412.41-16	THE HAVEN - ORAL BOARD LUNCH UTILITY BILLING INTERVIEW	53.03
						SUPER SUBS+ ORAL BOARD LUNCH MOTOR SWEEPER OPERATOR	27.97
						CA ASSOC PROCUMINT PROF TISHA JACOBS- MEMBERSHIP	130.00
						HILTON HOTELS - CAPE 2019 SEMINAR / ALISON CUNNING	130.00
						BEST WESTERN - LONG BEACH 2019 PLANNING COMM ACDAMY	964.45
						BEST WESTERN - LONG BEACH BROSIUS 2019 PLAN ACDMY	451.02
						BEST WESTERN - LONG BEACH BROSIUS PARKING	150.34
						BEST WESTERN - LONG BEACH COMMISSIONER SHAW PARKING	10.00
						BEST WESTERN - LONG BEACH PRICE 2019 PLAN ACADEMY	30.00
168731	4/4/2019	WELLS FARGO CARD SERVICES INC	DS 6378 MAR19		001-0000-201.10-00	SALES TAX CITY CLERK'S SEAL	310.68
						SALES TAX NAME TAGS	(5.11)
						MARRIOTT - IRVINE LOCC ACADEMY IRVINE REFND	(7.51)
						MORONGO GOLF CLUB MAYOR/CITY MANAGER'S BRFS	(210.49)
						CONSUELO'S HOMESTYLE MEXI STRATEGIC PLANNING MTG	42.05
						DOMINO'S PIZZA CITY COUNCIL MEALS - 2/26	156.13
						SMART & FINAL STRATEGIC PLANNING MTG	30.03
						THE HAVEN CITY COUNCIL MTG FOOD	179.03
						THE JELLY DONUT STRATEGIC PLANNING MTG	67.76
						CONSTANT CONTACT WEEKLY MANAGER REPORT	21.90
						EXPEDIA - D SCHULZE/FLIGHT ICMA WEST COAST SUMMIT	20.00
						MAYA WILLIAMS - ICMA DINN DOUG SCHULZE	758.10
							41.50

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168731	4/4/2019	WELLS FARGO CARD SERVICES INC	DS 6378 MAR19		001-1200-412.23-05	MORONGO GOLF CLUB MAYOR/CITY MANAGER'S BRST	42.04
						SPRINGHILL SUITES - LOCC CITY MANAGER CONF SAN DIE	583.60
					001-1200-412.36-00	NAMETAG COUNTRY NAME TAGS	110.99
					001-1200-412.89-46	WAYFAIR FILING CABINET-CITY MNGR	366.34
					001-1300-412.41-15	SUPER SUBS+ WELLNESS LUNCH & LEARN	86.17
					001-1300-412.41-16	CA PARK & REC SOCIETY POOL MNGR RECRUITMENT AD	100.00
					001-1400-412.36-00	GETSTAMPS.COM CITY CLERK'S SEAL	71.06
168732	4/4/2019	WESCO DISTRIBUTION, INC	117707	029412	670-7000-473.45-16	AERIAL TOOL APRON	433.45
			117708	029412	670-7000-473.45-16	KLEIN SCR-DRVR	79.20
168733	4/4/2019	WILLDAN FINANCIAL SERVICES	010-40855		375-4900-431.33-11	2004-1 FAIR OAKS DISCLRE IMPROVEMENT DISTRICT	950.00
			010-40967		375-4900-431.33-19	FAIR OAKS RANCH AD#2004-1 APRIL 2019 - JUNE 2019	771.00
168734	4/4/2019	WASTE MANAGEMENT OF THE	FEBRUARY 2019		690-9600-356.38-95	21% FRANCHISE FEE FEBRUARY 2019	(63,178.56)
			SEP 18 - FEB 19		690-9600-453.23-10	REFUSE FOR FEBRUARY 2019	300,850.30
168735	4/11/2019	ABBOTT, CELIA	109953		702-3800-480.30-05	ENERGY ASSISTANCE PROGRAM REBATE SEP 2018 - FEB 2019	155.49
168736	4/11/2019	ACE	1790	029074	702-3800-480.30-05	TRANSIT- THERMO KING ALTE	314.28
168737	4/11/2019	ALL STAR ELITE SPORTS		029428	001-5400-446.41-60	DISASTER EXPO SHIRTS	200.02
168738	4/11/2019	AMAZON CAPITAL SERVICES	111-1-GRGH-HKWM		001-0000-201.10-00	SALES TAX	345.15
				029100	001-3200-412.30-02	LITERATURE WALL DISPLAY R	161.63
					690-9600-453.41-46	LITERATURE WALL DISPLAY R	
			17MK-XUTQ-TJVP		001-0000-201.10-00	SALES TAX	(8.29)
				029100	001-1200-412.89-46	COMPUTER DESK	115.19
			1KQY-JRQX-7VQH	029100	001-1200-412.36-00	CALENDAR/STAMP	43.57
			1MFT-9KX9-P1WT	029100	001-1900-412.89-48	COMPUTERS,DP & WORD PROC.	46.33
168739	4/11/2019	AMERICAN PUBLIC POWER ASSN	327326		670-7000-473.23-06	ORDER #327326 YOUNG-ROCKWELL-CRAGHEAD	7,840.00
168740	4/11/2019	ARTISTIC MAINTENANCE, INC.	0167013-IN	029190	111-4900-432.23-29	LMD LANDSCAPE MAINTENANCE	5,258.75
168741	4/11/2019	ASBURY ENVIRONMENTAL SERVICES DBA	1500-00424977	029054	702-3800-480.23-49	USED OIL SERVICE	35.00
168742	4/11/2019	ATWORK FRANCHISE, INC	071885		702-3800-480.23-27	PERKINS E W/E 3/17/19	384.30
			072609		702-3800-480.23-27	PERKINS E W/E 3/24/19	384.30
168743	4/11/2019	AVILA, SOL	REIMB 4/2/19		001-2200-421.23-05	PARKING FOR GRAND JURY	3.75
					001-2200-421.36-07	REFHMTS ARCOPS MEETING	35.10
						REFHMTS CHIEF'S OATH CER	52.51
168744	4/11/2019	AVILA, VINCENT	REIMB 4/2/19			REFRESHMENTS STAFF MTG	74.87
					001-2200-421.36-07	COFFEE FOR STAFF MEETING	33.90
168745	4/11/2019	BABCOCK LABORATORIES, INC	BC90628-0030	029259	660-6300-471.23-32	DONUTS FOR ARCOPS	10.99
			BC90716-0030	029259	660-6300-471.23-32	525-SOC'S	560.00
			BC91952-0030	029259	660-6300-471.23-32	DIQUAT,ASBESTOS,DIOXINS	1,806.00
			BC91957-0030	029259	660-6300-471.23-32	COULIFORMS P/A BY MIMO/MUG	165.00
			BC91958-0030	029259	660-6300-471.23-32	GENERAL PHYSICAL ANALYSIS	54.00
168746	4/11/2019	BEAUMONT DO IT BEST HOME CENTER	468950	029051	101-4900-431.93-16	TOTAL DISSOLVED SOLIDS	20.00
			469823	029051	001-4900-431.93-16	PROJECT 2017-16 PAINT	27.97
			470162	029051	001-3600-461.36-00	PARKS SUPPLIES	3.66
			470248	029051	001-3600-461.36-00	PARKS SUPPLIES	16.46
			470393	029051	001-4000-461.36-00	PARKS SUPPLIES	10.55
			470449	029051	610-5800-434.36-00	SOCCER MARKING PAINT	62.94
			470523	029051	001-4000-461.36-00	TRANIST ROPE	7.53
			470595	029051	001-3600-461.36-00	ITEMS FOR DISASTER EVENT	48.85
168747	4/11/2019	BEAUMONT SAFE & LOCK	71333	029066	001-2200-421.36-00	PARKS SUPPLIES	37.67
168748	4/11/2019	CA. ST. DEPT. OF CONSERVATION	2019 QTR 1		001-2700-442.41-28	(4) RANGE KEYS	6.47
168749	4/11/2019	CABALLERO, DANIEL	EYEWEAR 2019		001-3600-461.25-10	SMIP FEES - 1ST QTR 2019 JAN 2019 - MAR 2019	60.51
168750	4/11/2019	CALDERON, SANDRA B	MILEAGE 3/29/19		001-2800-441.25-05	EYEWEAR REIMB PER MOU GENERAL UNIT	157.00
168751	4/11/2019	CALIF BUILDING STANDARDS COMMISSION	2019 QTR 1		001-0000-223.25-00	DELIVERY OF PC PACKETS	11.60
168752	4/11/2019	CALIFORNIA RURAL WATER ASSOCIATION	P GERDES 2019		660-6300-471.23-03	CA BLDG STD FEES 2019 1ST QUARTER	198.00
168753	4/11/2019	CATEGORY FIVE TECH INC	99898		001-0000-201.10-00	PERRY GERDES MEMBERSHIP APRIL 2019-APRIL 2020	1,302.00
						SALES TAX	(44.95)
				029434	001-3600-461.36-00	PKS VALVE REPAIR KITS	624.95
168754	4/11/2019	CDW GOVERNMENT, INC	RQW1029	029175	001-1900-412.89-48	DESKTOP SCANNER-AP	771.14
168755	4/11/2019	CREATIVE BUS SALES INC	5167598	029264	702-3800-480.38-52	GUIDE BLOCK	233.60
			5168296	029264	702-3800-480.38-52	#241 MIRROR HEAD	453.79

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168756	4/11/2019	CUSTOM TROPHIES & U-NEEK AWARDS	000107	025047	001-4000-461.36-00	ID PLATES	56.03
168757	4/11/2019	DECALS BY DESIGN, INC	000110	029047	001-1300-412.41-15	SERVICE PINS	134.68
168758	4/11/2019	DIAMOND ENVIRONMENTAL SERVICES	13397	029387	702-3800-480.38-52	DECALS FOR TROLLEY	111.63
168759	4/11/2019	DIVISION OF THE STATE ARCHITECT	0001895108	029351	001-5400-446.41-60	EVENT RESTROOMS	387.80
168760	4/11/2019	FALTO, CONSTANCE	2019 QTR 1		001-0000-223.26-00	AB 1379 FEES 1ST QTR JAN 1 2019 - MAR 31 2019	191.20
168761	4/11/2019	FLOYD SR, ERNEST	OCT 18 - MAR 19		675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM REBATE OCT 2018-MAR 2019	105.37
168762	4/11/2019	FOX OCCUPATIONAL MEDICAL CENTER	REIMB 4/1/19		660-6300-471.41-04	GRADE 4 TEST & CERT FEES EXAM DATE 3/17/18	235.00
168763	4/11/2019	FRONTIER COMMUNICATIONS	104706		001-1300-412.33-32	PRE-EMPLOYMENT EXAMS MARCH 2019	210.00
168764	4/11/2019	G & G ENVIRONMENTAL COMPLIANCE, INC	2090560495APR19	029182	001-4500-412.26-05	209-056-0495 MAR 29 2019-APR 27 2019	920.69
			BANNING-0319		660-6300-471.23-37	NPDES/WASTE INSPECTIONS	563.00
			19499362408MR		680-8000-454.23-37	NPDES/WASTE INSPECTIONS	1,276.20
168765	4/11/2019	GAS COMPANY, THE	19		001-3600-461.26-06	176 E LINCOLN ST FEB 25 2019 - MAR 26 2019	93.76
					100-4900-431.26-06	176 E LINCOLN ST FEB 25 2019 - MAR 26 2019	93.76
					660-6300-471.26-06	176 E LINCOLN ST FEB 25 2019 - MAR 26 2019	187.53
					670-7000-473.26-06	176 E LINCOLN ST FEB 25 2019 - MAR 26 2019	187.53
168766	4/11/2019	GATES, TRAVIS	REIMB 11/21/18		702-3800-480.26-06	176 E LINCOLN ST FEB 25 2019 - MAR 26 2019	187.53
168767	4/11/2019	GRAINGER	9109349648		660-6300-471.23-03	CWFA MEMBERSHIP DUES	188.00
			9112138954	029057	702-3800-480.36-00	PADLOCKS & CHEMICAL DISP	132.44
			9114744601	029057	702-3800-480.36-00	FOAMING DETERGENT	115.99
168768	4/11/2019	HAZEN AND SAWYER	20062-001-05	029243	561-6300-471.90-78	METERING TIP	10.36
					661-6300-471.95-08	PROJECT 2018-02W	49.15
168769	4/11/2019	HOPKINS, VICKI	JUL 18 - DEC 18		675-7020-473.42-36	PROJECT 2018-02W	170.85
168770	4/11/2019	IBEW LOCAL 47 RETIREE MEDICAL TRUST	20190412		001-0000-204.80-10	ENERGY ASSISTANCE PROGRAM REBATE JUL 2018-DEC 2018	171.55
168771	4/11/2019	ICMA RETIREMENT TRUST 457	20190412		001-0000-204.16-00	PAYROLL SUMMARY	2,152.93
168772	4/11/2019	INFOSEND, INC	150636	029383	690-9600-453.41-46	PAYROLL SUMMARY	995.69
			151247	029383	690-9600-453.41-46	BULKY ITEM FLYER	961.67
168773	4/11/2019	INNOVATIVE EMERGENCY EQUIPMENT	26467	029246	702-3800-480.30-05	BULKY ITEM FLYER	156.67
168774	4/11/2019	KUSTOM SIGNALS, INC	559913	029359	001-2200-421.30-05	#18 IDLE REPAIR	32.50
168775	4/11/2019	LIBTEL ASSOCIATES	220391		001-0000-201.10-00	UNIT REPAIR	237.16
					001-2200-421.30-06	SALES TAX	(251.14)
			220421	029358	001-0000-201.10-00	(20) DISPATCH HEADSETS	3,491.54
168776	4/11/2019	LITHOPASS PRINTING, FORMS,	3294	029358	001-2200-421.30-06	SALES TAX - HEADPHONES	(67.58)
168777	4/11/2019	LOS ANGELES TRUCK CENTERS DBA	XA240268957:01	029320	610-5800-434.23-02	(10) DISPATCH HEAD SETS	939.58
168778	4/11/2019	MERCHANTS BUILDING MAINTENANCE, LLC	525080	029073	702-3800-480.38-52	TRANSIT FARE BOX RCPT	524.23
			525081	029189	001-3200-412.33-18	SET TETHER	47.51
			525082	029189	001-2200-421.33-18	CITY HALL - CUSTODIAL SERV	1,869.42
			525083	029189	001-3200-412.33-18	POLICE DEPARTMENT - CUSTO	2,438.61
			525084	029189	001-3200-412.33-18	CITY YARD - CUSTODIAL SE	437.89
			525085	029189	001-3200-412.33-18	WATER SHOP - CUSTODIAL SE	289.15
			347561	029109	001-3200-412.33-18	FLEET SHOP - CUSTODIAL SE	139.92
168779	4/11/2019	MITSUBISHI ELECTRIC & ELECTRONICS	20190412		001-3200-412.33-18	CORPORATE YARD - CUSTODIAL	386.09
168780	4/11/2019	NATIONWIDE RETIREMENT SOLUTIONS	APPA 4/2019		001-3200-412.30-02	PD ELEVATOR MAINTENANCE	303.80
168781	4/11/2019	OMAHA MARRIOTT DOWNTOWN			001-0000-204.16-00	PAYROLL SUMMARY	5,536.15
					670-7000-473.23-06	CONF # 96953820 C YOUNG	1,002.69
						CONF # 96956516 CRAGHEAD	1,002.69
168782	4/11/2019	PACKHAM & TOOMEY, INC	022219A	029398	702-3800-480.30-06	CONF # 96959486 ROCKWELL	1,450.00
168783	4/11/2019	PARS	032819	028915	702-3800-480.30-06	UDC REPAIRS AT YARD	125.00
168784	4/11/2019	PAYPRO ADMINISTRATORS	20190412		001-0000-204.25-00	MONTHLY VST INSPECTION	496.83
			50228		001-1300-412.33-11	PAYROLL SUMMARY	182.00
			50552		001-1300-412.33-11	FEBRUARY COBRA ADMIN	110.00
168785	4/11/2019	PHILLIPS, TAMMI	REIMB 3/28/19		001-1300-412.33-11	DEC COBRA ADMINISTRATION	8.00
168786	4/11/2019	PRUDENTIAL OVERALL SUPPLY	22700318	029184	001-3000-442.23-05	PARKING REIMBURSEMENT PREVAILING WAGE SEMINAR	12.30
			22770351	029184	001-3600-461.25-02	PARKS UNIFORM SERVICE ORG INVOICE DATE 11/06/18	10.36
					702-3800-480.23-16	FLEET UNIFORMS & TOWELS	17.90
					702-3800-480.25-02	FLEET UNIFORMS & TOWELS	10.36
			22774071	029184	702-3800-480.23-16	FLEET UNIFORMS & TOWELS	17.90
					702-3800-480.25-02	FLEET UNIFORMS & TOWELS	17.90

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168786	4/11/2019	PRUDENTIAL OVERALL SUPPLY	22777610	029184	660-6300-471.25-02	UNIFORMS - WATER	57.10
			22777611	029184	680-8000-454.25-02	UNIFORMS - WASTEWATER	15.00
			22777612	029184	610-5800-434.23-16	TRANSIT UNIFORM SERVICE	20.75
					610-5800-434.25-02	TRANSIT UNIFORM SERVICE	56.32
					610-5850-434.25-02	TRANSIT UNIFORM SERVICE	3.89
					100-4900-431.25-02	STREET UNIFORMS	25.50
					001-3600-461.25-02	PARKS UNIFORM SERVICE	12.30
					001-3200-412.25-02	BUILDING MAIN. UNIFORMS	6.03
					761-3110-480.25-02	FIELD SERVICE UNIFORMS	33.92
					702-3800-480.38-52	#839 INSULATOR ASY	83.17
					702-3800-480.38-52	#201 BEARING LOCK	8.06
					675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM REBATE JUL 2018 - DEC 2018	76.37
					001-1300-412.25-09	TUITION REIMBURSEMENT PER GENERAL UNIT MOU	569.12
					702-3800-480.38-52	CITY LOGO DECALS	161.63
					001-3600-461.23-29	LANSCAPE PARKS	5,854.00
					001-2800-441.23-06	MEALS PLANNING COMM ACADEMY	58.63
						MEALS PLANNING COMM ACADEMY	118.34
						MILEAGE PLANNING COMM ACADEMY	45.00
						TRIM PALM TREES ON 40TH,	14,499.00
						OFFICE SUPPLIES FOR PURCH	32.22
						OFFICE SUPPLIES-ASD	71.58
						OFFICE SUPPLIES-ASD	8.13
						TRAVIS GATES-GRADE 4 DRINKING WATER CERT RENEWAL	60.00
						#619 LOADER TOWING	450.00
						EYEWEAR REIMBURSEMENT PER GENERAL UNIT MOU	300.00
						PARKING PREVAILING WAGE SEMINAR	17.00
						MONTHLY O&M FEE	62,182.00
						USEM MOTOR	4,765.78
						LTD-STD INSURANCE PREMIUM APRIL 2019	4,765.78
						LIFE INSURANCE PREMIUMS APRIL 2019	6,954.69
						DENTAL INSURANCE PREMIUMS APRIL 2019	4,282.37
						ASSEMBLY, TRANSMITTER	9,121.45
						REFRESHMENTS DIVISION STAFF MEETING	3,557.27
						CITY MANAGER CELL JAN 2 2019 - FEB 1 2019	36.47
						HUMAN RESOURCES CELLS JAN 2 2019 - FEB 1 2019	280.38
						FINANCE CELL PHONE JAN 2 2019 - FEB 1 2019	27.42
						POLICE CELLS JAN 2 2019 - FEB 1 2019	27.42
						DISPATCH CELLS JAN 2 2019 - FEB 1 2019	877.84
						CODE ENFORCEMENT CELLS JAN 2 2019 - FEB 1 2019	27.42
						PLANNING DEPT CELL JAN 2 2019 - FEB 1 2019	52.26
						ENGINEERING CELLS JAN 2 2019 - FEB 1 2019	48.07
						BUILDING MAINT CELLS JAN 2 2019 - FEB 1 2019	77.45
						COMMUNITY SRVCS CELLS JAN 2 2019 - FEB 1 2019	28.37
						STREET CELLS JAN 2 2019 - FEB 1 2019	259.29
						TRANSIT CELLS JAN 2 2019 - FEB 1 2019	118.30
						DIAL A RIDE CELLS JAN 2 2019 - FEB 1 2019	129.49
						WATER DEPT CELL JAN 2 2019 - FEB 1 2019	34.71
						ELECTRIC DEPT CELLS JAN 2 2019 - FEB 1 2019	319.36
						WASTEWATER DEPT CELL JAN 2 2019 - FEB 1 2019	919.68
						FLEET CELLS JAN 2 2019 - FEB 1 2019	44.12
						INFORMATION SRVCS CELLS JAN 2 2019 - FEB 1 2019	80.74
						METER SERVICES CELLS JAN 2 2019 - FEB 1 2019	135.81
						UN1956 ARGON GAS	530.53
						TUMF PAYMENT-PRMIT 18-570 4291 EVERGREEN LN	39.30
						MSHCP RESIDENTIAL PERMIT # 18-570	8,873.00
						PEST CONTROL PARKS	2,104.00
						EMERGENCY RENTAL PUMP	795.00
						MAINTENANCE TUNE UP	4,136.52
							89.47

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168810	4/18/2019	AL'S KUBOTA TRACTOR	145814	029082	100-4900-431.30-06	MAINTENANCE TUNE UP	146.78
			145815	029082	100-4900-431.30-06	MAINTENANCE TUNE UP	91.93
			145816	029082	100-4900-431.30-06	MAINTENANCE TUNE UP	20.00
168811	4/18/2019	ALL WEATHER, INC	65902	029139	600-5100-435.30-06	AWOS MAINTENANCE	2,250.00
168812	4/18/2019	AMAZON CAPITAL SERVICES	11TR-RP6Q-QWXC	029100	670-7000-473.36-00	3 DRAWER FILE CABINET	90.50
			16CD-JFKR-44V4		001-0000-201.10-00	SALES TAX	(10.88)
168813	4/18/2019	ANDRADE, DANIELA	MILEAGE 4/10/19	029100	670-7000-473.36-00	TAB INDEX DIVIDERS	151.16
168814	4/18/2019	ANIXTER, INC	4036287-03		001-1000-411.23-05	MILEAGE REIMBURSEMENT RIV SHERIFFS AWARDS	36.42
			4128048-02		670-0000-131.00-00	ELBOW HOUSING FUSED PO NUM 029177	630.51
			4196784-00		670-0000-131.00-00	INSU POST TIE TOP POLY PO NUM 029177	5,005.20
168815	4/18/2019	ARROW STAFFING SERVICE	107015		001-1900-412.23-27	BRACKETS & YELLOW ELEC TA PO NUM 029177	4,106.57
168816	4/18/2019	ARTISTIC MAINTENANCE, INC.	0167014-IN	029118	001-2200-421.23-29	CARROLL, GARY W/E 3/30	1,222.00
					001-3200-412.23-29	CITY PROPERTY LANDSCAPE M	590.00
					001-4000-461.23-29	CITY PROPERTY LANDSCAPE M	700.00
					001-4010-461.23-29	CITY PROPERTY LANDSCAPE M	213.90
					001-4050-461.23-29	CITY PROPERTY LANDSCAPE M	208.32
					100-4900-431.23-29	CITY PROPERTY LANDSCAPE M	213.94
					610-5800-434.23-29	CITY PROPERTY LANDSCAPE M	1,500.00
168817	4/18/2019	ASBURY ENVIRONMENTAL SERVICES DBA	1500-00427682	029054	702-3800-480.23-49	CITY PROPERTY LANDSCAPE M	213.84
168818	4/18/2019	AT&T CALINET 2	000011990890		001-2200-421.26-05	ALKALINE BATTERY DISPOSAL	897.00
168819	4/18/2019	ATWORK FRANCHISE, INC	073909		001-1910-412.23-27	BAN # 9391063769 SEP 1, 2018 - SEP 31, 2018	655.56
			073910		702-3800-480.23-27	STEINER, CHANDRA W/E 4/07	1,115.71
			074538		001-1910-412.23-27	PERKINS E W/E 4/7/19	371.90
168820	4/18/2019	AVILA, DELIA	000096829		001-0000-218.22-22	STEINER, CHANDRA W/E 4/14 PURCHASING	223.14
168821	4/18/2019	BABCOCK LABORATORIES, INC	BC90708-0030	029259	660-6300-471.23-32	UB CR REFUND-FINALS 000019762	146.32
			BC91920-0030	029259	680-8000-454.23-32	DIQUAT ASBESTOS, DIOXINS	1,806.00
			BC92187-0030	029259	680-8000-454.23-32	AMMONIA, SOLIDS, NITROGEN	243.00
			BC92403-0030	029259	680-8000-454.23-32	AMMONIA, SOLIDS, NITROGEN	243.00
			BC92407-0030	029259	680-8000-454.23-32	VARIOUS CHEMICALS	727.00
			BC92479-0030	029259	660-6300-471.23-32	AMMONIA, SOLIDS, NITROGEN	243.00
			BC92502-0030	029259	680-8000-454.23-32	COLIFORMS P/A BY MMO/MUG	165.00
			BC92536-0030	029259	660-6300-471.23-32	TOTAL DISSOLVED SOLIDS	20.00
			BC92638-0030	029259	680-8000-454.23-32	GENERAL PHYSICAL ANALYSIS	243.00
168822	4/18/2019	BBVA COMPASS	0000018-APR19		300-6800-467.61-17	AMMONIA, SOLIDS, NITROGEN	243.00
			469436	029051	300-6800-467.62-17	PRINCIPAL PAYMENT 99 E RAMSEY ST LOAN	202,418.93
168823	4/18/2019	BEAUMONT DO IT BEST HOME CENTER	469473	029051	702-3800-480.38-52	INTEREST PAYMENT 99 E RAMSEY ST LOAN	15,539.67
			469755	029051	702-3800-480.38-52	#623 NIPPLE & BUSHING HEX	9.23
			469968	029051	702-3800-480.38-52	#223 B & W SCREWS	2.22
			470267	029051	702-3800-480.38-52	#243 UTILITY LOCK & CUT-O	21.04
			470410	029051	702-3800-480.38-52	HOSE MENDER, REPAIR, SHUT	25.40
			470660	029051	702-3800-480.38-52	#243 SCREWS & D/F	17.26
			470770	029051	001-4000-461.36-00	#17 TRS SDS	8.07
168824	4/18/2019	BENDER, BEVERLY	OCT 18 - MAR 19	029051	675-7020-473.42-36	CCTR SUPPLIES	22.92
168825	4/18/2019	BENNETT, MICHAEL	19-724		001-3600-461.36-00	PARKS SUPPLIES	12.92
					675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM REBATE OCT 2018 - MAR 2019	80.52
					001-2200-421.41-20	CASE 19-724	2,000.00
168826	4/18/2019	BT SUPPLIES WEST	B24568	029126	001-3200-412.36-03	CASE 19-724	(2,000.00)
168827	4/18/2019	BURNETT & ERIC	000064785		001-0000-218.22-22	JANITORIAL SUPPLIES	1,163.80
168828	4/18/2019	CA. ST. BOARD OF EQUAL - FUEL	2019-QTR 1		702-3800-480.41-04	UB CR REFUND-FINALS 000014406	267.63
168829	4/18/2019	CALIFORNIA DEPT OF TAX AND FEE ADMIN	2019 QTR 1		670-7010-473.27-08	UNGROUND TANK FEE QTR 1 JAN 2019-MAR 2019	480.38
			YOUNGBLOOD			QUARTERLY ENERGY TAXES JAN 2019 - MAR 2019	9,058.63
168830	4/18/2019	CALIFORNIA LAW ENFORCEMENT ASSOC	4/09		001-2200-421.23-06	CHELSE YOUNGBLOOD DMV CLETS - BEGINNER 4/09	25.00
168831	4/18/2019	CALIFORNIA, STATE OF	367677		001-1300-412.33-11	MARCH 2019 LIVE SCAN FEE	196.00
168832	4/18/2019	CALOLYMPIC GLOVE & SAFETY CO, INC	377073	029431	670-7000-473.25-02	RAIN GEAR	2,670.96
168833	4/18/2019	CARRILLO, ASUCENA L	000091969		001-0000-218.22-22	UB CR REFUND-FINALS 000018338	81.35
168834	4/18/2019	COLDWELL BANKER BLACKSTONE	000096635		001-0000-218.22-22	UB CR REFUND-FINALS 000021136	16.54
168835	4/18/2019	COLLINS, ELIZABETH	SEP 18 - FEB 19		675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM REBATE SEP 2018 - FEB 2019	90.57

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168836	4/18/2019	COLOR BLAZE SUPPLY, LLC	5512930		001-0000-201.10-00	SALES TAX	(26.35)
168837	4/18/2019	CONSOLIDATED ELECTRICAL	0954-468209	029453	200-9100-446.42-82	SCHOOL & HIGHER EDUC.	366.35
168838	4/18/2019	CORDERO, YOLANDA	000097513	029085	001-3200-412.30-02	HP1527 277V	279.29
168839	4/18/2019	COUNSELING TEAM INTERNATIONAL, THE	71949		001-0000-218.22-22	UB CR REFUND-FINALS 000000908	68.41
168840	4/18/2019	DANGELO CO	S1362963.001		700-5040-480.23-07	EMPLOYEE SUPPORT SVCS MARCH 2019	700.00
168841	4/18/2019	DAVIS, JOSEPH	OCT 18 - MAR 19		660-0000-131.00-00	COUPLING, GASKET, FLANGE PO NUM 029095	517.77
168842	4/18/2019	DIAZ, RICHARD D	MEALS 8/20-8/24		675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM REBATE OCT 2018 -MAR 2019	124.94
168843	4/18/2019	DOLLAR TREE STORES	78679-9922'19		670-7000-473.23-06	MEALS 08/20/18-08/24/18 WEI NEWS - RE-ISSUE	34.00
168844	4/18/2019	FAST LUBE & TUNE	51082	029146	675-7020-473.42-58	REBATE ENERGY EFFICIENCY LIGHTING - COMMERCIAL	2,359.00
168845	4/18/2019	FLEET SERVICES INC	05P25120	029053	702-3800-480.38-52	#604 OIL CHANGE & TRANSIM	248.77
			05P25354	029053	702-3800-480.38-52	#012 WIPER MOTOR	163.78
			55361-104707		702-3800-480.38-52	#303 SIGNAL BAR	561.44
168846	4/18/2019	FOX OCCUPATIONAL MEDICAL CENTER			100-4900-431.33-32	DOT EXAM T LIVINGSTON	40.00
					660-6300-471.33-32	DOT EXAM M HAHN	40.00
168847	4/18/2019	FRONTIER COMMUNICATIONS	9518496777APR19		001-2200-421.26-05	951-849-6777 APR 1,2019 - APR 30,2019	108.87
168848	4/18/2019	GARCIA & FELICITY	000097071		001-0000-218.22-22	UB CR REFUND-FINALS 000011578	25.48
168849	4/18/2019	GARCIA, JOSE & IRMA	000094485		001-0000-218.22-22	UB CR REFUND-FINALS 000019346	20.64
168850	4/18/2019	GAS COMPANY, THE	13392459007MR				
			19		600-5100-435.26-06	408 S HATHAWAY ST FEB 22,2019 - MAR 25,2019	41.72
168851	4/18/2019	GILL, CAROL	000079403		001-0000-218.22-22	UB CR REFUND-FINALS 000027032	52.55
168852	4/18/2019	GRECH, PAUL	000088877		001-0000-218.22-22	UB CR REFUND-FINALS 000020094	119.10
168853	4/18/2019	GUST, EARL	43419-23864/19		675-7020-473.42-35	RESIDENTIAL CENTRAL A/C SPLIT SYSTEM REBATE	2,500.00
168854	4/18/2019	HONG, JUSTIN	000098235	029354	001-0000-218.22-22	UB CR REFUND-FINALS 000014204	90.95
168855	4/18/2019	INNOVATIVE FEDERAL STRATEGIES	032019		001-1000-411.33-11	FEDERAL LOBBYING SERVICES	1,400.00
					660-6300-471.33-11	FEDERAL LOBBYING SERVICES	1,400.00
					670-7010-473.33-11	FEDERAL LOBBYING SERVICES	350.00
					680-9000-454.33-11	FEDERAL LOBBYING SERVICES	350.00
					703-3700-480.38-11	OFFSITE MEDIA STORAGE	220.81
					001-0000-218.22-22	PD UNIT #46 REPAIRS	34.92
					702-3800-480.38-05	WATER DIST OPERATOR D3 CERT FEE	1,809.01
					001-1300-412.25-09	UB CR REFUND-FINALS 000003540	90.00
					001-0000-218.22-22	UB CR REFUND-FINALS 000018600	5.82
					001-0000-218.22-22	UB CR REFUND-FINALS 000015044	44.64
					670-7000-473.23-05	CAIF MUNICIPAL UTILITIES SAN DIEGO, CA 3/31- 4/02	31.00
					675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM REBATE MAY 2018 -OCT 2018	156.78
					675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM REBATE MAY 2018 -OCT 2018	189.95
					001-0000-218.22-22	UB CR REFUND-FINALS 000018470	60.43
					675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM REBATE OCT 2018 -MAR 2019	132.32
					702-3800-480.38-52	SPRAY AEROSOL	15.06
					702-3800-480.38-52	IGNITION COIL & COIL WIRE	57.75
					702-3800-480.38-52	CREDIT- COIL WIRE & OZILUM	(25.84)
					702-3800-480.38-52	CREDIT- MICRO V-BELT	(35.62)
					702-3800-480.38-52	WHK SEAL	50.66
					702-3800-480.38-52	VALVE CORES	8.90
					702-3800-480.38-52	CREDIT- VALVE CORE	(60.56)
					702-3800-480.38-52	CREDIT- SPARK PLUG	(30.95)
					702-3800-480.38-52	CREDIT- MASTER CYLINDER	(39.56)
					702-3800-480.38-52	CREDIT- PRORATED BATTERY	(113.80)
					702-3800-480.38-52	CABIN FILTER	13.40
					702-3800-480.38-52	TPMS REPAIR	209.04
					702-3800-480.38-52	STEERING WHEEL COVER	7.54
					702-3800-480.38-52	CREDIT- FILTER KIT	(23.04)
					702-3800-480.38-52	CREDIT- PRORATED BATTERY	(164.48)
					702-3800-480.38-52	CREDIT- DIST ROTOR	(14.35)
					702-3800-480.38-52	CREDIT- CYL HEAD	(215.50)
					702-3800-480.38-52	CREDIT- V-BELT	(12.33)
					702-3800-480.38-52	CREDIT- PRIMER BULB	(10.21)
					702-3800-480.38-52	AIR FILTER	24.89

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168867	4/18/2019	O'REILLY AUTO PARTS	2678-164365	029321	702-3800-480.30-17	SCANNER	648.88
			2678-165342	029321	702-3800-480.38-52	CREDIT- FLASHER	(24.39)
			2678-169200	029321	702-3800-480.38-52	CREDIT- OIL FILTERS	(1.25)
			2678-170368	029321	702-3800-480.38-52	POWER OUTLET	15.06
			2678-177274	029321	702-3800-480.30-02	UPS REMOTE	35.32
			2678-177509	029153	702-3800-480.38-52	#201 RUBBER, #812 & #863	73.24
			2678-177539	029153	702-3800-480.38-52	TRIANGLE KIT & WARNING LI	489.11
			2678-178474	029153	702-3800-480.38-52	#5 TPMS SENSOR	48.37
			2678-178536	029153	702-3800-480.38-52	#5 TPMS SENSOR	52.36
			2678-178628	029153	702-3800-480.38-52	#5 TPMS SENSOR	15.06
			2678-179090	029321	702-3800-480.36-00	SHOP- WELD STICK	68.35
			2678-180020	029153	702-3800-480.38-52	#812 BATTERY SENSOR & REC	75.11
			2678-180192	029153	702-3800-480.38-52	#612 WIPER MOTOR & CORE C	8.74
			2678-180440	029153	702-3800-480.38-52	#612 WIPER SWITCH	393.29
			2678-180588	029153	702-3800-480.38-52	#612 ROOF LAMP	53.85
			2678-180703	029153	702-3800-480.38-52	PULLEY & TENSIONOR	203.23
			2678-180732	029153	702-3800-480.38-52	#702 FLOOR MATS	140.55
			2678-180872	029153	702-3800-480.38-52	TENSIONER	13.05
			2678-405220	029321	702-3800-480.36-00	TEST SWITCH	26.89
			2678-409265	029321	702-3800-480.38-52	FILTER KIT	(4.17)
			2678-415706	029321	702-3800-480.38-52	SWITCH	83.76
			2678-421349	029321	702-3800-480.38-52	CREDIT-OIL FILTER	14.20
			2678-454706	029321	702-3800-480.38-52	BLUE DEF/WIPER FLUID	2.16
			2678-454974	029321	702-3800-480.38-52	SEALD BEAM	(1.94)
			2678-465961	029321	702-3800-480.38-52	WIPER FLUID	(72.39)
			2678-466305	029321	702-3800-480.38-52	CREDIT- MCS 2100	(96.52)
			2678-468796	029321	702-3800-480.38-52	CREDIT- BRAKE ROTOR	(14.20)
			2678-468798	029321	702-3800-480.38-52	CREDIT- BRAKE ROTOR	(83.76)
			3523-359041	029321	702-3800-480.38-52	CREDIT- SEALED BEAM	3.50
			3523-359043	029321	702-3800-480.38-52	CREDIT-BLUE DEF/WIPER FLU	606.09
			2030174399	029040	702-3800-480.23-49	TIRES	43.64
168868	4/18/2019	PARKHOUSE TIRE, INC.	2030174502	029040	702-3800-480.38-52	TIRES	8.75
			2030174682	029040	702-3800-480.23-49	RECYCLING FEES	704.90
			062-234353	029154	702-3800-480.38-52	TIRES	385.40
			062-235850	029154	702-3800-480.38-52	#4 BRAKE KIT, PAD, ROTOR	155.38
			062-25267	029154	702-3800-480.38-52	#4 ROTOR ASY	124.77
			062-284262	029322	702-3800-480.38-52	#201 BRAKE ROTOR	5.40
			062-306394	029154	702-3800-480.38-52	#54 CABIN FILTER	36.07
			062-306487	029154	702-3800-480.38-52	#19 AXLE SHAFT & CYLINDER	59.96
			091-141429	029322	702-3800-480.38-52	#609 MICRO V BELT	48.53
			091-143368	029322	702-3800-480.36-00	#23 OIL FILTERS	12.78
			091-143437	029154	702-3800-480.38-52	CRC CHEMICALS	73.86
			091-143477	029322	702-3800-480.38-52	#230 SPARK PLUG, FILTER,	64.96
			091-143947	029154	702-3800-480.38-52	#4 OIL, AIR, CABIN FILTER	28.56
			091-144092	029154	702-3800-480.38-52	FILTER ADAPTER & OIL PRES	105.69
			091-144131	029154	702-3800-480.38-52	#902 HEATER CORE	4.92
			091-144191	029154	702-3800-480.38-52	#11 HIGHTACK	35.69
			091-144264	029154	702-3800-480.38-52	#201 WEAR PAD	6.21
			091-144297	029154	702-3800-480.38-52	#201 SEAL	4.83
			091-144401	029154	702-3800-480.38-52	STOCK- PLUG	136.10
			091-144425	029154	702-3800-480.38-52	#839 COOLANT	43.32
			091-144768	029154	702-3800-480.38-52	#839 WIPER BLADE	262.07
			091-145330	029154	702-3800-480.38-52	#202 CBL BSTER	142.10
			091-145379	029154	702-3800-480.38-52	#902 GREEN CONC	8.39
				029154	702-3800-480.38-52	STOCK- OIL FILTERS	4.40
				029154	702-3800-480.38-52	#30 OIL FILTER	4.11
				029154	702-3800-480.38-52	#54 OIL FILTER	

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168869	4/18/2019	PARTS AUTHORITY METRO, LLC	091-145929	029322	702-3800-480.38-52	#51 12V DEEP CYCLE BATTERY	123.61
			091-146169	029154	702-3800-480.38-52	#19 OIL DRAIN PLUG	2.63
			091-146221	029154	702-3800-480.38-52	#19 PARK BREAK	15.24
			091-146238	029154	702-3800-480.38-52	#19 DISC BRAKE ROTO	56.70
168870	4/18/2019	PEREZ, RAUL G	094-142061	029322	702-3800-480.38-52	#230 COIL BOOT	9.35
			000094721		001-0000-218.22-22	UB CR REFUND-FINALS 000003764	88.88
			0000429867	029046	001-1300-412.23-01	CREDIT MEMO	(143.90)
			0011248260	029046	001-1300-412.23-01	JOB AD - ASST POOL MANGR	515.00
168871	4/18/2019	PRESS-ENTERPRISE, THE	18046 7	029134	001-3200-412.30-02	PD- LEAKING FAUCET	221.00
			18046 6R	029134	001-3200-412.30-02	COM CENTER REPLACE SOLEN	361.40
168872	4/18/2019	PRO-CRAFT PLUMBING COMPANY, INC	22777631	029184	702-3800-480.23-16	FLEET UNIFORMS & TOWELS	10.36
				029184	702-3800-480.25-02	FLEET UNIFORMS & TOWELS	17.90
168873	4/18/2019	PRUDENTIAL OVERALL SUPPLY	22777636	029184	670-7000-473.25-02	STREET UNIFORMS	140.16
			22781210	029184	100-4900-431.25-02	ELEC UNIFORM SERVICE	14.50
			22781211	029184	001-3600-461.25-02	PARKS UNIFORM SERVICE	12.30
			22781212	029184	001-3200-412.25-02	BUILDING MAIN UNIFORMS	6.03
168874	4/18/2019	PUBLIC AGENCY RETIREMENT SERVICES	42702	029044	001-1900-412.33-11	PARKS PIN ID#PH-ARSOSA SVC PERIOD 20190228	300.00
			401059-2020	029044	001-1200-412.23-03	SUBSCRIPTION	30.00
			5153792	029255	702-3800-480.38-52	#201 HEADLINING	51.32
			43551	029314	673-7000-473.90-15	PROVIDE ELEC ASSIST	39.95
168875	4/18/2019	RECORD GAZETTE, THE	HAMNER 4/10/19		001-2200-421.23-05	RSO AWARD CEREMONY 4/10/19 RIVERSIDE CONV CT	503.65
			9196444		660-0000-131.00-00	MALE ADAPTER, BLK BANJO PO NUM 029447	2,298.00
			OCT 18 - MAR 19		675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM REBATE OCT 2018 -MAR 2019	30.00
			REIMB 4/12/19		001-1200-412.41-46	COFFEE & DONUTS - CITY MGR DISTRICT # 1	51.32
168876	4/18/2019	REGENCY-PACIFIC DEVELOPMENT CORP	000055953		001-0000-218.22-22	UB CR REFUND-FINALS 000020122	142.81
			TRAVEL 3/26-29		001-3000-442.23-05	LTAP ACADEMY - MEALS SAN DIEGO, CA 3/26-3/29	60.90
					100-4900-431.23-05	LTAP ACADEMY - MEALS SAN DIEGO, CA 3/26-3/29	36.83
					001-0000-218.22-22	LTAP ACADEMY - MILEAGE SAN DIEGO, CA 3/26-3/29	22.98
168877	4/18/2019	RYAN HERCO FLOW SOLUTIONS	000031069		001-0000-218.22-22	UB CR REFUND-FINALS 000017520	71.73
			P30019-02	029067	702-3800-480.38-52	#619 BELT	74.58
			2011958816MAR		670-7000-473.26-04	HIGHLAND HOME RD/S/O MAR 1,2019 - APR 1,2019	107.60
			19		660-6300-471.26-04	WELL 10 - 7071 PLANT E-5 FEB 12,2019 - MAR 14,2019	59.74
168878	4/18/2019	SOUTHERN CALIFORNIA EDISON	201215098MAR		670-7000-473.27-11	MARCH 2019 MONTHLY DUES	61.58
			20219		675-7020-473.42-58	ENERGY EFFICIENCY REBATE COMMERCIAL WINDOWS	95.00
			96855-3736/19		670-7000-473.89-46	CONFERENCE ROOM CHAIRS	1,028.41
			3408496454	029377	660-6300-471.36-00	BINDERS/PAPER/TAPE	951.00
168889	4/18/2019	STAPLES BUSINESS ADVANTAGE	3408496455	029099	001-0000-218.22-22	BINDERS/PAPER/TAPE	3,493.84
			000076465		001-0000-218.22-22	UB CR REFUND-FINALS 000007898	74.81
			5314463		001-1900-412.33-11	CUSTODY ACCOUNT-ADMIN FEE 03/01/2019-02/29/2020	74.82
			18D58FEE		100-4900-431.30-13	CA STATE FEE - REG COSTS APRIL 2019	204.88
168890	4/18/2019	TEEGARDEN, NANCY A & JOHN	320190035		660-6300-471.45-08	CA STATE FEE - REG COSTS APRIL 2019	453.75
					100-4900-431.30-13	CA STATE FEE - REG COSTS APRIL 2019	17.48
					660-6300-471.45-08	46 NEW TICKETS	17.47
					660-6300-471.45-08	46 NEW TICKETS	28.63
168891	4/18/2019	U.S. BANK	OCT 18 - MAR 19		675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM REBATE OCT 2018 -MAR 2019	28.64
			OCT 18 - MAR 19		675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM REBATE OCT 2018 -MAR 2019	28.63
			000098039		001-0000-218.22-22	UB CR REFUND-FINALS 000017726	125.56
			9826878831		670-7000-473.26-05	ACCT # 972157141-00001 FEB 24,2019 - MAR 23,2019	126.63
168892	4/18/2019	VERIZON WIRELESS	9826991422		670-7000-473.26-05	ACCT # 271004536-00001 FEB 27,2019 - MAR 26,2019	137.84
			9827000050		670-7000-473.26-05	ACCT # 371004536-00001 FEB 27,2019 - MAR 26,2019	14.04
			9827034868		670-7000-473.26-05	ACCT # 771004535-00001 FEB 27,2019 - MAR 26,2019	12.79
			9827043451		670-7000-473.26-05	ACCT # 771004535-00001 FEB 27,2019 - MAR 26,2019	11.34
168893	4/18/2019	VISION SECURITY SYSTEMS	16264	029337	670-7000-473.45-05	CARD ACCESS FOR SUBSTATION	372.87
			MILEAGE 4/10/19		001-1000-411.23-05	MILEAGE REIMBURSEMENT RIV SHERIFF'S AWARDS	10.64
			W6739	029345	680-8000-454.90-56	RECEIVER, TRANSMITTER	6,529.49
							36.42
168894	4/18/2019	VALENCIA, MARIBEL					4,999.00
168895	4/18/2019	VELA, ARTURO M					
168896	4/18/2019	VERA THAXTONS ESTATE					
168897	4/18/2019	VERIZON WIRELESS					
168898	4/18/2019	VISION SECURITY SYSTEMS					
168899	4/18/2019	WALLACE, COLLEEN					
168899	4/18/2019	WCT PRODUCTS, INC					

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168900	4/18/2019	WELLS, KAREN	OCT 18 - MAR 19		675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM REBATE OCT 2018 - MAR 2019	115.75
168901	4/18/2019	WESCO DISTRIBUTION, INC	142241	029412	670-7000-473.45-16	AERIAL TOOL APRON	144.48
168902	4/18/2019	WHITSELL DONNA	89579-18914/19		675-7020-473.42-66	ENERGY CONSERV REBATE WINDORS & DOORS	670.00
168903	4/18/2019	WILDLIFE CONTROL SERVICE INC	W12892	029421	001-3600-461.23-24	PEST CONTROL PARKS	795.00
168904	4/18/2019	WILLDAM FINANCIAL SERVICES	010-41065		669-6300-471.33-11	WATER 2015 SERIES CONTINUING DISCLOSURE	1,100.00
					678-7000-473.33-11	ELECTRIC 2015 SERIES CONTINUING DISCLOSURE	1,100.00
					689-8000-454.33-11	WASTEWATER 2005 SERIES CONTINUING DISCLOSURE	1,100.00
168905	4/18/2019	ZHANG, CHARLENE X	000078457		001-0000-218.22-22	UB CR REFUND-FINALS 000020488	64.94
168906	4/18/2019	ZUBIATE, RICHARD O	000097643		001-0000-218.22-22	UB CR REFUND-FINALS 000014654	36.50
168907	4/25/2019	RIV. CO. CLERK RECORDER	NOD LAWRENCE		001-0000-218.22-21	COUNTY CLERK PROCESSING	50.00
						NOD LAWRENCE EQUIPMENT	2,354.75
168908	4/25/2019	A-Z BUS SALES, INC. (COLTON)	015514175	029223	702-3800-480.30-05	#222 CHECK ENGINE LIGHT	250.00
			015514177	029223	702-3800-480.30-05	#224 CHECK ENGINE LIGHT	684.18
168909	4/25/2019	ADVANCE WORKPLACE STRATEGIES INC	399383	029108	001-1300-412.33-32	APRIL DRUG TESTING CHRGS	57.00
			399609	029108	001-1300-412.33-32	DRUG TESTING CHRGS	124.00
168910	4/25/2019	AIRWAVE COMMUNICATIONS ENTERPRISES	6632	028397	001-2200-421.30-08	PD COMM SYS MAINTENANC	1,262.55
			6677	028397	001-2200-421.30-08	PD COMM SYSTEM MAINTENANC	1,262.55
168911	4/25/2019	ALESHIRE & WYNDER, LLP	50843		700-5300-480.33-04	MARCH 2019 LEGAL SERVICES	323.50
			50844		700-5300-480.33-04	MARCH 2019 LEGAL SERVICES	19.50
168912	4/25/2019	ALL STAR GLASS, INC.	ICT023843	029147	702-3800-480.30-05	#243 LEFT VENT GLASS	45.00
168913	4/25/2019	AMAZON CAPITAL SERVICES	11HV-LLIV-417H		001-0000-201.10-00	SALES TAX	(3.10)
					670-7000-473.36-00	COMPUTER POWER ADAPTER	42.99
					001-0000-201.10-00	SALES TAX	(4.65)
					670-7000-473.36-00	IPAD KEYBOARD CASE	64.62
168914	4/25/2019	ANIXTER, INC	4186402-00	029100	670-7000-473.45-16	4 N 1 BUG WRENCH	204.24
168915	4/25/2019	ARROW STAFFING SERVICE	106339	029411	761-3100-480.33-11	RUIZ, TAMMIE W/E 1/19/19 CUSTOMER SERVICE REP	1,036.75
			107078		001-1900-412.23-27	CARROLL, GARY W/E 4/06	1,222.00
168916	4/25/2019	ASHTON, LARA	MARCH 2019		001-4000-461.23-15	BELLY DANCE INSTRUCTION MARCH 2019	3.50
			992351038X/MAR				
168917	4/25/2019	AT&T MOBILITY	19		001-2200-421.26-05	AH992351038 - FAN#02391479 FEB 12,2019 - MAR 11,2019	1,099.52
168918	4/25/2019	ATWORK FRANCHISE, INC	070099		761-3100-480.33-11	T LATHROM W/E 2/24/19	743.81
			071276		761-3100-480.33-11	T LATHROM W/E 3/10/19	929.76
			074537		761-3100-480.33-11	LATHROM, TWILA W/E 4/14 CUSTOMER SERVICE REP	743.81
168919	4/25/2019	BABCOCK LABORATORIES, INC	BD90178-0030	029259	680-8000-454.23-32	SOLIDS,AMMONIA,NITROGEN	243.00
			BD90253-0030	029259	660-6300-471.23-32	COLIFORMS P/A BY MMO/MUG	105.00
			BD90289-0030	029259	680-8000-454.23-32	SOLIDS,AMMONIA,NITROGEN	243.00
			BD90389-0030	029259	660-6300-471.23-32	COLIFORMS P/A BY MMO/MUG	165.00
			BD90395-0030	029259	660-6300-471.23-32	GENERAL PHYSICAL ANALYSIS	54.00
			BD90399-0030	029259	680-8000-454.23-32	TOTAL DISSOLVED SOLIDS	20.00
			BD90487-0030	029259	660-6300-471.23-32	COLIFORMS P/A BY MMO/MUG	90.00
			BD90499-0030	029259	680-8000-454.23-32	SOLIDS,AMMONIA,NITROGEN	243.00
			BD90505-0030	029259	660-6300-471.23-32	COLIFORMS P/A BY MMO/MUG	60.00
168920	4/25/2019	BAKER ELECTRIC HOME ENERGY	MARY REYNOLDS-		670-7000-366.44-07	4860 OAKHURST SOLAR R/FND SOLAR PRODUCTION METER	245.00
168921	4/25/2019	BANNING CHAMBER OF COMMERCE	1469		001-1000-411.23-05	ANDRADE, DANIELA BREAKFAST 3/20/2019	15.00
						WALLACE, COLLEEN BREAKFAST 3/20/2019	15.00
						WELCH, ART BREAKFAST 3/20/2019	15.00
						CHIEF HAMNER BREAKFAST 3/20/2019	15.00
168922	4/25/2019	BATTERY SYSTEMS, INC	4862965	029144	001-2800-441.23-05	RUSH, ADAM BREAKFAST 3/20/2019	15.00
168923	4/25/2019	BEAUMONT DO IT BEST HOME CENTER	470948	029051	702-3800-480.38-52	FLEET BATTERIES	138.67
			470981	029051	001-4000-461.36-00	CCTR SUPPLIES	7.83
			116	029369	001-4000-461.36-00	TEFLON TAPE	2.47
168924	4/25/2019	BEAUMONT POWER EQUIPMENT	MARCH 2019		702-3800-480.30-05	GENERATOR REPAIR	1,854.89
168925	4/25/2019	BENHAR, DIANA T	APR 18 - SEP 18		001-4000-461.23-15	ZUMBA CLASS INSTRUCTION MARCH 2019	403.90
168926	4/25/2019	BLACKWELL, CAROL	MAY 16,2019		675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM APRIL 2018 - SEPT 2018	213.55
168927	4/25/2019	BOYS & GIRLS CLUBS OF THE SAN			001-1000-411.23-05	ART WELCH HORSES AND HATTITUDES	40.00
						COLLEEN WALLACE HORSES AND HATTITUDES	40.00
						DANIELA ANDRADE HORSES AND HATTITUDES	40.00
						DOUG SCHUIZE HORSES AND HATTITUDES	40.00

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168928	4/25/2019	BT SUPPLIES WEST	824941	029126	001-3200-412.36-03	#222 CHECK ENGINE LIGHT	310.75
168929	4/25/2019	CALIFORNIA WATER ENVIRONMENT	ID-000036936119		660-6300-471.23-03	MICHAEL LYNCH RENEWAL CWEA MEMBERSHIP 2019	188.00
168930	4/25/2019	CALIFORNIA-NEVADA J.A.T.C.	2128		670-7000-473.23-06	JAN-FEB 2019 SORIANO JAN-MAR 2019 PICABEA	1,666.67
168931	4/25/2019	CALIFORNIA, STATE OF	360445	029112	001-2200-421.33-94	FEB 19 LIVE SCANS FEE	2,075.00
			363757	029151	001-2200-421.33-31	FEB 2019 CHP BLOOD ANA	140.00
			364419	029150	370-2200-421.26-05	JAN,FEB,MAR 2019MISC FEES	1,876.98
			366322	029112	001-2200-421.33-94	MARCH 19 LIVE SCANS	1,576.00
			369553	029112	001-2200-421.33-94	FEB 2019 LIVE SCANS FEE	32.00
			369711	029151	001-2200-421.33-31	BLOOD ALCOHOL ANALYSIS	175.00
168932	4/25/2019	CANON FINANCIAL SERVICES, INC	19961365	028697	001-4000-461.32-06	COPIER LEASE	83.60
					001-4500-412.32-06	COPIER LEASE	478.96
					148-2215-421.32-06	COPIER LEASE	102.75
					610-5800-434.32-06	COPIER LEASE	83.61
					660-6300-471.32-06	COPIER LEASE	150.95
					670-7000-473.32-06	COPIER LEASE	179.98
					761-3100-480.32-06	COPIER LEASE	104.50
168933	4/25/2019	CDW GOVERNMENT, INC	RQM7253	029175	001-3000-442.36-00	MONITORS, MONITOR STAND,	697.97
168934	4/25/2019	CELL BUSINESS EQUIP-LEASING	69354334	029365	761-3100-480.30-56	SERV PER 3/1/19-3/31/19	272.61
168935	4/25/2019	CHARLES ABBOTT ASSOCIATES, INC	59497	028250	001-3000-442.33-53	CONSULTING SERVICES	2,880.00
168936	4/25/2019	CONSOLIDATED ELECTRICAL	0954-470414	029085	001-3200-412.30-02	32W LAMP	146.11
168937	4/25/2019	COOK, SHARON	SEP 18 - FEB 19		675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM SEPT 2018 - FEB 2019	162.22
168938	4/25/2019	CORE AND MAIN, LP	K152619		660-0000-131.00-00	POLYMER COVERS PO NUM 029094	3,070.88
168939	4/25/2019	CORELOGIC INFORMATION SOLUTIONS INC	81953918	029225	001-3000-442.30-17	ENGINEERING METROSCAN ACC	66.68
168940	4/25/2019	COUNTY OF RIVERSIDE-ANIMAL CONTROL	AN0000001610		001-2300-424.33-90	ANIMAL CONTROL SERVICES 3/1/2019-3/31/2019	15,510.00
168941	4/25/2019	COUTS HEATING & COOLING, INC	SRVCE10180	029105	001-3200-412.30-21	A/C REPAIR AT BANNING CIT	311.17
168942	4/25/2019	CRAGHEAD, VERONICA	MEALS 5/05-5/10		670-7000-473.23-06	APPA SPRING INSTITUTE OMAHA, NE MAY 5-10,2019	210.00
168943	4/25/2019	CREATIVE BUS SALES INC	16405884	029264	702-3800-480.38-52	SWITCH TURN SIGNAL	146.55
			16406052	029264	702-3800-480.38-52	#243 PEDAL ACCELERATOR	501.39
			5165732	029264	702-3800-480.38-52	#242 SWITCH & LEVER TURN	259.10
			5168468	029264	702-3800-480.38-52	SWITCH TURN SIGNAL	269.95
			000144	029047	001-4000-461.36-09	ID PLATE	14.00
			40827	029071	702-3800-480.30-05	#502 OIL CHANGE	65.23
168944	4/25/2019	CUSTOM TROPHIES & U-NEEK AWARDS	MARCH 2019		001-4000-461.23-15	SPECIAL NEEDS INSTRUCTOR MARCH 2019	84.00
168945	4/25/2019	DIAMOND HILLS CHEVROLET BUICK GMC			001-3000-351.35-59	DEPOSIT REFUND	500.00
168946	4/25/2019	DOBBINS, DEANN LOUISE	042419		001-3000-351.35-60	7 YRS PRE-PAID LEASE PMT	7.00
168947	4/25/2019	DOOLITTLE, JEFFREY			001-3000-442.33-53	BANNING PLAN CHECK AND IN	2,589.00
168948	4/25/2019	ENGINEERING RESOURCES OF SO CA	52186	029409	702-3800-480.32-06	FLEET MAINT LEASE PAYMENT FEBRUARY 2019	424.38
168949	4/25/2019	ENTERPRISE FM TRUST	FBN3644433		702-3800-480.32-06	FLEET MAINT LEASE PAYMENT MARCH 2019	411.12
168950	4/25/2019	ESPINOZA, CARLOS	FBN3670318		702-3800-480.32-06	FLEET MAINT LEASE PAYMENT MARCH 2019	184.00
168951	4/25/2019	FALCON, ESTHER	EYEWEAR 2019		610-5800-434.25-10	EYEWEAR REIMBURSEMENT PER GEN UNIT MOU	133.58
168952	4/25/2019	FEDEX	SEP 18 - FEB 19	029080	675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM SEPT 2018 - FEB 2019	131.74
168953	4/25/2019	FLEET SERVICES INC	6-519-86260	029053	702-3800-480.38-52	SHIPPING OVERNIGHT	87.86
168954	4/25/2019	FRONTIER COMMUNICATIONS	05P26497		001-2200-421.26-05	#902 SENSOR & HARNESS	317.78
			2130197968APR19		001-2200-421.26-05	213-019-7968 APR 7 2019-MAY 6 2019	50.89
			9518494533APR19		001-2200-421.26-05	951-849-4533 APR 4 2019-MAY 3 2019	87.73
			9518497124APR19		001-4500-412.26-05	951-849-7124 APR 10 2019 - MAY 9 2019	85.05
			9518499205APR19		001-4500-412.26-05	951-849-9205 APR 13 2019-MAY 12 2019	87.73
			9519220262APR19		001-4500-412.26-05	951-922-0262 APR 4 2019 - MAY 3 2019	45.82
168955	4/25/2019	FRONTIER COMMUNICATIONS	2091885918APR19		001-2200-421.26-05	209-188-5918 MAR 28,2019 - APR 27,2019	27.75
					001-2400-422.26-05	209-188-5918 MAR 28,2019 - APR 27,2019	1,066.28
					001-4500-412.26-05	209-188-5918 MAR 28,2019 - APR 27,2019	517.17
					660-6300-471.26-05	209-188-5918 MAR 28,2019 - APR 27,2019	233.88
					670-7000-473.26-05	209-188-5918 MAR 28,2019 - APR 27,2019	61.50
					702-3800-480.26-05	209-188-5918 MAR 28,2019 - APR 27,2019	598.49
168956	4/25/2019	GARDA CL WEST INC	10472293	029388	761-3100-480.23-43	ARMORED TRANSPORT SERVICE	27.90
			20363465	029388	761-3100-480.23-43	EXCESS PREMISE TIME	35.30
168957	4/25/2019	GAS COMPANY, THE	1266249300JAP19		001-2400-422.26-06	3900 W WILSON ST MAR 12,2019 - APR 10,2019	3,978.48
168958	4/25/2019	GRAVES & KING LLP	1901-0010135-04		700-5040-480.33-11	PROF SRVCS THRU 1/30/19 CLAIM # BA 1823	9,242.90
			1901-0010162-03		700-5040-480.33-11	PROF SRVCS THRU 1/31/19 CLAIM # BA 1830	

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168958	4/25/2019	GRAVES & KING LLP	1902-0010162-04		700-5040-480.33-11	PROF SRVCS THRU 2/28/19 CLAIM # BA 1830	10,967.54
168959	4/25/2019	HERNANDEZ, CARLA	1903-0010162-05		700-5040-480.33-11	PROF SRVCS THRU 3/31/19 CLAIM # BA 1830	15,820.76
168960	4/25/2019	HWCG, LLC DBA KITCHENRESTOCK.COM	MARCH 2019 KFS4004		001-4000-461.23-15	KARATE CLASS INSTRUCTION MARCH 2019	94.50
				029464	001-0000-201.10-00	SALES TAX	(151.44)
					001-4000-461.30-06	ICE MACHINE FOR CCTR	1,052.66
168961	4/25/2019	IBEW LOCAL 47 RETIREE MEDICAL TRUST	20190426		001-4010-461.30-06	ICE MACHINE FOR CCTR	1,052.66
168962	4/25/2019	ICMA RETIREMENT TRUST 457	20190426		001-0000-204.80-10	PAYROLL SUMMARY	2,166.04
168963	4/25/2019	INFOSEND, INC	151815	029174	001-0000-204.16-00	PAYROLL SUMMARY	995.69
					761-3100-480.23-02	UB BILL SRVCE 3/25-3/29	231.69
					761-3100-480.23-04	UB BILL SRVCE 3/25-3/29	1,971.66
					761-3100-480.33-11	UB BILL SRVCE 3/25-3/29	452.57
			152106	029174	761-3100-480.23-02	UB BILL SRVCE 4/1-4/5	207.33
					761-3100-480.23-04	UB BILL SRVCE 4/1-4/5	1,741.32
					761-3100-480.33-11	UB BILL SRVCE 4/1-4/5	426.80
			152305	029174	761-3100-480.23-02	UB BILL SRVCE 4/8-4/12	102.01
					761-3100-480.23-04	UB BILL SRVCE 4/8-4/12	913.93
					761-3100-480.33-11	UB BILL SRVCE 4/8-4/12	193.72
			152564	029174	761-3100-480.23-02	UB BILL SRVCE 4/15-4/19	126.88
					761-3100-480.23-04	UB BILL SRVCE 4/15-4/19	1,101.55
168964	4/25/2019	LITHOPASS PRINTING, FORMS,	2730	029402	761-3100-480.33-11	YARD SALE PERMITS	271.85
			2731	029402	761-3100-480.23-02	DEPOSIT RECEIPTS	130.15
			2732	029402	761-3100-480.23-02	CUSTOMER SVC CARDS	65.08
			2733	029402	761-3100-480.23-02	MUNICIPAL SLIPS	43.10
			3369	029403	840-9500-490.93-30	PROJECT 2014-03 PLAN SETS	313.55
			3489	029320	001-4000-461.23-02	WE RUN POSTERS	175.85
					001-0000-116.21-01	EMPLOYEE GUN LOAN BPOA MOU	48.49
168965	4/25/2019	LOADER, MICHAEL	WEAPON LOAN '19		001-0000-116.21-01	EMPLOYEE GUN LOAN BPOA MOU	1,988.22
168966	4/25/2019	LOZANO SMITH LLP	2080793		700-5040-480.33-11	LEGAL SRVCS THRU 3/31/19	2,019.15
168967	4/25/2019	MILLER, NINA	OCT 18 - MAR 19		675-7020-473.42-36	ENERGY ASSISTANCE PROGRAM OCT 2018 - MAR 2019	144.32
168968	4/25/2019	MORGAN, DEIDRA J	MARCH 2019		001-4000-461.23-15	TOT TIME INSTRUCTOR MARCH 2019	612.50
168969	4/25/2019	NAPA AUTO PARTS	079636	029135	702-3800-480.38-52	#615 FLASHER	180.84
			082611	029135	702-3800-480.38-52	#242 SERPENTINE BELT	77.57
168970	4/25/2019	NATIONWIDE RETIREMENT SOLUTIONS	20190426		001-0000-204.16-00	PAYROLL SUMMARY	5,536.15
168971	4/25/2019	ONLINE INFORMATION SERVICES	915300	028974	761-3100-480.30-17	ONLINE UTILITY SERVICE	175.96
			921215	028974	761-3100-480.30-17	ONLINE UTILITY SERVICE	284.56
168972	4/25/2019	P&P UNIFORMS	418800/4	029360	001-2200-421.36-04	SEGOWIA UNIFORM	757.30
			418810/4	029360	001-2210-421.36-04	SEGOWIA UNIFORM	57.10
			418989/4	029360	001-2210-421.36-04	SORIANO PANTS	53.86
			419020/4	029360	001-2210-421.36-04	POLO FOR SORIANO	60.33
			419038/4	029360	001-2210-421.36-04	CHIEF'S UNIFORM	693.73
			419189/4	029360	001-2210-421.36-04	CHIEF'S UNIFORM	233.77
			419313/4	029360	001-2210-421.36-04	CHIEF'S UNIFORM	220.88
			419395/4	029360	001-2200-421.36-04	UNIFORM FOR CHIEF	84.01
			419397/4	029360	001-2200-421.36-04	HOLSTER FOR CHIEF	134.68
			419398/4	029360	001-2200-421.36-04	HOLSTER FOR SEGOWIA	215.49
			419516/4	029360	001-2210-421.36-04	P. CASTILLO PANTS	107.73
			419528/4	029360	203-2200-446.36-04	UNIFORM FOR VOL RIPLEY	116.35
168973	4/25/2019	PACIFIC ALARM SERVICE	P101041	029456	001-3200-412.23-19	SERVICE CALL UTILITIES WA	105.00
168974	4/25/2019	PACKHAM & TOOMEY, INC	040319	028915	702-3800-480.30-06	MONTHLY VST INSPECTION	518.00
168975	4/25/2019	PARKHOUSE TIRE, INC.	2030174980	029040	702-3800-480.23-49	RECYCLING FEE	212.02
168976	4/25/2019	PARS	20190426		001-0000-204.25-00	PAYROLL SUMMARY	411.14
168977	4/25/2019	PEACEKEEPER PRODUCTS INTERNATIONAL	19-1605	029451	001-2200-421.36-01	10 PEACEKEEPER BATONS	1,532.00
168978	4/25/2019	PLANETBIDS, INC	040274		001-1910-412.23-33	PURCH SOFTWARE CONTRACT YR 3 4/1/19-3/31/19	26,975.00
168979	4/25/2019	PRI MANAGEMENT GROUP	6256	029184	660-6300-471.25-02	M VARGAS BMRPU SEMINAR VENTURA 4/30-5/1/19	385.00
168980	4/25/2019	PRUDENTIAL OVERALL SUPPLY	22781188	029184	680-8000-454.25-02	UNIFORMS - WATER	57.10
			22781189	029184	001-4000-461.23-16	UNIFORMS - WASTEWATER	15.00
			22781190	029184	001-4000-461.23-16	TRANSIT UNIFORM SERVICE	9.75
					610-5800-434.23-16	TRANSIT UNIFORM SERVICE	11.00

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168980	4/25/2019	PRUDENTIAL OVERALL SUPPLY	22781190	029184	610-5800-434.25-02	TRANSIT UNIFORM SERVICE	55.30
					610-5850-434.25-02	TRANSIT UNIFORM SERVICE	3.89
			22781213	029184	761-3110-480.25-02	FIELD SERVICE UNIFORMS	33.92
			22781214	029184	670-7000-473.25-02	ELECTRIC UNIFORM SERV	140.16
			22784758	029184	001-4000-461.23-16	TRANSIT UNIFORM SERVICE	9.75
					610-5800-434.23-16	TRANSIT UNIFORM SERVICE	11.00
					610-5800-434.25-02	TRANSIT UNIFORM SERVICE	55.30
					610-5850-434.25-02	TRANSIT UNIFORM SERVICE	3.89
			22784778	029184	100-4900-431.25-02	STREET UNIFORMS	14.50
			22784779	029184	001-3600-461.25-02	PARKS UNIFORM SERVICE	12.30
			22784780	029184	001-3200-412.25-02	BUILDING MAIN UNIFORMS	6.03
			22784781	029184	761-3110-480.25-02	FIELD SERVICE UNIFORMS	33.92
			4217		001-2200-421.33-11	BACKGROUND CHECK CHIEF HAMMER	2,821.92
168981	4/25/2019	RCS INVESTIGATIONS & CONSULTING LLC	00162414	029044	001-2800-441.23-01	PHN - GPA 19-2501	200.75
168982	4/25/2019	RECORD GAZETTE, THE	00162415	029044	001-2800-441.23-01	PHN - CUP 18-8003	204.40
			00162416	029044	001-2800-441.23-01	PHN - TTM 36939	149.65
			00162786	029044	001-2800-441.23-01	PHN - ZTA 19-97501	251.85
			00162974	029044	001-2800-441.23-01	NOA GPA 18-2504	277.40
168983	4/25/2019	REDLANDS FORD	5154130	029255	702-3800-480.38-52	SWITCH & HEATER KNOB	34.16
168984	4/25/2019	ROBLEE, DAVID	TUIT RM18 4/19-2		001-1300-412.25-09	TUITION REIMBURSEMENT IT FOUNDATIONS	758.82
168985	4/25/2019	ROCKWELL, AMBER	MEALS 5/05-5/10		670-7000-473.23-06	APPA SPRING INSTITUTE OMAHA, NE MAY 5-10/2019	210.00
168986	4/25/2019	RUEHLE, TARA SHAWN M	MARCH 2019		001-4000-461.23-15	BALLET CLASS INSTRUCTOR MARCH 2019	269.50
					001-2700-442.25-10	YOGA CLASS INSTRUCTOR MARCH 2019	52.50
168987	4/25/2019	RUSH, ADAM	EYEWEAR 2019		001-4000-461.23-15	EYEWEAR REIMBURSEMENT PER EMPLOYMENT AGREEMENT	81.80
168988	4/25/2019	SMITH, LOIS E	MARCH 2019		703-3700-480.89-49	GUITAR CLASS INSTRUCTION MARCH 2019	28.00
168989	4/25/2019	SOFTWARE ONE, INC	US-PSI-779495	029281	703-3700-480.89-49	AZURE SIMPLE	487.36
			US-PSI-782216	029281	703-3700-480.89-49	SERVER/CONS.FEE	300.00
			2015215155MAR				
168990	4/25/2019	SOUTHERN CALIFORNIA EDISON	19		660-6300-471.26-04	WELL 12 - 7073 PLANT D-5 FEB 12, 2019 - MAR 14, 2019	43.92
			09242310481MR				
168991	4/25/2019	SOUTHERN CALIFORNIA GAS CO	19		702-3800-480.36-61	FLEET CNG FUEL MAR 1, 2019 - APR 1, 2019	6,718.77
168992	4/25/2019	STAPLES BUSINESS ADVANTAGE	3409837544	029099	001-1900-412.36-00	OFFICE SUPPLIES FOR ASD	338.85
					001-1910-412.36-00	OFFICE SUPPLIES FOR PURCH	10.91
					001-1900-412.36-00	OFFICE SUPPLIES FOR ASD	8.82
168993	4/25/2019	STERLING TALENT SOLUTIONS	3409913034	029099	001-1300-412.33-11	MARCH BACKGROUND FEES	158.78
168994	4/25/2019	STEVEN ENTERPRISES INC	7741677	029115	001-3000-442.36-00	PLOTTER PAPER	121.33
168995	4/25/2019	THE SOCO GROUP, INC.	0413156-IN	029152	702-3800-480.36-11	FUEL SALES TAX DELIVERED 4/4/19	969.41
			0656185-IN			REGULAR UNLEADED GAS DELIVERED 4/4/19	22,047.66
						ULS DIESEL DELIVERED 4/4/19	3,047.73
168996	4/25/2019	TIME WARNER CABLE	086811201040119		670-7000-473.26-09	BUSINESS TV-CITY YARD 4/1/2019 - 4/30/2019	70.33
168997	4/25/2019	TORRES, SOPHIA	BA1908		700-5040-480.40-02	CLAIM # BA 1908 SOPHIA TORRES	4,759.68
168998	4/25/2019	USABUEBOOK	856806		660-0000-131.00-00	INDUSTRIAL PSI XMITTER PO NUM 029443	822.46
			857381		660-0000-131.00-00	INDUSTRIAL PSI XMITTER PO NUM 029443	1,234.55
168999	4/25/2019	VARGAS, MARIA	MEALS 4/30-5/01		001-2200-421.23-06	POLICE RECORDS TRAINING VENTURA 4/30-5/1/19	90.00
169000	4/25/2019	VERIZON WIRELESS	9827332192		001-1200-412.26-05	CITY MANAGER CELL MAR 2 2019 - APR 1 2019	282.28
					001-1300-412.26-05	HUMAN RESOURCES MAR 2 2019 - APR 1 2019	27.49
					001-1900-412.26-05	FINANCE CELL PHONE MAR 2 2019 - APR 1 2019	27.42
					001-2200-421.26-05	POLICE DEPT CELLS MAR 2 2019 - APR 1 2019	737.92
					001-2210-421.26-05	DISPATCH CELL MAR 2 2019 - APR 1 2019	27.96
					001-2740-442.26-05	CODE ENFORCEMENT CELL MAR 2 2019 - APR 1 2019	245.51
					001-2800-441.26-05	PLANNING DEPT CELL MAR 2 2019 - APR 1 2019	43.36
					001-3000-442.26-05	ENGINEERING CELL MAR 2 2019 - APR 1 2019	77.00
					001-3200-412.26-05	BUILDING MAINTENANCE CELL MAR 2 2019 - APR 1 2019	27.42
					001-4000-461.26-05	COMMUNITY SERVICES CELLS MAR 2 2019 - APR 1 2019	257.32
					100-4900-431.26-05	STREET DEPT CELLS MAR 2 2019 - APR 1 2019	121.42
					610-5800-434.26-05	TRANSIT CELLS MAR 2 2019 - APR 1 2019	128.84
					610-5850-434.26-05	DIAL A RIDE CELLS MAR 2 2019 - APR 1 2019	34.12
					660-6300-471.26-05	WATER DEPT CELL MAR 2 2019 - APR 1 2019	1,677.52

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Warrant Number	Warrant Date	Vendor Name	Invoice Number	P.O. Number	Account Number	Payment Description	Warrant Amount
169000	4/3/2019	VERIZON WIRELESS	9827332192		670-7000-473.26-05	ELECTRIC DEPT CELLS MAR 2 2019 - APR 1 2019	882.17
					680-8000-454.26-05	WASTEWATER DEPT CELL MAR 2 2019 - APR 1 2019	440.79
					702-3800-480.26-05	FLEET CELLS MAR 2 2019 - APR 1 2019	70.79
					703-3700-480.26-05	INFORMATION SERVICES CELL MAR 2 2019 - APR 1 2019	136.36
					761-3110-480.26-05	METER SERVICES CELL MAR 2 2019 - APR 1 2019	147.11
					001-1000-411.23-05	ELECTED WOMEN OF WESTERN RIVERSIDE COUNTY	19.24
					690-9600-356.38-95	21% FRANCHISE FEE MARCH 2019	(62,813.85)
					690-9600-453.23-10	REFUSE FOR MARCH 2019	299,113.59
					670-0000-131.00-00	INSULATORS PO NUM 029180	6,487.07
					670-0000-131.00-00	CREDIT- VICTOR 633R INSUL PO NUM 029180	(5,013.05)
					702-3800-480.30-05	#812 CAB, CLUTCH, AND STR	3,842.82
					670-7000-473.23-06	APPA SPRING INSTITUTE OMAHA, NE MAY 5-10, 2019	225.00
					001-1300-412.33-11	PO POLYGRAPH EXAM	4,556.21
					660-0000-131.00-00	ZENNER WATER METERS PO NUM 029098	41.55
					001-0000-218.22-22	OVERPAYMENT REFUND FINAL BILL - UTILITY BILL	23,864.59
					001-0000-204.12-00	STATE INCOME TAX PPE 3/24/2019	51,248.65
					001-0000-204.11-00	FEDERAL INCOME TAX PPE 3/24/2019	88,761.04
					001-0000-204.13-00	FICA MEDICARE/FICA REGULAR PPE 3/24/2019	400.00
					001-0000-204.13-00	VEBA CONTRIBUTIONS PPE 3/24/2019	8,962.85
					001-0000-204.80-14	CAL PERS 457 LOAN PMTS PPE 3/24/2019	6,553.31
					001-0000-204.16-00	CAL PERS 457 LOAN PMTS PPE 3/24/2019	88,556.73
					001-0000-204.20-00	RETIREMENT BENEFITS PPE 3/24/2019	362,985.62
					001-0000-204.10-00	PAYROLL PPR 4/07/2019	21,835.64
					001-0000-204.12-00	STATE INCOME TAX PPE 4/07/2019	60,264.15
					001-0000-204.11-00	FEDERAL INCOME TAX PPE 4/07/2019	87,652.66
					001-0000-204.13-00	FICA MEDICARE/FICA REGULAR PPE 4/07/2019	(0.02)
					001-0000-204.80-04	MEDICAL CONT ADJUSTMENT PPE 4/07/2019	3,989.41
					001-0000-204.80-05	MEDICAL CONTRIBUTIONS PPE 4/07/2019	652.16
					001-0000-204.80-15	DEPENDENT CARE CONTRBTN PPE 4/07/2019	465.57
					001-1200-412.15-15	INDIVIDUAL CONTRIBUTIONS PPE 4/07/2019	270.72
					001-1300-412.15-15	RBF INV-RACADIO, SAMMY	60.66
					670-7000-473.15-15	RBF INV-PAXTON, CHRISTOPHR	812.25
					001-0000-204.20-00	RBF INV-EARHART, JAMES	88,606.56
					001-0000-204.20-00	RETIREMENT BENEFITS PPE 4/07/2019	400.00
					001-0000-204.80-14	VEBA CONTRIBUTIONS PPE 4/07/2019	29,706.67
					001-0000-204.16-00	CAL PERS 457 LOAN PMTS PPE 4/07/2019	6,474.16
					001-0000-204.10-00	PAYROLL PPE 4/21/2019	409,499.53
					001-0000-204.12-00	STATE INCOME TAX PPE 4/21/2019	22,807.58
					001-0000-204.11-00	FEDERAL INCOME TAX PPE 4/21/2019	54,498.23
					001-0000-204.13-00	FICA MEDICARE/FICA REGULAR PPE 4/21/2019	94,931.84
					001-0000-204.80-04	MEDICAL CONT CORRECTION PPE 4/21/2019	0.02
					001-0000-204.80-05	MEDICAL CONTRIBUTIONS PPE 4/21/2019	3,989.37
					001-0000-204.80-15	DEPENDENT CONTRIBUTIONS PPE 4/21/2019	652.16
					001-0000-204.80-15	INDIVIDUAL CONTRIBUTIONS PPE 4/21/2019	465.57
Grand Total						Less Voided / Reissued Checks from Prior Period	4,637,302.68
						Less Voided Checks Prior Period	(3,634.00)
						Add Payroll Checks	6,018.21
						Total Remittance for Month	4,639,686.89

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Warrant Number	Vendor Name	Warrant Amount
1004	U.S. BANK	104,351.80
1005	U.S. BANK	505,899.33
1006	RIVERSIDE PUBLIC UTILITIES	1,115,569.57
168631	ALESHIRE & WYNDER, LLP	1,588.00
168632	AMAZON CAPITAL SERVICES	326.63
168633	ANIXTER, INC	3,333.33
168634	ARCENEUX, LA TOYA D	77.59
168635	ARROW STAFFING SERVICE	7,776.66
168636	ARROYO BACKGROUND INVESTIGATIONS	2,135.38
168637	ASPEN ENVIRONMENTAL GROUP	4,354.16
168638	ATWORK FRANCHISE, INC	3,716.72
168639	BABCOCK LABORATORIES, INC	2,365.00
168640	BANNING POLICE OFFICERS ASSOC	2,100.00
168641	BANNING POLICE OFFICERS ASSOC	2,100.00
168642	BARRETT, ELENA & KEITH	214.21
168643	BEAUMONT DO IT BEST HOME CENTER	56.61
168644	BLACKWILL, JANICE	119.99
168645	BLUE SHIELD OF CALIFORNIA	729.00
168646	CALIFORNIA LAW ENFORCE ASSN	612.50
168647	CALIFORNIA LAW ENFORCEMENT ASSOC	20.00
168648	CASTILLO, GUILLERMO	136.90
168649	CDW GOVERNMENT, INC	342.84
168650	CHARLES ABBOTT ASSOCIATES, INC	1,833.50
168651	COLONIAL INSURANCE	19,567.44
168652	CORELOGIC INFORMATION SOLUTIONS INC	150.00
168653	COUNSELING TEAM INTERNATIONAL, THE	700.00
168654	EVANS, ELAINE	59.26
168655	FANDANGO SOLAR PROTECTION LLC	155.82
168656	FRED PRYOR SEMINARS	298.00
168657	FRONTIER COMMUNICATIONS	1,359.35
168658	FRYBARGER, JOSEPHINE	1,500.00
168659	GARDA CL WEST INC	634.29
168660	GAS COMPANY, THE	3,541.41
168661	GERDES, PERRY	300.00
168662	GILBERT, PAULINE M & JOHN	57.48
168663	GOMEZ, MARIA	42.47
168664	GRAINGER	45.11
168665	HOME DEPOT #8987	34.49
168666	HOPKINS, VICKI	119.07
168667	HORTA, MARGARET	108.95
168668	I.B.E.W. LOCAL 47	7,799.92
168669	I.B.E.W. LOCAL 47 (PAC)	44.00
168670	INFOSEND, INC	2,489.53
168671	IRON MOUNTAIN INFORMATION MGMT, LLC	349.00
168672	JAUREGUI, ROBERTO	12.00
168673	KAHLON, KULDEEP	127.79
168674	KELLY, PATRICK	12.00
168675	KESTER, ELIZABETH	1,647.58
168676	LANCE, SOLL & LUNGHARD, LLP	190.00
168677	LARA, JOSEPH F	12.50
168678	LAW ENFORCEMENT APPRECIATION	600.00
168679	LEOGRANDE, CATHERINE L & JOE	62.29
168680	LITHOPASS PRINTING, FORMS,	602.47
168681	LOADER, MICHAEL	12.00

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Warrant Number	Vendor Name	Warrant Amount
168682	LOPEZ JR, MARCO	53.66
168683	MAC PROPERTY REDEVELOPMENT,LLC	215.44
168684	MACAMAY &, ANDREW	38.77
168685	MANERI SIGN COMPANY INC.	111.95
168686	MASCORRO, LILIANA	626.21
168687	MEGGER	450.00
168688	MICHAEL BAKER INTERNATIONAL, INC	1,048.15
168689	MICHALEC, MARY	120.19
168690	MONTROSE ENVIROMENTAL GROUP, INC	25,575.00
168691	NAPA AUTO PARTS	53.86
168692	NOTTINGHAM, MICHAEL	12.00
168693	OFFICE DEPOT	516.49
168694	OGAZ, LUCY	86.60
168695	ORONA, DIANE	147.42
168696	PRE-PAID LEGAL SERVICES, INC	234.18
168697	PRECIADO, VANESSA A	62.20
168698	PRUDENTIAL OVERALL SUPPLY	2,280.18
168699	RANCHO PASEO MEDICAL GROUP	50.00
168700	RICHARDS WATSON GERSHON	70,399.81
168701	RIV. CO. CLERK RECORDER	24.00
168702	RIV. CO. CLERK RECORDER	8.00
168703	RIV. CO. HEALTH SVCS AGENCY	2,938.00
168704	RIVERA, KATHLEEN	37.02
168705	RIVERSIDE, COUNTY OF	2,218.00
168706	ROBLEE, DAVID	744.23
168707	RODRIGUEZ, MICHAEL & HELEN	115.07
168708	RUSH, ADAM	1,169.99
168709	SALAZAR &, MARCO A	115.97
168710	SAN BERNARDINO PUBLIC EMPLOYEES	1,126.42
168711	SAN GORGONIO PASS DESIGN AND PRINT	107.75
168712	SANCHEZ, MARISA MARLENE	25.13
168713	SHERIFF'S SPECIAL EVENTS	30.00
168714	SHERIFF'S SPECIAL EVENTS	30.00
168715	SHERIFF'S SPECIAL EVENTS	30.00
168716	SITEONE LANDSCAPE SUPPLY	977.35
168717	SMART & FINAL	238.85
168718	SMITH, BRANDON	12.00
168719	STAPLES BUSINESS ADVANTAGE	755.84
168720	STERLING TALENT SOLUTIONS	242.15
168721	SUPERION	518.01
168722	TELEPACIFIC COMMUNICATIONS	2,938.89
168723	TIME WARNER CABLE	1,023.26
168724	TOTAL-WESTERN, INC	3,200.00
168725	TRAPANI, SHARON	106.37
168726	ULINE	302.81
168727	URBAN FUTURES INCORPORATED	675.00
168728	WASTE MANAGEMENT OF THE	0.00
168729	WELLS FARGO CARD SERVICES INC	635.27
168730	WELLS FARGO CARD SERVICES INC	2,283.96
168731	WELLS FARGO CARD SERVICES INC	2,453.59
168732	WESCO DISTRIBUTION, INC	512.65
168733	WILLDAN FINANCIAL SERVICES	1,721.00
168734	WASTE MANAGEMENT OF THE	237,671.74
168735	ABBOTT, CELIA	155.49

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Warrant Number	Vendor Name	Warrant Amount
168736	ACE	314.28
168737	ALL STAR ELITE SPORTS	200.02
168738	AMAZON CAPITAL SERVICES	667.12
168739	AMERICAN PUBLIC POWER ASSN	7,840.00
168740	ARTISTIC MAINTENANCE, INC.	5,258.75
168741	ASBURY ENVIRONMENTAL SERVICES DBA	35.00
168742	ATWORK FRANCHISE, INC	768.60
168743	AVILA, SOL	166.23
168744	AVILA, VINCENT	44.89
168745	BABCOCK LABORATORIES, INC	2,605.00
168746	BEAUMONT DO IT BEST HOME CENTER	215.63
168747	BEAUMONT SAFE & LOCK	6.47
168748	CA. ST. DEPT. OF CONSERVATION	60.51
168749	CABALLERO, DANIEL	157.00
168750	CALDERON, SANDRA B	11.60
168751	CALIF BUILDING STANDARDS COMMISSION	198.00
168752	CALIFORNIA RURAL WATER ASSOCIATION	1,302.00
168753	CATEGORY FIVE TECH INC	580.00
168754	CDW GOVERNMENT, INC	771.14
168755	CREATIVE BUS SALES INC	687.39
168756	CUSTOM TROPHIES & U-NEEK AWARDS	190.71
168757	DECALS BY DESIGN, INC	111.63
168758	DIAMOND ENVIRONMENTAL SERVICES	387.80
168759	DIVISION OF THE STATE ARCHITECT	191.20
168760	FALTO, CONSTANCE	105.37
168761	FLOYD SR, ERNEST	235.00
168762	FOX OCCUPATIONAL MEDICAL CENTER	210.00
168763	FRONTIER COMMUNICATIONS	920.69
168764	G & G ENVIRONMENTAL COMPLIANCE, INC	1,839.20
168765	GAS COMPANY, THE	750.11
168766	GATES, TRAVIS	188.00
168767	GRAINGER	258.79
168768	HAZEN AND SAWYER	220.00
168769	HOPKINS, VICKI	171.55
168770	IBEW LOCAL 47 RETIREE MEDICAL TRUST	2,152.93
168771	ICMA RETIREMENT TRUST 457	995.69
168772	INFOSEND, INC	1,118.34
168773	INNOVATIVE EMERGENCY EQUIPMENT	32.50
168774	KUSTOM SIGNALS, INC	237.16
168775	LIBERTEL ASSOCIATES	4,112.40
168776	LITHOPASS PRINTING, FORMS,	524.23
168777	LOS ANGELES TRUCK CENTERS DBA	47.51
168778	MERCHANTS BUILDING MAINTENANCE, LLC	5,561.08
168779	MITSUBISHI ELECTRIC & ELECTRONICS	303.80
168780	NATIONWIDE RETIREMENT SOLUTIONS	5,536.15
168781	OMAHA MARRIOTT DOWNTOWN	3,008.07
168782	PACKHAM & TOOMEY, INC	1,575.00
168783	PARS	496.83
168784	PAYPRO ADMINISTRATORS	292.00
168785	PHILLIPS, TAMMI	8.00
168786	PRUDENTIAL OVERALL SUPPLY	299.63
168787	REDLANDS FORD	91.23
168788	RINALDI, LORETTA	76.37
168789	ROBLEE, DAVID	569.12

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Warrant Number	Vendor Name	Warrant Amount
168790	SAN GORGONIO PASS DESIGN AND PRINT	161.63
168791	SERVICE SCAPE	5,854.00
168792	SHAW, ERIC J	221.97
168793	SO CAL ARBOR CARE	14,499.00
168794	STAPLES BUSINESS ADVANTAGE	111.93
168795	STATE WATER RESOURCES CONTROL	60.00
168796	STATEWIDE TOWING & RECOVERY, INC	450.00
168797	STONE, PAMELA	300.00
168798	STUART, HOLLY	17.00
168799	SUEZ BANNING	62,182.00
168800	SULZER ELECTRO-MECHANICAL SER INC	4,765.78
168801	SUN LIFE FINANCIAL	20,358.51
168802	SWAN ANALYTICAL USA INC	3,537.27
168803	SZOYKA, CARL	36.47
168804	VERIZON WIRELESS	4,018.66
168805	WELDOR'S SUPPLY AND STEEL	39.30
168806	WESTERN RIVERSIDE COUNCIL	8,873.00
168807	WESTERN RIVERSIDE REGIONAL	2,104.00
168808	WILDLIFE CONTROL SERVICE INC	795.00
168809	XYLEM DEWATERING SOLUTIONS, INC	4,136.52
168810	AL'S KUBOTA TRACTOR	348.18
168811	ALL WEATHER, INC	2,250.00
168812	AMAZON CAPITAL SERVICES	230.78
168813	ANDRADE, DANIELA	36.42
168814	ANIXTER, INC	9,742.28
168815	ARROW STAFFING SERVICE	1,222.00
168816	ARTISTIC MAINTENANCE, INC.	3,640.00
168817	ASBURY ENVIRONMENTAL SERVICES DBA	897.00
168818	AT&T CALNET 2	655.56
168819	ATWORK FRANCHISE, INC	1,710.75
168820	AVILA, DELIA	146.32
168821	BABCOCK LABORATORIES, INC	3,726.00
168822	BBVA COMPASS	217,958.60
168823	BEAUMONT DO IT BEST HOME CENTER	119.06
168824	BENDER, BEVERLY	80.52
168825	BENNETT, MICHAEL	0.00
168826	BT SUPPLIES WEST	1,163.80
168827	BURNETT &, ERIC	267.63
168828	CA. ST. BOARD OF EQUAL. - FUEL	480.38
168829	CALIFORNIA DEPT OF TAX AND FEE ADMN	9,058.63
168830	CALIFORNIA LAW ENFORCEMENT ASSOC	25.00
168831	CALIFORNIA, STATE OF	196.00
168832	CALOLYMPIC GLOVE & SAFETY CO, INC	2,670.96
168833	CARRILLO, ASUCENA L	81.35
168834	COLDWELL BANKER BLACKSTONE	16.54
168835	COLLINS, ELIZABETH	90.57
168836	COLOR BLAZE SUPPLY, LLC	340.00
168837	CONSOLIDATED ELECTRICAL	279.29
168838	CORDERO, YOLANDA	68.41
168839	COUNSELING TEAM INTERNATIONAL, THE	700.00
168840	DANGELO CO	517.77
168841	DAVIS, JOSEPH	124.94
168842	DIAZ, RICHARD D	34.00
168843	DOLLAR TREE STORES	2,359.00

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Warrant Number	Vendor Name	Warrant Amount
168844	FAST LUBE & TUNE	248.77
168845	FLEET SERVICES INC	725.22
168846	FOX OCCUPATIONAL MEDICAL CENTER	80.00
168847	FRONTIER COMMUNICATIONS	108.87
168848	GARCIA &, FELICITY	25.48
168849	GARCIA, JOSE & IRMA	20.64
168850	GAS COMPANY, THE	41.72
168851	GILL, CAROL	52.55
168852	GRECH, PAUL	119.10
168853	GUST, EARL	2,500.00
168854	HONG, JUSTIN	90.95
168855	INNOVATIVE FEDERAL STRATEGIES	3,500.00
168856	IRON MOUNTAIN INFORMATION MGMT, LLC	220.81
168857	LASSITER, JENNIFER B	34.92
168858	LEE'S AUTO BODY	1,809.01
168859	MADRIGAL CHAVES, SERGIO	90.00
168860	MCCRIMMON &, MAJESTIQUE T	5.82
168861	MEMBRINO &, CAITLIN	44.64
168862	MILLER, THOMAS	31.00
168863	MORENO, JOSE	156.78
168864	MORROW, JEFFREY	189.95
168865	MURRAY, THOMAS J	60.43
168866	O'CONNELL, DONNA	132.32
168867	O'REILLY AUTO PARTS	1,926.69
168868	PARKHOUSE TIRE, INC.	1,366.88
168869	PARTS AUTHORITY METRO, LLC	1,961.03
168870	PEREZ, RAUL G	88.88
168871	PRESS-ENTERPRISE, THE	371.10
168872	PRO-CRAFT PLUMBING COMPANY, INC	582.40
168873	PRUDENTIAL OVERALL SUPPLY	201.25
168874	PUBLIC AGENCY RETIREMENT SERVICES	300.00
168875	RECORD GAZETTE, THE	39.95
168876	REDLANDS FORD	503.65
168877	REGENCY-PACIFIC DEVELOPMENT CORP	2,298.00
168878	RIV. CO. SHERIFF'S DEPARTMENT	30.00
168879	RYAN HERCO FLOW SOLUTIONS	51.32
168880	SALLEY, CURTIS	142.81
168881	SAMPSON, LAURIE	60.90
168882	SANCHEZ, MARTA E	36.83
168883	SIN, KEVIN	169.29
168884	SMITH, JOY	107.60
168885	SONSRAY MACHINERY LLC	59.74
168886	SOUTHERN CALIFORNIA EDISON	156.58
168887	SOUTHERN CALIFORNIA JOINT POLE	1,028.41
168888	STAGECOACH MOTOR INN	951.00
168889	STAPLES BUSINESS ADVANTAGE	3,643.47
168890	TEEGARDEN, NANCY A & JOHN	204.88
168891	U.S. BANK	453.75
168892	UNDERGROUND SERVICE ALERT	138.33
168893	VALENCIA, MARIBEL	125.56
168894	VELA, ARTURO M	126.63
168895	VERA THAXTONS ESTATE	137.84
168896	VERIZON WIRELESS	421.68
168897	VISION SECURITY SYSTEMS	6,529.49

City of Banning
Warrant Report April 2019

Warrant Number	Vendor Name	Warrant Amount
168898	WALLACE, COLLEEN	36.42
168899	WCT PRODUCTS, INC	4,999.00
168900	WELLS, KAREN	115.75
168901	WESCO DISTRIBUTION, INC	144.48
168902	WHITSELL DONNA	670.00
168903	WILDLIFE CONTROL SERVICE INC	795.00
168904	WILLDAN FINANCIAL SERVICES	3,300.00
168905	ZHANG , CHARLENE X	64.94
168906	ZUBIATE, RICHARD O	36.50
168907	RIV. CO. CLERK RECORDER	2,404.75
168908	A-Z BUS SALES, INC. (COLTON)	934.18
168909	ADVANCE WORKPLACE STRATEGIES INC	181.00
168910	AIRWAVE COMMUNICATIONS ENTERPRISES	2,525.10
168911	ALESHIRE & WYNDER, LLP	343.00
168912	ALL STAR GLASS, INC.	45.00
168913	AMAZON CAPITAL SERVICES	99.86
168914	ANIXTER, INC	204.24
168915	ARROW STAFFING SERVICE	2,258.75
168916	ASHTON, LARA	3.50
168917	AT&T MOBILITY	1,099.52
168918	ATWORK FRANCHISE, INC	2,417.38
168919	BABCOCK LABORATORIES, INC	1,223.00
168920	BAKER ELECTRIC HOME ENERGY	245.00
168921	BANNING CHAMBER OF COMMERCE	75.00
168922	BATTERY SYSTEMS, INC	138.67
168923	BEAUMONT DO IT BEST HOME CENTER	10.30
168924	BEAUMONT POWER EQUIPMENT	1,854.89
168925	BENHAR, DIANA T	403.90
168926	BLACKWELL, CAROL	213.55
168927	BOYS & GIRLS CLUBS OF THE SAN	160.00
168928	BT SUPPLIES WEST	310.75
168929	CALIFORNIA WATER ENVIRONMENT	188.00
168930	CALIFORNIA-NEVADA J.A.T.C.	1,666.67
168931	CALIFORNIA, STATE OF	5,874.98
168932	CANON FINANCIAL SERVICES, INC	1,184.35
168933	CDW GOVERNMENT, INC	697.97
168934	CELL BUSINESS EQUIP-LEASING	272.61
168935	CHARLES ABBOTT ASSOCIATES, INC	2,880.00
168936	CONSOLIDATED ELECTRICAL	146.11
168937	COOK, SHARON	162.22
168938	CORE AND MAIN, LP	3,070.88
168939	CORELOGIC INFORMATION SOLUTIONS INC	66.68
168940	COUNTY OF RIVERSIDE-ANIMAL CONTROL	15,510.00
168941	COUTS HEATING & COOLING, INC	311.17
168942	CRAGHEAD, VERONICA	210.00
168943	CREATIVE BUS SALES INC	1,176.99
168944	CUSTOM TROPHIES & U-NEEK AWARDS	14.00
168945	DIAMOND HILLS CHEVROLET BUICK GMC	65.23
168946	DOBBINS, DEANN LOUISE	84.00
168947	DOOLITTLE, JEFFREY	507.00
168948	ENGINEERING RESOURCES OF SO CA	2,589.00
168949	ENTERPRISE FM TRUST	835.50
168950	ESPINOZA, CARLOS	184.00
168951	FALCON, ESTHER	133.58

City of Banning
Warrant Report April 2019

Warrant Number	Vendor Name	Warrant Amount
168952	FEDEX	131.74
168953	FLEET SERVICES INC	87.86
168954	FRONTIER COMMUNICATIONS	629.18
168955	FRONTIER COMMUNICATIONS	1,952.40
168956	GARDA CL WEST INC	626.39
168957	GAS COMPANY, THE	35.30
168958	GRAVES & KING LLP	40,009.68
168959	HERNANDEZ, CARLA	94.50
168960	HWCG, LLC DBA KITCHENRESTOCK.COM	1,953.88
168961	IBEW LOCAL 47 RETIREE MEDICAL TRUST	2,166.04
168962	ICMA RETIREMENT TRUST 457	995.69
168963	INFOSEND, INC	7,741.31
168964	LITHOPASS PRINTING, FORMS,	776.22
168965	LOADER, MICHAEL	1,988.22
168966	LOZANO SMITH LLP	2,019.15
168967	MILLER, NINA	144.32
168968	MORGAN, DEIDRA J	612.50
168969	NAPA AUTO PARTS	258.41
168970	NATIONWIDE RETIREMENT SOLUTIONS	5,536.15
168971	ONLINE INFORMATION SERVICES	460.52
168972	P&P UNIFORMS	2,735.23
168973	PACIFIC ALARM SERVICE	105.00
168974	PACKHAM & TOOMEY, INC	518.00
168975	PARKHOUSE TIRE, INC.	212.02
168976	PARS	411.14
168977	PEACEKEEPER PRODUCTS INTERNATIONAL	1,532.00
168978	PLANETBIDS, INC	26,975.00
168979	PRI MANAGEMENT GROUP	385.00
168980	PRUDENTIAL OVERALL SUPPLY	472.81
168981	RCS INVESTIGATIONS & CONSULTING LLC	2,821.92
168982	RECORD GAZETTE, THE	1,084.05
168983	REDLANDS FORD	34.16
168984	ROBLEE, DAVID	758.82
168985	ROCKWELL, AMBER	210.00
168986	RUEHLE, TARA SHAWN M	322.00
168987	RUSH, ADAM	81.80
168988	SMITH, LOIS E	28.00
168989	SOFTWARE ONE, INC	787.36
168990	SOUTHERN CALIFORNIA EDISON	43.92
168991	SOUTHERN CALIFORNIA GAS CO	6,718.77
168992	STAPLES BUSINESS ADVANTAGE	358.58
168993	STERLING TALENT SOLUTIONS	158.78
168994	STEVEN ENTERPRISES INC	121.33
168995	THE SOCO GROUP, INC.	26,064.80
168996	TIME WARNER CABLE	70.33
168997	TORRES, SOPHIA	4,759.68
168998	USABUEBOOK	2,057.01
168999	VARGAS, MARIA	90.00
169000	VERIZON WIRELESS	5,392.80
169001	WALLACE, COLLEEN	19.24
169002	WASTE MANAGEMENT OF THE	236,299.74
169003	WESCO DISTRIBUTION, INC	1,474.02
169004	WESTRUX INTERNATIONAL INC	3,842.82
169005	YOUNG, CARLA	210.00

City of Banning
Warrant Report April 2019

Warrant Number	Vendor Name	Warrant Amount
169006	YOUNGBLOOD & ASSOCIATES	225.00
169007	ZENNER PERFORMANCE METERS, INC	4,556.21
169008	ZHANG, CHARLENE	41.55
9006418	CA. ST. EMPLOYMENT DEV. DEPT.	23,864.59
9006419	INTERNAL REVENUE SERVICE	140,009.69
9006420	WELLS FARGO BANK	400.00
9006421	CALPERS 457 PLAN - 450260	15,516.16
9006422	CA. ST. PUBLIC EMPLOYEES	88,556.73
9006423	WELLS FARGO BANK	362,985.62
9006424	CA. ST. EMPLOYMENT DEV. DEPT.	21,835.64
9006425	INTERNAL REVENUE SERVICE	147,916.81
9006426	TASC	5,107.12
9006427	CA. ST. PUBLIC EMPLOYEES	1,143.63
9006428	CA. ST. PUBLIC EMPLOYEES	88,606.56
9006429	WELLS FARGO BANK	400.00
9006430	CALPERS 457 PLAN - 450260	36,180.83
9006431	WELLS FARGO BANK	409,499.53
9006432	CA. ST. EMPLOYMENT DEV. DEPT.	22,807.58
9006433	INTERNAL REVENUE SERVICE	149,430.07
9006434	TASC	5,107.12
Grand Total		4,637,302.68
	Less Voided / Reissued Checks from Prior Period	(3,634.00)
	Less Voided Checks Prior Period	
	Add Payroll Checks	6,018.21
	Total Remittance for Month	4,639,686.89

Voided Checks

April 2019

Date	Check	Vendor #	Reason	Amount	Check	Vendor #	Amount
4/4/2019	167240	939	Vendor didn't receive check	\$ 2,100.00	168640	939	\$ 2,100.00
4/4/2019	168305	7613	Vendor didn't receive check	\$ 1,500.00	168658	7613	\$ 1,500.00
4/4/2019	168728	1436	Incorrect entry	\$ 237,671.74	168734	1436	\$ 237,671.74
4/18/2019	166320	4597	Stale dated check	\$ 34.00	168842	4597	\$ 34.00
4/25/2019	168825	5577	Payment not required	\$ 2,000.00			

TOTALS

\$ 243,305.74

\$ 241,305.74

Payroll
April 2019

Start	End	Date	Description	Check Total	
11735	11743	4/12/2019	WARRANT REGISTER	\$	3,296.04
11744	11751	4/26/2019	WARRANT REGISTER	\$	2,722.17
			WARRANT REGISTER		
TOTALS				\$	6,018.21
CHECKS USED		17			

Prepared 4/11/19, 13:21:14
 Program PR655L
 CITY OF BANNING

Check Register
 BIWEEKLY
 Pay Date 4/12/19

Page 1
 Pay Period 8
 3/25/19 To 04/07/19

Dept/Div Activity	Check Payee	Social Security	Check Number	Amount
	CALIF. STATE DISBURSEMENT UNIT		11735	484.15
	UNITED STATES TREASURY		11736	125.50
	CALIF. STATE DISBURSEMENT UNIT		11737	180.46
	TRACY YOUNGBLOOD		11738	223.39
	FRANCHISE TAX BOARD		11739	200.00
	FRANCHISE TAX BOARD		11740	380.98
	CALIF. STATE DISBURSEMENT UNIT		11741	319.03
	MCKETHAN, CYNTHIA L	2488	11742	1,188.69
	CALIF. STATE DISBURSEMENT UNIT		11743	193.84
5800-434				
	Total Checks -		9	3,296.04

Prepared 4/25/19, 13:48:37
 Program PR655L
 CITY OF BANNING

Check Register
 BIWEEKLY
 Pay Date 4/26/19

Page 1
 Pay Period 9
 4/08/19 To 04/21/19

Dept/Div Activity	Check Payee	Social Security	Check Number	Amount
	CALIF. STATE DISBURSEMENT UNIT		11744	484.15
	UNITED STATES TREASURY		11745	125.50
	TRACY YOUNGBLOOD		11746	223.39
	FRANCHISE TAX BOARD		11747	200.00
	FRANCHISE TAX BOARD		11748	380.98
	CALIF. STATE DISBURSEMENT UNIT		11749	319.03
	MCKETHAN CYNTHIA L	2488	11750	795.28
	CALIF. STATE DISBURSEMENT UNIT		11751	193.84
5800-434				
	Total Checks -		8	2,722.17

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CITY OF BANNING CITY COUNCIL REPORT

TO: CITY COUNCIL

FROM: Doug Schulze, City Manager

PREPARED BY: Suzanne Cook, Deputy Finance Director

MEETING DATE: May 28, 2019

SUBJECT: Receive and File Cash, Investments and Reserve Report for the Month of April 2019

RECOMMENDATION:

That City Council receive and file Cash, Investment and Reserve Report for **April 30, 2019** in accordance with California Government Code 53646.

CASH AND INVESTMENT SUMMARY:

Description		Prior Month	Current Month
Funds Under Control of the City			
Cash			
Cash on Hand	\$ 4,155.00	\$ 4,155.00	
Checking and Savings Accounts	\$ 14,353,392.91	\$ 14,179,358.85	
Investments			
LAIF	\$ 41,132,746.18	\$ 41,390,764.64	
Brokerage	\$ 26,780,789.64	\$ 26,834,518.58	
Total Funds Under Control of the City	\$ 82,271,083.73	\$ 82,408,797.07	
Funds Under Control of Fiscal Agents			
US Bank			
Restricted Bond Project Accounts	\$ 15,222,148.84	\$ 15,231,742.16	
Restricted Bond Accounts	\$ 5,384,149.17	\$ 5,384,206.88	
Union Bank			
Restricted Funds	\$ 1,276,524.45	\$ 1,465,981.43	
Total Funds Under Control of Fiscal Agents	\$ 21,882,822.46	\$ 22,081,930.47	
Total Funds	\$ 104,153,906.19	\$ 104,490,727.54	

RESTRICTED, ASSIGNED, COMMITTED AND RESERVED SUMMARY:

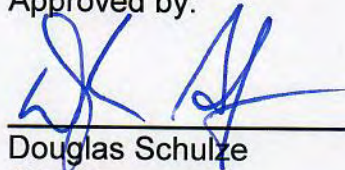
Description	Prior Month	Current Month
Total Funds	\$ 104,153,906.19	\$ 104,490,727.54
Restricted Funds	40,520,296.18	\$ 40,644,789.20
Assigned Funds - Specific Purpose	8,684,911.34	\$ 8,684,911.34
Committed Funds - Specific Purpose	4,528,172.25	\$ 4,528,172.25
Fund Balance Reserves	15,077,173.95	\$ 15,077,173.95
Total Restricted, Assigned, Committed and Reserved	\$ 68,810,553.72	\$ 68,935,046.74
Operating Cash - Unrestricted Reserves	\$ 35,343,352.47	\$ 35,555,680.80
Less Accounts held in Investments	\$ 26,780,789.64	\$ 26,834,518.58
Liquid Cash	\$ 8,562,562.83	\$ 8,721,162.22

ATTACHMENTS:

- Cash, Investment and Reserve Report April 2019
- Investment Report April 2019
- LAIF / PMIA Performance Report

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

Approved by:



Douglas Schulze
City Manager

City of Banning
Cash, Investment & Reserve Balances - April 30, 2019

Cash & Investments		March 2019	April 2019	Reserve Balances	
Institution/Investment Type		Balance	Balance	Description	Balance
Funds Under Control of the City:					
Petty Cash / Cash on Hand		\$ 4,155.00	\$ 4,155.00	RESTRICTED FUNDS	
Checking and Savings:				Restricted Project Funds	\$ 15,231,742.16
Wells Fargo - General Account - XXXXX5798	\$ 13,961,084.13	\$ 13,776,191.24		Bond Funds Held with Fiscal Agents	\$ 5,384,206.88
Bank of America - Parking Citations - XXXXXXXX 8776	\$ 84,802.32	\$ 90,558.43		CASIO - City of Banning 8731036994	\$ 113,306.50
Bank of America - Airport Visa - XXXXXXXX 7548	\$ 222,326.11	\$ 227,284.68		City of Banning - 6736305920 - RPU	\$ 1,352,674.93
Bank of America - CNG Charge Acct XXXXXXXX 5594	\$ 85,380.35	\$ 85,324.50		Customer Deposit Accounts	\$ 1,625,889.53
	\$ 14,353,392.91	\$ 14,179,358.85		Capital Facility Fees (Funds 400, 410, 420, 421, 430, 661, & 681)	\$ 16,533,801.59
State of California, Local Agency Investment Fund				Parking Citations	\$ 90,558.43
City of Banning XX-XX-050	\$ 41,132,745.95	\$ 41,390,764.41		Airport	\$ 227,284.68
Successor Agency XX-XX-001	\$ 0.23	\$ 0.23		CNG	\$ 85,324.50
% of Investments in LAIF (Maximum 40% allowed per Investment Policy)	\$ 41,132,746.18	\$ 41,390,764.64			\$ 40,644,789.20
	61%	61%		ASSIGNED FUNDS - SPECIFIC PURPOSE	
US Bank				Workers Compensation - PERMA	\$ 300,000.00
City of Banning Custody Account XXXXX6000				Capital Replacement	\$ 1,500,000.00
Government Agencies				Debt Service Payments	\$ 6,884,911.34
First American Government Oblig Fd Cl D 31846V401 Market Value	\$ 9,858,279.64	\$ 2,112,008.58			\$ 8,684,911.34
#3802 \$9,858,279.64				COMMITTED FUNDS - SPECIFIC PURPOSE	
Federal Home Loan Bks 3130A6K89 Market Value \$1,998,060 Maturity 10/5/2018	\$ -	\$ -		General Fund - Emergency Contingency 25% (minimum req \$1,500,000)	\$ 4,528,172.25
Federal Home Loan Bks 3130A7G25 Market Value \$2,998,920 Maturity 3/15/2019	\$ 2,955,090.00	\$ 2,955,090.00			
F N M A 3135G0P49 Market Value \$2,982,090 Maturity 8/28/2019	\$ 3,000,000.00	\$ 3,000,000.00			
F H L M C M T N 3134GBJ52 Market Value \$2,985,360 Maturity 9/27/2019	\$ 3,000,000.00	\$ 3,000,000.00			
F H L M C M T N 3134GBL83 Market Value \$2,975,430 Maturity 3/27/2020	\$ 3,000,000.00	\$ 3,000,000.00			
F N M A M T N 3136G4PP2 Market Value \$2,971,350 Maturity 10/26/2020	\$ 3,000,000.00	\$ 3,000,000.00			
Federal Home Loan Bks 3130ADFV9 Market Value \$2,993,940 Maturity 1/29/2021	\$ 2,967,420.00	\$ 2,967,420.00			
F H L M C M T N 314GSSD8 Market Value \$2,000,660 Maturity 1/29/2021	\$ 2,000,000.00	\$ -			
Federal Farm Credit Bks 3133EKFJ0 Market Value \$5,797,390 Maturity 4/5/2021	\$ -	\$ 5,800,000.00			
Federal Farm Credit Bks 3133EKFJ7 Market Value \$4,000,080 Maturity 7/5/2022	\$ -	\$ 4,000,000.00			
Federal Home Loan Bks 3130AETB6 Market Value \$5,193,466.34 Maturity 02/26/2019	\$ -	\$ -			
	\$ 26,780,789.64	\$ 26,834,518.58			\$ 4,528,172.25
Total Funds Under Control of the City	\$ 82,271,083.73	\$ 82,408,797.07		AVAILABLE FUND BALANCE RESERVES	
Funds Under Control of Fiscal Agents:				Electric Rate Stabilization Fund	\$ 6,723,446.60
US Bank				Electric Operational Fund	\$ 3,361,723.30
2015 Water Revenue Bonds-BUA Water Projects - 258228005	\$ 1,511,795.35	\$ 1,514,197.66		BUA Water Fund	\$ 1,197,964.30
2005 Wastewater Project Fund Bond - 792143006	\$ 3,270,059.13	\$ 3,270,892.30		BUA Wastewater Fund	\$ 378,339.40
2015 Electric Revenue Bond-Acquisition & Construction Fund - 262685003	\$ 2,771,405.06	\$ 2,775,808.95		Self Insurance Fund	\$ 500,000.00
Successor Agency of the Dissolved Redevelopment Agency of the City of Banning Tax Allocation Bonds Series 2016 (Taxable) Unexpended Proceeds Fund - 277166005	\$ 7,668,889.30	\$ 7,670,843.25		Designated, Unreserved	
Restricted Project Funds Available	\$ 15,222,148.84	\$ 15,231,742.16		Mining Tax Collected	\$ 979,274.00
2015 Electric Revenue Bond-Escrow Fund - 277248000/262685001				PEG Reserve	\$ 133,104.35
Wastewater System Improvement Project Fund Bond 1989 Escrow Account for AC 94627350 - 792145000	\$ -	\$ -		Litigation Contingency	\$ 179,189.00
Water System Improvement Project 1989 Escrow Acct AC 94627340 - 792146000	\$ -	\$ -		Gas Tax & Police Reward	\$ 189,325.00
				CalPERS Liability	\$ 500,000.00
2015 Electric Revenue Bond-Reserve Fund - 262685002 - Market Value	\$ 2,428,543.76	\$ 2,428,543.76		Compensated Absences	\$ 934,808.00
Improvement Dist No 2004-1 (Fair Oaks Ranch Estates) Limited Obligation Improvement Bonds Series 2005A Principal Acct-78958201	\$ 40,000.68	\$ 40,010.87			\$ 15,077,173.95
Improvement Dist No 2004-1 (Fair Oaks Ranch Estates) Limited Obligation Improvement Bonds Series 2005A Reserve Fund-78958203	\$ 186,464.18	\$ 186,511.69		Operating Cash	
BUA Wastewater Enterprise Lease Revenue Bonds Series 2005 Reserve Fund - 7912143004	\$ 523,623.18	\$ 523,623.18		Balance Available for Daily Operations	\$ 35,555,680.80
Successor Agency of the Dissolved Redevelopment Agency of the City of Banning Tax Allocation Bonds Series 2016 (Taxable) Reserve Fund-277166004 Market Value	\$ 2,205,497.50	\$ 2,205,497.50		Less Amount held in investments	\$ 26,834,518.58
Successor Agency of the Dissolved Redevelopment Agency of the City of Banning Tax Allocation Bonds Series 2016 (Taxable) Cost of Issuance - 277166006	\$ -	\$ -			
Successor Agency of the Dissolved Redevelopment Agency of the City of Banning Tax Allocation Bonds Series 2016 (Taxable) Revenue Fund - 277166000	\$ 19.87	\$ 19.88		Liquid Cash	\$ 8,721,162.22
Bond Funds Held with Fiscal Agent - Restricted	\$ 5,384,149.17	\$ 5,384,206.88			
Union Bank of California:					
CASIO - City of Banning XXXXX6994	\$ 112,665.40	\$ 113,306.50			
City of Banning - XXXXX5920 - RPU	\$ 1,163,859.05	\$ 1,352,674.93			
Funds Held with Fiscal Agent - Restricted	\$ 1,276,524.45	\$ 1,465,981.43			
Total Funds Under Control of Fiscal Agents	\$ 21,882,822.46	\$ 22,081,930.47			
Grand Total	\$ 104,153,906.19	\$ 104,490,727.54		Grand Total	\$ 104,490,727.54
				UNRESTRICTED RESERVES	\$ 35,555,680.80

I hereby certify that the investment activity for this reporting period conforms with the investment policy adopted by the City of Banning's City Council and the California Government Code Section 53601 (with the exception of funds held in LAIF)

I also certify that there are adequate funds available to meet the City's Budget.

Suzanne Cook

Suzanne Cook

Deputy Finance Director/Interim ASD

**City of Banning
Report of Investments
April 2019**

Investment Held by	Investment Name	Investment Type	CUSIP Number	Standard & Poors Rating	Moody's Rating	Settlement Date	Maturity Date	Par	Market Yield	Market Price	Market Value	Percentage of Investments
State of California, Local Agency Investment Fund	City of Banning Successor Agency	Pooled Investment Pooled Investment	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A	\$ 41,390,764.41 \$ 0.23	2.445 0.000	100.0147	\$ 41,396,846.95	60.7% 0.0%
US Bank- Broker Piper Jaffray								\$ 41,390,764.64			\$ 41,396,847.18	60.7%
Government Agencies												
	First American Government Oblig Fd C D	Cash Equivalent	318461401	N/A	N/A	N/A	N/A	\$ 2,112,008.58	1.890	100.000	\$ 2,112,008.58	3.1%
	F N M A	US Government Issue	3135G0P49	AA+	Aaa	7/26/2018	8/28/2019	\$ 2,955,090.00	1.000	99.513	\$ 2,985,390.00	4.3%
	F H L M C M T N	US Government Issue	3134GBJ52	AA+	Aaa		9/27/2019	\$ 3,000,000.00	1.510	99.594	\$ 2,987,820.00	4.4%
	F H L M C M T N	US Government Issue	3134GBJ83	AA+	Aaa		3/27/2020	\$ 3,000,000.00	1.610	99.280	\$ 2,978,400.00	4.4%
	F N M A M T N	US Government Issue	3136G4PP2	AA+	Aaa		10/26/2020	\$ 3,000,000.00	1.770	99.104	\$ 2,973,120.00	4.4%
	Federal Home Loan Bks	US Government Issue	3130ADFV9	AA+	Aaa	7/26/2018	1/29/2021	\$ 2,967,420.00	2.250	99.800	\$ 2,994,000.00	4.3%
	Federal Farm Credit Bks	US Government Issue	3133EKF10	N/A	N/A	4/5/2019	4/5/2021	\$ 5,800,000.00	2.490	99.955	\$ 5,797,390.00	8.5%
	Federal Farm Credit Bks	US Government Issue	3133EKF7	N/A	N/A	4/5/2019	7/5/2022	\$ 4,000,000.00	2.600	100.002	\$ 4,000,080.00	5.9%
								\$ 26,834,518.58			\$ 26,828,208.58	39.3%
Total Investments								\$ 68,225,283.22			\$ 68,225,055.76	100.0%



CALIFORNIA STATE TREASURER FIONA MA, CPA



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
04/15/19	2.45	2.44	182
04/16/19	2.45	2.44	182
04/17/19	2.45	2.44	181
04/18/19	2.45	2.44	184
04/19/19	2.45	2.44	183
04/20/19	2.45	2.44	183
04/21/19	2.45	2.44	183
04/22/19	2.45	2.44	182
04/23/19	2.45	2.44	181
04/24/19	2.45	2.44	180
04/25/19	2.45	2.44	180
04/26/19	2.45	2.44	183
04/27/19	2.45	2.44	183
04/28/19	2.45	2.44	183
04/29/19	2.45	2.44	180
04/30/19	2.45	2.45	179
05/01/19	2.45	2.45	181
05/02/19	2.45	2.45	183
05/03/19	2.45	2.45	184
05/04/19	2.45	2.45	184
05/05/19	2.45	2.45	184
05/06/19	2.45	2.45	182
05/07/19	2.45	2.45	180
05/08/19	2.45	2.45	181
05/09/19	2.45	2.45	180
05/10/19	2.45	2.45	180
05/11/19	2.45	2.45	180
05/12/19	2.45	2.45	180
05/13/19	2.45	2.45	177
05/14/19	2.45	2.45	176
05/15/19	2.45	2.45	178

*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

LAIF Performance Report

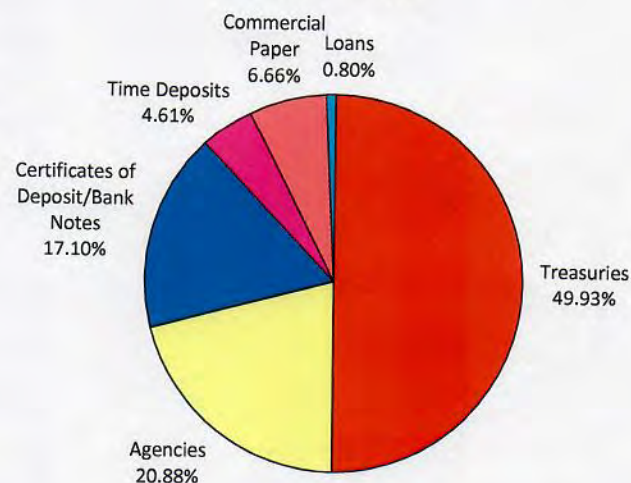
Quarter Ending 03/31/19

Apportionment Rate: 2.55
 Earnings Ratio: 0.00006976322349099
 Fair Value Factor: 1.000146954
 Daily: 2.44%
 Quarter to Date: 2.39%
 Average Life: 179

PMIA Average Monthly Effective Yields

Apr 2019 2.445
 Mar 2019 2.436
 Feb 2019 2.392

Pooled Money Investment Account Portfolio Composition 04/30/19 \$102.7 billion



Percentages may not total 100% due to rounding

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1)

Based on data available as of 05/15/2019

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**CITY OF BANNING
CITY COUNCIL REPORT**

TO: CITY COUNCIL

FROM: Doug Schulze, City Manager

PREPARED BY: Art Vela, Director of Public Works

MEETING DATE: May 28, 2019

SUBJECT: Public Works Capital Improvement Project Tracking List

RECOMMENDED ACTION:

This is informational only; receive and file report.

GOAL STATEMENT:

The purpose of presenting the attached Public Works Capital Improvement Project (CIP) Tracking 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, environmental, 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 Public Works CIP Tracking List. The list will be presented to City Council on a monthly basis.

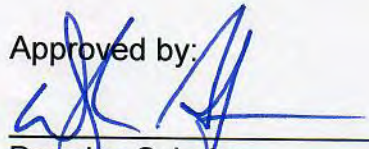
FISCAL IMPACT:

None

ATTACHMENTS:

1. CIP Status List

Approved by:



Douglas Schulze
City Manager

ATTACHMENT 1

(Public Works Department CIP Tracking List)

PUBLIC WORKS CAPITAL IMPROVEMENT PROJECTS (CIP) TRACKING SHEET

Category	Project #	Project	Phase	Council Award Date	Project Kickoff	% Completed	Tasks Completed	Current Tasks	1 Month Look Ahead Task	Future Tasks	Tentative Completion Date	Project Budget
Streets	2024-03	Hargrave/Ramsey Street Intersection	Design	5/26/2015	8/10/2015	95%	PS&E are 100% complete. Right of way documents accepted by Council and recorded by County. Water Main Replacement Plan completed. SCE has completed their design and has submitted a relocation agreement to the City Council.	Waiting for SCE to complete their design and engineering documents for the relocation of power poles including drafting of agreement. Acquiring Caltrans permit. Banning Electric preparing improvement plans.	Banning Electric complete revised plans and technical specs. Incorporated electric designs to Project Phase and Specs and Bid Project. SCE completes design. City Council to approve relocation agreement with SCE	SCE complete their poles relocation design and construction including executing agreement.	7/1/19	\$ 79,920
Streets	2016-11	Halfway/Ramsey Street Intersection	Design	12/12/2016	1/18/2017	95%	Staff completed reviewing 2nd submittal of PS&E. Preliminary R/W appraisal, "Intent to Appraise" letters sent to property owners.	Banning Electric preparing improvement plans. Review of right-of-way documents, preparation of Temporary Construction Easements and appraisals. Review final PS&E.	Complete PS & E package.	Complete right-of-way acquisition. Bid project.	7/1/19	\$ 254,512
Streets	ATP-5214(012)	ATP Bicycle/Pedestrians Safe Routes to School	Environmental and Design	5/21/2018	6/19/2018	100%	Design Funding Allocation approved by CTC in March 2017 and approved by Caltrans in April 2017. Council approved PSA dated 5-22-18. Design started on 6/19/18. Completing 100% PS&E. Submitting final PS&E to Caltrans for review and approval. CTC to approve funding allocation for construction.	Project out for Bid. Bids opened on 4/21/19. Evaluation of bids.	Award construction contract and execution of agreement.	pre-construction meeting and start of construction.	6/1/19	\$ 207,000
Streets	ATP-5214(011)	ATP Bicycle/Pedestrians Safe Routes to School	Construction	4/23/2019	-	-	Project awarded on 4/23/19	Execution of agreement and obtain purchase order.	Pre-construction meeting and start of construction.	Construction	10/1/19	\$ 875,000
Streets	STP-5214 (011)	Ramsey Street, from Hargrave St. to west of Halfway St.	PS and E, Design	-	-	100%	PS&E are 100% complete. Cultural resources study approved by Caltrans. PS and E documents sent to Caltrans for review and comment.	Finalizing of PS&E	Advertise Notice Inviting to Bid.	Open bids and recommend award to City Council	6/1/19	\$ 351,010
Streets	STP-5214 (011)	Ramsey Street, from Hargrave St. to west of Halfway St.	Construction	-	-	0	-	-	-	-	-	-
Streets	2017-16	Citywide Various Street Improvements	Construction	12/11/2018	4/30/20	100%	PS&E Completed. Bidded. To City Council for award on 1/11/19. Construction completed.	Final Invoice.	City Council acceptance of project. File NDC with the County.	Project close-out	7/1/19	\$ 648,124
Parks	2017-03	Lions Park Multi Purpose Fields CEQA	Environmental	11/7/2016	-	100%	Received and approved for project. AB52 Consultation was completed. Submitting final SWPPP, WOMP and Project Phase & Technical Specifications completed.	MyLars submitted to City.	Close out the project account.	Looking for funding for Construction	6/1/19	\$ 66,300
Parks	2017-03	Lions Park Multi Purpose Fields	Design	7/11/2017	9/15/2017	100%	-	-	-	-	12/30/18	\$ 77,798
Water	2015-01W	Water Line Replacement (3 Locations)	Design	3/24/2015	4/15/2016	98%	100% Design for Location 3; 100% Design for Location 2	MyLars submitted; finalize specs	Bidding for Location 2	Award construction contract for Location 2.	6/30/19	\$ 107,980
Water	2017-01W	Groundwater Audit	Planning	-	10/4/2017	90%	Kickoff Meeting. Data Gathering Data Review and Analysis. Draft Summary Report	Review of Draft Summary Report	Meeting to discuss Pumping Recommendations	Finalize Groundwater Audit Report Implementation	5/30/19	\$ 19,886
Water	Part of 2014-03	Hargrave Waterline - Williams to Heller	Design	Part of Hargrave/Ramsey Intersection contract	5/16/2018	100%	100% PS&E.	Bid Advertising. Pre-bid Walkthrough	Bid Management, Addendums	Award construction contract.	5/31/19	Part of Hargrave/Ramsey Streets project
Water	2018-01W	New Domestic Water Well C8	Design	9/10/2018	9/24/2018	5%	Evaluation of Water Resources in Cabson Storage Unit. Technical Memo; Amendment to Complete a Well String Study	Well String Study. Prepare specifications for Well Rehab and Testing of Well MD	Bid Well Rehab and Testing of Well M9	Award contract for Well M9 Rehab and Testing. Technical Memo regarding final well site operations and construction PS&E.	6/30/20	\$ 671,296
Water	2018-01W	Altitude Valves for Storage Reservoirs	Construction	TBD	TBD	0	Reviewed bid results	Council Award	Execute agreement.	Kickoff Meeting	12/31/19	\$ 175,000
Water	2018-08W	Advance Metering Infrastructure (AMI) Pilot Study	Planning/Construction	TBD	TBD	-	Installation of Meters and Collector (AMI Reader); configuration of meter reading software	Monitor pilot study	Monitor pilot study	Assess results of Pilot. Award Purchase Order for new AMI Meters; Begin Installation	6/30/19	TBD
Wastewater	2018-03WW	Nitrogen Removal Feasibility Study	Planning	9/25/2018	10/4/2018	0.25	Evaluation of Treatment Technologies. Workshop provided to City Council and public.	Assess Groundwater Impacts, Capacity Assessment of Existing Plant	Additional Investigations, Sampling, Final Report and Recommendations	Salt and Nutrient Management Plan	10/31/19	\$ 351,669
Water	2019-01W	Pelton Wheel and Well Repairs	Construction	12/11/2018	1/9/2019	15%	Removal of equipment at Wells M4, M5, M8. Brushing and bailing of Well 5; sonar-jetting of Well 5. Well 9 pump break-down and inspection	Re-installation of Well 9 pump	Removal and inspection of Pelton Wheel;	Repair Pelton Wheel; Repairs to Well MIP-1	6/30/19	\$ 179,885
Wastewater	2019-04WW	Iron Sponge Media Replacement	Construction	3/26/2019	TBD	0.02	Council Award. Purchase Requisition provided to Purchasing Dept.; Reviewed Draft Agreement	Finalize and execute Agreement	Kickoff Meeting	Replace Media; Project Discount	8/31/19	\$ 40,437
LMD	2017-12	Landscape Maintenance District No.1 Redesign	Design	-	7/10/2017	98%	Reviewed conceptual plans. Field work, staff provided RW Park Specs and current costs to the consultant.	Final review of plans.	Submit myLars for signature and final cost estimate.	TBD	6/1/19	-

PUBLIC WORKS CAPITAL IMPROVEMENT PROJECTS (CIP) - FUNDED BY PARDEE, ELIGIBLE FOR DIF CREDITS

Category	Project #	Project	Phase	Council Award Date	Project Kickoff	% Completed	Tasks Completed	Current Tasks	1 Month Look Ahead Tasks	Future Tasks	Tentative Completion Date	Project Budget
Non-potable		Well WP-1	Design	N/A - Pardee Project	6/5/2018	20%	Conceptual Design; Well Reliefs; Capacity Recommendation	30% Design	60% Design	90% Design; 100% PS&E; Environmental Bid	12/31/19	DIF Credits, TBD
Non-potable		Irrigation Pipeline Phase 1 Segments G, H and O2	Redesign and Permitting	N/A - Pardee Project	6/5/2018	40%	Kickoff Meeting; Submitted Encroachment Permit to Caltrans; Re-design of Segment C (renamed Segment D due to new alignment)	Survey; 60% Design Drawings	90% Design Drawings	100% PS&E; Construction Bid	9/30/19	DIF Credits, TBD
Non-potable		Non-potable Reservoir at WWTP	Design	N/A - Pardee Project	6/5/2018	15%	Kickoff Meeting; Reservoir Sizing Calculations	Reservoir Re-Sizing based on new demand data and WP-1 Capacity; Preliminary Design	30% Design Drawings	60% Design; 90% Design; 100% PS&E; Environmental; Construction Bid	12/31/19	DIF Credits, TBD
Non-potable		Recycled Water Booster Station at WWTP	Design	N/A - Pardee Project	6/5/2018	10%	Kickoff Meeting; Conceptual Design; Verification of Lions Park peak demands	Preliminary Design	30% Design Drawings	60% Design; 90% Design; 100% PS&E; Environmental; Construction Bid	12/31/19	DIF Credits, TBD
Non-potable		Booster Station on Lincoln	Design	N/A - Pardee Project	6/5/2018	10%	Kickoff Meeting; Conceptual Design; Verification of expected operating pressures and demands	Preliminary Design	30% Design Drawings	60% Design; 90% Design; 100% PS&E; Environmental; Construction Bid	12/31/19	DIF Credits, TBD
Water		Brinton Booster Station	Design	N/A - Pardee Project	6/5/2018	10%	Kickoff Meeting; Conceptual Design	Required Capacity Analysis; Preliminary Design	30% Design Drawings	60% Design; 90% Design; 100% PS&E; Environmental; Construction Bid	12/31/19	DIF Credits, TBD
Water / Non-potable		Oak Valley Interconnect Building	Design	N/A - Pardee Project	6/5/2018	15%	Kickoff Meeting; Conceptual Design; Site Layout	Adjustments to Site Layout	Preliminary Design	30% Design; 60% Design; 90% PS&E; Environmental; Construction Bid	12/31/19	DIF Credits, TBD
Water		Foothill West Reservoir	Design	N/A - Pardee Project	6/5/2018	10%	Kickoff Meeting	Reservoir Sizing & Configuration; Schedule	Conceptual Design	30% Design; 60% Design; 90% PS&E; Environmental; Construction Bid	9/30/19	DIF Credits, TBD
Wastewater		Rainey LIR Station	Design	N/A - Pardee Project	6/5/2018	10%	Kickoff Meeting; Conceptual Design	Site Acquisition	Phase 1 ESA; Site Acquisition	30% Design; 60% Design; 90% PS&E; Environmental; Construction Bid	12/31/19	DIF Credits, TBD
Wastewater		Atwell Offsite Sewer Trunk Mains and Force Main	Design	N/A - Pardee Project	6/5/2018	15%	Kickoff Meeting; Sewer Flow Monitoring	CCTV Video Inspection; Wilson Street Sewer Design	Video Inspection Report and Condition Assessment	Identification of Existing Deficiencies; Survey and Utility Pot-holing; Preliminary Design for New Sewer Trunk Mains and Force Main; 60% Design; 90% PS&E; Environmental; Construction Bid	12/31/19	DIF Credits, TBD

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**CITY OF BANNING
CITY COUNCIL REPORT**

TO: CITY COUNCIL
FROM: Chief Todd Hopkins
PREPARED BY: Laurie Sampson, Executive Assistant
MEETING DATE: May 28, 2019
SUBJECT: Receive and File Fire Department Statistics for January through April 2019

RECOMMENDED ACTION:

Receive and file Fire Department statistics for January through April 2019.

BACKGROUND:

The Fire department provides statistics to the public and City Council upon request.

JUSTIFICATION:

N/A

FISCAL IMPACT:

None


OPTIONS:

1. Receive and File

ATTACHMENTS:

1. Fire Statistics for January through April 2019

Approved by:



Douglas Schulze
City Manager

ATTACHMENT 1

Fire Department Statistics January through April 2019

CAL FIRE/Riverside County Fire Department

Unit Response Statistics *

*The numbers provided on this report are actual Unit Responses and not Incident Counts. To obtain Incident Counts use the Incident Report.



Shawn C. Newman

Fire Chief

5/1/2019

Report Provided By: Riverside County Fire Department

Communications and Technology Division

GIS Section

Please refer to Map and Unit Responses by Battalion, Station, and Jurisdiction

Incidents Reported for Date between 01/01/19 and 4/30/2019 and City of Banning and Both (Code 2, Alpha, Omega, Code 3, Charlie, Delta, Bravo, Echo)

*Incidents are shown based on the units that responded.

Unit Response Activity



Average Enroute to Onscene Time*

Enroute Time = When a unit has been acknowledged as responding. Onscene Time = When a unit has been acknowledged as being on scene. For any other statistic outside Enroute to Onscene please contact the IT Help Desk at 951-940-6900

<5 Minutes	+5 Minutes	Average	% 0 to 5 min
1242	568	4.7	66.3%

*CODE 3 and CODE 2 incidents are included in the total count of incidents and the average Enroute to Onscene Time.

*The numbers provided on this report may reflect multiple unit responses to a single incident.

Last Updated 5/1/2019 3:

*Incidents are shown based on the units that responded.

Unit Responses by Battalion, Station and Jurisdiction

City of	False Alarm	Haz Mat	Medical	Other Fire	Other Misc	Public Service Assist	Res Fire	Rescue	Ringing Alarm	Standby	Traffic Collision	Vehicle Fire	Wildland Fire	Total
Banning	1	0	0	0	0	0	0	0	0	0	0	1	0	3
B10A	1	0	0	0	0	0	0	0	0	0	0	0	0	1
B10B	1	0	0	0	0	0	0	0	0	0	0	0	0	1
B11	1	0	0	0	0	0	0	0	0	0	0	1	0	3
B13A	1	0	0	0	0	0	0	0	0	0	0	0	0	1
B14A	1	0	0	0	0	0	0	0	0	0	0	0	0	2
B14B	0	0	0	0	0	0	0	0	0	0	0	1	0	1
B15A	0	0	0	0	0	0	0	0	0	0	0	0	0	1
B3	1	0	0	0	0	0	2	0	0	0	0	0	0	4
B3110	1	1	0	0	0	0	0	0	0	0	0	1	0	3
B3113	1	0	0	0	0	0	0	0	0	0	0	0	0	4
B3114	0	0	0	0	0	0	0	0	0	0	0	1	0	1
B3116	5	1	0	1	0	0	0	0	0	0	0	2	0	9
B3118	1	0	0	0	0	0	0	0	0	0	0	0	0	1
B4	0	0	0	0	0	0	0	0	0	0	0	0	0	1
B5	1	0	0	0	0	0	0	0	0	0	0	0	0	1
DC3108	1	0	0	0	0	0	0	0	0	0	0	0	0	1
E2	0	0	9	0	0	0	0	0	0	0	0	0	0	10
E20	38	0	615	3	2	50	2	0	1	4	36	4	1	758
E22	7	0	11	1	0	2	1	0	0	0	1	3	0	26
E24	14	1	17	0	0	1	2	0	0	0	0	6	1	49
E26	0	0	3	0	0	0	0	0	0	0	0	0	0	4
E3160	0	0	2	0	0	0	0	0	0	0	0	0	0	2
E3170	3	0	5	1	0	1	1	0	0	1	3	1	0	18
E34	0	1	0	0	0	0	0	0	0	0	0	0	0	1
E5	0	0	5	1	0	0	0	0	0	0	0	0	0	7
E66	22	0	59	1	0	8	2	0	1	3	13	4	1	114
E76	1	0	3	0	0	1	0	0	0	0	0	0	0	5
E8	0	1	1	0	0	0	0	0	0	0	0	0	0	2
E86	1	0	3	0	0	0	0	0	0	0	0	0	0	4
E89	54	4	521	5	0	24	2	1	4	7	49	8	2	681
E99	0	0	1	0	0	0	0	0	0	0	0	0	0	1
HM234	0	1	0	0	0	0	0	0	0	0	0	0	0	1
MRFT1	4	0	8	0	0	1	1	0	0	0	8	1	0	23
MS86	9	0	102	1	0	10	0	0	0	0	7	4	0	133
T2	1	0	0	0	0	0	0	0	0	0	0	0	0	1
Grand Total	170	10	1,365	14	2	93	13	1	6	15	133	39	7	1,873

*The numbers provided on this report may reflect multiple unit responses to a single incident.

Last Updated 5/1/2019 3:

*Incidents are shown based on the units that responded.

Unit Transports

City of Banning	Total
E20	24
E22	1
E66	3
E89	39
MS66	4
Sub Total	71
Grand Total	71

Unit Medical Responses by Definition

Unit Medical Responses by Definition (Continued)

City of Banning	Station 20 Beaumont		Continued Medical		
			Medical Diff Breathing	Medical Fall	
	E2		1	0	
	E20		23	36	
	E22		0	1	
	E3160		0	1	
	E5		1	0	
	E66		3	3	

*The numbers provided on this report may reflect multiple unit responses to a single incident.

Last Updated 5/1/2019 3:

*Incidents are shown based on the units that responded.

Continued		Medical	
		Medical Diff Breathing	Medical Fall
City of Banning	Station 20 Beaumont	E89 2	6
		MS66 0	3
	Total	30	50
	Station 89 Banning	E20 1	0
		E89 24	16
Total		25	16
Grand Total		55	66

Unit Medical Responses by Definition (Continued)

Unit Responses by Jurisdiction

	False Alarm	Haz Mat	Medical	Other Fire	Other Misc	Assist			Public Service	Res Fire	Rescue	Ringing Alarm	Standby	Traffic Collision	Vehicle Fire	Wildland Fire	Total
						Other	Misc	Public									
City of Banning	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0
	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0
	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	1	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0
	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

*The numbers provided on this report may reflect multiple unit responses to a single incident.

Last Updated 5/1/2019 3:

*Incidents are shown based on the units that responded.

	False Alarm	Haz Mat	Medical	Other Fire	Other Misc	Public Service	Res Fire	Rescue	Ringing Alarm	Standby	Traffic Collision	Vehicle Fire	Wildland Fire	Total
City of Banning	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B3114	5	1	0	1	0	0	0	0	0	0	2	0	0	9
B3116	1	0	0	0	0	0	0	0	0	0	0	0	0	1
B3118	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B4	1	0	0	0	0	0	0	0	0	0	0	0	0	1
B5	1	0	0	0	0	0	0	0	0	0	0	0	0	1
DC3108	1	0	0	0	0	0	0	0	0	0	0	0	0	1
E2	0	0	9	0	0	0	0	0	0	0	1	0	0	10
E20	38	0	615	3	2	50	2	0	1	4	36	4	1	756
E22	7	0	11	1	0	2	1	0	0	0	1	3	0	26
E24	14	1	17	0	0	1	2	0	0	0	7	6	1	49
E26	0	0	3	0	0	0	0	0	0	0	0	0	0	3
E3160	0	0	2	0	0	0	0	0	0	0	0	0	0	2
E3170	3	0	5	1	0	1	1	0	0	1	3	1	0	16
E34	0	1	0	0	0	0	0	0	0	0	0	0	0	1
E5	0	0	5	1	0	0	0	0	0	0	0	0	0	7
E66	22	0	59	1	0	8	2	0	1	3	13	4	1	114
E76	1	0	3	0	0	1	0	0	0	0	0	0	0	5
E8	0	1	1	0	0	0	0	0	0	0	0	0	0	3
E86	1	0	3	0	0	0	0	0	0	0	0	0	0	4
E88	54	4	521	5	0	24	2	1	4	7	49	8	2	631
E99	0	0	1	0	0	0	0	0	0	0	0	0	0	1
HM234	0	1	0	0	0	0	0	0	0	0	0	0	0	1
MRFT1	4	0	8	0	0	1	1	0	0	0	8	1	0	33
MS66	9	0	102	1	0	10	0	0	0	0	7	4	0	133
T2	1	0	0	0	0	0	0	0	0	0	0	0	0	1
Sub Total	170	10	1,365	14	2	98	13	1	6	15	133	39	7	1,873
Grand Total	170	10	1,365	14	2	98	13	1	6	15	133	39	7	1,873

Unit Responses by Supervisorial District - Summary

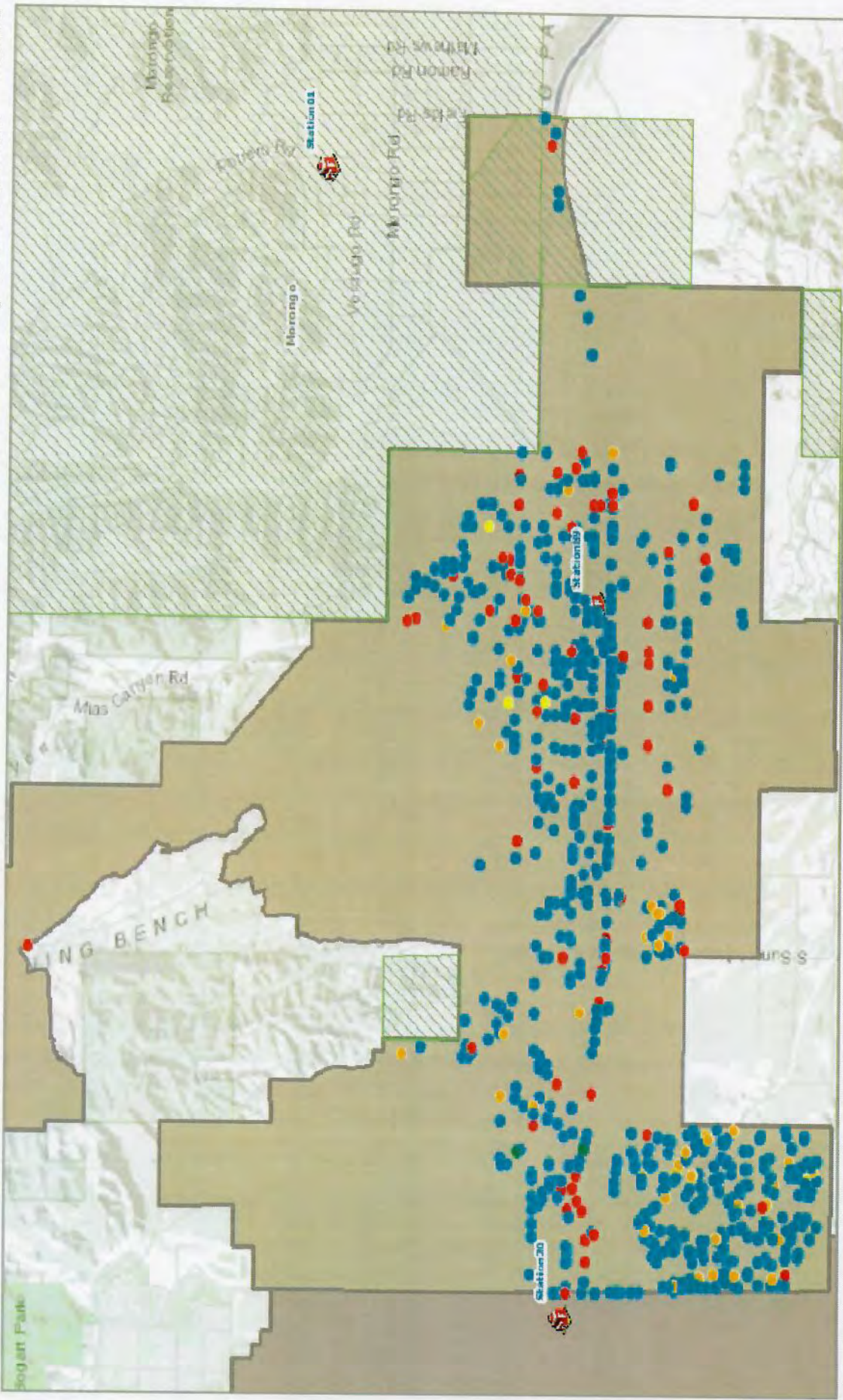
	False Alarm	Haz Mat	Medical	Other Fire	Other Misc	Public Service	Res Fire	Rescue	Ringing Alarm	Standby	Traffic Collision	Vehicle Fire	Wildland Fire	Total
District 5 JEFF	170	10	1,365	14	2	98	13	1	6	15	133	39	7	1,873
City of Banning	170	10	1,365	14	2	98	13	1	6	15	133	39	7	1,873
Grand Total	170	10	1,365	14	2	98	13	1	6	15	133	39	7	1,873

*The numbers provided on this report may reflect multiple unit responses to a single incident.

Last Updated 5/1/2019 3:

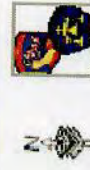
*Incidents are shown based on the units that responded.

INCIDENT_DATE between '2019-1-1 00:00:00' and '2019-4-30 23:59:59' and CITYNAME = 'Banning' and UnitStatus = 'Active'



Legend

- Fire
- Haz Mat
- Hazard
- Medical
- Other Misc
- Public Service Assist
- Fire Station
- Riverside County
- Reservations
- Casinos



Riverside County Fire-GIS

*The numbers provided on this report may reflect multiple unit responses to a single incident.

Last Updated 5/1/2019 3:

*Incidents are shown based on the units that responded.

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**CITY OF BANNING
CITY COUNCIL REPORT**

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Kevin G. Ennis, City Attorney
Daryl Betancur, Deputy City Clerk

MEETING DATE: April 23, 2019

SUBJECT: Resolution 2019-09, Conflict of Interest Code Biennial Report and Update

RECOMMENDED ACTION:

Staff recommends that the City Council adopt Resolution No. 2019-09, adopting an amended Conflict of Interest Code containing revised designated positions and disclosure categories, and repealing Resolution No. 2008-128.

BACKGROUND:

The Political Reform Act of 1974, Government Code Section 81000 et seq. (the "Act"), requires all public agencies to adopt and maintain a conflict of interest code. The primary effect of the code is to establish disclosure requirements for various government positions involved in the requisite level of decision-making as set forth in the Act. The Act requires each city to adopt a local conflict of interest code designating city positions not otherwise designated in the Act itself, that are involved in making or participating in the making of city decisions at all levels of city government.

JUSTIFICATION:

The City Council last reviewed the Conflict of Interest Code on December 10, 2008, and adopted the current Conflict of Interest Code by Resolution No. 2008-128. In conducting the review this year, Staff recommends that the City adopt the most recent Conflict of Interest Code adopted by the Fair Political Practices Commission in Regulation 18730, which will serve as the City's local Conflict of Interest Code. This is set forth as an

attachment to the draft Resolution included in Exhibit A. The proposed Resolution also contains Appendix A, Designated Positions and Appendix B, Disclosure Categories.

The list of City officials and other designated positions has been updated to include changes to classifications and disclosure categories, addition of new classifications and deletion of classifications no longer in use by the City. These revisions are included in Appendix A.

FISCAL IMPACT:

No financial impact.

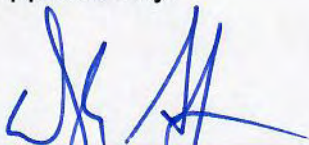
OPTIONS:

1. Approve as recommended
2. Do not approve and provide alternative direction

ATTACHMENTS:

1. Resolution 2019-09
2. Resolution 2008-128

Approved by:



Douglas Schulze
City Manager

ATTACHMENT 1

Resolution 2019-09

RESOLUTION NO. 2019-09**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, ADOPTING AN AMENDED CONFLICT OF INTEREST CODE CONTAINING REVISED DESIGNATED POSITIONS AND DISCLOSURE CATEGORIES, AND REPEALING RESOLUTION NO. 2008-128**

THE CITY COUNCIL OF THE CITY OF BANNING DOES HEREBY FIND, RESOLVE AND ORDER AS FOLLOWS:

Section 1. The Political Reform Act, Government Code Sections 81000, et seq., requires the City to adopt a Conflict of Interest Code for each department of the City.

Section 2. The Fair Political Practices Commission has adopted a standard model Conflict of Interest Code. The standard model code is codified at 2 California Code of Regulations Section 18730 and can be incorporated by reference by the City as the City's Conflict of Interest Code.

Section 3. Pursuant to Resolution No. 2008-128, the City last amended its Conflict of Interest Code in 2008, updating designated positions and disclosure categories for certain departments of the City. By this Resolution, the City is adopting a new updated Conflict of Interest Code containing designated positions and disclosure categories for all applicable departments of the City.

Section 4. The standard Conflict of Interest Code adopted by the Fair Political Practices Commission ("FPPC") attached hereto as Exhibit A, as amended by the FPPC from time to time, and Appendix A which sets forth the designated positions, and Appendix B which sets forth the disclosure categories for each City department, are hereby incorporated by reference and shall constitute the Conflict of Interest Code for the City of Banning.

Section 5. Persons holding designated positions listed in Appendix A shall file statements of economic interest pursuant to Section 4 of the Conflict of Interest Code.

Section 6. The City Council hereby directs the City Clerk and City Attorney to coordinate the preparation of a revised Conflict of Interest Code in succeeding even-numbered years in accordance with the requirements of Government Code Sections 87306 and 87306.5. The revised Code should reflect any changes in department or employee designations. If no revisions to the Code are required, the City Clerk shall submit a report no later than October 1st of the same year, stating that amendments to the Code are not required.

Section 7. Resolution No. 2008-128 of the City Council, and any other resolutions adopting or amending the City's Conflict of Interest Code, are hereby repealed in their entirety.

Section 8. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

PASSED, APPROVED, and ADOPTED this 28th day of May, 2019.

Arthur L. Welch, Mayor

ATTEST:

Daryl Betancur, MPA, MMC
Deputy City Clerk

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

Kevin G. Ennis, City Attorney
Richards, Watson & Gershon

CERTIFICATION:

I, Daryl Betancur, Deputy City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2019-09 was adopted at the regular meeting of the City Council of the City of Banning, held on the 28th day of May, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Daryl Betancur, Deputy City Clerk
City of Banning, California

EXHIBIT A

Conflict of Interest Code Regulation 18730

APPENDIX "A"**Designated Positions****Disclosure Categories****ELECTED OFFICIALS (87200 Filers)**

City Council Member	1
City Clerk	1
City Treasurer	1

ADMINISTRATION

City Manager	1
Deputy City Manager	2, 3, 4, 5
Economic Development Manager	2, 3, 4, 5

ADMINISTRATIVE SERVICES DEPARTMENT

Finance Director	2, 3, 4, 5
Deputy Finance Director	2, 3, 4, 5
Customer Service and Billing Manager	2, 3, 4, 5
Human Resources Manager	2, 3, 4, 5
Accounting Manager	2, 3, 4, 5
Purchasing Manager	2, 3, 4, 5
Information Technology Manager	2, 3, 4, 5
Buyer	2, 3, 4, 5
Utility Financial Analyst	2, 3, 4, 5
Administrative Analyst	2, 3, 4, 5
Management Analyst	2, 3, 4, 5

CITY ATTORNEY'S DEPARTMENT

City Attorney	1
Assistant City Attorney	2, 3, 4, 5
Deputy City Attorney	2, 3, 4, 5

CITY CLERK'S DEPARTMENT

Deputy City Clerk	2, 3, 4, 5
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COMMUNITY DEVELOPMENT DEPARTMENT

Planning Commission	1
Community Development Director	2, 3, 4, 5
Development Services Manager / Building Official	2, 3, 4, 5
Assistant Planner	2, 6, 7, 8
Planning Aide	2, 6, 7, 8

PARKS AND RECREATION DEPARTMENT

Parks & Recreation Director	2, 3, 4, 5
Community Services Manager	2, 3, 4, 5
Recreation Program Coordinator	9, 10, 11

PUBLIC WORKS DEPARTMENT

Director of Public Works / City Engineer	2, 3, 4, 5
City Traffic Engineer	2, 3, 4, 5
Senior Civil Engineer	2, 3, 4, 5
Associate Civil Engineer	2, 3, 4, 5

Water / Waste Water Superintendent	2, 3, 4, 5
Fleet Manager	2, 3, 4, 5
Management Analyst	2, 3, 4, 5
Building Maintenance Specialist	2, 3, 4, 5

POLICE DEPARTMENT

Police Chief	2, 3, 4, 5
Assistant Police Chief	2, 3, 4, 5
Captain	2, 3, 4, 5
Lieutenant	2, 3, 4, 5
Executive Assistant	2, 3, 4, 5

FIRE DEPARTMENT

Fire Chief	2, 3, 4, 5
Division Chief	2, 3, 4, 5
Battalion Chief	2, 3, 4, 5

ELECTRIC UTILITY DEPARTMENT

Electric Utility Director	2, 3, 4, 5
Electric Utility Operations Manager	2, 3, 4, 5
Electric Engineering Manager	2, 3, 4, 5
Management Analyst	2, 3, 4, 5

CONSULTANTS

Consultant	12
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APPENDIX "B"

DISCLOSURE CATEGORIES

1. No disclosure is required by this conflict of interest code. Disclosure is already required by Government Code Section 87200.
2. Reportable interests in real property in the jurisdiction.
3. Reportable income and business positions.
4. Reportable investments.
5. Reportable gifts.
6. Reportable income from and business positions with persons or business entities having an interest in real property in the jurisdiction.
7. Reportable investments in business entities having an interest in real property in the jurisdiction.
8. Reportable gifts from persons or business entities having an interest in real property in the jurisdiction
9. Reportable income from and business positions with persons or business entities that provide, plan to provide or have provided within two years from the time a statement is required under this Conflict of Interest Code, services, supplies, materials or equipment of the type utilized by the Designated Employee's Department.
10. Reportable investments in business entities that provide, plan to provide or have provided within two years from the time a statement is required under this Conflict of Interest Code, services, supplies, materials or equipment of the type utilized by the Designated Employee's Department.
11. Reportable gifts from business entities that provide, plan to provide or have provided within two years from the time a statement is required under this Conflict of Interest Code, services, supplies, materials or equipment of the type utilized by the Designated Employee's Department.
12. For consultants who serve in a staff capacity with the City, the consultant shall disclose based on the disclosure categories assigned elsewhere in this code for that staff position.

For consultants who do not serve in a staff capacity for the City, the following disclosure categories shall be used:

Persons required to disclose in this category shall disclose pursuant to categories A, B, C and D below unless the City Manager determines in writing that a particular consultant is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in categories A, B, C and D. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The City Manager's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

- A. Reportable interests in real property in the jurisdiction.
- B. Reportable income and business positions.
- C. Reportable investments.
- D. Reportable gifts.

ATTACHMENT 2

Resolution 2018-128

RESOLUTION NO. 2008-128

A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF BANNING, CALIFORNIA, ADOPTING A CONFLICT OF
INTEREST CODE

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

SECTION 1. Recitals.

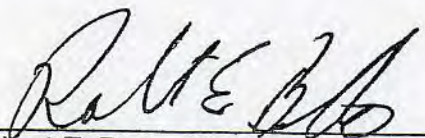
- (a) On October 14, 2008, the City Council adopted Resolution No. 2008-116, proposing a Conflict of Interest Code for the City of Banning and providing a fifty (50) day public comment period prior to the Conflict of Interest Code taking effect.
- (b) The public comment period for the Conflict of Interest Code closed on December 3, 2008. As of December 3, 2008, no public comments have been received.

SECTION 2. Conflict of Interest Code Adopted. Section 18730 of Title 2 of California Code of Regulations, attached as Exhibit "A" to this resolution, along with Exhibit "B" (Designated Employees for the Conflict of Interest Code) and Exhibit "C" (Disclosure Categories), attached hereto and incorporated herein by reference, are adopted as the Conflict of Interest Code of the City of Banning.

SECTION 3. Statement of Economic Interests. Employees designated in Exhibit "B" shall file statements of economic interests (Form 700) with the City Clerk. The City Clerk shall forward the original Form 700s filed by the Mayor, Members of the City Council, Planning Commissioners, the City Manager, the City Attorney, and the City Treasurer to the Fair Political Practices Commission pursuant to California Government Code Sections 87200 and following. The City Clerk shall retain a copy of all statements of economic interests and make them available for public inspection and reproduction in accordance with Government Code Section 81008.

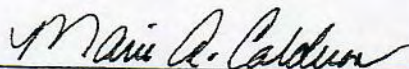
SECTION 4. Maintenance of Conflict of Interest Code. The City Clerk shall maintain at all times one copy of the City's Conflict of Interest Code for examination by the public and shall cause the filing of such code in the manner required by law.

PASSED, APPROVED, AND ADOPTED this 10th day of December, 2008.



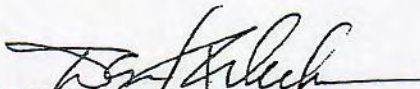
Robert E. Botts, Mayor

ATTEST:



 Marie Calderon, City Clerk

APPROVED AS TO FORM:



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

STATE OF CALIFORNIA)
 COUNTY OF RIVERSIDE)
 CITY OF BANNING)

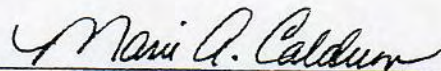
I, Marie Calderon, City Clerk of the City of Banning, do hereby certify that the foregoing Resolution No. 2008-128 as duly adopted by the City Council of the City of Banning at a special meeting thereof, held on the 10th day of December, 2008, by the following vote:

AYES: Councilmembers Franklin, Hanna, Machisic, Robinson, Mayor Botts

NOES: None

ABSTAIN: None

ABSENT: None



 Marie A. Calderon, City Clerk

EXHIBIT "A"

**Section 18730 of Title 2 of California Code of
Regulations**

CALIFORNIA CODE OF REGULATIONS

TITLE 2. ADMINISTRATION

DIVISION 6. FAIR POLITICAL PRACTICES COMMISSION

CHAPTER 7. CONFLICTS OF INTEREST

ARTICLE 2. DISCLOSURE

Section 18730. Provisions of Conflict of Interest Codes

(a) Incorporation by reference of the terms of this regulation along with the designation of employees and the formulation of disclosure categories in the Appendix referred to below constitute the adoption and promulgation of a conflict of interest code within the meaning of Government Code section 87300 or the amendment of a conflict of interest code within the meaning of Government Code section 87306 if the terms of this regulation are substituted for terms of a conflict of interest code already in effect. A code so amended or adopted and promulgated requires the reporting of reportable items in a manner substantially equivalent to the requirements of article 2 of chapter 7 of the Political Reform Act, Government Code sections 81000, et seq. The requirements of a conflict of interest code are in addition to other requirements of the Political Reform Act, such as the general prohibition against conflicts of interest contained in Government Code section 87100, and to other state or local laws pertaining to conflicts of interest.

(b) The terms of a conflict of interest code amended or adopted and promulgated pursuant to this regulation are as follows:

(1) Section 1. Definitions.

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (2 Cal. Code of Regs. sections 18110, et seq.), and any amendments to the Act or regulations, are incorporated by reference into this conflict of interest code.

(2) Section 2. Designated Employees.

The persons holding positions listed in the Appendix are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on economic interests.

(3) Section 3. Disclosure Categories.

This code does not establish any disclosure obligation for those designated employees who are also specified in Government Code section 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those

persons must report their economic interests pursuant to article 2 of chapter 7 of the Political Reform Act, Government Code sections 87200, et seq.

In addition, this code does not establish any disclosure obligation for any designated employees who are designated in a conflict of interest code for another agency, if all of the following apply:

- (A) The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;
- (B) The disclosure assigned in the code of the other agency is the same as that required under article 2 of chapter 7 of the Political Reform Act, Government Code section 87200; and
- (C) The filing officer is the same for both agencies.¹

Such persons are covered by this code for disqualification purposes only. With respect to all other designated employees, the disclosure categories set forth in the Appendix specify which kinds of economic interests are reportable. Such a designated employee shall disclose in his or her statement of economic interests those economic interests he or she has which are of the kind described in the disclosure categories to which he or she is assigned in the Appendix. It has been determined that the economic interests set forth in a designated employee's disclosure categories are the kinds of economic interests which he or she foreseeably can affect materially through the conduct of his or her office.

(4) Section 4. Statements of Economic Interests: Place of Filing.

The code reviewing body shall instruct all designated employees within its code to file statements of economic interests with the agency or with the code reviewing body, as provided by the code reviewing body in the agency's conflict of interest code.²

(5) Section 5. Statements of Economic Interests: Time of Filing.

(A) *Initial Statements.*

All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.

(B) *Assuming Office Statements.*

All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed.

(C) *Annual Statements.*

All designated employees shall file statements no later than April 1.

(D) *Leaving Office Statements.*

All persons who leave designated positions shall file statements within 30 days after leaving office.

(5.5) Section 5.5. Statements for Persons Who Resign Prior to Assuming Office.

Any person who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming office statement, is not deemed to have assumed office or left office, provided he or she did not make or participate in the making of, or use his or her position to influence any decision and did not receive or become entitled to receive any form of payment as a result of his or her appointment. Such persons shall not file either an assuming or leaving office statement.

(A) Any person who resigns a position within 30 days of the date of a notice from the filing officer shall do both of the following:

1. File a written resignation with the appointing power; and
2. File a written statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation he or she did not make, participate in the making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

(6) Section 6. Contents of and Period Covered by Statements of Economic Interests.

(A) *Contents of Initial Statements.*

Initial statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the code and income received during the 12 months prior to the effective date of the code.

(B) *Contents of Assuming Office Statements.*

Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office or, if subject to State Senate confirmation or appointment, on the date of nomination, and income received during the 12 months prior to the date of assuming office or the date of being appointed or nominated, respectively.

(C) *Contents of Annual Statements.*

Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the code or the date of assuming office whichever is later, or for a board or commission member subject to Government Code section 87302.6, the day after the closing date of the most recent statement filed by the member pursuant to 2 Cal. Code Regs. section 18754.

(D) *Contents of Leaving Office Statements.*

Leaving office statements shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

(7) Section 7. Manner of Reporting.

Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:

(A) *Investment and Real Property Disclosure.*

When an investment or an interest in real property³ is required to be reported,⁴ the statement shall contain the following:

1. A statement of the nature of the investment or interest;
2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;
3. The address or other precise location of the real property;
4. A statement whether the fair market value of the investment or interest in real property equals or exceeds two thousand dollars (\$2,000), exceeds ten thousand dollars (\$10,000), exceeds one hundred thousand dollars (\$100,000), or exceeds one million dollars (\$1,000,000).

(B) *Personal Income Disclosure.*

When personal income is required to be reported,⁵ the statement shall contain:

1. The name and address of each source of income aggregating five hundred dollars (\$500) or more in value, or fifty

dollars (\$50) or more in value if the income was a gift, and a general description of the business activity, if any, of each source;

2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was one thousand dollars (\$1,000) or less, greater than one thousand dollars (\$1,000), greater than ten thousand dollars (\$10,000), or greater than one hundred thousand dollars (\$100,000);

3. A description of the consideration, if any, for which the income was received;

4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;

5. In the case of a loan, the annual interest rate and the security, if any, given for the loan and the term of the loan.

(C) *Business Entity Income Disclosure.*

When income of a business entity, including income of a sole proprietorship, is required to be reported,⁶ the statement shall contain:

1. The name, address, and a general description of the business activity of the business entity;

2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than ten thousand dollars (\$10,000).

(D) *Business Position Disclosure.*

When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

(E) *Acquisition or Disposal During Reporting Period.*

In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

(8) Section 8. Prohibition on Receipt of Honoraria.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept any honorarium from any source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (a), (b), and (c) of Government Code Section 89501 shall apply to the prohibitions in this section.

This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Government Code section 89506.

(8.1) Section 8.1. Prohibition on Receipt of Gifts in Excess of \$390.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept gifts with a total value of more than \$390 in a calendar year from any single source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (e), (f), and (g) of Government Code section 89503 shall apply to the prohibitions in this section.

(8.2) Section 8.2. Loans to Public Officials.

(A) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the elected officer holds office or over which the elected officer's agency has direction and control.

(B) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the public official holds office or over which the public official's agency has direction and control. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(C) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status.

(D) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(E) This section shall not apply to the following:

1. Loans made to the campaign committee of an elected officer or candidate for elective office.
2. Loans made by a public official's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such persons, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.
3. Loans from a person which, in the aggregate, do not exceed five hundred dollars (\$500) at any given time.
4. Loans made, or offered in writing, before January 1, 1998.

(8.3) Section 8.3. Loan Terms.

(A) Except as set forth in subdivision (B), no elected officer of a state or local government agency shall, from the date of his or her election to office through the date he or she vacates office, receive a personal loan of five

hundred dollars (\$500) or more, except when the loan is in writing and clearly states the terms of the loan, including the parties to the loan agreement, date of the loan, amount of the loan, term of the loan, date or dates when payments shall be due on the loan and the amount of the payments, and the rate of interest paid on the loan.

(B) This section shall not apply to the following types of loans:

1. Loans made to the campaign committee of the elected officer.
2. Loans made to the elected officer by his or her spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.
3. Loans made, or offered in writing, before January 1, 1998.

(C) Nothing in this section shall exempt any person from any other provision of Title 9 of the Government Code.

(8.4) Section 8.4. Personal Loans.

(A) Except as set forth in subdivision (B), a personal loan received by any designated employee shall become a gift to the designated employee for the purposes of this section in the following circumstances:

1. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired.
2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:
 - a. The date the loan was made.
 - b. The date the last payment of one hundred dollars (\$100) or more was made on the loan.
 - c. The date upon which the debtor has made payments on the loan aggregating to less than two hundred fifty dollars (\$250) during the previous 12 months.

(B) This section shall not apply to the following types of loans:

1. A loan made to the campaign committee of an elected officer or a candidate for elective office.

2. A loan that would otherwise not be a gift as defined in this title.

3. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor has taken reasonable action to collect the balance due.

4. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.

5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

(C) Nothing in this section shall exempt any person from any other provisions of Title 9 of the Government Code.

(9) Section 9. Disqualification.

No designated employee shall make, participate in making, or in any way attempt to use his or her official position to influence the making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family or on:

(A) Any business entity in which the designated employee has a direct or indirect investment worth two thousand dollars (\$2,000) or more;

(B) Any real property in which the designated employee has a direct or indirect interest worth two thousand dollars (\$2,000) or more;

(C) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating five hundred dollars (\$500) or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;

(D) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or

(E) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating \$390 or more provided to, received by, or promised to

the designated employee within 12 months prior to the time when the decision is made.

(9.3) Section 9.3. Legally Required Participation.

No designated employee shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

(9.5) Section 9.5. Disqualification of State Officers and Employees.

In addition to the general disqualification provisions of section 9, no state administrative official shall make, participate in making, or use his or her official position to influence any governmental decision directly relating to any contract where the state administrative official knows or has reason to know that any party to the contract is a person with whom the state administrative official, or any member of his or her immediate family has, within 12 months prior to the time when the official action is to be taken:

(A) Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or

(B) Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services totaling in value one thousand dollars (\$1,000) or more.

(10) Section 10. Disclosure of Disqualifying Interest.

When a designated employee determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act may be accompanied by disclosure of the disqualifying interest.

(11) Section 11. Assistance of the Commission and Counsel.

Any designated employee who is unsure of his or her duties under this code may request assistance from the Fair Political Practices Commission pursuant to Government Code section 83114 and 2 Cal. Code Regs. sections 18329 and 18329.5 or from the attorney for his or her agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

(12) Section 12. Violations.

This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Government Code sections 81000-91014. In

addition, a decision in relation to which a violation of the disqualification provisions of this code or of Government Code section 87100 or 87450 has occurred may be set aside as void pursuant to Government Code section 91003.

¹ Designated employees who are required to file statements of economic interests under any other agency's conflict of interest code, or under article 2 for a different jurisdiction, may expand their statement of economic interests to cover reportable interests in both jurisdictions, and file copies of this expanded statement with both entities in lieu of filing separate and distinct statements, provided that each copy of such expanded statement filed in place of an original is signed and verified by the designated employee as if it were an original. See Government Code section 81004.

² See Government Code section 81010 and 2 Cal. Code of Regs. section 18115 for the duties of filing officers and persons in agencies who make and retain copies of statements and forward the originals to the filing officer.

³ For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

⁴ Investments and interests in real property which have a fair market value of less than \$2,000 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater.

⁵ A designated employee's income includes his or her community property interest in the income of his or her spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency.

⁶ Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent or greater interest. In addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.

EXHIBIT "B"

DESIGNATED EMPLOYEES

DESIGNATED EMPLOYEES FOR
THE CONFLICT OF INTEREST CODE

A designated employee is anyone within the City who is an officer, employee, member or consultant who is designated in the Code because the position entails the making or participating in the making of decisions which may foreseeably have a material effect on any financial interest of the officer, employee, member or consultant.

The term "designated employee" does not include any public official specified in Government Code Section 87200 nor does it include a position which is solely clerical, ministerial or manual, or any unsalaried member of a board or commission which is solely advisory.

<u>"Designated Employees"</u>	<u>Disclosure Categories Assigned</u>
Accounting Manager	1, 2, 3, 4, 6, 7
Assistant Public Utilities Director	1, 2, 3, 4, 6, 7
Associate Civil Engineer	1, 2, 3, 4, 6, 7
Building Maintenance Specialist	1, 2, 3, 6, 7
Buyer	1, 2, 3, 4, 6, 7
Chief of Police	2, 3, 7
City Clerk	1, 2, 3, 6, 7
City Engineer	1, 2, 3, 4, 6, 7
Community Development Director	1, 2, 3, 4, 6, 7
Consultants	1, 2, 4, 5, 6
Customer Services Manager	1, 2, 4, 5, 6
Development Services Manager/Building Official	1, 2, 3, 4, 7
Electric Utility Director	1, 2, 3, 4, 7
Electric Operations Manager	1, 2, 3, 4, 7
Fleet Maintenance Manager	2, 3, 7
Human Resource Director	1, 2, 3, 4, 6, 7

Parks/Streets Maintenance Manager	1, 2, 3, 4, 6, 7
Police Lieutenants	2, 3, 7
Power Contracts & Revenue Administrator	1, 2, 3, 4, 6, 7
Public Utility Director	1, 2, 3, 4, 6, 7
Public Works Director	1, 2, 3, 4, 6, 7
Purchasing Manager	1, 2, 3, 4, 6, 7
Recreation Director	1, 2, 3, 4, 6, 7
Water/Wastewater Superintendent	1, 2, 3, 4, 6, 7
Water/Wastewater Utility Director	1, 2, 3, 4, 6, 7

EXHIBIT "C"

DISCLOSURE CATEGORIES

DISCLOSURE CATEGORIES

The disclosure categories listed below identify the types of investments, business entities, sources of income, and real property which the designated employee must disclose for each disclosure category to which he or she is assigned.

Category 1: All investments and management positions in, and sources of income from, all business entities that do business or own real property in the City, plan to do business or own real property in the City within the next year or have done business or owned real property in the City within the past two years.

Category 2: All interest in real property which is located in whole or in part within, or not more than two miles outside, the boundaries of the City.

Category 3: All investments and management positions in, and sources of income from, business entities subject to the regulatory, permit or licensing authority of the Designated Employee's Department, which will be subject to such authority within the next year or have been subject to such authority within the past two years.

Category 4: All investments in, and sources of income from, business entities that are engaged in land development, construction or the acquisition or sale of real property in the City, plan to engage in such activities in the City within the next year or have engaged in such activities in the City within the past two years.

Category 5: All investments and management positions in, and sources of income from, business entities that are banking, savings and loan or other financial institutions.

Category 6: All investments and management positions in, and sources of income from, business entities that provide services, supplies, materials, machinery or equipment of a type purchased or leased by the City.

Category 7: All investments and management positions in, and sources of income from, business entities that provide services, supplies, materials, machinery or equipment of a type used or administered by the Designated Employee's Department.

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**CITY OF BANNING
CITY COUNCIL REPORT**

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Suzanne Cook, Deputy Finance Director
Kevin G. Ennis, City Attorney

MEETING DATE: May 28, 2019

SUBJECT: ADOPTION OF ORDINANCE 1545 AMENDING CHAPTER 3.18 (MINING TAX AND MINING IMPACT FUND) OF TITLE 3 (REVENUE AND FINANCE) OF THE BANNING MUNICIPAL CODE TO SPECIFY THE USE OF DIFFERENT CONSUMER PRICE INDEXES COMMENCING FISCAL YEARS 2019 AND 2020 TO ADDRESS COST OF LIVING ADJUSTMENTS FOR THE MINING TAX AND MAKING A DETERMINATION PURSUANT TO CEQA. (SECOND READING AND ADOPTION)

RECOMMENDED ACTION:

Staff recommends that the City Council:

- I. Adopt a Categorical Exemption for Ordinance 1545; and
- II. Adopt Ordinance 1545 amending Subsection "D" of Section 3.18.030 (Mining tax on excavation and processing.) of Chapter 3.18 (Mining Tax and Mining Impact Fund) of Title 3 (Revenue and Finance) of the Banning Municipal Code to Specify the Use of Different Consumer Price Indexes Commencing Fiscal Year 2019 and 2020 to Address Cost of Living Adjustments for the Mining tax and Making a Determination Pursuant to CEQA

APPLICANT INFORMATION:

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

BACKGROUND:

In August 2014, the City Council placed a proposed tax on surface mining operations within the City limits ("Mining Tax") on the November 2014 election ballot, known as Measure J. The voters then passed Measure J, which set the tax rate at \$0.80 per ton of mined aggregate, applicable to operations in the City, including but not limited to those conducted by Robertson's Ready Mix, Ltd. ("Robertson's"). As allowable under Banning Municipal Code Section 3.18.070 (Modification by Council), in September 2016, the City and Robertson's entered into a Memorandum of Understanding ("MOU") to resolve existing and potential legal actions and disputes between the City and Robertson's, effective July 1, 2016. The MOU provided that the City would suspend and reduce the voter-approved Mining Tax rate of \$0.80 per ton aggregate down to \$0.25 per ton aggregate. Thereafter, the City Council adopted Ordinance 1502, amending Section 3.18.030 to temporarily suspend the imposition of the \$0.80 per ton tax rate and to establish a lower rate of \$0.25 per ton tax rate, retaining the potential that the tax could later be increased by the City Council back up to a level not to exceed the voter approved amount of \$0.80 per ton.

The existing Banning Municipal Code section 3.18.030(D) (Cost of Living Adjustment) states:

"[t]he taxes imposed in subsection A and B above shall be paid quarterly on the twentieth day in the months of July, October, January and April of each year, and shall be annually adjusted based upon the percentage change equal to the percentage change in the Los Angeles-Anaheim-Riverside Consumer Price Index (C.P.I.) from July of the current year compared with July of the prior year. The C.P.I. change shall take place on October 1 of each year."

In January 2018, the United States Bureau of Labor Statistics ("BLS") eliminated the Los Angeles-Anaheim-Riverside Consumer Price Index and replaced it with two new indexes: Los Angeles-Long Beach-Anaheim and Riverside-San Bernardino-Ontario. Consequently, the 2019 CPI adjustment cannot be made in accordance with the existing methodology defined by Banning Municipal Code section 3.18.030(D).

At the April 9, 2019 City Council meeting, the City Council considered staff's proposed amendment to Section 3.18.030 (D) of the Banning Municipal Code, updating the methodology for calculating the CPI adjustment to the mining tax rate. A copy of the April 9, 2019 report is attached as Attachment 1.

At that time, staff recommended amending Section 3.18.030 (D) to update the BLS Index from the Los Angeles-Anaheim-Riverside CPI, which is no longer active, to the newly created Los Angeles-Long Beach-Anaheim index for Fiscal Year 2019 because it has adopted the historical data of the Los Angeles-Orange County-Riverside index, and then to the Riverside-San Bernardino-Ontario Index for Fiscal

Year 2020 and beyond. Staff also recommended that the month to month comparison be adjusted to align with an effective date equivalent to the beginning of the City's fiscal year: March to March, effective July 1st. The City Council approved staff's proposed amendment, and directed staff to prepare an ordinance for City Council's consideration.

Recommendation

Staff recommends that the City Council adopt the draft Ordinance attached as Attachment 2, amending Subsection "D" of Section 3.18.030 (Mining tax on excavation and processing.) of Chapter 3.18 (Mining Tax and Mining Impact Fund) of Title 3 (Revenue and Finance) to update the BLS Index from the Los Angeles-Anaheim-Riverside CPI, which is no longer active, to the newly created (1) Los Angeles-Long Beach-Anaheim CPI for Fiscal Year 2019; and then to (2) Riverside-San Bernardino-Ontario CPI for the Fiscal Year 2020 and beyond, with a month to month comparison to be adjusted to align with an effective date equivalent to the City's fiscal year (March to March), effective July 1 of every year.

FISCAL IMPACT:

The impact of this action will help maintain the \$0.25 rate as adjusted by inflation over time. The amount of tax revenues generated by the tax fluctuates as mining production quantities fluctuates. The annual CPI adjustments for the Mining Tax will generate additional revenues that will be utilized for the Mining Impact Fund.

Funds received to date for Fiscal Year 2018-19 (Jul-Mar) \$203,249.83.

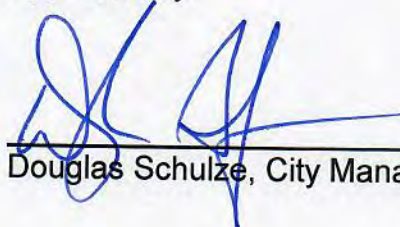
OPTIONS:

- I. Approve as recommended.
- II. Approve with desired modifications.
- III. Do not approve and provide staff with alternative direction.

ATTACHMENTS:

- 1. Final Ordinance 1545

Approved by:



Douglas Schulze, City Manager

ATTACHMENT 1

(Final Ordinance)

ORDINANCE NO. 1545

AN ORDINANCE OF THE CITY OF BANNING AMENDING CHAPTER 3.18 (MINING TAX AND MINING IMPACT FUND) OF TITLE 3 (REVENUE AND FINANCE) OF THE BANNING MUNICIPAL CODE TO SPECIFY THE USE OF DIFFERENT CONSUMER PRICE INDEXES COMMENCING FISCAL YEARS 2019 AND 2020 TO ADDRESS COST OF LIVING ADJUSTMENTS FOR THE MINING TAX AND MAKING A DETERMINATION PURSUANT TO CEQA

WHEREAS, in August 2014, the City Council placed a proposed tax on surface mining operations within the City limits ("Mining Tax") on the November 2014 election ballot, known as Measure J; and

WHEREAS, the voters of the City of Banning ("City") passed Measure J, which set the tax rate at \$0.80 per ton of mined aggregate, applicable to operations in the City, including, but not limited to those conducted by Robertson's Ready Mix, Ltd. ("Robertson's"); and

WHEREAS, as allowable under Banning Municipal Code Section 3.18.070 (Modification by Council), in September 2016, the City and Robertson's entered into a Memorandum of Understanding ("MOU") to resolve existing and potential legal actions, effective July 1, 2016; and

WHEREAS, the MOU set forth the terms and conditions of the City's and Robertson's settlement and compromise of its disputes, and agreed that the City would suspend and reduce the voter-approved Mining Tax rate of \$0.80 per ton aggregate down to \$0.25 per ton aggregate; and

WHEREAS, thereafter the City Council adopted Ordinance 1502, amending Section 3.18.030 to temporarily suspend and reduce the \$0.80 per ton tax rate and establish a lower rate of \$0.25 per ton tax rate, which rate could be increased by the Council at a later date; and

WHEREAS, existing Banning Municipal Code Section 3.18.030(D) (Cost of Living Adjustment) states "[t]he taxes imposed in subsection A and B above shall be paid quarterly on the twentieth day in the months of July, October, January and April of each year, and shall be annually adjusted based upon the percentage change equal to the percentage change in the Los Angeles-Anaheim-Riverside Consumer Price Index (C.P.I.) from July of the current year compared with July of the prior year. The C.P.I. change shall take place on October 1 of each year"; and

WHEREAS, in January 2018, the United States Bureau of Labor Statistics ("BLS") eliminated the Los Angeles-Anaheim-Riverside Consumer Price Index and replaced it with two new indexes: Los Angeles-Long Beach-Anaheim and Riverside-San Bernardino-Ontario; and

WHEREAS, the 2019 C.P.I. adjustment cannot be made in accordance with the existing methodology defined by Banning Municipal Code Section 3.18.030(D); and

WHEREAS, a revised methodology for determining the rate adjustment calculation must be approved in order to implement a Consumer Price Index adjustment for Fiscal Year 2019 and beyond; and

WHEREAS, the new Los Angeles-Long Beach-Anaheim index adopted the historical data of the Los Angeles-Orange County-Riverside index that was previously used and will provide the best index to use for Fiscal Year 2019 before applying the new Riverside-San Bernardino-Ontario index for fiscal years following Fiscal Year 2019; and

WHEREAS, staff recommends updating the BLS Index specified in Section 3.18.030 (D) from the Los Angeles-Anaheim-Riverside C.P.I., which is no longer active, to the newly created (a) Los Angeles-Long Beach-Anaheim C.P.I. for Fiscal Year 2019 and (b) Riverside-San Bernardino-Ontario C.P.I. for the fiscal years following Fiscal Year 2019, with a month to month comparison to be adjusted to align with an effective date equivalent to the City's fiscal year (March to March), effective July 1 of every year; and

WHEREAS, City staff has evaluated the mining tax on excavation and processing methodology and recommends that the month to month comparison be adjusted to align with an effective date equivalent to the beginning of the City's fiscal year: March to March, effective July 1st.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. California Environmental Quality Act (CEQA). The City Council finds and determines that this Ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to the State CEQA Guidelines Section 15060(c)(3), because it is not a project as defined by the CEQA Guidelines Section 15378. Adoption of the Ordinance does not have the potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. The City Council hereby adopts a categorical exemption for this Ordinance and directs staff to file a Notice of Exemption.

Section 2. Code Amendment. The City Council hereby amends Subsection "D" of Section 3.18.030 (Mining tax on excavation and processing.) of Chapter 3.18 (Mining Tax and Mining Impact Fund) of Title 3 (Revenue and Finance), to read as follows:

"D. Cost of Living Adjustment. The taxes imposed in subsections A and B above shall be paid quarterly on the twentieth day in the months of July, October, January and April of each year, and shall be adjusted for Fiscal Year 2018-2019 based upon the percentage change in the Los Angeles-Long Beach-Anaheim Consumer Price Index (C.P.I.) and based upon the Riverside-San Bernardino-Ontario C.P.I. for Fiscal Year 2019-2020 and

thereafter, with the twelve month period being measured from March of the current year compared with March of the prior year. The C.P.I. adjustment shall take effect and be imposed on July 1 of each year."

Section 3. Severability. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this ordinance or the application thereof to any person or place, is 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 remainder of this ordinance. The City Council hereby declares it would have adopted this ordinance, and each and every section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

Section 4. Savings Clause. Neither the adoption of this Ordinance nor the repeal of any other ordinance of this City shall in any manner affect the prosecution of any violation of any City ordinance or provision of the Banning Municipal Code, committed prior to the effective date hereto, nor be construed as a waiver of any license or penalty or the penal provision applicable to any violation thereof.

Section 5. Publication, Effective Date. The City Clerk shall certify to the passage and adoption of this Ordinance, and shall make a minute order of the passage and adoption thereof in the records and the proceedings of the City Council at which time the same is passed and adopted. This Ordinance shall be in full force and effect thirty (30) days after its final passage and adoption, and within fifteen (15) calendar days after its final passage, the City Clerk shall cause a summary of this Ordinance to be published in a newspaper of general circulation and shall post the same at City Hall, 99 E. Ramsey Street, Banning, California. The City Clerk shall cause the Ordinance to be printed, published, and circulated.

PASSED, APPROVED, AND ADOPTED on the 28th day of May, 2019.

Arthur L. Welch, Mayor
City of Banning

ATTEST:

Daryl Betancur, Deputy City Clerk
City of Banning, California

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

Kevin G. Ennis, City Attorney
Richards, Watson & Gershon

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CERTIFICATION

I, Daryl Betancur, Deputy City Clerk of the City of Banning, California, do hereby certify that the foregoing Ordinance No. 1545, was duly introduced at a regular meeting of the City Council of the City of Banning, held on the 14th day of May, 201, and was duly adopted at a regular meeting of said City Council on the 28th day of May, 2019, by the following vote to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Daryl Betancur, Deputy City Clerk
City of Banning, California

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CITY OF BANNING CITY COUNCIL REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Tom Miller, Electric Utility Director

MEETING DATE: May 28, 2019

SUBJECT: Authorize Staff to utilize the Public Utilities Exceptions (electric, sewer, and water) that allows for informal procurements without formal competitive bidding or as provided for in Article 2, Section 3-105 (7) Notes and Exceptions, in the Purchasing Policy No. B-30, approved by City Council Resolution 2018-156 on February 26, 2019 for the purchase of certain supplies, materials and equipment for the City's Public Utility Departments.

RECOMMENDED ACTION:

Staff recommends discussion and possible authorization for use by the City's Electric, Water and Wastewater Utilities of the Public Utilities exceptions (electric, sewer, and water) to formal competitive bidding for informal procurements as allowed by Article 2, Section 3-105 (7) Notes and Exceptions in the Purchasing Policy No. B-30, approved by City Council Resolution 2018-156 on February 26, 2019.

- **Approve Resolution**, Authorizing use of the Public Utilities exceptions for informal procurement of specified items of equipment, materials and supplies for the remainder of fiscal year 2019.
- **Approve Resolution**, Authorizing use of the Public Utilities exceptions for informal procurement of specified items of equipment, materials and supplies for the fiscal year 2020.

GOAL STATEMENT:

To improve workflow and reduce purchasing policy impediments thus enabling the public utilities to complete routine work in a timely and efficient manner. To maintain continuity of service for our customers.

BACKGROUND:

In February of 2019, the City Council adopted Resolution 2018-156, approving the Purchasing Officer's recommended amendments to the City's Purchasing Policy No. B-30. Within this updated Policy, Article 2, Section 3--105, Note (7) provides exceptions from regular purchasing procedures for the City's utilities (electric, sewer, and water) for certain types of materials, equipment and supplies listed in that Note. The list of items that may, with City Council approval, and with the review and approval by the Purchasing Officer, be purchased without formal competitive bids are provided in Attachment _ to this staff report. This list is sometimes referred to as the exceptions list.

The City's utilities, as a matter of routine business, regularly consume specific commodities, materials, inventory, and services which are included in the exceptions list, and that are typical to the operations, maintenance, planned replacement, and capital improvements of their respective enterprise services. In order to provide good customer service in a safe, timely, uninterrupted, and efficient manner, it is necessary for the utilities to routinely and at times, quickly, purchase these specifically excepted items without the delay that would result from compliance with formal bidding procedures.

City staff understands that by invoking this exception, the staff in the Utility Departments would not be required to procure the items on the exceptions list through a formal competitive process. . However, to address this issue and avoid an overuse of this exception, the approved Purchasing Policy incorporates two checks and balances applicable to purchases using these exceptions. In addition to the Council's authorization of these exceptions, the Purchasing Officer reviews these exceptions to formal procurement requirements through the requisition process. The Purchasing Officer is aware that there are items that often pose a peculiar and unique purchasing circumstance in which it can be difficult to acquire suitable and appropriate items that meet the distinct, specific needs of the utilities and are necessary to allow them to maintain adequate service levels for utility customers. Due to the nature of the public utilities industry, the specific and aged utilities' assets, and limited availability of qualified vendors, authorizing the exceptions within the Purchasing Policy will allow the utilities to meet the goals and needs set forth by Council to better serve the City's utility customers. Similarly, if the Purchasing Officer is informed that the items are not unique to one manufacturer or could be obtained from another manufacturer or vendor, the Purchasing Officer may disapprove of the use of the exception and require the Utility Department to obtain bids or quotes for the item or items.

As standard practice and whenever possible, the public utilities departments will acquire more than one quote for a product, to ensure wise use of funds. When this is not possible or a situation is presented where it would be detrimental to reliability and service, the sole source function within the Purchasing Policy may be utilized, subject to the approval and recommendation of the Purchasing Officer. The public utilities of the City of Banning strive to provide continuity of service and improve work flow while purchasing the item for the best price and maintaining appropriate purchasing standards and practices.

JUSTIFICATION:

The City's utilities maintain capital improvement plans that have been reviewed and approved by the City Council. Further, the capital improvement plans and annual operations and maintenance programs are included in annual budgets and are authorized by the City Council on a regular basis. Requiring City Council review of routine purchases that are already approved through the capital improvement planning and regular budgeting updates can be redundant and inefficient. In addition, the routine practice of obtaining competitive proposals, bids or quotes from material vendors often will not result in cost-efficiencies because the items are unique or the items have been found to be purchased for the best price from a particular vendor. The primary purpose of the City's utilities is to provide continued reliable, and uninterrupted utility services. In order to ensure that the City's utility services remain consistently reliable, it is necessary for the City's utilities to have the means to quickly and efficiently acquire specific goods, equipment and services as identified and approved in advance by the City Council, and set forth as exceptions in the City's Purchasing Policy. The adoption of the Resolutions herein will serve to further ensure the continued, reliable provision of utility services to the City while at the same time providing authority to the Purchasing Officer to review and approve of the use of the exception for those purchases

FISCAL IMPACT:

Expedited processing of purchase requisitions for items on the Purchasing Policy exceptions list will improve the timeliness, efficiency, and effectiveness of staff, and result in greater efficiency in the provision of utility services, thereby saving money.

ALTERNATIVES:

1. Approve as recommended.
2. Approve with modifications.
3. Provide alternative directions.
4. Do not approve.

ATTACHMENTS:

1. Purchasing Policy Number B-30.

Approved by:



Douglas Schulze
City Manager

RESOLUTION 2019-____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, AUTHORIZING THE USE OF THE PUBLIC UTILITY EXCEPTIONS FOR INFORMAL PROCUREMENTS UNDER ARTICLE 2, SECTION 3-105, NOTE (7) OF THE CITY'S PURCHASING POLICY NO. B-30, FOR THE REMAINDER OF FISCAL 2019 FOR THE PURCHASE OF CERTAIN SUPPLIES, MATERIALS AND EQUIPMENT FOR THE CITY'S PUBLIC UTILITY DEPARTMENTS

WHEREAS, City of Banning is a general law municipality governed by elected city councilmembers; and

WHEREAS, the City Council has the authority to create and maintain as system of ordinances by establishing its own municipal code; and

WHEREAS, the City Council has established a purchasing system in **Title 3 – Revenue and Finance, Chapter 3.24 – Purchasing System** of the Banning Municipal Code. That System designates the city manager or his or her designee as the purchasing officer of the City of Banning; and

WHEREAS, the City has adopted a Purchasing Policy No. B-30 that requires materials, supplies and equipment be purchased in a competitive manner and based on certain procedures to ensure that items are purchased for the best price available so as to save the City money.

WHEREAS, Resolution 2018-156, approved by the City Council on February 26, 2019, amended the Purchasing Policy to include public utility exceptions that would allow the informal procurement of certain goods, equipment and services without competitive bids, quotes or proposals, provided that the City Council approves the public utility exceptions on an annual basis and the use of the exception is approved by the Purchasing Officer of the City.

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

SECTION 1. The Banning City Council adopt Resolution, authorizing the City's public utilities to utilize the public utility exceptions for informal procurements under **Article 2, Section 3-105 Note (7) of the Purchasing Policy No. B-30**, for the remainder of fiscal year 2019 for the purchase of certain supplies, materials or equipment for the City's Public Utility Departments as provided in Note 7 to that Policy.

SECTION 2. The City's utilities and/or Public Works Director are authorized to purchase items included on the public utility exception list by informal procurement, provided procurement of the items has been previously approved in the current bi-annual budget

as a matter of normal operations, maintenance, or a current capital improvement project. Further, the City's utility directors are directed to report on a timely basis to the City Council any purchases in excess of \$25,000.

SECTION 3. The Purchasing Officer is authorized to process purchase requisitions of public utility exception items under informal procedures applicable to such excepted items, consistent with the Purchasing Policy, provided the expenditures or encumbrances fall within the authorized spending limits of the annual operating or capital budget of the respective utility.

SECTION 4. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book or original resolutions.

PASSED, APPROVED, AND ADOPTED this 28th day of May, 2019.

Arthur L. Welch, Mayor
City of Banning

ATTEST:

Daryl Betancur, Deputy City Clerk
City of Banning

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

Kevin G. Ennis, City Attorney
Richards, Watson & Gershon

RESOLUTION 2019-____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, APPROVING THE PUBLIC UTILITY EXCEPTIONS FOR INFORMAL PROCUREMENTS UNDER ARTICLE 2, SECTION 3-105 (7) OF THE CITY'S PURCHASING POLICY NO. B-30, FOR FISCAL YEAR 2020.

WHEREAS, City of Banning is a general law municipality governed by locally elected city councilmembers;, and

WHEREAS, the City Council has the authority to create and maintain as system of ordinances by establishing its own municipal code; and

WHEREAS, the City Council has established a purchasing system in **Title 3 – Revenue and Finance, Chapter 3.24 – Purchasing System** of the Banning Municipal Code. That System designates the city manager or his or her designee as the purchasing officer of the City of Banning; and

WHEREAS, in order to more effectively implement the City's Purchasing System, the City Council has adopted Purchasing Policy No. B-30; and

WHEREAS, Resolution 2018-156, approved by the City Council on February 26, 2019, amended the Purchasing Policy to include public utility exceptions for the informal procurement of certain goods, equipment and services, provided that the City Council approves the public utility exceptions on an annual basis.

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

SECTION 1. The Banning City Council adopts Resolution, authorizing the City's public utilities to utilize the public utility exceptions for informal procurements under **Article 2, Section 3-105 (7) of the Purchasing Policy No. B-30**, for fiscal year 2020.

SECTION 2. The City's utilities and/or Public Works Director are authorized to purchase items included on the public utility exception list by informal procurement provided that procurement of the items has been previously approved in the current bi-annual budget as a matter of normal operations, maintenance, or a current capital improvement project. Further, the City's utility directors are directed to report on a timely basis to the City Council any purchases in excess of \$25,000.

SECTION 3. The Purchasing Officer is authorized to process purchase requisitions of public utility exception items under informal procedures applicable to such excepted items, consistent with the Purchasing Policy, provided the expenditures or encumbrances fall within the authorized spending limits of the annual operating or capital budget of the respective utility.

SECTION 4. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book or original resolutions.

PASSED, APPROVED, AND ADOPTED this 28th day of May, 2019.

Arthur L. Welch, Mayor
City of Banning

ATTEST:

Daryl Betancur, Deputy City Clerk
City of Banning

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

Kevin G. Ennis, City Attorney
Richards, Watson & Gershon

ATTACHMENT 1

(Purchasing Policy Number B-30.)



ADMINISTRATIVE PROCEDURES

City of Banning

APPROVAL DATE 06/27/17	FINANCE POLICIES	POLICY NO. B-30
APPROVED BY City Council	POLICY TITLE PROCUREMENT POLICIES & PROCEDURES	EFFECTIVE DATE 02/26/2019

Postage/Delivery/Messenger Services	Professional Legal and Human Resources Confidential Consultant Services
Real Property/Easement Acquisition and Rental Property	Purchases that meet sole source procurement requirements.
Requisitions for products or services less than \$5,000.	Software license maintenance
When the Purchasing Officer determines the commodity can be procured using a cooperative purchasing agreement.	Trade Circulars, Books or CD's
Staffing, temporary services	Special instructors for community centers and events.
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 24 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 \$25,000 or more.	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.
Purchase of power for Public Utilities	

- (7) Public Utilities Exception. The Water, Electric and Sewer Utilities have a need for compatibility within their respective systems for uniform operation, maintenance and replacement, and this need can be met by procuring certain supplies, equipment, and materials supplies through Informal Bidding or Negotiations. Such procurements may be exempted from formal competitive procurement requirements if the City Council so determines.

- a. If it appears to the Purchasing Officer to be in the best interest of overall economy and efficiency of the City to do so, and it is within existing budget appropriation, the



ADMINISTRATIVE PROCEDURES

City of Banning

APPROVAL DATE 06/27/17	FINANCE POLICIES	POLICY NO. B-30
APPROVED BY City Council	POLICY TITLE PROCUREMENT POLICIES & PROCEDURES	EFFECTIVE DATE 02/26/2019

following supplies, equipment, and materials are determined to be peculiar to the needs of the Water Utility, the Electric Utility, and the Sewer Utility and may be acquired by and under the provisions of Informal Bidding or Negotiations (Art. 4, Sec. 5, Sub. 5-103 (5) and 5-109 (2)), regardless of their estimated procurement expenditure amounts, provided that the City Council shall have approved the proposed acquisition if required under the provisions of the Municipal Code, either by approval of the procurement contract, approval of annual purchase orders, or approval within thirty (30) days of any emergency acquisition(s) made in excess of \$25,000.00:

Automatic Reclosers with associated controllers and communications equipment	Power Generation Materials, Equipment, Parts and Repair
Batteries and Chargers	Pipe and Pipe Fittings
Blower Equipment, Parts and Repair	Pole Line Hardware
Bus and Bus Support	Poles, Utility
Capacitors	Mobile Substation
Chemicals	Prefabricated Electrical Enclosures
Circuit Breakers	Pumps and Repairs
Circuit Switcher	Regulators
Conduit and Duct	Relaying and Protective Devices
Connectors	Road and Backfill Materials
Dewatering Equipment, Parts and Repairs	SCADA Equipment
Electric Motor Controls	Substation and Distribution Automation Equipment
Electrical Motors, Panels, Panel Equipment, Materials and Repairs	Substation Online Monitoring Equipment and Devices
Electrical Line Devices	Substation Supervisory Equipment
Fiber Optics Equipment and Materials	Surge Arrestors
Transformers and Accessories Treatment Equipment	Switches, Switchgear, and Accessories Testing Equipment
Fittings, Electrical, Water, and Sewer	Fire Hydrants
Insulators and Bushings	Tubing, Copper and Plastic
Luminaries	Valves and Operators
Meter and Metering Devices	Vaults and Accessories
Wire and Cable	Uninterruptable Power Supplies
Well Equipment (including incidental labor to install, which labor shall not exceed the amount set by state law for which bids are required for public works projects of a general law city)	Such other supplies and materials peculiar to the needs of the Public Utilities Department, which are carried as inventory items

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CITY OF BANNING CITY COUNCIL REPORT

TO: CITY COUNCIL

FROM: Doug Schulze, ICMA-City Manager

PREPARED BY: Tom Miller, Electric Utility Director

MEETING DATE: May 28, 2019

SUBJECT: Withdrawing from Membership Power Agency of California (PAC) and termination of the joint powers agreement

RECOMMENDED ACTION:

Staff recommends discussion and possible action on withdrawing from membership in the Power Agency of California (PAC), a joint powers agreement with the Cities of Anaheim, Colton, Riverside, and Azusa.

Action: Adopt Resolution, supporting the withdraw of membership in the Power Agency of California (PAC) and dissolution of the joint powers agreement.

GOAL STATEMENT:

To perform sound business practices and minimizing risk by withdrawing from an inactive joint power agreement.

COMMITTEE RECOMMENDATION:

The item was not reviewed by a standing committee.

BACKGROUND:

As mutually agreed upon by the board of directors of PAC during the March 26, 2019, annual meeting, the City of Azusa will formally resolve to withdrawal from membership and request dissolution of the joint powers agreement. The agreed upon action enables the dissolution of the joint powers agreement to take place. Upon completion of Azusa's withdrawal, City of Colton has received city council approval to notice for withdrawal as well. It is anticipated that the other participants will follow suit.

In April of 1990, the Power Agency of California (PAC) was formed by the Cities of Anaheim, Azusa, Banning, Colton, and Riverside. The purpose of the agency was to realize economic benefits by doing joint projects, more efficient power resources utilization, and the sharing of technical and legal costs. In recent years, my only exposure to the benefits of PAC has been the shared advice of counsel from Thompson-Coburn LLP, Washington, D.C. for Federal Energy Regulatory Commission activities related to generation and power supply, transmission and power delivery, and reliability standards and compliance issues. The City of Colton discontinued participation with the advice of counsel activities about 8 months ago but the other members continue our shared relationship with Thompson-Coburn. This shared arrangement will continue as Thompson-Coburn LLP has a master service agreement with Southern California Public Power Authority which, Banning Electric takes service and is billed through our trust account with the City of Riverside.

JUSTIFICATION:

The Power Agency of California activity has gone dormant and the participating members have agreed to disband and dissolve the joint powers agreement.

FISCAL IMPACT:

No fiscal impact anticipated as activities have been no existent for several years.


OPTIONS:

1. Approve as recommended
2. Do not approve and provide alternative direction

ATTACHMENTS:

1. Joint Powers Agreement, July 1, 1990
2. PAC Agenda March 26, 2019
3. PAC Annual Meeting Minutes March 26, 2019
4. City of Azusa draft resolution to withdraw from PAC
5. Email thread from David Kolk, City of Colton, April 16, 2019

Approved by:



 Douglas Schulze
 City Manager

RESOLUTION 2019-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, WITHDRAWING FROM MEMBERSHIP IN THE JOINT POWERS AUTHORITY KNOWN AS THE POWER AGENCY OF CALIFORNIA (PAC).

WHEREAS, on or about April 16, 1990, the City Council of the City of Banning took action to form a joint powers authority pursuant to Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California known as the Power Agency of California (PAC). The City formed PAC along with the Cities of Anaheim, Azusa, Colton, and Riverside in order to realize economic benefits, more efficient resources utilization and sharing technical and legal costs. The joint powers authority was formed and operates under a joint powers agreement; and,

WHEREAS, at the March 26, 2019, annual meeting of the board of directors of the Power Agency of California, the board of directors mutually agreed to dissolve the agency by having the City of Azusa resolve to withdrawal from membership; and,

WHEREAS, the PAC joint power agreement allows the City to withdraw form PAC upon the following conditions: (i) filing with PAC a resolution of the City Council which expresses the City's desire to withdraw; and, (ii) the City paying, or making arrangements to pay, its pro rata portion of any such obligations; and,

WHEREAS, the City Council wishes to adopt this Resolution in order to withdraw from PAC since the City does not have any current projects with PAC and the City has completed all projects and obligations, which the City had with PAC. In addition, the City does not anticipate the need to participate in any future projects with PAC.

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Banning declares, determines, and orders as follows:

SECTION 1. Withdrawal from PAC. Pursuant to Section 14 of the PAC joint powers agreement, the City hereby withdraws from PAC.

SECTION 2. Implementation of Withdrawal. The City Manager and/or Electric Utility Director are hereby authorized and directed to take all actions and do all things necessary or desirable hereunder with respect to withdrawing from PAC, including, but not limited to, execution of any documents and completion of any outstanding obligations of the City under the PAC joint powers agreement.

SECTION 3. Effective Date. This Resolution shall take effect immediately upon its adoption. The City Clerk is directed to send a certified copy of this Resolution to the PAC board of directors and/or any other authorized representative of PAC or the PAC board of directors.

SECTION 4. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book or original resolutions.

PASSED, APPROVED, AND ADOPTED this 28th day of May, 2019.

Arthur L. Welch, Mayor
City of Banning

ATTEST:

Daryl Betancur, Deputy City Clerk
City of Banning

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

Kevin G. Ennis, City Attorney
Richards, Watson & Gershon

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8 JOINT POWERS AGREEMENT AMONG

9 CITY OF AZUSA

10 CITY OF BANNING

11 CITY OF COLTON

12 CITY OF RIVERSIDE

13 CREATING THE

14 POWER AGENCY OF CALIFORNIA
15

16 Dated As of July 1, 1990
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EXECUTION COPY

JOINT POWERS AGREEMENT
POWER AGENCY OF CALIFORNIA

THIS AGREEMENT, dated for convenience as of
July 1, 1990, by and among the City of Azusa ("Azusa");
the City of Banning ("Banning"); the City of Colton ("Colton");
and the City of Riverside ("Riverside"), each created pursuant to
the Constitution and laws of the State of California.

W I T N E S S E T H:

WHEREAS, each Member is a city located in the State of
California and is empowered by law to acquire, construct, maintain
and operate facilities for the generation, transmission, and
distribution of electrical energy for public or private use and
all rights, properties and improvements necessary therefor; and

WHEREAS, each Member presently owns, maintains and operates
an electrical system and distributes electrical energy to its
customers; and

WHEREAS, each Member presently acquires electrical energy,
all or in part, from other utilities; and

WHEREAS, each Member desires to enter into an agreement to
create a separate public entity pursuant to the provisions of the
Joint Powers Act for the purposes set forth herein and desires
that such separate public entity have the powers provided herein
in connection with such purposes;

NOW, THEREFORE, the Members, for and in consideration of the
mutual promises and agreements herein contained, do hereby agree
as follows:

SECTION 1: PURPOSE. This Agreement is made pursuant to

1 city, public corporation or public district which shall have
2 withdrawn or been excluded from the Agency pursuant to Section 14
3 hereof.

4 2.5 Project. The term "Project" shall mean (i) facilities
5 for the generation or transmission of electrical energy for public
6 or private use and all rights, properties and improvements
7 necessary or convenient therefor, including fuel and water
8 facilities and resources, and buildings, structures, improvements
9 and facilities appurtenant thereto or provided therefor together
10 with land necessary therefor; (ii) an ownership interest or a
11 capacity right in any facility for the generation or transmission
12 of electric energy; (iii) acquiring, purchasing, selling or
13 disposing of electrical capacity or energy from or to any other
14 entity, private or public. Any such facility for the generation
15 or transmission of electric energy may be situated in whole or
16 in part within or without the State of California. As used in the
17 first sentence of this subsection, "transmission of electrical
18 energy" shall include real and personal property necessary to
19 schedule and dispatch power and energy, but shall not include the
20 final distribution of electric energy to the consumer. Except
21 where the context shall indicate otherwise, the meaning of the
22 term "Project" shall include a Study Project.

23 2.6 Project Contract. The term "Project Contract" shall
24 mean a contract between the Agency and a Member providing to such
25 Member an entitlement or a right to participate in or the use of
26 the capacity, output, product or service of a Project or a Study
27 Project of the Agency and obligating such Member to make payments
28 with respect to the costs thereof, all in accordance with the

1 of Project generation.

2 In the event that a calculation under clause (ii) of this
3 Subsection 2.8 is being made with respect to a Project other than
4 a Study Project prior to the date of commercial operation of a
5 Project involving generation or transmission, such calculation
6 shall be made as of the anticipated date of commercial operation
7 of such Project.

8 Each computation of Project Votes shall be prepared by the
9 Secretary of the Agency and submitted to and verified by the Board
10 of Directors.

11 2.9 Study Project. The term "Study Project" shall mean
12 one or more proposed Projects as to which the Agency undertakes
13 to make studies or to acquire options or permits and to incur
14 other preliminary costs prior to the undertaking of the
15 construction or acquisition or maintenance and operation of such
16 proposed Project or Projects.

17 SECTION 3: CREATION OF AGENCY. Pursuant to the Joint
18 Powers Act, there is hereby created a public entity, to be known
19 as the "Power Agency of California" and said Agency shall be a
20 public entity separate and apart from the Members.

21 SECTION 4: TERM. This Agreement shall become effective
22 as of the date hereof and, subject to the right to rescind
23 provided by Section 8 hereof, shall continue in full force and
24 effect for a period of fifty (50) years from the date hereof or
25 until such later date as all bonds and notes of the Agency and the
26 interest thereon shall have been paid in full or adequate
27 provision for such payment shall have been made in accordance with
28 the instruments governing such bonds and notes.

1 acquire and equip, maintain, operate, sell, assign, convey, lease
2 and otherwise dispose of electrical generating plants or
3 transmission systems or both, together with all lands, buildings,
4 equipment, and all other real or personal property, tangible or
5 intangible, necessary or incidental thereto.

6 5.2 To acquire (by exercise of the power of eminent domain
7 or otherwise), hold, lease (as lessor or lessee), sell, or
8 otherwise dispose of any real or personal property, commodity, or
9 service including, without limitation, to buy, lease, construct,
10 appropriate, contract for, invest in, and otherwise acquire, and
11 to own, hold, maintain, equip, operate, manage, improve, develop,
12 and deal in and with, and to sell, lease, exchange, transfer,
13 convey and otherwise dispose of, real and personal property of
14 every kind, tangible and intangible, commodities (including fuel
15 and water) and services in accordance with applicable law.

16 5.3 To make and enter into contracts with any Member or
17 any other entity, public or private, with respect to the purchase,
18 sale or transmission of electric power or energy or both, or with
19 respect to the ownership, location, acquisition, construction,
20 operation or disposal of any Project, or with respect to any other
21 matters relating to any Project or purpose of this Agreement set
22 forth in Section 1 hereof or with respect to any Activities, on
23 such terms and conditions as shall be determined by the Board of
24 Directors.

25 5.4 To establish or agree to establish, pursuant to any
26 contract with respect to a Project, management or other committees
27 composed of representatives of participating entities and to agree
28 to the powers, duties, procedures and responsibilities of any such

1 Projects or Activities; (ii) refunding bonds for the purpose of
2 redeeming or retiring any bonds issued by the Agency and any other
3 indebtedness incurred by the Agency; and (iii) notes for the
4 purpose of financing one or more Study Projects and for the
5 purpose of providing temporary financing of costs of construction
6 or acquisition of one or more Projects or for the purposes set
7 forth in Section 1 hereof. The terms and conditions of the
8 issuance of any such bonds or notes shall be set forth in a
9 resolution, indenture or other instrument, shall include such
10 security provisions and shall specify such source or sources of
11 payment, as in accordance with law shall be determined by the
12 Board of Directors.

13 SECTION 7: LIABILITY AND CONTRIBUTION.

14 7.1 Bonds or notes issued by the Agency under Section 6,
15 and contracts or obligations which are entered into or incurred
16 by the Agency to carry out the purposes for which such bonds or
17 notes are issued and which are payable in whole or in part from
18 the proceeds of said bonds or notes, shall not constitute a debt,
19 liability or obligation of any Member. Pursuant to Section 6508.1
20 of the Government Code of the State of California, as amended, no
21 debt, liability or obligation of the Agency shall be a debt,
22 liability or obligation of any Member except as provided by
23 Section 895.2 of the Government Code of the State of California
24 in the case of injury caused by a negligent or wrongful act or
25 omission occurring in the performance of this Agreement.

26 7.2 In the event any Member is held liable upon any
27 judgment for damages caused by a negligent or wrongful act or
28 omission occurring in the performance of this Agreement, and pays

1 generation, and in the event that such calculation is being made
2 with respect to a Project (other than a Study Project) prior to
3 the date of commercial operation of the Project generation, such
4 calculation shall be made as of the anticipated date of commercial
5 operation of such Project generation.

6 7.5 Nothing contained in this Section shall in any way
7 diminish the liability of any Member or other party with respect
8 to any contract between such Member or other party and the Agency.

9 **SECTION 8: TERMINATION OF POWERS; LIQUIDATION;**
10 **DISTRIBUTION.**

11 This Agreement shall continue in full force and effect, and
12 the Agency shall continue to possess the powers herein conferred
13 upon it, until the expiration (pursuant to Section 4 of this
14 Agreement) of the term of this Agreement or until the Members
15 shall have rescinded this Agreement (pursuant to this Section).
16 Rescission of this Agreement may only be accomplished by a writing
17 or writings executed by each Member and approved by resolution of
18 each Member's governing body. In no event shall this Agreement
19 or the powers herein granted to the Agency be rescinded until (a)
20 payment on all bonds and notes of the Agency and the interest
21 thereon shall have been made in accordance with the instruments
22 governing such bonds and notes, and (b) all other obligations and
23 liabilities of the Agency shall have been met or adequately
24 provided for.

25 Upon any such expiration or rescission, the Board of
26 Directors shall liquidate the business and assets and property of
27 the Agency as expeditiously as possible, and distribute any net
28 proceeds to any Members in such manner in accordance with law as
shall be determined by the Board of Directors.

1 10.4 Minutes. The Secretary of the Agency shall cause to
2 be kept minutes of the meetings of the Board of Directors, both
3 regular and special, and shall, as soon as possible after each
4 meeting, cause a copy of the minutes to be forwarded to each
5 Director.

6 10.5 Quorum. A majority of the Board of Directors shall
7 constitute a quorum for the transaction of business, except that,
8 if less than a majority is present at a meeting, a majority of
9 those Directors present may adjourn the meeting from time to time.

10 10.6 Voting. When a quorum is present at a meeting of the
11 Board of Directors, the vote of the Directors present at such
12 meeting shall decide any question brought before such meeting and
13 such decision shall be deemed to be the action of the Board.
14 Except in the case of a tie and as provided in Subsection 10.7 and
15 in Subsection 13.2 of this Agreement, each Director shall have one
16 vote and the vote of a majority of all Members of the Board of
17 Directors shall decide any question. In the event of a tie vote,
18 each Member shall receive a weighted vote based upon its
19 electrical kilowatt hour sales for the most recently completed
20 Fiscal Year in relation to the electrical kilowatt hour sales of
21 all other Members and each Member shall be entitled to cast a vote
22 equal to such weighted vote. The tie shall be broken if Members
23 having more than fifty percent (50%) of such weighted vote, vote
24 for or against a question.

25 10.7 Voting on Project Matters. All questions regarding
26 Project Matters shall be decided by the affirmative vote of two
27 (2) or more Members which equal more than fifty percent (50%) of
28 the Project Votes. Each Director shall be entitled to cast all

1 and the auditor of the Agency and as such (i) shall be the
2 depository of the Agency to have custody of all the money of the
3 Agency, from whatever source, (ii) shall draw warrants to pay
4 demands against the Agency when the demands have been approved by
5 the President or the Vice President of the Agency, and (iii) shall
6 have the other powers, duties and responsibilities of such
7 officers as specified in Section 6505.5 of the Government Code of
8 the State of California, as amended, except insofar as such
9 powers, duties and responsibilities are assigned to a trustee
10 appointed, as is provided for and authorized by Section 6558 of
11 the Government Code of the State of California, as amended,
12 pursuant to any resolution, indenture or other instrument
13 providing for the issuance of bonds or notes of the Agency
14 pursuant to Section 6 of this Agreement.

15 11.3 The President, the Vice President and (to the extent
16 such officers' duties and responsibilities pursuant to the Joint
17 Powers Act require) the Treasurer/Auditor are designated as the
18 public officers or persons who have charge of, handle, or have
19 access to any property of the Agency, and each such officer shall
20 file an official bond with the Secretary of the Agency in the
21 amount of \$100,000.00.

22 11.4 In addition to the powers, duties and responsibilities
23 provided herein or by law, the President, the Vice President and
24 the Secretary shall have such powers, duties and responsibilities
25 as are provided in the By-Laws of the Agency. The
26 Treasurer/Auditor shall have such powers, duties and
27 responsibilities as are provided herein or by law.

28 11.5 The Board of Directors shall have the power to

1 Imperial County, Los Angeles County, Orange County, Riverside
2 County, San Bernardino County, San Diego County, or Ventura
3 County, may become a Member upon meeting the following conditions:

4 13.1 The city, public corporation or public district shall
5 file with the Board of Directors a certified copy of a resolution
6 of its governing body whereby the city, public corporation or
7 public district (i) agrees to the provisions of this Agreement and
8 (ii) requests to become a Member.

9 13.2 No such city, public corporation or public district
10 shall become a Member until (i) its admission is approved at a
11 regular or special meeting of the Board of Directors by unanimous
12 vote and (ii) such city, public corporation or public district
13 deposits or agrees to deposit with the Agency an amount equal to
14 such share of the costs and expenses incurred by the Agency prior
15 to the date of admission of such city, public corporation or
16 public district as a Member as shall be determined by the Board
17 of Directors.

18 Upon completion of the foregoing, the city, public
19 corporation or public district shall become a Member for all
20 purposes of this Agreement.

21 SECTION 14: WITHDRAWAL OR EXCLUSION OF MEMBER.

22 14.1 Any Member may withdraw from the Agency upon the
23 following conditions: (i) the Member shall have filed with the
24 Board of Directors a certified copy of a resolution of its
25 governing body expressing its desire to so withdraw and (ii) if
26 the Agency, prior to the filing of such resolution, shall have
27 incurred any obligation payable from contributions, payments or
28 advances in accordance with Section 12 hereof which obligation

1 maintain such funds and accounts as may be required by good
2 accounting practice or by any provision of any resolution,
3 indenture or other instrument of the Agency securing its bonds or
4 notes, except insofar as such powers, duties and responsibilities
5 are assigned to a trustee appointed pursuant to such resolution,
6 indenture or instrument. The books and records of the Agency
7 shall be open to inspection at all reasonable times to each Member
8 and its representatives. The Agency, within 120 days after the
9 close of each Fiscal Year, shall give a complete written report
10 of all financial activities for such Fiscal Year to the Members.

11 The Board of Directors shall cause an annual audit of the
12 accounts and records of the Agency to be made by a certified
13 public accountant or public accountant, all in accordance with,
14 and at the time or times required by law.

15 All the books, records, accounts and files referred to in
16 this Section 15 shall be open to the inspection of holders of
17 bonds or notes of the Agency to the extent and in the manner
18 provided in the resolution, indenture or other instrument
19 providing for the issuance of such bonds or notes.

20 SECTION 16: BREACH. If default shall be made by any
21 Member in any undertaking contained in this Agreement, such
22 default shall not excuse such Member or any other Member from
23 fulfilling its obligations under this Agreement and each Member
24 shall continue to be liable for the payment of contributions,
25 payments and advances pursuant to Section 12 hereof and the
26 performance of all conditions herein contained. Each Member
27 hereby declares that this agreement is entered into for the
28 benefit of the Agency created hereby and each Member hereby grants

1 Agreement shall be in writing and shall be deemed properly served,
 2 given, or made if delivered in person or sent by registered or
 3 certified mail, postage prepaid, to the persons specified below:

4 If to the Agency:

5 (Address to be Provided)

6 If to the Member(s):

7 City of Azusa
 8 Utilities Director
 9 PO Box 9500
 10 Azusa, California 91702-9500

11 City of Banning
 12 Public Utilities Director
 13 PO Box 998
 14 Banning, California 92220

15 City of Colton
 16 Electric Utility Director
 17 650 North La Cadena Drive
 18 Colton, California 92324

19 City of Riverside
 20 Public Utilities Director
 21 3900 Main Street
 22 Riverside, California 92522

23 19.2 A Member may, at any time, by written notice to each
 24 other Member and the Agency, designate different or additional
 25 persons or different addresses for giving of notices, demands or
 26 requests to it hereunder.

27 19.3 The Agency may, at any time, by written notice to each
 28 Member, designate a different or additional person or a different
 address for giving notices, demands or requests to it hereunder.

29 SECTION 20: EXECUTION OF COUNTERPARTS. This Agreement may
 30 be executed in any number of counterparts. All such counterparts
 31 shall be deemed to be originals and shall together constitute but
 32 one and the same instrument.

33 IN WITNESS WHEREOF, the Members hereto have caused this

1 Agreement to be executed and attested by their proper officers
 2 thereunto duly authorized, and their official seals to be hereto
 3 affixed, as of the day and year first above written.

CITY OF AZUSA

By _____

Its _____

ATTEST:

By _____

CITY OF BANNING

By _____

Its _____

ATTEST:

By _____

APPROVED AS TO FORM:

CITY OF COLTON

 16 By Alan R. Watts
 17 Alan R. Watts
 18 Special Counsel
By Will C. RiversIts Electric Utility DirectorDated: 6-6, 1990

ATTEST:

 20 By Helen A. Ramos
 21 HELEN A. RAMOS
 22 City Clerk

CITY OF RIVERSIDE

By _____

Its _____

ATTEST:

By _____

(A:\597N.rr)

POWER AGENCY OF CALIFORNIA
Annual Conference Call
Agenda

Date: Tuesday, March 26, 2:00 p.m.

Mayor's Ceremonial Room, City Hall, 7th Floor
3900 Main Street
Riverside, California

VIA TELECONFERENCE call in (888) 251-2909 access # 7153551

<p align="center">City of Azusa 729 Azusa Ave- 2nd fl. Azusa, Ca 91702 (626) 812-5219</p>	<p align="center">City of Banning 99 E. Ramsey Banning, Ca 92220 (951) 922- 3265</p>
<p align="center">City of Colton 150 S. 10th Street Colton, Ca 92324 (909) 370-6196</p>	<p align="center">City of Anaheim Anaheim West Tower 201 South Anaheim Blvd.- 11th Floor Anaheim, Ca 92805 (714) 765-5173</p>

IN ACCORDANCE WITH THE REQUIREMENTS OF CALIFORNIA GOVERNMENT CODE SECTION 54954.2, THIS AGENDA IS POSTED NOT LESS THAN 72 HOURS PRIOR TO THE MEETING DATE AND TIME ABOVE.

IN THE EVENT ANY MATTER NOT LISTED ON THIS AGENDA IS PROPOSED TO BE SUBMITTED TO THE BOARD FOR DISCUSSION AND/OR ACTION, IT WILL BE DONE IN COMPLIANCE WITH SECTION 54954.2, OR AS SET FORTH ON A SUPPLEMENTAL AGENDA POSTED NOT LESS THAN 72 HOURS PRIOR TO THE MEETING.

-
1. Call to Order
 2. Public Participation
 3. Approval of July 2018 Minutes
 4. Election of Officers
 5. New Business
 6. Adjournment
-

PAC wishes to make all of its public meetings and hearings accessible to all members of the public. PAC prohibits discrimination on the basis of race, color, or national origin in any program or activity

receiving Federal financial assistance.

If requested, the agenda and backup materials will be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12132), and the Federal Rules and Regulations adopted in implementation thereof.

Any person who requires a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in the public meeting may request such modification, accommodation, aid or service by contacting Kelly Sklarsky either in person at The Gateway Building, 3435 14th Street, Riverside, CA 92501 or by telephone at 951-826-8500 (no later than 10:00 a.m. on the day preceding the scheduled meeting.)

I certify that a complete copy of this agenda was posted at or before 2:00 p.m. on March 22, at The Gateway Building and City Hall.

Signed:

Kelly Sklarsky

PLEASE NOTE:

*The **Power Agency of California** wishes to make all of its public meetings accessible to the public. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the City's ADA Coordinator at (951) 826-5269 or TDD at (951) 826-2515 at least 48 hours before the meeting, if possible.*

**Power Agency of California
Board of Directors Annual Meeting Minutes
Tuesday, March 26, 2019 2:00 p.m.
Mayor's Ceremonial Room 7th Floor, Riverside City Hall**

In attendance: Susan Wilson, Daniel Garcia, Roy Xu, Kelly Sklarsky

Off-site attendance: Graham Bowen, Tom Miller, Manny Robledo, Dave Kolk

1. Call to Order:

The meeting was called to order at 2:02 PM by PAC President Daniel Garcia

2. There was no public participation.

3. Motion to approve the 2018 Regular Meeting Minutes

Move: Dave Kolk Second: Tom Miller

Unanimously approved with abstention by Manny Robledo because he was not present at the meeting.

4. Election of Officers

Move by Graham Bowen to accept the following slate of elected officers:

Manny Robledo: President

Graham Bowen: Vice President

Second: All: Unanimously approved.

5. New Business:

Manny Robledo requested that "Dissolution of PAC" be placed on the next agenda

6. The meeting was adjourned by PAC President Manny Robledo at 2:11 p.m.

Respectfully submitted,

Kelly Sklarsky

Dated: March 27, 2019

Thomas Miller

From: David Kolk <dkolk@coltonca.gov>
Sent: Tuesday, April 16, 2019 1:53 PM
To: Manny Robledo; Graham Bowen; Thomas Miller; Danny Garcia
Cc: Rebecca Gallegos
Subject: RE: E6-3 Resolution to withdraw PAC JPA.docx

Sounds good. I'll have our Council also vote to withdraw (unless I can do it unilaterally which would surprise me).

From: Manny Robledo <mrobledo@azusaca.gov>
Sent: Tuesday, April 16, 2019 1:13 PM
To: Graham Bowen <gbowen@anaheim.net>; Tom Miller <tmiller@ci.banning.ca.us>; David Kolk <dkolk@coltonca.gov>; Danny Garcia <dgarcia@riversideca.gov>
Subject: E6-3 Resolution to withdraw PAC JPA.docx

Gents,

Attached is a resolution that I'm taking to my City Council this month to withdraw from PAC. Please let me know if you see any fatal flaws. It's my understanding that Azusa will be out, but PAC will still exist until everyone withdraws. I'll miss the PAC golf tournaments though. :-)

Thanks,

Manny

Future Past President of PAC

who served the shortest term ever served



Manny Robledo
 Director of Utilities
 Azusa Light & Water
mrobledo@azusaca.gov
 Office: 626-812-5219
 Mobile: 714-293-9363
 729 N. Azusa Avenue

Azusa, CA 91702



City of Azusa

May 22, 2019

Tom Miller
Electric Utility Director
City of Banning
P.O. Box 998
Banning, CA 92220

Subject: Withdrawal from Power Agency of California

Dear Mr. Miller:

Pursuant to Section 14.1 of the Power Agency of California ("PAC") joint powers agreement dated July 1, 1990 ("Agreement"), the City of Azusa ("Azusa") hereby provides notice of withdrawal from PAC effective April 22, 2019. Azusa is in compliance with the requisite conditions of withdrawal as follows:

1. The attached certified copy of Azusa Resolution 2019-UB-04 approving its withdrawal is hereby provided to the PAC Board of Directors ("Board").
2. Azusa has satisfied all PAC obligations and there are no amounts payable or amounts receivable to/from PAC.

Pursuant to Section 14.2 of the Agreement, Azusa shall no longer be considered a Member of PAC, and I hereby resign as Board President effective immediately.

Sincerely,

Manny Robledo
Director of Utilities

RESOLUTION NO. 2019-UB-04**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AZUSA, CALIFORNIA, WITHDRAWING FROM MEMBERSHIP IN THE JOINT POWERS AUTHORITY KNOWN AS THE POWER AGENCY OF CALIFORNIA**

WHEREAS, on or about April 16, 1990, the City Council of the City of Azusa took action to form joint powers authority pursuant to Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California known as the Power Agency of California ("PAC"). The City formed PAC along with the Cities of Banning, Colton and Riverside in order to realize economic benefits, more efficient resources utilization and sharing technical and legal costs. The joint powers authority was formed and operates under a joint powers agreement; and

WHEREAS, the PAC joint powers agreement allows the City to withdraw from PAC upon the following conditions: (i) filing with PAC a resolution of the City Council which expresses the City's desire to withdraw; and (ii) the City paying, or making arrangements to pay, its pro rata portion of any such obligations; and

WHEREAS, the City Council wishes adopt this Resolution in order to withdraw from PAC since the City does not have any current projects with PAC and the City has completed all projects and obligations which the City had with PAC. In addition, the City does not anticipate the need to participate in any future projects with PAC.

NOW, THEREFORE, THE UTILITY BOARD/CITY COUNCIL OF THE CITY OF AZUSA, CALIFORNIA DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. Withdrawal from PAC. Pursuant to Section 14 of the PAC joint powers agreement, the City hereby withdraws from PAC.

SECTION 2. Implementation of Withdrawal. The Mayor of the City of Azusa, and his designee, are hereby authorized and directed to take all actions and do all things necessary or desirable hereunder with respect to withdrawing from PAC, including, but not limited to, execution of any documents and completion of any outstanding obligations of the City under the PAC joint powers agreement.

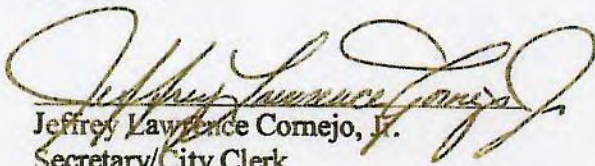
SECTION 3. Effective Date. This Resolution shall take effect immediately upon its adoption. The City Clerk is directed to send a certified copy of this Resolution to the PAC board of directors and/or any other authorized representative of PAC or the PAC board of directors.

SECTION 4. Incorporation of Recitals. The Recitals set forth above are incorporated herein and made an operative part of this Resolution.

PASSED, APPROVED and ADOPTED this 22nd day of April, 2019.


Joseph Romero Rocha
Boardmember/Mayor

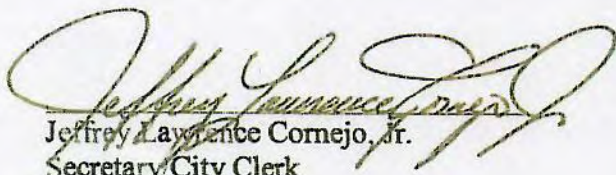
ATTEST:


Jeffrey Lawrence Comejo, Jr.
Secretary/City Clerk


STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.
CITY OF AZUSA)

I HEARBY CERTIFY that the foregoing Resolution No. 2019-UB-04 was duly adopted by the Utility Board/City Council of the City of Azusa at a regular meeting of the Azusa Light & Water Utility Board Thereof held on the 22nd day of April, 2019.

AYES: BOARD/COUNCILMEMBERS: GONZALES, CARRILLO, MACIAS, ROCHA
NOES: BOARD/COUNCILMEMBERS: NONE
ABSENT: BOARD/COUNCILMEMBERS: ALVAREZ


Jeffrey Lawrence Comejo, Jr.
Secretary/City Clerk

APPROVED AS TO FORM:


City Attorney
Best Best & Krieger

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**CITY OF BANNING AND
BANNING UTILITY AUTHORITY
COUNCIL REPORT**

TO: CITY COUNCIL

FROM: Doug Schulze, City Manager

PREPARED BY: Suzanne Cook, Acting Administrative Service Director/
Deputy Finance Director

MEETING DATE: May 28, 2019

SUBJECT: Adopt Resolution, Awarding a Professional Services Agreement to MGT Consulting Group for the Enterprise Fund & Internal Service Fund Cost Allocation Study, in the amount the amount of \$17,050, with an option for a Full Cost & CFR part 200 (Federal) Cost Allocation Plan in the amount of \$3,000, total not to exceed price of \$20,050.

RECOMMENDED ACTION:

Staff recommends that the City Council adopt Resolution:

1. Awarding a Professional Services Agreement for the Enterprise Fund and Internal Service Fund Cost Allocation Study to MGT Consulting Group in the amount of \$17,050 with an option for a Full Cost & CFR part 200 (Federal) Cost Allocation Plan in the amount of \$3,000, total not to exceed price of \$20,050.
2. Authorizing the City Manager or his designee to make necessary budget adjustments, appropriations and transfers related to the Professional Services Agreement for the Enterprise Fund & Internal Service Fund Cost Allocation Study.
3. Authorizing the City Manager or his designee to execute the Professional Services Agreement with MGT Consulting Group of Sacramento, California in the not to exceed amount of \$20,050.
4. Authorizing the City Clerk to certify the adoption of this resolution and to have said resolution filed in the book of original resolutions.

BACKGROUND:

As a part of the City's budgeting and fiscal policies, a 10% of operational revenues transfer is authorized to cover administrative costs of the General Fund by the Electric Fund. This was approved by Council through the budgeting process each budget cycle. In November 2018, the City had put a measure on the ballot to allow the voters consideration for the authorization of the administrative transfer to the General fund from the Electric Fund. The outcome of this Ballot Measure was unsuccessful and as a result will cause a significant impact on the City's ability to fund public safety and other services provided by the City.

In order to establish and maintain a well-documented and defensible plan to recover indirect administrative costs in a variety of internal and external circumstances, the City decided to release a request for proposals to have an independent party perform the cost allocation plan for the Enterprise and Internal Service Funds.

On February 12, 2019, staff released a RFP through the centralized purchasing system (PlanetBids) notifying qualified firms of the opportunity to provide proposals, RFP 19-0131 "Enterprise Fund & Internal Service Fund Cost Allocations Study". Two hundred and three (203) firms were sent direct solicitations through PlanetBids, with twenty-one (21) vendors registering for the proposal. The deadline to submit proposals was March 20, 2019 and six (6) firms responded with submittals.

An evaluation committee consisting of three (3) City staff members, evaluated the six (6) proposals that were received based on qualifications of key personnel, experience in preparing a cost allocation plan, approach and methodology, professional references and price proposals.

Listed below are the three (3) top ranked firms that submitted proposals in order of the total combined score received from the three (3) evaluators:

CONSULTANT	TOTAL SCORE	RANK
MGT Consulting Group	229	1
Willdan Financial Services	211	2
NBS	197	3

MGT Consulting Group was determined to be the most qualified firm based on the proposal evaluations and interviews combined.

The Enterprise Fund and Internal Service Fund Cost Allocation Plan scope of work include:

1. The Consultant shall develop and prepare a detailed Enterprise Fund and Internal Service Fund Cost Allocation Plan ("CAP"), based on the City's

audited financial records for the fiscal year ended June 30, 2018 and/or most recently adopted budget.

2. The City will use the CAP as the basis for allocation of indirect costs to enterprise and special revenue funds for services provided by the general fund, as well as to any state or federally funded grant programs, as needed.
3. The Consultant shall provide recommendations on appropriateness or efficiency of either charging personnel directly to enterprise fund operations or to the general fund and then allocating costs back through the CAP.
4. The approach required to develop the CAP includes the following major tasks:
 - a. Identify the support services provided and the related costs of service, including the future provision of new or expanded facilities.
 - b. Establish interrelationships among the City's legislative, administrative, finance, debt service and other departments, funds, programs, services and activities in terms of direct costs, indirect costs and support service costs.
 - c. Develop CAP as a percentage of direct costs for all City service departments and funds. Develop a model and methodology for gathering data, and provide the work plan for each service department to develop and understand the methodologies for cost allocations. Methodologies for allocation shall be data driven and replicable to provide for the ability of the City to continuously update the model from year-to-year as the organization structure changes. The City's internal services funds are as follows:
 - i. Facilities Maintenance Fund
 - ii. Information Systems Maintenance Fund
 - iii. Fleet Maintenance Fund
 - iv. Risk Management/Insurance Fund
 - v. Human Resources Fund
 - vi. Finance Fund
 - vii. Purchasing Fund

The detailed scope of work is outlined in Exhibit B of the Request for Proposals (RFP) No. 19-031 (Attachment 2) and in the attached recommended consultant's proposal (Attachment 3).

JUSTIFICATION:

To justify the amount allowable to support the services provided by the General Fund to the Enterprise Funds as well as the Internal Service Funds the City decided to release a request for proposals to have an independent party establish and maintain a well-documented and defensible plan to recover indirect administrative costs in a variety of internal and external circumstances

FISCAL IMPACT:

An appropriation in the amount of \$20,050 for Professional Services to be allocated between the General Fund and Enterprise Funds is needed to fund the Professional Services Agreement.

ALTERNATIVE:

Reject Resolution and provide direction to staff.

ATTACHMENTS:

1. Resolution 2019-____
2. RFP No. 19-031 Request for Proposals Enterprise Fund & Internal Service Fund Cost Allocations Study
3. MGT Consulting Group Proposal dated March 19, 2019
4. Professional Services Agreement

Approved by:



Douglas Schulze
City Manager

ATTACHMENT 1

Resolution 2019-XX

RESOLUTION 2019-___

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, AWARDING A PROFESSIONAL SERVICES AGREEMENT FOR "ENTERPRISE FUND & INTERNAL SERVICE FUND COST ALLOCATION STUDY" TO MGT CONSULTING GROUP IN THE AMOUNT OF \$17,050, WITH AN OPTION FOR A FULL COST & CFR PART 200 (FEDERAL) COST ALLOCATION PLAN IN THE AMOUNT OF \$3,000, TOTAL NOT TO EXCEED PRICE OF \$20,050.

WHEREAS, part of the City's budgeting and fiscal policies, a 10% of operational revenues transfer is authorized to cover administrative costs of the General Fund by the Electric Fund. This was approved by Council through the budgeting process each budget cycle; and

WHEREAS, in November 2018, the City had put a measure on the ballot to allow the voters consideration for the authorization of the administrative transfer to the General fund from the Electric Fund. The outcome of this Ballot Measure was unsuccessful and as a result will cause a significant impact on the City's ability to fund public safety and other services provided by the City; and

WHEREAS, in order to establish and maintain a well-documented and defensible plan to recover indirect administrative costs in a variety of internal and external circumstances, the City decided to release a request for proposals to have an independent party perform the cost allocation plan for the Enterprise and Internal Service Funds; and

WHEREAS, On February 12, 2019, staff released a RFP through the centralized purchasing system (PlanetBids) notifying qualified firms of the opportunity to provide proposals, RFP 19-0131 "Enterprise Fund & Internal Service Fund Cost Allocations Study". Two hundred and three (203) firms were sent direct solicitations through PlanetBids, with twenty-one (21) vendors registering for the proposal. The deadline to submit proposals was March 20, 2019 and six (6) firms responded with submittals; and

WHEREAS, an evaluation committee consisting of three (3) City staff members, evaluated the six (6) proposals that were received based on qualifications of key personnel, experience in preparing a cost allocation plan, approach and methodology, professional references and price proposals; and

WHEREAS, MGT Consulting Group was determined to be the most qualified firm based on the proposal evaluations and interviews combined; and

WHEREAS, an appropriation is needed in the amount of \$20,050 for Professional Services to be allocated between the General Fund and Enterprise Funds to fund the Professional Services Agreement.

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

SECTION 1. Awarding a Professional Services Agreement for the Enterprise Fund and Internal Service Fund Cost Allocation Study to MGT Consulting Group in the amount of \$17,050 with an option for a Full Cost & CFR part 200 (Federal) Cost Allocation Plan in the amount of \$3,000, total not to exceed price of \$20,050.

SECTION 2. The City Manager or his designee to make necessary budget adjustments, appropriations and transfers related to the Professional Services Agreement for the Enterprise Fund & Internal Service Fund Cost Allocation Study.

SECTION 3. The City Manager or his designee is authorized to execute the Professional Services Agreement as to form approved by the City Attorney.

SECTION 4. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

PASSED, APPROVED AND ADOPTED this 28th day of May, 2019.

Arthur L. Welch
Mayor
City of Banning

ATTEST:

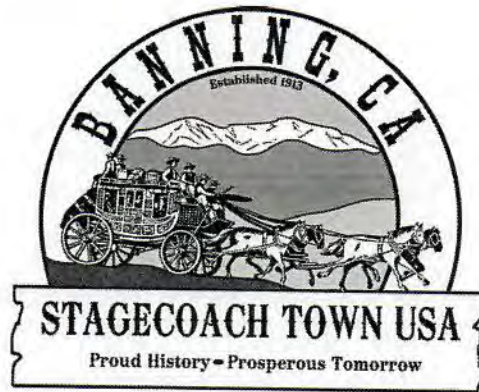
Daryl Betancur, Deputy City Clerk
City of Banning

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

Kevin G. Ennis, City Attorney
Richards, Watson & Gershon

ATTACHMENT 2

RFP No. 19-031 Request for Proposals
Enterprise Fund & Internal Service Fund Cost Allocations Study



**REQUEST FOR PROPOSALS
FOR PROFESSIONAL SERVICES
FOR
ENTERPRISE FUND & INTERNAL SERVICE FUND COST ALLOCATION STUDY
RFP No. 19-031**

Issued by the City of Banning Purchasing Division for:

**Administrative Services Department
99 East Ramsey Street
Banning, California 92220**

REQUEST FOR PROPOSALS (RFP) NO. 19-031

Enterprise Fund & Internal Service Fund Cost Allocation Study

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 the scope of services outlined in this request for proposals.

NOTICE IS HEREBY GIVEN that online price and document submittals must be uploaded to the online bidding system in accordance with the instructions included herein, on or before the time and date set forth in the schedule of events. It shall be the responsibility of the proposer to upload their proposal before the announced time. However, responses may be submitted at any time prior to the deadline. (Submitted proposals may be withdrawn and resubmitted at any time prior to the deadline, and cannot be viewed by City staff until the close date and time.)

SOLICITATION DOCUMENTS: To obtain a copy of the solicitation documents, please visit <http://www.planetbids.com/portal/portal.cfm?CompanyID=33077>. If you are not currently registered with the City of Banning through Planet Bids, please click on the "New Vendor Registration" button and then complete the electronic supplier registration. After registering your firm, click on the "Bid Opportunities" button to view current bid opportunities. Find an active project of interest on the list to double-click on, and then click "Place e-Bid" to download solicitation documents for that project and become a prospective bidder. Proposals may only be submitted by companies who are listed as a prospective bidder on the electronic bidding website for each project that they wish to submit a response to. Firms must also check the web site periodically for addenda information as failure to download and acknowledge any and all addenda in the submittal will result in proposer disqualification.

RESPONSIVE PROPOSALS: Once listed on the prospective bidders list, companies may submit their proposals on the Planet Bids electronic bidding system. The City will not accept proposals submitted by companies who are not on the prospective bidders list, or from companies who have submitted a proposal via facsimile, email, mail, or any other format not permitted by this solicitation. Further instructions for submitting proposals are explained in this solicitation. Companies are to adhere to all of the submittal instructions and requirements outlined in this solicitation in order to be considered responsive to this request for proposals.

Request for Proposals**Table of Contents****Sections**

1. Introduction/Purpose
2. Schedule of Events
3. Background
4. Prerequisites
5. Scope of Services
6. General Terms and Conditions
7. Inquiries
8. Completion of Proposal
9. Delivery/Submission of Proposals
10. Alternative Proposals
11. Proposal Format and Content
12. Examination of RFP and Sites of Work
13. Addenda
14. Withdrawal of Proposal
15. Public Records
16. Evaluation of Proposals
17. Conflict of Interest
18. Rejection of Proposals
19. Protest Procedures
20. Contract Term
21. Contract Documents
22. Execution of Agreement
23. Failure to Execute Agreement
24. Cancellation

Exhibits

- A. Proposal Forms (to be filled out and submitted with, and as part of proposal response)
- B. Scope of Services
- C. Sample Professional Consultant Service Agreement

1. INTRODUCTION/PURPOSE

The City of Banning ("City") is seeking a qualified entity or individual ("Company") to provide an enterprise fund and internal service fund cost allocation study. The City anticipates selecting one firm to perform the services.

Proposals are requested from Companies that have a demonstrated ability to perform the tasks identified in this Request for Proposal ("RFP").

2. SCHEDULE OF EVENTS

This request for proposal will be governed by the following tentative schedule. All dates are subject to change at the discretion of the City.:

Event	Date	Time
Request for Proposals Released	02/14/2019	N/A
Final Questions Due	03/04/2019	Before 3:00pm PST
Responses to Questions Released	03/08/2019	N/A
Proposals Due	03/20/2019	Before 2:00pm PST
Interviews, If Needed	Week of 03/25/2019	To be determined
Tentative City Council Meeting to Consider Awarding Contract	04/23/2019	5:00pm

3. 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.

4. PREREQUISITES

Proposals will only be considered from Companies that meet the following prerequisites:

- Have experience under a legally registered business name, in providing services of a similar type and scope as described in the Scope of Services ("Services") (Exhibit "B"). Have not filed for bankruptcy under any business name over the past five (5) years.
- Have registered as a "Prospective Bidder" on the City's electronic Current Prospective Bidders List. Companies can register at:

<http://www.planetbids.com/portal/portal.cfm?CompanyID=33077>

- Once registered, Companies must download this RFP by clicking "Place eBid" under their name in order to appear on the Bidder's List as a "Prospective Bidder." Companies that fail to specifically download this RFP will not appear on the Bidders' List and will be unable to participate or be considered for this RFP.
- If applicable, Company and/or its key personnel, shall hold an appropriate license for the Company's discipline and the Services on the date the Proposal is submitted.
- If applicable, Company shall have registered with the Department of Industrial Relations and any other required organizations.

5. SCOPE OF WORK

The City is seeking an enterprise fund and internal service fund cost allocation study. The selected Company shall provide the services required in Exhibit B, Scope of Services, attached hereto and incorporated herein.

6. GENERAL TERMS AND CONDITIONS

The successful company will be required to execute a Professional Consultant Services Agreement ("Agreement"). A sample is attached as Exhibit "C". The successful company must meet all insurance requirements in the Agreement. All terms and conditions of the Agreement are non-negotiable. Companies must possess valid City of Banning Business License throughout the term on the contract. Failure to execute the Agreement and furnish the required insurance within the required time period shall be just cause for the rescission of the award. If any of the successful Companies refuse or fail to execute the Agreement, the City may award the Agreement to the next most qualified Company.

7. INQUIRIES

If prior to the date fixed for submission of Proposals, a prospective Company discovers any ambiguity, conflict, discrepancy, omission or other errors in this RFP or any of its appendices or exhibits, the Company shall immediately notify the City of such error in writing and request modification or clarification of the document. Modifications shall be made by written Addenda to the RFP.

If a Company fails to notify the City, prior to the date fixed for submissions of Proposals, of an error in the RFP known to the Company, or an error that reasonably should have been known to the Company, the Company shall submit its Proposal at its own risk, and if the Company is awarded a Contract, it shall not be entitled to additional compensation or time by reason of the error or its later correction.

All communications regarding technical, scope, and/or project related questions and requests for clarifications, changes, exceptions, and deviations to the terms and conditions set forth in this RFP **shall be submitted via "Q&A"** through the City's Electronic Bidding System, PlanetBids Vendor Portal before the deadline and according to these specifications herein. Any and all other bidding communications shall only be with **Shiloh A. Rogers, Purchasing Manager**, at (951) 922-3121.

The Final day for receipt of questions from the Proposer shall be on or before the due date indicated in the schedule of events section. To ensure fairness and avoid misunderstandings, **all communications must be in written format** and submitted **only** in the format set forth above. Any verbal communications will not be considered or responded to. All questions received by the due date will be logged and reviewed and if required, a response will be provided via an addendum to the RFP that will be posted on the City's website. **Any communications, whether written or verbal, with any City Councilmember, City staff, or RFP evaluation panel member other than the individual indicated above, prior to award of a contract by City Council, is strictly prohibited and the Proposer shall be disqualified from consideration.**

8. COMPLETION OF PROPOSAL

Proposals shall be completed in all respects as required by this RFP. A proposal may be rejected if conditional or incomplete, or if it contains any alterations or other irregularities of any kind, and will be rejected if any such defect or irregularity can materially affect the quality of the proposal. Proposals which contain false or misleading statements may be rejected. If, in the opinion of the City's Selection Committee, such information was intended to mislead the City in its evaluation of the proposal, and the attribute, condition, or capability is a requirement of this RFP, the proposal will be rejected. Statements made by a Company shall also be without ambiguity, and with adequate elaboration, where necessary, for clear understanding.

Unauthorized conditions, exemptions, limitations, qualifications, or provisions attached to a Proposal will render it non-responsive and will cause its rejection.

The Company, in responding to this RFP, must submit Proposals in the format identified in this RFP. The Proposal must address all requirements of the RFP even if a "no response" is appropriate.

Costs for developing Proposals are entirely the responsibility of the Company and shall not be chargeable to the City. The City shall not be liable for any costs incurred in response to this RFP, including but not limited to, costs for any interviews, presentations, or other follow-up information necessary as part of the selection process. All costs shall be borne by the Company responding to this RFP. The Company responding to this RFP shall hold the City harmless from any liability, claim, and expense whatsoever incurred by or on behalf of the Company.

9. DELIVERY/SUBMISSION OF PROPOSALS

The Final day for submission of proposals shall be on or before the due date indicated in the schedule of events section.

Companies shall register on the City's Electronic Bidding System, <http://www.planetbids.com/portal/portal.cfm?CompanyID=33077>. Once registered, Companies must **download the RFP by clicking "Place eBid" while logged in** under their own name and identification number to appear on the Current Prospective Bidders List as a "Prospective Bidder." Companies that fail to download the RFP by clicking "Place eBid" will not appear on the Current Prospective Bidders List and their proposals will be considered non-responsive. If a Company is unable to register or download the RFP from the bidding website, a representative may contact Planet Bids at (818) 992-1771.

All proposal documents and supplementary documents must be uploaded using the City's bidding website prior to event date and time as instructed in this solicitation. Once file(s) have been uploaded and the Submission Status shows as "Submitted" the submission is complete. At that point respondents will receive an email confirmation from the bidding website.

The City reserves the right to reject any and all proposals and to waive information and minor irregularities in any proposal received.

Acceptance of Terms and Conditions - Submission of a proposal pursuant to this RFP shall constitute acknowledgment and acceptance of all terms and conditions hereinafter set forth in this RFP.

The time and date are fixed, and extensions will not be granted unless specifically stated by the City in an addendum to this RFP. Proposals not received before the bid event time will not be accepted.

10. ALTERNATIVE PROPOSALS

Only one proposal is to be submitted by each Company for this RFP. Multiple simultaneous proposals will result in rejection of all Proposals submitted by Company. A Company may, prior

to the proposal due date and time, withdraw a proposal and submit a new proposal, so long as the new proposal is submitted before the proposal due date and time.

11. PROPOSAL FORMAT AND CONTENT

Proposals should be prepared in such a way as to provide a straightforward, concise delineation of capabilities to satisfy the requirements of this RFP. Responses should emphasize the Company's demonstrated capability to perform work of this type. Emphasis should be concentrated on completeness and clarity of content.

Proposals shall adhere to the following format for organization and content. Proposals must be typed and arranged/divided in the following sequence to facilitate evaluation:

- Cover Letter
- Statement of Understanding and Approach
- Company Information
- Company Personnel
- Experience and References
- Evidence of Insurance
- Financial Capability
- Disclosure
- Price Proposal
- Proposal Forms ("Exhibit A" - to be filled out and submitted with, and as part of proposal)

a. Cover Letter

The cover letter shall include a brief general statement of intent to perform the services and confirm that all elements of the RFP have been reviewed and understood. The letter shall include a brief summary of Company's qualifications and Company's willingness to enter into a contract under the terms and conditions prescribed by this RFP and in the Sample Agreement. The letter must identify a single person for contact during the RFP review process.

b. Statement of Understanding and Approach

This section must demonstrate an understanding of the Services. It should describe the general approach, organization and staffing required for the Services requested. If necessary, preliminary investigations, due diligence, and research shall be discussed in this section.

This section should include the following:

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.

c. Company Information

This section shall include contact person information, address and telephone number of the company main office and branch offices. Each Company shall identify itself as to the type of organizational entity (corporation, sole proprietorship, partnership, joint venture, etc.). Any supplemental information that Company believes may be pertinent to the selection process may be provided.

The Proposal shall identify any litigation, mediation, or arbitration, regarding the performance of any services similar to the Services, in which the Company has been involved in the past five (5) years. If the Services require a license or certification, the Proposal shall include any claims or disciplinary action taken against Company or any of Company's key personnel within the past five years.

d. Company Personnel

This section shall contain names, contact numbers and description of experience, including licenses and/or certifications, of all key personnel who would be assigned to perform the Services. Members of the Company's professional team (managers, contact person, etc.) should be identified by name, title, phone number, and description of the portion of work they will be assigned to perform under this Agreement. Also include major subcontractors (if any) and their degree of involvement in this program. If the Company is including any subcontractors, the Company shall identify how long the Company has worked with the subcontractor.

e. Experience and References

The Proposal must demonstrate that the Company, or its key personnel, has experience under a legally registered business name, that provides services of a similar type and scope as described in the Scope of Services (Exhibit "B"). A Company shall not have filed for bankruptcy under any business name over the past five (5) years.

Company shall provide at least three (3) references of clients for whom services have been performed that are comparable in quality and scope to that specified in this RFP. The references shall include client names, addresses, telephone numbers and e-mail addresses of the clients for whom prior work was performed and include an explanation of the services provided along with project start and end dates.

f. Evidence of Insurance

In addition, the Company shall provide evidence of possession of insurance in the coverage and amounts listed in the Sample Agreement (Exhibit C).

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 in contract sample.

g. 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.

h. 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*

i. Price Proposal

All Proposers are required to use the price proposal form to submit pricing as specified for their proposal. Pricing instructions should be clearly defined to ensure fees proposed can be compared and evaluated. Additional pricing information can be submitted within your proposal. Proposals shall be valid for a minimum of 180 days following submission.

j. Proposal Forms (Exhibit "A")

As a convenience to Proposers, the following is a list of the Proposal Forms (Exhibit "A"), enclosed with this RFP. All forms shall be filled out and submitted with, and as part of the proposal response:

1. Ex Parte Communications Certificate

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.

2. Disqualifications 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.

3. Disclosure of Government Positions

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.

4. Indemnity and Insurance Statement

All proposals submitted shall include the signed Indemnity and Insurance Statement with their proposal response. Proposers shall comply with and agree to be bound by the City's Indemnification and Insurance Requirements.

5. Price Proposal Form

All proposals submitted shall have a stated dollar bid amount for providing the services outlined in the Scope of Services. All proposals shall include a full and complete breakdown of all the costs, and proposed fees including but not limited to hourly rates, reimbursable expenses and/or rates, mileage and/or travel cost, miscellaneous fees, etc., and include a Grand Total Amount to complete this project and fulfill the entire scope of services herein.

12. EXAMINATION OF RFP AND SITES OF WORK

The Company shall carefully examine the RFP and all sites, if applicable, of the work contemplated. The submission of a Proposal shall be conclusive evidence that the Company has investigated and is satisfied as to the conditions to be encountered, as to the character, quality, and quantities of work to be performed and materials to be furnished, the difficulties to be encountered, and to the requirements of the Proposal, RFP, and other Contract Documents.

By submitting a Proposal, the Company hereby certifies that it has: examined the local conditions, read each and every clause of this RFP, included all costs necessary to complete the specified work in its proposed prices, and agrees that if it is awarded the Contract it will make no claim against the City based upon ignorance of local conditions or misunderstanding of any provision of the Contract. Should the conditions turn out otherwise than anticipated by it, the Company agrees to assume all risks incident thereto.

13. ADDENDA

Unless otherwise specified, any addenda issued during the time of bidding must be acknowledged electronically via the City's Bidding Website, which will be made part of the proposal. Addenda notifications will be provided to those listed on the Electronic Prospective Bidder's List via email.

14. WITHDRAWAL OF PROPOSAL

All proposals shall be firm offers and may not be withdrawn for a period of one hundred twenty (120) days following the deadline date for submission of proposals noted herein. Submitted Proposals may be withdrawn at any time prior to the submission deadline.

15. PUBLIC RECORDS

All Proposals submitted in response to this RFP become the property of the City and pursuant to the Public Records Act (Gov. Code, § 6250 et seq.) are public records, and as such may be subject to public review at least 10 days before selection.

The Company must notify the City in advance of any proprietary or confidential materials contained in the Proposal and provide justification for not making such material public. The City shall have sole discretion to disclose or not disclose such material subject to any protective order that the Company may obtain. Note that under California law, price proposal to a public agency is not a trade secret.

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.

The City reserves the right to make use of any information or idea contained in the Proposal. All materials, ideas and formats submitted in response to this RFP will become the property of the City upon receipt.

16. EVALUATION OF PROPOSALS

The City reserves the right to amend, withdraw, and cancel this RFP. The City also reserves the right to reject all responses to this RFP at any time prior to agreement execution. Furthermore, the City reserves the right to request additional information about any and all Proposals, that in City's opinion, is necessary to assure that the Company's competence, number of qualified employees, business organization, experience, and financial resources are adequate to perform the Services.

All Proposals shall be reviewed to verify that the Company has met the minimum requirements as stated in this RFP. Proposals that have not followed the rules, do not meet minimum content and quality standards, and/or do not provide references will be rejected as non-responsive.

Responsive proposals will be evaluated on the basis of the following criteria:

- a. Qualifications (25%)
- b. Pricing (25%)
- c. Experience (Projects of similar size and scope) (20%)
- d. Professional References (10%)
- e. Approach and Methodology (20%)

If needed, interviews will be scheduled during or after the week indicated in the “Schedule of Events” section.

If needed, interviews will be conducted by the same members on the proposal evaluation panel. Dates, times, and a location will be coordinated at that time if interviews are deemed necessary after the evaluation of responsive proposals. If interviews are deemed necessary, candidates who have submitted the highest scoring proposals within a competitive range as determined by the City will be invited to participate in the interview process.

The selected Company shall then enter into exclusive negotiations with the City to formalize the Scope of Service and Compensation. 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 the City is unable to obtain a fair and reasonable price or cannot reach agreement regarding the terms for the Scope of Services, then the City will end negotiations with that Company and begin negotiations with the next Company which best meets the needs of the City, and so on until a City and the Company reach agreement.

The City intends to select the Company that offers the best value to the City based on the criteria outlined above.

17. 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.

18. REJECTION OF PROPOSALS

The City may reject any/or all Proposals and may waive any immaterial deviation in a Proposal. The City's waiver of an immaterial defect shall in no way modify this RFP or excuse the

Company from full compliance with this RFP and/or the Contract Documents if awarded the Contract. Proposals that include terms and conditions other than City's terms and conditions may be rejected as being non-responsive. The City may make investigations as deemed necessary to determine the ability of the Company to perform the work, and the Company shall furnish to the City all such information and data for this purpose as requested by the City. The City reserves the right to reject any proposal if the evidence submitted by, or investigation of, such Company fails to satisfy the City that such Company is properly qualified to carry out the obligations of the Agreement and to complete the work described herein.

19. 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.

20. CONTRACT TERM

The initial term of the Agreement shall not exceed one (1) year from the date of execution.

Pricing is to remain firm for the initial contract term. Should the option to renew for additional years be exercised, City and Company may negotiate any and all price modifications.

21. CONTRACT DOCUMENTS

In submitting a Proposal, the Company agrees to enter into an Agreement with the City *without exceptions to the City's standard agreement*. The City's standard agreement is **non-negotiable**, and a copy of the standard agreement is attached hereto as Exhibit "C". **Any change to the standard agreement will deem the Proposal non-responsive.** In the event of a conflict exists between documents the following order of precedence shall apply:

- Agreement
- City of Banning's Request For Proposals
- Company's Response to the Request For Proposals

22. EXECUTION OF AGREEMENT

After contract award, the following shall be signed and returned to the City within fourteen (14) calendar days from the date the City mails, or by other means delivers said documents to the Company:

- Three (3) original copies of the Agreement in the form included herein, properly executed by the Company.
- Certificates of Insurance and Additional Insured Endorsement evidencing coverage as specified in the sample agreement.
- Confirmation of current business tax certificate.
- Bonds, if required.

In any event that day fourteen (14) of calendar days falls on Saturday, Sunday, a legal holiday for the State of California, or on days when the City is closed, the Contract Documents shall be delivered by the following working day.

No Agreement shall be binding upon the City until all documents are fully executed by the Company and the City.

23. FAILURE TO EXECUTE THE AGREEMENT

Failure to execute the Agreement and furnish the required insurance and business tax certificate, within the required time period shall be just cause for the rescission of the award. If bonds are also required, failure to furnish sufficient bonds shall cause rescission of the award. If the successful Company refuses or fails to execute the Agreement, the City may award the Agreement to the next qualified Company.

24. CANCELLATION

The City retains the right to cancel this RFP at any time, should it be deemed to be in the best interest of the City. No obligation either expressed or implied exists on the part of the City to make an award based on the submission of any proposals.

EXHIBIT A

Proposal Forms (to be submitted with, and as part of proposal)

---The rest of this page is intentionally left blank---

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 this RFP at any time after the date this RFP was publically advertised.

OR

I certify that Proposer or Proposer's representatives have communicated about this RFP after the date this RFP was publically advertised with a City Councilmember. A copy of all such communications is attached to this form for public distribution.

DISQUALIFICATIONS 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.

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."

INDEMNITY AND INSURANCE STATEMENT

Summary of Indemnity and Insurance Requirements

1. These are the Indemnity and Insurance Requirements for Contractors providing services or supplies to the City. By agreeing to perform the work or submitting a proposal, you verify that you comply with and agree to be bound by these requirements. If any additional contract documents are executed, the actual Indemnity language and Insurance Requirements may include additional provisions as deemed appropriate by the City.
2. You should check with your Insurance advisors to verify compliance and determine if additional coverage or limits may be needed to adequately insure your obligations under this agreement. These are the minimum required and do not in any way represent or imply that such coverage is sufficient to adequately cover the Contractor's liability under this agreement. The full coverage and limits afforded under Contractor's policies of insurance shall be available to the City and these Insurance Requirements shall not in any way act to reduce coverage that is broader or includes higher limits than those required. The Insurance obligations under this agreement shall be: 1 – all the Insurance coverage and limits carried by or available to the Contractor; or 2 – the minimum Insurance Requirements shown in this agreement, whichever is greater. Any insurance proceeds in excess of the specified minimum limits and coverage required, which are applicable to given loss, shall be available to the City.
3. Contractor shall furnish the City with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to the City before work begins. The City reserves the right to require full-certified copies of all Insurance coverage and endorsements.

I. INDEMNIFICATION

To the fullest extent permitted by law, Consultant shall, at its sole cost and expense, defend, hold harmless and indemnify City and its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those City agents serving as independent contractors in the role of City officials (collectively "Indemnitees"), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys, or other professionals and all costs associated therewith and the payment of all consequential damages (collectively "Liabilities"), in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant, its officers, agents, servants, employees, subcontractors, materialmen, consultants or their officers, agents, servants or employees (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities

arising from the sole negligence or willful misconduct of the Indemnitees as determined by court decision or by the agreement of the Parties. Consultant shall defend the Indemnitees in any action or actions filed in connection with any Liabilities with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. Consultant shall reimburse the Indemnitees for any and all legal expenses and costs incurred by Indemnitees in connection therewith. Contractor shall agree that their defense and indemnification obligations are in addition to, and are not limited by, the Insurance obligations in the agreement.

Consultant shall pay all required taxes on amounts paid to Consultant under this Agreement, and indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Consultant shall fully comply with the workers' compensation law regarding Consultant and Consultant's employees. Consultant shall indemnify and hold City harmless from any failure of Consultant to comply with applicable workers' compensation laws. City may offset against the amount of any fees due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant's failure to promptly pay to City any reimbursement or indemnification arising under this paragraph.

Consultant shall obtain executed indemnity agreements with provisions identical to those in this Section from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. If Consultant fails to obtain such indemnity obligations, Consultant shall be fully responsible and indemnify, hold harmless and defend the Indemnitees from and against any and all Liabilities at law or in equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant's subcontractor, its officers, agents, servants, employees, subcontractors, materialmen, consultants or their officers, agents, servants or employees (or any entity or individual that Consultant's subcontractor shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees as determined by court decision or by the agreement of the Parties.

II. INSURANCE

The City of Banning will require the following to approve insurance for your contract:

1) Insurance Limits:

(a) General Liability insurance with limits of not less than \$1,000,000 for bodily injury and property damage; \$1,000,000 for personal and advertising injury; \$2,000,000 products and completed operations aggregate and \$2,000,000 general aggregate.

(b) Auto Liability insurance endorsed for "any auto" with limits of liability of not less than \$1,000,000 per accident for bodily injury and property damage.

(c) Professional Liability (Errors and Omissions) insurance appropriate to Consultant's profession, with limits of liability of not less than \$1,000,000 per claim/occurrence and \$1,000,000 policy aggregate. The "Retro Date" must be shown for the Professional Liability insurance. **(only required if contract involves the rendering of a professional service).**

(d) Workers' Compensation insurance as required under the California Labor Code.

(e) Employer's Liability insurance with limits of liability of not less than \$1,000,000, each accident; \$1,000,000 disease each employee; and \$1,000,000 disease policy limit.

*Limits can be adjusted by the City based on services provided.

2.) Insurance Requirements:

(a) California Insurance Commissioner to do business in the State of California and rated not less than "A- VII" in Best's Insurance Rating Guide.

(b) Certificate holder should appear as follows:

City of Banning
Attn: Purchasing Division
99 E. Ramsey Street
Banning, CA 92220-4837

(c) The certificate of insurance should read *"The City of Banning, its officers, officials, employees and agents are additional insured with respects to General Liability and Auto Liability insurance. This insurance is primary, and our obligations are not affected by any other insurance carried by such additional insured whether primary, excess, contingent, or on any other basis. Waiver of subrogation for Workers' Compensation insurance with respects to the City of Banning, its officers, officials, employees and agents."*

(d) The additional insured coverage under the contractor's policy shall be "primary and non-contributory" and will not seek contribution from the City's insurance or self-insurance and shall be at least as broad as CG 20 01 04 13.

3.) Insurance Documents:

(a) Include an Additional insured endorsement, with primary and non-contributory language or a primary insurance endorsement, for General Liability

insurance including ongoing operations and completed operations (i.e., CG 20 10, CG 20 33, or CG 20 38). The additional insured should read, "*The City of Banning, its officers, officials, employees, agents and volunteers*". Examples of primary insurance language are "*Such insurance as is afforded by the policy is primary and any other insurance shall be excess and not contribute to the insurance afforded by this endorsement*" or "*This insurance is primary, and our obligations are not affected by any other insurance carried by such additional insured whether primary, excess, contingent, or on any other basis*". The endorsement number needs to be included in the accord description of certificate of insurance.

(b) Include an Additional insured endorsement for Auto Liability insurance. The additional insured should read, "*The City of Banning, its officers, officials, employees and agents.*" The endorsement number needs to be included in the accord description of certificate of insurance.

(c) Include a Waiver of subrogation endorsement for Workers' Compensation insurance should read, "*the City of Banning, its officers, officials, employees and agents.*" The endorsement number needs to be included in the accord description of certificate of insurance.

(d) Include a copy of the Declarations & Policy Endorsements page for the GL policy.

I have read and understood the above requirements and agree to be bound by them for any work performed for the city.

Authorized signature: _____ **Date:** _____

PRICE PROPOSAL FORM

All proposals submitted shall have a stated dollar bid amount for providing the services outlined in the Scope of Services. All proposals shall include a full and complete breakdown of all the costs, and proposed fees including but not limited to hourly rates, reimbursable expenses and/or rates, mileage and/or travel cost, miscellaneous fees, etc., and include a Grand Total Amount to complete this project and fulfill the entire scope of services herein.

Type or description of cost/fee (required)	Unit price/hourly rate (if applicable)	Quantity (if applicable)	Extended price (required)
EX. Engineering	EX. \$50.00/hour	EX. 80 hours	EX. \$,4000
	\$		\$
	\$		\$
	\$		\$
	\$		\$
	\$		\$
	\$		\$
	\$		\$
	\$		\$
	\$		\$
	\$		\$
	\$		\$

Grand Total Amount to Complete Project: \$_____

Authorized Signature: _____ Date: _____

EXHIBIT B

Scope of Services

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PROJECT OVERVIEW

The City of Banning ("City") is requesting proposals from qualified firms for an Overhead Cost Allocation Plan (CAP) specific to the costs charged to enterprise and internal service funds. The objective is to ensure the City is utilizing comprehensive overhead rates and accurately accounting for the true cost of providing various services with the City operations. There is a separate scope of work for each of the two projects.

The last overhead cost allocation plan study was completed in 2017 by Willdan Financial Services, however the study was focused on overhead hourly rates.

PROJECT BACKGROUND

The purpose of this project is to ensure that the City is utilizing justifiable overhead allocation rates and accurately accounting for the true cost of providing various programs and services within City operations. It is the City's goal to have a well-documented and defensible cost allocation plan that will incorporate appropriate general and administrative cost allocations into the budget.

Project Scope – Enterprise Fund & Internal Service Fund Cost Allocation Study

1. The Consultant shall develop and prepare a detailed Enterprise Fund and Internal Service Fund Cost Allocation Plan ("CAP"), based on the City's audited financial records for the fiscal year ended June 30, 2018 and/or most recently adopted budget.
2. The City will use the CAP as the basis for allocation of indirect costs to enterprise and special revenue funds for services provided by the general fund, as well as to any state or federally funded grant programs, as needed.
3. The Consultant shall provide recommendations on appropriateness or efficiency of either charging personnel directly to enterprise fund operations or to the general fund and then allocating costs back through the CAP.
4. The approach required to develop the CAP includes the following major tasks:
 - a. Identify the support services provided and the related costs of service, including the future provision of new or expanded facilities.
 - b. Establish interrelationships among the City's legislative, administrative, finance, debt service and other departments, funds, programs, services and activities in terms of direct costs, indirect costs and support service costs.
 - c. Develop CAP as a percentage of direct costs for all City service departments and funds. Develop a model and methodology for gathering data, and provide the work

plan for each service department to develop and understand the methodologies for cost allocations. Methodologies for allocation shall be data driven and replicable to provide for the ability of the City to continuously update the model from year-to-year as the organization structure changes. The City's internal services funds are as follows:

- i. Facilities Maintenance Fund
 - ii. Information Systems Maintenance Fund
 - iii. Fleet Maintenance Fund
 - iv. Risk Management/Insurance Fund
 - v. Human Resources Fund
 - vi. Finance Fund
 - vii. Purchasing Fund
- d. Present a written "draft" CAP to City management for staff review. Following discussions with City management staff, the Consultant will enter agreed upon changes into the program and finalize the study.
- e. Present the Final CAP to the City's Budget and Finance Committee and City Council.

EXHIBIT C
Sample Agreement

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PROFESSIONAL SERVICES AGREEMENT (C00###)
FOR [INSERT DESCRIPTION OF SERVICES HERE]

By and Between

THE CITY OF BANNING

and

[INSERT COMPANY NAME HERE]

AGREEMENT FOR PROFESSIONAL SERVICES (C00###) FOR [INSERT DESCRIPTION OF SERVICES HERE] BY AND BETWEEN CITY OF BANNING AND [INSERT COMPANY NAME HERE]

THIS AGREEMENT FOR PROFESSIONAL SERVICES (herein "Agreement") is made and entered into this ____ day of _____, 2019 by and between the **CITY OF BANNING, a municipal corporation** ("City") and **VENDOR NAME, a California corporation** ("Consultant"). City and Consultant are sometimes hereinafter individually referred to as "Party" and hereinafter collectively referred to as the "Parties."

RECITALS

A. City has sought, by issuance of a Request for Proposals or Invitation for Bids (RFP/IFB No. ##-###), the performance of the services for the Insert Type of Work to be Completed prepared in connection therewith, and as further defined and described particularly in Article 1 of this Agreement.

B. Consultant, following submission of a proposal or bid for the performance of the services defined and described particularly in Article 1 of this Agreement, was selected by the City to perform those services.

C. Pursuant to the City of Banning's Municipal Code, City has authority to enter into this Agreement.

D. The Parties desire to formalize the selection of Consultant for performance of those services defined and described particularly in Section 1 of this Agreement and desire that the terms of that performance be as particularly defined and described herein.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the mutual promises and covenants made by the Parties and contained herein and other consideration, the value and adequacy of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1. SERVICES OF CONSULTANT

1.1 Scope of Services.

In compliance with all terms and conditions of this Agreement, the Consultant shall provide those services specified in the "Scope of Services" attached hereto as Exhibit "A" and incorporated herein by this reference, which services may be referred to herein as the "services" or "work" hereunder and which relate the Insert Type of Work to be Completed prepared in connection therewith. As a material inducement to the City entering into this Agreement, Consultant represents and warrants that it has the qualifications, experience, and facilities necessary to properly perform the services required under this Agreement in a thorough, competent, and professional manner, and is experienced in performing the work and services contemplated herein. Consultant shall at all times faithfully, competently and to the best of its ability, experience and

talent, perform all services described herein. Consultant covenants that it shall follow the highest professional standards in performing the work and services required hereunder and that all materials will be of good quality, fit for the purpose intended. For purposes of this Agreement, the phrase "highest professional standards" shall mean those standards of practice recognized by one or more first-class firms performing similar work under similar circumstances.

1.2 Consultant's Proposal.

This Agreement shall include the Request for Proposal or Invitation for Bids ("Contract Documents") and the Scope of Service shall include the Consultant's scope of work or in Consultant's accepted bid proposal ("Accepted Bid") shall be incorporated herein by this reference as though fully set forth herein. In the event of any inconsistency between the Contract Documents, Accepted Bid, and/or Agreement, the terms of this Agreement shall govern.

1.3 Compliance with Law.

Consultant shall keep itself informed concerning, and shall render all services hereunder in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental entity having jurisdiction in effect at the time service is rendered.

1.4 Licenses, Permits, Fees and Assessments.

Consultant shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. Consultant shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Consultant's performance of the services required by this Agreement, and shall indemnify, defend and hold harmless City, its officers, employees or agents of City, against any such fees, assessments, taxes penalties or interest levied, assessed or imposed against City hereunder.

1.5 Familiarity with Work.

By executing this Agreement, Consultant warrants that Consultant (i) has thoroughly investigated and considered the scope of services to be performed, (ii) has carefully considered how the services should be performed, and (iii) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, Consultant warrants that Consultant has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services hereunder. Should the Consultant discover any latent or unknown conditions, which will materially affect the performance of the services hereunder, Consultant shall immediately inform the City of such fact and shall not proceed except at City's risk until written instructions are received from the Contract Officer.

1.6 Care of Work.

The Consultant shall adopt reasonable methods during the life of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the work by City, except such losses or damages as may be caused by City's own negligence.

1.7 Further Responsibilities of Parties.

Both Parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both Parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonable necessary to carry out the purposes of this Agreement. Unless hereafter specified, neither Party shall be responsible for the service of the other.

1.8 Additional Services.

City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Consultant, incorporating therein any adjustment in (i) the Contract Sum, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Consultant. Any increase in compensation of up to five percent (5%) of the Contract Sum or \$25,000, whichever is less; or in the time to perform of up to one hundred eighty (180) days may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively must be approved by the City Council. It is expressly understood by Consultant that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services or reasonably contemplated therein. Consultant hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Consultant anticipates and that Consultant shall not be entitled to additional compensation therefor.

1.9 Facilities and Equipment.

Except as otherwise provided, Consultant shall, at its own cost and expense, provide all facilities and equipment necessary to perform the services required by this Agreement. City shall make available to Consultant only physical facilities such as desk, filing cabinets, and conference space ("City Facilities"), as may be reasonably necessary for Consultant's use while consulting with City employees and reviewing records and the information in possession of City. The location, quality, and time of furnishing City Facilities shall be in the sole discretion of City. In no event shall City be required to furnish any facilities that may involve incurring any direct expense, including but not limited to computer, long distance telephone, network data, internet or other communication charges, vehicles and reproduction facilities.

1.10 Special Requirements.

Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as Exhibit "B" and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit "B" and any other provisions of this Agreement, the provisions of Exhibit "B" shall govern.

ARTICLE 2. COMPENSATION AND METHOD OF PAYMENT.

2.1 Contract Sum.

Subject to any limitations set forth in this Agreement, City agrees to pay Consultant the amounts specified in the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference. The total compensation, including reimbursement for actual expenses, shall not exceed WRITTEN AMOUNT IN DOLLARS (\$0.00) (the "Contract Sum"), unless additional compensation is approved pursuant to Section 1.8.

2.2 Method of Compensation.

The method of compensation may include: (i) a lump sum payment upon completion, (ii) payment in accordance with specified tasks or the percentage of completion of the services, (iii) payment for time and materials based upon the Consultant's rates as specified in the Schedule of Compensation, provided that time estimates are provided for the performance of sub tasks, but not exceeding the Contract Sum or (iv) such other methods as may be specified in the Schedule of Compensation.

2.3 Reimbursable Expenses.

Compensation may include reimbursement for actual and necessary expenditures for reproduction costs, telephone expenses, and travel expenses approved by the Contract Officer in advance, or actual sub-consultant expenses if an approved sub-consultant pursuant to Section 4.5, and only if specified in the Schedule of Compensation. The Contract Sum shall include the attendance of Consultant at all project meetings reasonably deemed necessary by the City. Coordination of the performance of the work with City is a critical component of the services. If Consultant is required to attend additional meetings to facilitate such coordination, Consultant shall not be entitled to any additional compensation for attending said meetings.

2.4 Invoices.

Each month Consultant shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month in a form approved by City's Director of Finance. By submitting an invoice for payment under this Agreement, Consultant is certifying compliance with all provisions of the Agreement. The invoice shall detail charges for all necessary and actual expenses by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and sub-consultant contracts. Sub-consultant charges shall also be detailed by such categories. Consultant shall not invoice City for any duplicate services performed by more than one person.

City may independently review each invoice submitted by the Consultant to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. Except as to any charges for work performed or expenses incurred by Consultant which are disputed by City, or as provided in Section 7.3. City will use its best efforts to cause Consultant to be paid within thirty (30) days of receipt of Consultant's correct and undisputed invoice. In the event any charges or expenses are disputed by City, the original invoice shall be returned by City to Consultant for correction and resubmission. Review and payment by the City of any invoice provided by the Consultant shall not constitute waiver of any rights or remedies provided herein or any applicable law.

2.5 Waiver.

Payment to Consultant for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Consultant.

ARTICLE 3. PERFORMANCE SCHEDULE

3.1 Time of Essence.

Time is of the essence in the performance of this Agreement.

3.2 Schedule of Performance.

Consultant shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "D" and incorporated herein by this reference. When requested by the Consultant, extensions of the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding one hundred eighty (180) days cumulatively.

3.3 Force Majeure.

The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Consultant, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Consultant shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the Parties to this Agreement. In no event shall Consultant be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Consultant's sole remedy being extension of the Agreement pursuant to this Section.

3.4 Term.

Unless earlier terminated in accordance with Article 7 of this Agreement, the term of this Agreement shall continue in full force and effect until completion of the services but not exceeding one (1) year from the date hereof, except as otherwise provided in the Schedule of Performance (Exhibit "D"). Maximum term and any subsequent amendment or modification shall not exceed five (5) years.

ARTICLE 4. COORDINATION OF WORK

4.1 Representatives and Personnel of Consultant.

The following principals of Consultant (Principals) are hereby designated as being the principals and representatives of Consultant authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith:

(Name)

(Title)

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing principals were a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principals shall be responsible during the term of this Agreement for directing all activities of Consultant and devoting sufficient time to personally supervise the services hereunder. All personnel of Consultant, and any authorized agents, shall at all times be under the exclusive direction and control of the Principals. For purposes of this Agreement, the foregoing Principals may not be replaced nor may their responsibilities be substantially reduced by Consultant without the express written approval of City. Additionally, Consultant shall utilize only competent personnel to perform services pursuant to this Agreement. Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's staff and sub-consultants, if any, assigned to perform the services required under this Agreement. Consultant shall notify City of any changes in Consultant's staff and sub-consultants, if any, assigned to perform the services required under this Agreement, prior to and during any such performance. In the event that City, in its sole discretion, at any time during the term of this Agreement, desire to reassign any staff or sub-consultant of Consultant, Consultant shall, immediately upon reassign notice from City of such desire of City, reassign such person or persons.

4.2 Status of Consultant.

Consultant shall have no authority to bind City in any manner, or to incur any obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City. Consultant shall not at any time or in any manner represent that Consultant or any of Consultant's officers, employees, or agents are in any manner officials, officers, employees or agents of City. Neither Consultant, nor any of Consultant's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Consultant expressly waives any claim Consultant may have to any such rights.

4.3 Contract Officer.

The Contract Officer shall be such person as may be designated by the City Manager. It shall be the Consultant's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and the Consultant shall refer any decisions which must be made by City to the Contract Officer. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Contract Officer. The Contract Officer shall have authority, if specified in writing by the City Manager, to sign all documents on behalf of the City required hereunder to carry out the terms of this Agreement.

4.4 Independent Consultant.

Neither the City nor any of its employees shall have any control over the manner, mode or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth herein. City shall have no voice in the selection, discharge, supervision or control of Consultant's employees, servants, representatives or agents, or in fixing their number, compensation or hours of service. Consultant shall perform all services required herein as an independent Consultant of City and shall remain at all times as to City a wholly independent Consultant with only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed to be a partner of Consultant in its business or otherwise or a joint venture or a member of any joint enterprise with Consultant.

4.5 Prohibition Against Subcontracting or Assignment.

The experience, knowledge, capability and reputation of Consultant, its principals and employees were a substantial inducement for the City to enter into this Agreement. Therefore, Consultant shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of the City. In addition, neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty-five percent (25%) of the present ownership and/or control of Consultant, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release the Consultant or any surety of Consultant of any liability hereunder without the express consent of City.

ARTICLE 5. INSURANCE, INDEMNIFICATION AND BONDS

5.1 Insurance Coverages.

Throughout the life of this Agreement, Consultant shall pay for and maintain in full force and effect all policies of insurance required hereunder with an insurance company(ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A- VII" in Best's Insurance Rating Guide, or (ii) authorized by the City

Manager or his/her designee at any time and in his/her sole discretion. The following policies of insurance are required:

(i) **COMMERCIAL GENERAL LIABILITY** insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01 and include insurance for "bodily injury," "property damage" and "personal and advertising injury" with coverage for premises and operations (including the use of owned and non-owned equipment), products and completed operations, and contractual liability (including, without limitation, indemnity obligations under the Contract) with limits of liability of not less than the following:

\$1,000,000 per occurrence for bodily injury and property damage

\$1,000,000 per occurrence for personal and advertising injury

\$2,000,000 aggregate for products and completed operations

\$2,000,000 general aggregate

(ii) **COMMERCIAL AUTOMOBILE LIABILITY** insurance which shall be at least as broad as the most current version of Insurance Service Office (ISO) Business Auto Coverage Form CA 00 01, and include coverage for all owned, hired, and non-owned automobiles or other licensed vehicles (Code 1 Any Auto) with limits of liability of not less than \$1,000,000 per accident for bodily injury and property damage.

(iii) **WORKERS' COMPENSATION** insurance as required under the California Labor Code.

(iv) **EMPLOYERS' LIABILITY** insurance with limits of liability of not less than \$1,000,000 each accident, \$1,000,000 disease policy limit and \$1,000,000 disease each employee.

(v) **PROFESSIONAL LIABILITY** Professional Liability (Errors and Omissions) insurance appropriate to Consultant's profession, with limits of liability of \$1,000,000 per claim/occurrence and \$1,000,000 policy aggregate.

In the event Consultant purchases an Umbrella or Excess insurance policy(ies) to meet the minimum limits of insurance set forth above, this insurance policy(ies) shall "follow form" and afford no less coverage than the primary insurance policy(ies).

If this Agreement continues for more than three (3) years duration, or in the event the City Manager or his/her designee determines that the work or services to be performed under this Agreement creates an increased or decreased risk of loss to the City, the Consultant agrees that the minimum limits of the insurance policies may be changed accordingly upon receipt of written notice from the City Manager, or his/her designee.

Consultant shall be responsible for payment of any deductibles contained in any insurance policies required hereunder and Consultant shall also be responsible for payment of any self-insured retentions.

Any deductibles or self-insured retentions must be declared to, and approved by, the City Manager or his/her designee. At the option of the City Manager or his/her designee, either: (i) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects to City, its Council members, officers, officials, employees and agents; or (ii) Consultant shall provide a financial guarantee, satisfactory to the City Manager or his/her designee, guaranteeing payment of losses and related investigations, claim administration and defense expenses. At no time shall the City be responsible for the payment of any deductibles or self-insured retentions.

5.2 General Requirements.

All policies of insurance required hereunder shall be endorsed to provide that the coverage shall not be cancelled, non-renewed, reduced in coverage or in limits except after 30 calendar day written notice has been given to City. Upon issuance by the insurer, broker, or agent of a notice of cancellation, non-renewal, or reduction in coverage or in limits, Consultant shall furnish City with a new certificate and applicable endorsements for such policy(ies). In the event any policy is due to expire during the work to be performed for City, Consultant shall provide a new certificate, and applicable endorsements, evidencing renewal of such policy not less than 15 calendar days prior to the expiration date of the expiring policy.

The General Liability and Automobile Liability insurance policies shall be written on an occurrence form. The General Liability (including ongoing and completed operations) and Automobile Liability shall name City and its officers, officials, employees, agents and volunteers as an additional insured. Such policy(ies) of insurance shall be endorsed so Consultant's insurance shall be "primary and non-contributory" and will not seek contribution from the City's insurance or self-insurance and shall be at least as broad as CG 20 01 04 13. The coverage shall contain no special limitations on the scope of protection afforded to the City and its officers, officials, employees, agents and volunteers. The Workers' Compensation insurance policy shall contain a waiver of subrogation as to City and its officers, officials, employees, agents and volunteers. Should Consultant maintain insurance with broader coverage and/or limits of liability greater than those shown above, City requires and shall be entitled to the broader coverage and/or the higher limits of liability maintained by Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to City.

If the Professional Liability (Errors and Omissions) insurance policy is written on a claims-made form:

1. The retroactive date must be shown, and must be before the effective date of the Agreement or the commencement of work by Consultant.
2. Insurance must be maintained and evidence of insurance must be provided for at least three years after any expiration or termination of the Agreement or, in the alternative, the policy shall be endorsed to provide not less than a three-year discovery period.

3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of the Agreement or the commencement of work by Consultant, Consultant must purchase extended reporting coverage for a minimum of three years following the expiration or termination of the Agreement.

4. A copy of the claims reporting requirements must be submitted to City for review.

5. These requirements shall survive expiration or termination of the Agreement.

Consultant shall furnish City with all certificate(s) and applicable endorsements effecting coverage required hereunder. All certificates and applicable endorsements are to be received and approved by the City Manager or his/her designee prior to City's execution of the Agreement and before work commences.

If at any time during the life of this Agreement or any extension, Consultant or any of its subcontractors fail to maintain any required insurance in full force and effect, all work under this Agreement shall be discontinued immediately, and all payments due or that become due to Consultant shall be withheld until notice is received by City that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period satisfactory to City. Any failure to maintain the required insurance shall be sufficient cause for City to terminate this Agreement. No action taken by City hereunder shall in any way relieve Consultant of its responsibilities under this Agreement.

Upon request of City, Consultant shall immediately furnish City with a complete copy of any insurance policy required under this Agreement, including all endorsements, with said copy certified by the underwriter to be a true and correct copy of the original policy. This requirement shall survive expiration or termination of this Agreement.

The fact that insurance is obtained by Consultant shall not be deemed to release or diminish the liability of Consultant, including, without limitation, liability under the indemnity provisions of this Agreement. The duty to indemnify City and its officers, officials, employees, agents and volunteers shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by Consultant. Approval or purchase of any insurance contracts or policies shall in no way relieve from liability nor limit the liability of Consultant, its principals, officers, employees, agents, persons under the supervision of Consultant, vendors, suppliers, invitees, subcontractors, or anyone employed directly or indirectly by any of them.

If Consultant should subcontract all or any portion of the services to be performed under this Agreement, Consultant shall require each subcontractor to provide insurance protection in favor of City and its officers, officials, employees, agents and volunteers in accordance with the terms of each of the preceding paragraphs, except that the subcontractors' certificates and endorsements shall be on file with Consultant and City prior to the commencement of any work by the subcontractor.

5.3 Indemnification, Hold Harmless, and Duty to Defend.

A. Indemnities.

1) To the fullest extent permitted by law, Consultant shall, at its sole cost and expense, defend, hold harmless and indemnify City and its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those City agents serving as independent contractors in the role of City officials (collectively "Indemnitees"), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys, or other professionals and all costs associated therewith and the payment of all consequential damages (collectively "Liabilities"), in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant, its officers, agents, servants, employees, subcontractors, materialmen, consultants or their officers, agents, servants or employees (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees as determined by court decision or by the agreement of the Parties. Consultant shall defend the Indemnitees in any action or actions filed in connection with any Liabilities with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. Consultant shall reimburse the Indemnitees for any and all legal expenses and costs incurred by Indemnitees in connection therewith. Contractor shall agree that their defense and indemnification obligations are in addition to, and are not limited by, the Insurance obligations in the agreement.

2) Consultant shall pay all required taxes on amounts paid to Consultant under this Agreement, and indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Consultant shall fully comply with the workers' compensation law regarding Consultant and Consultant's employees. Consultant shall indemnify and hold City harmless from any failure of Consultant to comply with applicable workers' compensation laws. City may offset against the amount of any fees due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant's failure to promptly pay to City any reimbursement or indemnification arising under this subparagraph A.2).

3) Consultant shall obtain executed indemnity agreements with provisions identical to those in this Section from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. If Consultant fails to obtain such indemnity obligations, Consultant shall be fully responsible and indemnify, hold harmless and defend the Indemnitees from and against any and all Liabilities at law or in equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant's subcontractor, its officers, agents, servants, employees, subcontractors, materialmen, consultants or their officers, agents, servants or employees (or any entity or individual that Consultant's subcontractor shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive

negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees as determined by court decision or by the agreement of the Parties.

B. Workers' Compensation Acts not Limiting. Consultant's indemnifications and obligations under this Section, or any other provision of this Agreement, shall not be limited by the provisions of any workers' compensation act or similar act. Consultant expressly waives its statutory immunity under such statutes or laws as to City, its officers, agents, employees and volunteers.

C. Insurance Requirements not Limiting. City does not, and shall not, waive any rights that it may possess against Consultant because of the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement. The indemnities in this Section shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liabilities, tax, assessment, penalty or interest asserted against City.

D. Survival of Terms. Consultant's indemnifications and obligations under this Section shall survive the expiration or termination of this Agreement.

ARTICLE 6. RECORDS, REPORTS, AND RELEASE OF INFORMATION

6.1 Records.

Consultant shall keep, and require sub-consultants to keep, such ledgers books of accounts, invoices, vouchers, canceled checks, reports, studies or other documents relating to the disbursements charged to City and services performed hereunder (the "books and records"), as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. Any and all such documents shall be maintained in accordance with generally accepted accounting principles and shall be complete and detailed. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of three (3) years following completion of the services hereunder, and the City shall have access to such records in the event any audit is required. In the event of dissolution of Consultant's business, custody of the books and records may be given to City, and access shall be provided by Consultant's successor in interest.

6.2 Reports.

Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require. Consultant hereby acknowledges that the City is greatly concerned about the cost of work and services to be performed pursuant to this Agreement. For this reason, Consultant agrees that if Consultant becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services contemplated herein or, if Consultant is providing design services, the cost of the project being designed, Consultant shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the

estimated increased or decreased cost related thereto and, if Consultant is providing design services, the estimated increased or decreased cost estimate for the project being designed.

6.3 Ownership of Documents.

All drawings, specifications, maps, designs, photographs, studies, surveys, data, notes, computer files, reports, records, documents and other materials (the "documents and materials") prepared by Consultant, its employees, sub-consultants and agents in the performance of this Agreement shall be the property of City and shall be delivered to City upon request of the Contract Officer or upon the termination of this Agreement, and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership use, reuse, or assignment of the documents and materials hereunder. Any use, reuse or assignment of such completed documents for other projects and/or use of uncompleted documents without specific written authorization by the Consultant will be at the City's sole risk and without liability to Consultant, and Consultant's guarantee and warranties shall not extend to such use, revise or assignment. Consultant may retain copies of such documents for its own use. Consultant shall have an unrestricted right to use the concepts embodied therein. All sub-consultants shall provide for assignment to City of any documents or materials prepared by them, and in the event Consultant fails to secure such assignment, Consultant shall indemnify City for all damages resulting therefrom.

6.4 Confidentiality and Release of Information.

(a) All information gained or work product produced by Consultant in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Consultant. Consultant shall not release or disclose any such information or work product to persons or entities other than City without prior written authorization from the Contract Officer.

(b) Consultant, its officers, employees, agents or sub-consultants, shall not, without prior written authorization from the Contract Officer or unless requested by the City Attorney, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives City notice of such court order or subpoena.

(c) If Consultant, or any officer, employee, agent or sub-consultant of Consultant, provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorney's fees, caused by or incurred as a result of Consultant's conduct.

(d) Consultant shall promptly notify City should Consultant, its officers, employees, agents or sub-consultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed there under. City retains the right, but has no obligation, to represent Consultant or be

present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Consultant. However, this right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

ARTICLE 7. ENFORCEMENT OF AGREEMENT AND TERMINATION

7.1 California Law.

This Agreement shall be interpreted, construed and governed both as to validity and to performance of the Parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Riverside, State of California, or any other appropriate court in such county, and Consultant covenants and agrees to submit to the personal jurisdiction of such court in the event of such action. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in Riverside.

7.2 Disputes; Default.

In the event that City determines Consultant is in default under the terms of this Agreement, the City shall not have any obligation or duty to continue compensating Consultant for any work performed after the date of default. Instead, the City may give notice to Consultant of the default and the reasons for the default. The notice shall include the timeframe in which Consultant may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, though not reduced, if circumstances warrant. During the period of time that Consultant is in default, the City shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. In the alternative, the City may, in its sole discretion, elect to pay some or all of the outstanding invoices during the period of default. If Consultant does not cure the default, the City may take necessary steps to terminate this Agreement under this Article. Any failure on the part of the City to give notice of the Consultant's default shall not be deemed to result in a waiver of the City's legal rights or any rights arising out of any provision of this Agreement.

7.3 Retention of Funds.

Consultant hereby authorizes City to deduct from any amount payable to Consultant (whether or not arising out of this Agreement) (i) any payment amount of which may be in dispute hereunder or which are necessary to compensate City for any losses, costs, liabilities, or damages suffered by City, and (ii) all amounts for which City may be liable to third parties, by reason of Consultant's acts or omissions in performing or failing to perform Consultant's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Consultant, or any indebtedness shall exist which shall appear to be the basis for a claim of lien, City may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Consultant to insure, indemnify, and protect City as elsewhere provided herein.

7.4 Waiver.

Waiver by any Party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any Party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Consultant shall not constitute a waiver of any of the provisions of this Agreement. No delay or omission in the exercise of any right or remedy by a non-defaulting Party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either Party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

7.5 Rights and Remedies are Cumulative.

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the Parties are cumulative and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

7.6 Legal Action.

In addition to any other rights or remedies, either Party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement. Notwithstanding any contrary provision herein, Consultant must file a statutory claim pursuant to Government Code Sections 905 et seq. and 910 et seq., in order to pursue a legal action against City under this Agreement.

7.7 Liquidated Damages.

Since the determination of actual damages for any delay in performance of this Agreement would be extremely difficult or impractical to determine in the event of a breach of this Agreement, the Consultant and its sureties shall be liable for and shall pay to the City the sum of Not Applicable (\$0.00) as liquidated damages for each working day of delay in the performance of any service required hereunder, as specified in the Schedule of Performance (Exhibit "D"). The City may withhold from any monies payable on account of services performed by the Consultant any accrued liquidated damages.

7.8 Termination Prior to Expiration of Term.

This Section shall govern any termination of this Agreement except as specifically provided in the following Section for termination for cause. The City reserves the right to terminate this Agreement at any time, with or without cause, upon thirty (30) days' written notice to Consultant, except that where termination is due to the fault of the Consultant, the period of notice may be such shorter time as may be determined by the Contract Officer. In addition, the Consultant reserves the right to terminate this Agreement at any time, with or without cause, upon

sixty (60) days' written notice to City, except that where termination is due to the fault of the City, the period of notice may be such shorter time as the Consultant may determine. Upon receipt of any notice of termination, Consultant shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Except where the Consultant has initiated termination, the Consultant shall be entitled to compensation for all services rendered prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation or such as may be approved by the Contract Officer, except as provided in Section 7.3. In the event the Consultant has initiated termination, the Consultant shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder. In the event of termination without cause pursuant to this Section, the terminating Party need not provide the non-terminating Party with the opportunity to cure pursuant to Section 7.2.

7.9 Termination for Default of Consultant.

If termination is due to the failure of the Consultant to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to completion by contract or otherwise, and the Consultant shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Consultant for the purpose of set-off or partial payment of the amounts owed the City as previously stated.

7.10 Attorneys' Fees.

If either Party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees. Attorney's fees shall include attorney's fees on any appeal, and in addition the Party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

ARTICLE 8. CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

8.1 Non-liability of City Officers and Employees.

No officer or employee of the City shall be personally liable to the Consultant, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

8.2 Conflict of Interest.

Consultant covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of City or which would in any way hinder Consultant's performance of services under this Agreement. Consultant further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or sub-consultant without the express written consent of the Contract Officer. Consultant agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of City in the performance of this Agreement.

No officer or employee of the City shall have any financial interest, direct or indirect, in this Agreement within the scope of Government Code section 1090, nor shall any such officer or employee make, participate in making, or use his or her official position to influence, any City decision relating to the Agreement which has a material financial effect on his or her financial interests or the financial interests of any corporation, partnership or association in which he or she is, directly or indirectly, interested, in violation of any State statute or regulation. The Consultant warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

8.3 Covenant Against Discrimination.

Consultant covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, or ancestry in the performance of this Agreement. Consultant shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin, or ancestry, or other protected class.

8.4 Unauthorized Aliens.

Consultant hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§ 1101, et seq., as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Consultant so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should the any liability or sanctions be imposed against City for such use of unauthorized aliens, Consultant hereby agrees to and shall reimburse City for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorneys' fees, incurred by City.

ARTICLE 9. MISCELLANEOUS PROVISIONS

9.1 Notices.

Any notice, demand, request, document, consent, approval, or communication either Party desires or is required to give to the other Party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the City, to the City Manager

and to the attention of the Contract Officer, CITY OF BANNING, 99 East Ramsey Street, Banning, CA 92220 and in the case of the Consultant, to the person at the address designated on the execution page of this Agreement. Either Party may change its address by notifying the other Party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

9.2 Interpretation.

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either Party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

9.3 Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

9.4 Integration; Amendment.

This Agreement including the attachments hereto is the entire, complete and exclusive expression of the understanding of the Parties. It is understood that there are no oral agreements between the Parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the Parties, and none shall be used to interpret this Agreement. No amendment to or modification of this Agreement shall be valid unless made in writing and approved by the Consultant and by the City Council. The Parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

9.5 Severability.

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the Parties hereunder unless the invalid provision is so material that its invalidity deprives either Party of the basic benefit of their bargain or renders this Agreement meaningless.

9.6 Corporate Authority.

The persons executing this Agreement on behalf of the Parties hereto warrant that (i) such Party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said Party, (iii) by so executing this Agreement, such Party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said Party is bound. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the Parties.

[SIGNATURES ON FOLLOWING PAGE]

SAMPLE

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 RIVERSIDE

On _____, 20__ before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(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: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER		DESCRIPTION OF ATTACHED DOCUMENT
<input type="checkbox"/>	INDIVIDUAL	
<input type="checkbox"/>	CORPORATE OFFICER	
	TITLE(S)	TITLE OR TYPE OF DOCUMENT
<input type="checkbox"/>	PARTNER(S) <input type="checkbox"/> LIMITED	
	<input type="checkbox"/> GENERAL	
<input type="checkbox"/>	ATTORNEY-IN-FACT	
<input type="checkbox"/>	TRUSTEE(S)	NUMBER OF PAGES
<input type="checkbox"/>	GUARDIAN/CONSERVATOR	
<input type="checkbox"/>	OTHER _____	
SIGNER IS REPRESENTING:		DATE OF DOCUMENT
(NAME OF PERSON(S) OR ENTITY(IES))		

_____		SIGNER(S) OTHER THAN NAMED ABOVE

EXHIBIT "A"
SCOPE OF SERVICES

- I. Consultant will perform the following services in connection with providing Insert Type of Work to be Completed prepared in connection therewith:**
- A. Meetings and Presentation
 - B. Plans, Specifications, and Estimates (PS&E)
 - C. Cost Estimate
 - D. Final Plans and Specifications
 - E. Bidding Phase Assistance
 - F. Construction Phase Assistance
 - G. Federal/State Documentation Assistance
 - H. Traffic Circle Plans
- II. As part of the Services, Consultant will prepare and deliver the following tangible work products to the City:**
- A. Critical Path Project Schedule
 - B. Preliminary Project Notice (1st Notice)
 - C. Prepare to Relocate Notice with Response Form (2nd Notice)
 - D. Notice to Relocate (3rd Notice)
 - E. Sidewalk, ADA Ramps, Driveway, and Curb & Gutter Improvement Plans
 - F. Bike Lane and Crosswalk Plans (Signing & Striping Plans)
 - G. Right of Entry and Exhibits Documents
 - H. Bid Sheet, Special Provisions, and Cost Estimates
 - I. One Set of Final Plans in Mylar
 - J. Five (5) Sets of Bond Copies of the Final Plans and Specifications After Engineer's Signatures
 - K. Electronic Copy (PDF) of Approved Plans for Bidding Purposes

- L. AutoCAD Files of the Final Plans (2014 Version)
- III.** In addition to the requirements of Parts I and II of this Scope of Services, during the performance of the services, Consultant will keep the City apprised through periodic status reports regarding the performance of the services under this Agreement by the following means:
- A. In-person meetings.
 - B. Email updates/questions to applicant team and City while reviews are underway.
 - C. Conference calls.
- IV.** All work product is subject to review and acceptance by the City, and must be revised by the Consultant without additional charge to the City until found satisfactory and accepted by City.
- V.** Consultant will utilize the following personnel to accomplish the services:
- A. Dilesh Sheth, Program Manager
 - B. Lin McCaffrey, Senior Engineer
 - C. Nick Lowe, Associate Engineer
 - D. Michael Johnson, Director
 - E. Nick Keller, Senior Designer

EXHIBIT "B"
SPECIAL REQUIREMENTS
(Superseding Contract Boilerplate)

None

SAMPLE

EXHIBIT "C"
SCHEDULE OF COMPENSATION

I. Consultant shall perform the following tasks ("Tasks") at the following rates

TASK	DESCRIPTION	SUB-BUDGET
1.	Meetings and Presentations	\$9,012.00
2.	Plans, Specifications and Estimates (PS&E)	\$87,728.00
3.	Final Plans and Specifications	\$3,996.00
4.	Bidding Phase Assistance	\$3,720.00
5.	Construction Phase Assistance	\$5,440.00
6.	Federal/State Documentation Assistance	\$8,768.00
7.	Traffic Circle Plans	\$9,032.00
	TOTAL	\$127,696.00

II. A retention of ten percent (10%) shall be held from each payment as a contract retention to be paid as part of the final payment upon satisfactory completion of services.

III. Within the budgeted amounts for each Task, and with the approval of the Contract Officer, funds may be shifted from one Task sub-budget to another so long as the Contract Sum is not exceeded per Section 2.1, unless Additional Services are approved per Section 1.8.

IV. The City will compensate Consultant for the services performed upon submission of a valid invoice. Each invoice is to include:

- A.** Line items for all personnel describing the work performed, the number of hours worked, and the hourly rate.
- B.** Line items for all materials and equipment properly charged to the services.
- C.** Line items for all other approved reimbursable expenses claimed, with supporting documentation.
- D.** Line items for all approved sub-consultant labor, supplies, equipment, materials, and travel properly charged to the services.

- V. The total compensation for services shall not exceed \$127,696.00 as provided in Section 2.1 of this Agreement.
- VI. The Consultant's billing rates for all personnel are attached as Exhibit C-1.

SAMPLE

EXHIBIT "C-1"
CONSULTANT'S BILLING RATE AND TASK SCHEDULE

SAMPLE

EXHIBIT "D"
SCHEDULE OF PERFORMANCE

- I. Consultant shall perform all services timely in accordance with the schedule to be developed by Consultant and subject to the written approval of the Contract Officer. Consultant will provide a written proposal within one week of the City's request for services, unless otherwise agreed to by the Contract Officer.**
- II. Consultant shall deliver the following tangible work products to the City by the following dates.**
 - A. Proposed Project Schedule – Attached as Exhibit D-1.**
- III. The Contract Officer may approve extensions for performance of the services in accordance with Section 3.2.**

EXHIBIT "D-1"
PROPOSED PROJECT SCHEDULE

SAMPLE

ATTACHMENT 3

MGT Consulting Group Proposal dated March 19, 2019

PROPOSAL

MARCH 20, 2019 BY 2:00 PM

RFP #19-031

SUBMITTED VIA PLANETBIDS



SUBMITTED TO:

CITY OF BANNING

ADMINISTRATIVE SERVICES DEPARTMENT

99 EAST RAMSEY STREET
BANNING, CA 92220

ENTERPRISE FUND & INTERNAL SERVICE FUND COST ALLOCATION STUDY

CITY OF BANNING, CALIFORNIA

SUBMITTED BY:

J. BRADLEY BURGESS

EXECUTIVE VICE PRESIDENT

2251 HARVARD STREET, SUITE 134
SACRAMENTO, CA 95815

916.443.3411

bburgess@mgtconsulting.com



CITY OF BANNING, CALIFORNIARFP #19-031 | PROPOSAL FOR ENTERPRISE FUND & INTERNAL SERVICE FUND COST ALLOCATION
STUDY

MARCH 20, 2019

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A. COVER LETTER

March 19, 2019

City of Banning
Administrative Services Department
99 East Ramsey Street
Banning, CA 92220

Subject: RFP #19-031 - Proposal for City of Banning Enterprise Fund & Internal Service Fund Cost Allocation Study

Dear Evaluation Committee:

We appreciate the opportunity to provide the City of Banning (City) with this proposal for an Enterprise Fund and Internal Service Fund Cost Allocation Study (CAP). We have also included an optional service which would result in a federal cost allocation plan in the attached proposal. MGT of America Consulting, LLC (MGT) will meet each of your City's specific objectives described in the RFP.

The full cost plan will capture and fully distribute the City's overhead central service costs throughout the City, as well as your utilities and enterprise funds. The optional federal cost allocation plan will be prepared to follow the latest OMB guidelines and will be ready to insert into the City's state and federal claims, grants and applications. These MGT analyses will be ready to implement and will be trusted by your staff and City Council. This study will have the following features:

- ♦ **Defensible & Transparent Calculation Methodology.** Our proprietary cost allocation plan software produces exceptional cost allocation plans and include dynamic management information and what-if scenarios.
- ♦ **Experience, Exceptional Staff & Immediate Availability.** The MGT Financial Solutions team has annually prepared over 250 cost allocation plans each year. We have recently completed cost allocation plans for a number of California cities such as Rancho Cucamonga, Corona, Pasadena, and Long Beach. We are recommended by statewide organizations such as CSMFO because we have a long successful history of preparing exceptional cost allocation plans all over the state.

A. COVER LETTER

♦ ♦ ♦

Please contact me if you have any questions or comments about this proposal at **916.595.2646**, or at **bburgess@mgtconsulting.com**. This proposal is in response to the City's RFP, and commits the firm to compliance with all services and procedures identified in the contents. Further, MGT acknowledges receipt of Addendum No. 1, posted on 3/5/19. This proposal is firm and irrevocable for a period of 180 days from the bid opening. I hope that we can be of service to the City of Banning.

Sincerely,



J. Bradley Burgess
Executive Vice President

B. STATEMENT OF UNDERSTANDING AND APPROACH

B.1. APPROACH AND METHODOLOGY

The City of Banning (City) has requested consulting assistance to prepare a full cost allocation plan (CAP). MGT Consulting of America, LLC (MGT) will satisfy all aspects of the required work as described in the City's RFP. This proposal reflects the requirements of the City's RFP as well as the requested scope of services and deliverables. Most of all, this proposal describes our proposed project team and their qualifications to provide the City with an exceptional consulting study and legacy services that will outlast the duration of this engagement.

COST ALLOCATION

Cost allocation plans are essential tools for municipal fiscal management. The City's goal is to establish and maintain well-documented and defensible plans that can be used to recover indirect administrative costs in a variety of internal and external contexts. MGT is a nationally recognized specialist in developing cost allocation plans and assisting our clients with CAP implementation. As a consulting group, we have delivered more of these analyses to more governmental jurisdictions than all of our current competition combined. Our analysis will allow the City to accurately account for the true cost of providing various services within City operations using a clear, equitable and legally defensible method.

MGT is thoroughly familiar with all relevant federal and state of California cost plan guidelines, and the legal issues surrounding the integration of indirect costs into fully burdened rates, user fees, grants, SB 90 claims, and other subventions. The state of California and several federal districts have approved our cost plan methodology, and we guarantee acceptance of our analyses by any cognizant or audit agency. Our cost plans and staff rate models offer transparency to reviewers and the general public. Our models also contain important management information schedules.

Our firm uses a state-of-the-art cost allocation plan system that conforms to federal guidelines established by OMB. This software has extremely robust capabilities and can process client changes very quickly. The system also rigorously compares data across fiscal years (when this information is available).

FULL COST & CFR PART 200 (FEDERAL) COST ALLOCATION PLANS

Local agencies provide services that include administrative and support expenditures which are not allowable for federal reimbursement. These expenditures, however, are appropriate for allocation under GAAP principles and guidelines. This allocation methodology is often referred to as a **Full Cost allocation plan**. It can be generalized that a Full Cost allocation plan is applicable for internal purposes such as recovering indirect costs from enterprise funds, special revenue funds and other funds as well as be included in establishing user fees, permits and applications, billing rates, hourly rates and costs of special services.

B. STATEMENT OF UNDERSTANDING AND APPROACH

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Under OMB Circular A-87 guidelines, which are now codified in the Code of Federal Regulations (CFR) as 2 CFR Part 200, local governments may be reimbursed for these administrative and support expenditures if they are documented in a cost allocation plan and indirect cost rates that are compliant with the principles contained in the Circular. Generally, **Federal cost allocation plans** apply to external purposes such as recovering indirect costs on federal and state grants and awards.

COMPARISON OF COST ALLOCATION METHODOLOGIES

PLAN TYPE	OBJECTIVES	TYPICAL USES	CONSIDERATIONS
FULL COST	<ul style="list-style-type: none"> Identify the true costs of administering all city departments, divisions and programs. Justification for charging the proportional cost for city administration and support to internal sources, or external sources in the case of billing rates and user fees. Typically result in 15% higher returns than 2 CFR Part 200 plans. 	<ul style="list-style-type: none"> Charging non-General Fund funds for administrative and support services. Recovering citywide administrative and support costs in hourly and billing rates. Recovering citywide administrative and support costs in use fees and rates. Budgeting and resource allocations. 	<ul style="list-style-type: none"> Administrative and support costs allowable under GAAP. Plan conforms to 2 CFR Part 200 principles, but is not as restrictive. Is not submitted for review to a cognizant agency. Basis for transfer of dollars from non-General Fund to the General Fund.
2 CFR PART 200	<ul style="list-style-type: none"> Identify administrative costs allowable under 2 CFR Part 200, and distributing those costs on an equitable basis. Charging admin and overhead costs to grants, claims and other uses that specifically require 2 CFR Part 200 use. 	<ul style="list-style-type: none"> Charging overhead costs to federal grants. Charging overhead costs to state grants and SB 90 claims. Provides a conservative view of citywide administrative and support costs. 	<ul style="list-style-type: none"> If this type of plan is used for grant or claim use, 2 CFR Part 200 requires that an annual plan be prepared. May be reviewed by a cognizant agency.

The City of Banning did not request a federal plan, but the City did indicate the desire to allocate administrative costs to federal and state grants. That would necessitate having a federal plan. We have included this type of cost plan in this proposal as an optional service. Most of our city clients contract with us to prepare both types of plans at the same time.

B. STATEMENT OF UNDERSTANDING AND APPROACH

♦ ♦ ♦

MGT's cost allocation plans provide our clients with exceptional financial and managerial information. Examples of useful and meaningful information that can be extracted from the project results include:

- ♦ Understanding the true costs of operating departments, divisions programs and/or activities such as IT and Police, including the users and amount of usage of identified admin services.
- ♦ General Fund subsidies of services or programs.
- ♦ Unit costs of identified administrative services such as the cost per paycheck or other similar services or tasks.
- ♦ The cost allocation plan can easily be updated in future years to keep pace with the organizational and cost changes.
- ♦ Provide internal and external rates or charges to departments, enterprise funds or capital projects for cost recovery.

MGT PROJECT TEAM

The proposed MGT project team has unmatched qualifications for the services requested. Sara Beemer, our proposed project manager, has worked with California cities for over 16 years and is one of the nation's premiere cost allocation plan experts. Chris Brunette will assist with data acquisition and analysis. Bret Schlyer is our national OMB expert/liaison who will be an advisor on this project. This project team will work together to conduct both studies concurrently, and will request one set of financial data which will be used for both plans. Finally, J. Bradley Burgess is the executive in charge of this engagement, and serves as the national managing executive for MGT Financial Solutions. Mr. Burgess will be responsible for all questions and negotiations for this engagement. His contact information is:

PROJECT CONTACT &
AUTHORITY TO
CONTRACT

J. Bradley Burgess, Executive Vice President
2251 Harvard St., Ste. 134 | Sacramento, CA 95815
Office: 916.443.3411 | Cell: 916.595.2646 | Email: bburgess@mgtconsulting.com

B.2. CLIENT SATISFACTION

Each proposed senior level consultant is an expert in applying various project management methods and techniques to cost allocation projects. This expertise is rooted in completing hundreds of cost allocation plans, many for jurisdictions similar in size to the City and many requiring negotiations with state and federal auditors. Additionally, all MGT consultants attend regular peer group reviews and training sessions to continuously refine project management, client service and 2 CFR Part 200 skills.

Our approach is to jointly establish a framework of firm timelines and milestones with each client based on that client's unique circumstances and needs. Aside from fixed deadlines and milestones, however, the framework is flexible to accommodate each client and even each annual project for recurring clients.

B. STATEMENT OF UNDERSTANDING AND APPROACH

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MGT's project management process and client satisfaction components are graphically represented below. We have found that focusing on these six components of client satisfaction ensures that the work is properly performed and that milestones are met on schedule and within budget. The primary tool for delivering each of the components is communication. Our project teams are in regular contact with the Project Executive, providing project status updates and explaining any variances from the planned schedule. Additionally, MGT is committed to regular client contact through on-site meetings and formal status updates at regular intervals.

MGT CLIENT SATISFACTION COMPONENTS**B.3. PROJECT SCHEDULE**

We believe that a four-month project timeframe is realistic to complete the cost allocation plan(s). We will work with the City to develop clear internal deadlines at the beginning of the project and combine that with intentional and structured communications. Shown below is MGT's proposed timeline for the engagement by major task.

B. STATEMENT OF UNDERSTANDING AND APPROACH

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PROPOSED COST ALLOCATION PLAN TIMELINE

Cost Allocation Plans	Month				On Going
	1	2	3	4	
1. Initial Meeting					
2. Introductory Training					
3. Review and Preparation					
4. Collect Core Data					
5. Department Interviews					
6. Develop Cost Plan Structure					
7. Distribute Costs Into Functions					
8. Develop Allocation Bases					
9. Process Draft Cost Plans					
10. Quality Control & Internal Review					
11. Provide Draft Cost Plans					
12. Produce Final Cost Plan					
13. Finalize Cost Plans					
14. Present Results					
15. Present, Negotiate, Secure Approval of the Plan					
16. Training, Guidance, Recap Memo					

B.4. WORK PLAN

SCOPE OF SERVICES – FULL COST ALLOCATION PLAN (OPTIONAL FEDERAL CAP)

This section of the proposal identifies MGT's approach for preparing the City's overhead cost allocation plan, using the following tasks. The plan will also be used to identify general fund support provided to the City's enterprise and other special revenue funds. If the City chooses the option for services related to preparing a federal cost allocation plan, our team will identify and apply only those central service costs that are allowed by the Office of Management & Budget to be allocated. This plan provides the justification to charge overhead costs to state and federal claims and grants.

MGT's cost allocation plans provide our clients with exceptional financial and managerial information. Examples of useful and meaningful information that can be extracted from the project results include:

- ♦ Compliant documentation for state or federal reimbursement.
- ♦ Defensible interfund transfers.
- ♦ Establishing user fees and hourly billing rates.

B. STATEMENT OF UNDERSTANDING AND APPROACH

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- ♦ Identification of administrative expense.
- ♦ Resource allocation analysis.

COST ALLOCATION PLAN TASK DESCRIPTIONS

Here are the steps involved with preparing a full cost and a federal cost allocation plan:

1. CONDUCT AN INITIAL MEETING WITH DESIGNATED PERSONNEL.

Meet with City personnel who have responsibility or a high interest in the cost allocation plan. This meeting will refine the specific objectives, requirements, measurements, and schedule of the project. This meeting will also help the project consultants understand the unique aspects of the City including the organizational and structural changes from prior years. MGT will also review the City's last cost allocation plan during this meeting and will gather additional information.

2. CONDUCT AN INTRODUCTORY TRAINING SESSION WITH ALL RELEVANT PERSONNEL.

Conduct an initial and introductory training session with key City personnel and project stakeholders. Project consultants will work with City personnel to establish the objectives, content, and list of attendees for this meeting or presentation. This session is vital to successful project results including approval by operating department officials. Agenda items for these meetings or presentations could include:

- ♦ Review the project objectives.
- ♦ Review and confirm the federal and/or state requirements.
- ♦ Finalize and document the project measurements.
- ♦ Review and finalize the project schedule.
- ♦ Review available financial and allocation data.
- ♦ Review internal service activities.
- ♦ Explain the cost allocation plan.
- ♦ Summarize the purpose for calculating the cost allocation plans.
- ♦ Explain how each meeting attendee is involved in the calculations.
- ♦ Discuss example summary reports produced by the project.
- ♦ Discuss example applications produced by the project.
- ♦ Address potential areas for additional direct or indirect cost recovery.
- ♦ Solicit questions and answers.

3. REVIEW THE CITY'S ORGANIZATIONAL STRUCTURE AND ANY EXISTING COST ALLOCATION PLANS.

Review the City's organizational structure and any existing cost allocation plans and associated data to determine appropriateness and to identify alternatives which may favorably impact indirect cost recoveries. Prepare for department interviews.

B. STATEMENT OF UNDERSTANDING AND APPROACH

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4. COLLECT BASIC FINANCIAL AND OPERATIONAL DATA.

Collect and review data such as organization charts, expenditure statements, budgets, personnel counts, salary reports, and transaction statistics. Project consultants will work with City personnel to develop and gather the needed data in the most efficient way possible. The review of this data will provide the structure for the cost allocation plans including the determination of "allocating" and "receiving" departments.

Allocating departments are referred to as central service departments and will include, but are not limited to: accounting, purchasing, human resources, and information technology. Receiving departments will be all applicable general fund departments or divisions and all other enterprise, special revenue, or internal service funds.

5. CONDUCT DEPARTMENT INTERVIEWS.

Meet with and interview each central service department to determine the allowable expenditures, services provided, charge backs or direct bills, personnel providing the services, the recipients of the provided services, and appropriate transaction data.

6. DEVELOP COST PLAN STRUCTURE.

Using the City's organizational structure, budget and staffing information, MGT will determine the basic structure of the cost allocation plans, identifying central service (or allocating) departments and operating (or receiving) departments.

Personnel Staffing Analysis (PSA) worksheets will be created to assist in dividing departments into functions will be completed. The PSA provides a defensible basis for the distribution of department costs into department functions.

Functions will be determined based on timesheets, assignments, activities, or other allowed methods. Once staff members and their corresponding salaries are distributed into functions, other department costs such as materials and supplies will also be distributed into the same functions. This task breaks a department into functional cost pools, which can then be allocated throughout the City using meaningful, measurable, and auditable allocation bases.

7. DISTRIBUTE CENTRAL SERVICE DEPARTMENT COSTS INTO FUNCTIONS.

Distribute the allowable costs in each central service department, and the incoming costs into each central service department, into the functions determined in Task 6. Incoming costs are the costs from other central service departments determined by a double step-down calculation. The distribution of allowable department costs and incoming costs will determine the total cost of providing each distinct service within each central service department.

This step utilizes a feature in the MGT proprietary cost allocation software not available in most other cost allocation plan software. The MGT proprietary cost allocation software has the ability to analyze, display, and allocate the indirect costs of each central service department in great detail. This detail facilitates review, explanation, and understanding of incoming costs which leads to reduced errors, fewer reruns of reports, and the ultimate acceptance and approval of the cost allocation plans.

B. STATEMENT OF UNDERSTANDING AND APPROACH

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8. DEVELOP ALLOCATION BASES FOR CENTRAL SERVICE DEPARTMENT FUNCTIONS.

Determine an appropriate allocation base for each function in each central service department. This determination will serve as the basis for allocating the allowable costs in each function to the recipients of the service. Project consultants will request corresponding transaction data from central service department personnel.

Central service departments will allocate costs to all city departments and funds. This allocation methodology ensures the fairest and accurate distribution of costs as opposed to a methodology that singles out particular departments or funds for maximum allocation.

9. PROCESS DRAFT COST ALLOCATION PLANS.

Process the draft cost allocation plans using the MGT proprietary cost allocation software, MGTCAP. The cost allocation plan will include summary and detail reports. The summary report will provide information on the dollar amounts allocated from each central service department to every receiving department. The detailed reports in the cost allocation plans provide information on the expenditures, allowable costs, incoming costs, personnel distribution, functions, and allocation bases for every central service department.

The MGTCAP software incorporates a double step-down methodology, is technical and detailed, has a self-auditing feature, and has been used for over 250 cost allocation plans in the past five years—many submitted for federal and state approval.

The Microsoft Windows-based MGT proprietary software is written in a relational database and uses Microsoft Excel as a report writer. This platform provides unlimited flexibility in calculating, formatting, and reporting information. Charts and graphs can be used to explain and illustrate allocation information. Statistical information is automatically produced that compares allocation totals to receiving departments (funds) from year to year.

10. CONDUCT QUALITY CONTROL AND INTERNAL REVIEW OF THE DRAFT COST ALLOCATION PLANS.

The project manager and the project consultant will undertake an internal review process to raise the accuracy of the cost allocation plans and ensure City personnel do not waste time reviewing substandard or incomplete work.

Four quality assurance measures are followed within every engagement:

B. STATEMENT OF UNDERSTANDING AND APPROACH

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- ♦ The project manager will undertake the **first measure**. This consultant will maintain a high level of communication with City personnel. Examples of communication include monthly status reports, review of documents, and submittal of preliminary results. This proactive communication ensures assumptions are correct, decisions are sound, and results are solid.
- ♦ The **second measure** is undertaken between the project consultant and the project manager. Like the first quality assurance measure, the project consultant maintains a high level of communication with the project manager. Assumptions are tested, issues discussed, and methods agreed to before and during the project, not following completion.
- ♦ The **third measure** is a series of comparisons completed by the project consultant and project manager. Utilizing the MGT proprietary software, the project consultant and manager will compare these cost allocation plans and the City's existing plans. If significant variances exist, they will be identified, researched, understood, and explained to relevant individuals. This step increases the accuracy of project results.
- ♦ The **fourth and most formal measure** is a comprehensive review of the draft cost allocation plans by the project director. This experienced consultant has a fresher perspective of the project than do the project manager and project consultant. This perspective incorporates knowledge from dozens of similar projects.

This perspective and review forces the project manager and project consultant to defend project decisions. As a result, the cost allocation plan is strengthened, and a greater audit strategy is prepared in advance of final submittal to the City.

Additionally, the MGT proprietary cost allocation software automatically generates self-auditing schedule that reconciles the sum of all central service department expenditures to the sum of all allocated costs.

11. PROVIDE BANNING WITH DRAFT COST ALLOCATION PLANS.

Meet with City personnel if requested or provide electronic printed and electronic copies of the draft results of the full cost allocation plan and the federal cost allocation plan. This step is an opportunity to review preliminary results, address questions or concerns, and make changes as necessary.

B. STATEMENT OF UNDERSTANDING AND APPROACH

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12. PROCESS FINAL COST ALLOCATION PLANS.

Process the final cost allocation plans after addressing any issues or concerns raised in Task 11. The final cost allocation plans will be professionally formatted and displayed.

The final cost allocation plans will include the following two detailed sections.

- ♦ Each allocating department will include descriptive narratives of the cost allocation methodologies for primary categories of allocated costs (aka functions or service categories).
- ♦ A separate section documenting changes in allocation methodologies from the prior year and reasons for the changes.

Additionally, the MGT proprietary cost allocation software automatically generates management reports. These reports provide:

- ♦ A schedule comparing total allocated costs between fiscal years for every receiving department.
- ♦ A schedule comparing allocated costs between fiscal years, by central service department, to receiving departments meeting defined criteria (for example, a variance greater than 10 percent or a variance greater than \$10,000).
- ♦ A schedule documenting unit costs of identified support activities such as the cost of payroll per employee, or the cost per purchase order.

13. PROVIDE FINAL COST ALLOCATION PLANS IN PAPER AND ELECTRONIC FORMAT.

Provide up to five printed and bound copies and one electronic copy (Excel or Adobe PDF file) of the final cost allocation plans to City personnel following confirmation that the work is final by the City's project manager. Additionally, MGT consultants will provide electronic copies (Excel or Adobe PDF file) of summary schedules, variance analyses, and management reports as requested.

14. PRESENT PROJECT RESULTS TO CITY STAFF AND MANAGEMENT IF REQUESTED.

Present the final project results to the City's staff and management if requested. This presentation will include a high-level overview of the project and the applications, implications, and anticipated benefits to city operations. Detailed information will be presented as requested.

15. SECURE APPROVAL OF THE PLAN, IDENTIFY ADDITIONAL USES.**16. FOLLOW UP TRAINING AND GUIDANCE AND PROJECT RECAP MEMO.**

B. STATEMENT OF UNDERSTANDING AND APPROACH

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B.5. MGT INNOVATIONS**WHAT MAKES MGT CONSULTING THE BEST CHOICE?**

We believe that MGT Consulting is the best choice for the City of Banning for a variety of reasons, including:

- ♦ **Preparing cost allocation plans and user fee studies is our core business.** There are engineering firms and small CPA companies who dabble in this area, but these firms are not committed to these core services over the long run. MGT has over 30 full-time consultants who prepare cost plans and user fee studies all year, every year. This focus and commitment allows us to provide better service and the best advice in these areas.
- ♦ **MGT has handpicked the finest consultants in the cost accounting field.** No other single factor is as important as the professional staff providing the analysis and managing the project. Our project team will work in unison to ensure the full cost plan is ready and that we don't lose project momentum.
- ♦ **MGT Consulting is in Sacramento and Pasadena.** Our project team will be close to Banning throughout the study. We will provide plenty of on-site consulting and assistance.
- ♦ **Project Anticipation.** We know the factors that produce exceptional studies and what causes projects to stall or eventually fail. MGT will provide the City with a plan for the best possible project for Banning. You will know what the project milestones are, who is responsible for what tasks and we'll show you how to avoid the timeline pitfalls that can derail projects like this.
- ♦ **Innovations.** MGT's consultants have been responsible for many of the key innovations in both the cost allocation plan and user fee areas. We invented a cost allocation system that not only provides the most accurate double step down methodology, but also has a management reports feature that allows the City to understand year-over-year changes in any of its allocations. Every number in our cost allocation plan can be easily traced to its source.
- ♦ **Legacy Services.** MGT is driven to ensure the City receives a terrific study. After study completion, MGT will return in six months (or sooner) for one day to assist with any implementation issues. We will also be available at no additional charge to answer questions about either part of the engagement for no additional fees. We want you to be a happy client, both now and in the future.

B. STATEMENT OF UNDERSTANDING AND APPROACH

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COST ALLOCATION SOFTWARE

We will utilize MGT's proprietary cost allocation software, MGTCAP, to develop the cost allocation plans. Our cost allocation software incorporates years of refinements and continual field use by MGT consultants. The software has been utilized to develop local government, statewide and state agency cost allocation plans that have been reviewed by numerous federal and state agencies, including the California State Controller's Office. It is the tool we use to generate all the 2 CFR Part 200 and Full Cost allocation plans we prepare on behalf of city, county, and state clients each year.

The MGTCAP software uses a double iteration (step-down) methodology ensuring the full allocation of all costs and the recognition of the cross allocations among central service agencies. The software enables the allocation of an unlimited number of cost pools using multiple allocation bases. Report outputs include detailed schedules that reconcile all costs allocated in the CAP to the City's financial statements. It also provides summary and management reports which compare the current year's allocation results with prior years.



MGTCAP writes reports directly into Microsoft Excel, which provides us the ability to modify the presentation of the results in a nearly unlimited fashion. MGT's final reports are packed into all-inclusive PDF files that include a plan cover, table of contents, introduction, certifications, detailed cost allocation results, and departmental narratives. Executive Summary information and year-to-year comparison worksheets can be incorporated into separate deliverables for City management and other users that are more interested in bottom line results and don't require all the detailed calculations. Our cost plans offer transparency to reviewers and the public.

B.6. EXPECTATIONS FROM THE CITY**CITY SUPPORT EXPECTED**

Given access and availability of City staff to provide organization, service, and financial information, MGT is qualified and staffed to complete all activities and tasks of the project. We will only require access to staff for brief interviews related to services provided and their duties. We will also need assistance in the acquisition of organizational, financial, allocation base data, and other related information.

WORKSPACE REQUIREMENTS

MGT requests access to a conference room or office space suitable for 2 staff members while working on site. No phone, internet, or other office machine access is required.

C. COMPANY INFORMATION

MGT HISTORY AND ORGANIZATION STRUCTURE

MGT of America Consulting, LLC (MGT) began operations in 1974, and has judiciously expanded its consulting capabilities over the years. We currently have over 100 professionals throughout the country and eight regional offices. MGT is owned by the current and retired partners, principals, and consultants of the firm. The advantage of this ownership structure to our clients is that every member of the firm has a vested interest in the successful completion of every project, for every client. Additionally, this ownership structure creates a mindset that permeates through every MGT owner: *we are continuously building a growing, yet stable firm based on trusting long-term relationships, both within our own firm and with all our clients.*

MGT is organized as a privately-held, employee-owned and financially stable limited liability company with a deep roster of experienced cost allocation experts, resources, and desire to serve the City. The advantage of this ownership structure to our clients is that every member of the firm has a vested interest in the successful completion of every project, for every client.

We are not the biggest, oldest, or highest profile consulting firm; just the best for combining firm qualifications and consultants' cost allocation expertise with the needs of cities, counties and state agencies.

MGT has acquired a keen understanding of the structures, operations, and issues facing state government agencies. This understanding comes from over 40 years of extensive experience in providing financial and management consulting for state and local governments, and the prior work experience of our consultants.

Prior to working as consultants, many of our consultants worked in government agencies as managers and staff. This inside knowledge and understanding of government structures and processes gives our consultants an ability to hit the ground running from the very start of a project. MGT consultants understand what it means to work within constrained time lines, and the need to produce a study that will concisely and clearly articulate findings and results.

C. COMPANY INFORMATION



MGT MAJOR CONSULTING LINES OF BUSINESS

**Financial Solutions**

Financial analysis, cost accounting, cannabis consulting and operational support to local agencies

**Social Justice Consulting**

Disparity research and diversity studies

**Education Consulting**

Studies related to facility needs, curriculum evaluation, and additional consulting assistance at the K-12 and higher education levels

**Public Affairs**

Through our sister company, Strategos, we provide public affairs and advocacy assistance in six to eight states at any one time

MGT OFFICE LOCATIONS

MGT Consulting has over 100 professionals located across the nation. Staffing for this engagement will come from our **Sacramento and Pasadena** offices. MGT assures the continuity of our project team. No project personnel will be replaced without the prior consent of the City.

FLORIDA Tallahassee Tampa	KANSAS Wichita	TEXAS Austin	
CALIFORNIA Sacramento Pasadena	MICHIGAN Bay City	VIRGINIA Richmond	
COLORADO Denver	NORTH CAROLINA Raleigh	WASHINGTON Olympia	
INDIANA Indianapolis			

C. COMPANY INFORMATION

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MGT CONTACT INFORMATION

PROJECT LEADER / PROJECT CONTACT	J. Bradley Burgess, Executive Vice President 2251 Harvard St., Ste. 134 Sacramento, CA 95815 P: 916.443.3411 Email: bburgess@mgtconsulting.com
MGT HEADQUARTERS	MGT of America Consulting, LLC 4320 West Kennedy Boulevard Tampa, Florida 33609 P: 813.327.4717 Fax: 850.385.4501 FEIN: 81-0890071
INDIVIDUALS AUTHORIZED TO COMMIT FIRM	J. Bradley Burgess, Executive Vice President 2251 Harvard St., Ste. 134 Sacramento, CA 95815 P: 916.443.3411 Email: bburgess@mgtconsulting.com Dr. Fred Seamon, Executive Vice President 516 North Adams Street Tallahassee, Florida 32301 P: 850.386.3191 E-mail: fseamon@mgtconsulting.com A. Trey Traviesa CEO and Chairman of the Board 4320 West Kennedy Boulevard, Suite 200 Tampa, Florida 33609 P: 850.386.3191 E-mail: ttraviesa@mgtconsulting.com

LITIGATION STATEMENT

There has been no litigation, major disputes, contract defaults or non-ordinary course of business liens against or involving MGT of America Consulting, LLC during the period. Further, MGT of America Consulting, LLC is not aware of any potential or contemplated actions, disputes, defaults, or liens.

D. COMPANY PERSONNEL

Senior level MGT consultants will manage this engagement for the City of Banning. We provide state and local governments cost allocation plans, indirect cost rates and indirect cost rate proposals, user fee studies, operational support, cannabis studies, and state mandated claiming (SB 90).

The City will receive the following **three advantages** by selecting MGT for the requested services.

1. A refined approach that is client-focused, efficient and non-disruptive for City personnel.
2. Proven project management and communication tools. The relevant experience and creativity of the personnel reviewing the cost allocation plans and performing the calculations is unmatched. This team will quickly establish trust, confidence and rapport with City personnel.
3. Sara Beemer, our proposed project manager, has deep experience managing similar California consulting engagements and has a proven track record of exceptional service. The entire California-based project team understands what it takes to successfully complete this project.

Approach: We understand that the best results come from spending an appropriate amount of time with your staff throughout the project and jointly adapting the project work plan to best meet the City's unique needs and objectives. We value on-site communication as much as you do. We exclusively offer a six-month check-up visit to assist with any outstanding implementation challenges.

Project Management and Communication: Our project management process includes a project schedule with deadlines, and also a project team with the availability to meet the deadlines. Additional consultants are available to add to the project if necessary, and quality assurance activities are performed throughout the project. Our communication plan includes frequent formal and informal correspondence, on-site meetings, and built in checks to ensure city satisfaction.

Personnel: The team proposed for this engagement has many years of consulting experience, as well as a proven track record of successful implementation. Our team will not just be your cost accountants—they will be your partners in a common effort to fairly and equitably calculate and distribute all levels of costs, and will do with minimum controversy, exposure and disruption.

COMPANY ADVANTAGE

Approach



The best results come from spending time with your staff and adapting the work plan to best meet your unique objectives.

Project Management



Our clients are never left to wonder about any detail of the project. Communication is the key to effective project management.

Personnel



No other single factor is as important as the professional staff providing the analysis and managing the project.

D. COMPANY PERSONNEL

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**MR. J. BRADLEY BURGESS,
PROJECT EXECUTIVE**

Mr. J. Bradley Burgess is an Executive Vice President with MGT and is responsible for the MGT Financial Solutions Division. He is also a member of our firm's Board of Directors. He will serve as the project executive for this engagement. Mr. Burgess will be responsible for ensuring that this project is staffed properly and will ensure that Banning is unconditionally satisfied with the services received from MGT consultants.

Mr. Burgess is an expert in project management, having managed or directed over 340 projects over his 28-year local government consulting career. He has taught hundreds of government finance officials indirect cost theory and application through numerous training sessions. He is a frequent presenter at conferences and workshops for clients, state and local governments, and state associations. Mr. Burgess has been a corporate officer at David M. Griffith & Associates, DMG-Maximus, Maximus, Public Resource Management Group and MGT of America Consulting, LLC.

MGT Project Team**MS. SARA BEEMER, PROJECT MANAGER**

Ms. Sara Beemer will serve as the project and relationship manager for this engagement. In this role Ms. Beemer will attend on-site interviews, training and coordination over the life of this engagement. She will assist with department interviews, scheduling, data collection, follow up phone calls and e-mails. Ms. Beemer will also closely monitor the project timeline against milestones and deadlines.

Ms. Beemer is a Manager at MGT. Based in Pasadena, she is an expert in cost allocation plan development, and is responsible for MGT's California city and county cost plan practice. Ms. Beemer brings exceptional organizational and interpersonal skills to this study and will be a significant asset to both the cost allocation plan and the user fee study. She has over 16 years of direct public agency and consulting experience. The first three references listed in our response can attest to the exceptional expertise of Ms. Beemer, on similar projects.

Prior to joining MGT, she worked for both the City of Claremont (Finance Department), and the City of Redondo Beach (Police Department) where she was responsible for budget preparation, and monitoring, analyzing, and the approval of all budget and grant expenditures. At MGT, Ms. Beemer has worked on the following cost of service projects: Stockton, Santa Rosa, Pleasanton, Redlands, San Diego, City of Riverside, Riverside County, and Orange County, among others (over 30 in total).

D. COMPANY PERSONNEL

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MR. CHRIS BRUNETTE, CONSULTANT

Mr. Brunette is a Senior Consultant with MGT working primarily as a costing services technical analyst specializing in cost allocation and state/federal reimbursement projects. Prior to that, he spent 16 years working on cost reimbursement claiming and data acquisition and manipulation projects. While working for Mandated Cost Systems, Inc. (and later as SI&A, Inc.), he prepared reimbursement claims for local agencies and school districts, as well as data analysis. He refined salary and budget information for hundreds of clients each year for use in reimbursement claims.

As an associate consultant and consultant for MAXIMUS, Inc., he prepared reimbursement claims, formatted and processed raw data for salaries and claiming. He also managed smaller projects, created and updated claim forms, and managed a claiming database used by the mandated cost reimbursement department. At MGT Consulting, Mr. Brunette assists on cost allocation plan projects, uploading and reformatting data. His most recent cost allocation plan projects include cost plans for City of Long Beach, City of Santa Monica and Arapahoe County, Colorado.

MR. BRET SCHLYER, TECHNICAL ADVISOR

As Technical Advisor, Mr. Schlyer will be available, as needed, to ensure completion of the scope of services in the required time. His primary responsibilities will be to provide technical guidance, review documents and work papers, and assist with any negotiations with the federal cognizant agency.

Mr. Schlyer is a Vice President at MGT with over 25 years of public-sector consulting experience and has a BS in Accounting from the University of Kansas. He joined MGT in 2008 after holding consulting positions with the Financial Services Division of MAXIMUS, Inc. for over 14 years. He also has extensive experience in assisting state agencies and local governments in the preparation and submission to federal cognizant agencies of indirect cost rates and indirect cost allocation plans. He has completed several annual ICRP, CAP, and indirect cost rate projects for state agencies over the course of his career.

Local governments for which he's completed indirect cost rates and cost allocation plans include:

- **Cities.** Miami (FL), New Orleans (LA), Lake Charles (LA), Alexandria (LA), Tulsa (OK), Wichita (KS), Carrollton (TX), Longview (TX), Kansas City (KS), Olathe (KS), Topeka (KS), Murrieta (CA), Nashville, (TN), Kalamazoo (MI), and Farmington (NM).
- **Counties/Parishes.** Orange County (CA), Maricopa County (AZ), Cochise County (AZ), Jefferson Parish (LA), Lafayette Parish (LA), St. Tammany Parish (LA), St. Charles Parish (LA), Adams County (CO), Teller County (CO), Sedgwick County (KS), Shawnee County (KS), Johnson County (KS), Harris County (TX), Bexar County (TX), Galveston County (TX), Los Alamos County (NM), and Yuma County (AZ).

He has also assisted in the development of service charge-back rates for state agencies, and successfully negotiated their approval with federal cognizant agencies. On all state agency service rate projects on which he participated, he was actively involved in the review and development of the methodology; the actual preparation of service rates based on the methodology; the negotiation of approval of the methodology and rates; and in assisting the agency in the implementation, application, and clarification of the rates with users. This has provided him with an extensive knowledge of both the theoretical development of rates and the practical side of developing and applying rates in a state government

D. COMPANY PERSONNEL

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setting. He has assisted in the development of service rates and charge-back methodologies for multiple state agencies.

Mr. Schlyer also has significant experience in projects designed to maximize federal funding for state agencies. He has participated on federal revenue enhancement projects for the following state agencies: Alabama Department of Mental Health and Mental Retardation, Arizona Health Care Cost Containment System, Connecticut Department of Social Services, Delaware Department of Aging, Florida Department of Children & Families, Kansas Department of Social & Rehabilitative Services, Kansas Health Policy and Authority, New Jersey Department of Addiction Services, New Jersey Department of Mental Health Services, and New Mexico Department of Health.

As a result of his experiences, Mr. Schlyer is nationally recognized as an authority on federal cost principles and its impact on state and local governments. He has made numerous presentations and published articles for governmental organizations on the development and application of federal cost allocation plans, indirect cost rates, and charge-back rates. He has provided training at several state Association of Governmental Accountants and Governmental Finance Officer Association professional development conferences. In addition, he has given presentations on federal costing principles, cost analysis, and cost recovery subjects to state agencies and local entities in Alabama, Arizona, Colorado, Florida, Kansas, Louisiana, Nebraska, New Jersey, New Mexico, and Oklahoma.

More detailed consultant resumes are provided in **APPENDIX A**.

E. EXPERIENCE AND REFERENCES

MGT'S COST ALLOCATION PLAN EXPERIENCE

MGT annual prepares over 250 cost allocation plans each year. Our clients range from small cities, counties and districts, to the largest urban areas in the nation. We would be happy to discuss our capabilities in this area with the City, but we are prohibited from listing all our clients in a marketing proposal. It is common that California cities request both types of plans be prepared because they are used in different ways. The federal plan is in strict accordance with OMB guidelines and is used to justify overhead costs for state and federal claims and grant programs. The full cost plan is used to support the City's rates and user fees, among other uses. We are fully versed in both type of cost allocation plans and how each are best used.

Our firm prepares cost allocation plans for states, U.S. territories, counties and select cities across the United States.

RECENT PROJECTS

Jurisdictions in California listed below recently received cost allocation plans consulting services by MGT consultants like those requested by the City.

Cities	Counties & Districts
Alameda	Alpine County
Anaheim	Amador County
Beaumont	Butte County
Bell Gardens	Calaveras County
Chula Vista	Del Norte County
Corona	El Dorado County
Culver City	Golden Gate Bridge, Highway & Trans District
Dublin	Humboldt County
Fort Bragg	Inyo County
Fresno	Lake County
Healdsburg	Lassen County
Industry	Los Angeles County Housing Commission
Inglewood	Madera County
La Mesa	Marin County
Long Beach	Modoc County
Long Beach	Mono County
Nevada City	Napa County
Newport Beach	Orange County
Oakland	Plumas County
Pasadena	Port of Oakland

E. EXPERIENCE AND REFERENCES

♦ ♦ ♦

Cities	Counties & Districts
Rancho Cucamonga	San Bernardino County
Redlands	San Joaquin County
Richmond	San Mateo County
Rohnert Park	San Mateo County Sheriff
Rohnert Park Public Safety	Santa Cruz County
Roseville	Sonoma County
Sacramento	Stanislaus County
San Jose	Town of Windsor
Sanger	Tuolumne County
Santa Ana	Ventura County
Santa Monica	Yolo County Community Services
Santa Rosa	Yuba County
Stockton	
Suisun City	
Turlock	
Vallejo	
Woodland	
Yuba City	

REFERENCES

COST ALLOCATION PLAN REFERENCES

This section of the proposal identifies MGT's references for cost allocation plan and user fee projects. The first three references listed below can attest to the expertise of Sara Beemer, the proposed Project Manager for the City of Banning, on similar projects.

CITY OF RANCHO CUCAMONGA, CA	<i>Contact:</i>	Ms. Tamara Layne
	<i>Title:</i>	Finance Director
	<i>Phone:</i>	909.477.2700
	<i>E-Mail:</i>	Tamara.Layne@cityofrc.us
	<i>Contract Value:</i>	\$14,500
	<i>Work Performed: Annual preparation of Full Cost and 2 CFR Part 200 cost plans.</i>	

E. EXPERIENCE AND REFERENCES

♦ ♦ ♦

CITY OF HEALDSBURG, CA	Contact:	Ms. Heather Ippoliti
	Title:	Assistant City Manager
	Phone:	707.431.3319
	E-Mail:	hippoliti@ci.healdsburg.ca.us
	Contract Value:	\$45,000
	<i>Work Performed: Annual preparation of Full Cost and 2 CFR Part 200 cost plans; user fee studies (2009, 2017).</i>	
CITY OF VALLEJO, CA	Contact:	Mr. Jon Oiler
	Title:	Assistant Finance Director
	Phone:	707.648.4592
	E-Mail:	Jon.Oiler@cityofvallejo.net
	Contract Value:	\$65,000
	<i>Work Performed: User fee studies, annual cost allocation plans and indirect cost rates (2018).</i>	
CITY OF SAN MARCOS, CA	Contact:	Ms. Laura Rocha
	Title:	Finance Director
	Phone:	760.744.1050 ext. 3131
	E-Mail:	lrocha@san-marcos.net
	Contract Value:	\$48,500
	<i>Work Performed: Cost allocation plans, development user fee study (2016).</i>	
CITY OF SACRAMENTO, CA	Contact:	Marian Fahy
	Title:	Senior Budget Analyst
	Phone:	916.808.5077
	E-Mail:	mfahy@cityofsacramento.org
	Contract Value:	\$69,000
	<i>Work Performed: Cost allocation plans, department fee studies, department indirect cost rates, SB 90 Claiming (2003-2018).</i>	

E. EXPERIENCE AND REFERENCES

♦ ♦ ♦

CITY OF ANAHEIM, CA	<i>Contact:</i>	Jennifer Sorenson
	<i>Title:</i>	Senior Management Analyst
	<i>Phone:</i>	714.765.5100 x5418
	<i>E-Mail:</i>	jsorenson@anaheim.net
	<i>Contract Value:</i>	\$78,000
	<i>Cost allocation plans, department fee studies, department indirect cost rates, SB 90 Claiming (2003-2018)</i>	

F. EVIDENCE OF INSURANCE

MGT has included our general Certificate of Liability Insurance on the following page as evidence of coverage that exceeds the amounts listed in the Sample Agreement (Exhibit C). A customized and approved Certificate of Insurance will be provided in the timeframe required, upon any award.



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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

6/29/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Earl Bacon Agency, Inc.
P.O. Box 12039
Tallahassee FL 32317

CONTACT NAME: Bobby Bacon/Erin Dennard
PHONE (A/C, No, Ext): 850-878-2121 FAX (A/C, No): 850-878-2128
E-MAIL ADDRESS: bbacon@earlbacon.com/edennard@earlbacon.com

INSURED
MGT of America, LLC
MGT of America Consulting, LLC
4320 W. Kennedy Blvd.
Tampa FL 33609

MGTOF-1

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: Continental Casualty Company	20443
INSURER B: Valley Forge Insurance Company	20508
INSURER C: American Casualty Company of Reading, PA	20427
INSURER D: Transportation Insurance Company	20494
INSURER E: Travelers Casualty & Surety Company of America	31194
INSURER F:	

COVERAGES

CERTIFICATE NUMBER: 1667276649

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
C	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> A-XV Rating GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y	Y	5095130327	7/1/2018	7/1/2019	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 15,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 Deductible \$ None
C	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY <input checked="" type="checkbox"/> A-XV Rating	Y	Y	2093563501	7/1/2018	7/1/2019	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Deductible \$ None
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			2093563496	7/1/2018	7/1/2019	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$
B D	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WC311086712 - All Other WC311086788 - CA	7/1/2018 7/1/2018	7/1/2019 7/1/2019	PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
E	Professional Liability (E&O) Claims-Made Form 7/5/95 Retro Date/A++XV	N	N	105638880	7/1/2018	7/1/2019	Each Claim Aggregate 2,500,000 5,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Umbrella: A-XV Rating. All Other Workers' Comp & CA Workers' Comp: A-XV Rating.

CA - Workers' Comp Employers Liability Limits:

\$1,000,000 Each Accident

\$1,000,000 Disease Policy Limit

\$1,000,000 Disease Each Employee

Cyber Liability: Continental Casualty Company -Limits of Liability \$1,000,000/\$1,000,000 Retention \$10,000 Retro Date 3/30/2017-Claims Made Effective 3/30/18 - 3/30/2019

CERTIFICATE HOLDER

CANCELLATION

Proposal Purpose Only

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

G. FINANCIAL CAPACITY

As a long-standing contractor, MGT has the financial capacity to undertake and complete a project of this scope. MGT has been in continuous business since 1974, and has the necessary financial ability to perform the functions required by this RFP and to provide those services represented in this response. MGT does not anticipate any organizational changes that may impede our ability to complete any future projects. We have over 44 years of experience in providing sound, practical, implementable solutions to state and local governments around the country. In addition, MGT has not been involved in any litigation or court proceedings whereby a court or any other administrative agency has ruled against MGT in any matter related to the professional activities of our firm. As required by the Request for Proposals (RFP), we are presenting the latest audited financial statement and certified report from MGT's most recent fiscal audit, on the following pages.

**MGT of America, LLC
and Subsidiaries**

June 30, 2018 and 2017

**Consolidated Financial Statements and
Independent Auditor's Report**



Table of Contents

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Consolidated Statement of Changes in Members' Equity	7
Consolidated Statement of Cash Flows for the year ended June 30, 2018	8
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INDEPENDENT AUDITOR'S REPORT

To the Members
MGT of America, LLC and Subsidiaries
Tampa, Florida

We have audited the accompanying consolidated financial statements of MGT of America, LLC and Subsidiaries ("Company"), which comprise the consolidated balance sheets as of June 30, 2018 and 2017, and the consolidated statement of operations, consolidated statement of changes in members' equity, and consolidated statement of cash flows for the year ended June 30, 2018 and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 overall presentation of the consolidated financial statements.

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

Experienced, resourceful and passionate about your needs

INDEPENDENT AUDITOR'S REPORT (Continued)**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of MGT of America, LLC and Subsidiaries as of June 30, 2018 and 2017, and the results of its operations and its cash flows for the year ended June 30, 2018 in accordance with accounting principles generally accepted in the United States of America.

Is and company
Is and company

St. Petersburg, Florida
November 20, 2018

MGT of America, LLC and Subsidiaries
Consolidated Balance Sheets
As of June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,472,861	\$ 1,173,587
Accounts receivable, net	4,552,784	3,301,202
Unbilled accounts receivable	2,172,756	1,962,355
Prepaid expenses	202,887	111,024
Total current assets	<u>8,401,288</u>	<u>6,548,168</u>
Property and equipment, net	503,687	99,664
Other assets:		
Goodwill	5,013,724	4,781,475
Intangible assets, net	307,680	349,989
Due from related party	31,619	-
Deposits	57,232	53,160
Total other assets	<u>5,410,255</u>	<u>5,184,624</u>
Total assets	<u>\$ 14,315,230</u>	<u>\$ 11,832,456</u>
Liabilities and Members' Equity		
Current liabilities:		
Accounts payable	\$ 1,195,105	\$ 1,838,648
Accrued liabilities	1,475,866	330,106
Capital lease, current portion	91,000	-
Line of credit	2,959,195	2,213,286
Deferred revenue	159,563	1,081,749
Term loan, current portion	292,579	1,208,900
Related party notes payable, current portion	221,632	88,936
Total current liabilities	<u>6,394,940</u>	<u>6,761,625</u>
Long-term liabilities:		
Capital lease, less current portion	138,300	-
Accrued benefits	514,066	498,889
Term loan, less current portion	981,400	69,485
Related party notes payable, less current portion	1,657,513	672,571
Total long-term liabilities	<u>3,291,279</u>	<u>1,240,945</u>
Total liabilities	<u>9,686,219</u>	<u>8,002,570</u>
Members' equity:	<u>4,629,011</u>	<u>3,829,886</u>
Total liabilities and members' equity	<u>\$ 14,315,230</u>	<u>\$ 11,832,456</u>

Read accompanying Independent Auditor's Report and Notes to Consolidated Financial Statements.

MGT of America, LLC and Subsidiaries
Consolidated Statement of Operations
For the year ended June 30, 2018

Sales	\$ 24,040,737
Cost of sales	
Salaries and employee benefits	10,426,609
Contract labor	6,872,091
Travel	1,813,444
Total cost of sales	<u>19,112,144</u>
Gross profit	<u>4,928,593</u>
General and administrative expenses	
Operating expenses	2,087,757
Occupancy	466,721
Interest	245,535
Depreciation and amortization	95,132
Total general and administrative expenses	<u>2,895,145</u>
Other income	<u>359,000</u>
Net income	\$ <u><u>2,392,448</u></u>

Read accompanying Independent Auditor's Report and Notes to Consolidated Financial Statements.

MGT of America, LLC and Subsidiaries
Consolidated Statement of Changes in Members' Equity
For the Year Ended June 30, 2018

	<u>Total</u>	<u>Common Units</u>	<u>Preferred Units</u>	<u>Strategos Retention</u>
Balances at June 30, 2017	\$ 3,829,886	\$ 1,861,168	\$ 1,876,462	\$ 92,256
Net income	2,392,448	2,476,508	-	(84,060)
Priority charge	-	(191,934)	191,934	-
Common units vested/purchased	136,907	136,907		
Units redeemed	(1,727,970)	(121,464)	(1,606,506)	
Distributions	<u>(2,260)</u>	<u>(2,260)</u>	<u>-</u>	<u>-</u>
Balances at June 30, 2018	\$ <u>4,629,011</u>	\$ <u>4,158,925</u>	\$ <u>461,890</u>	\$ <u>8,196</u>

Read accompanying Independent Auditor's Report and Notes to Consolidated Financial Statements.

MGT of America, LLC and Subsidiaries
Consolidated Statement of Cash Flows
For the Year Ended June 30, 2018

Cash flow from operating activities:

Net income \$ 2,392,448

Adjustments to reconcile net income to net
cash provided by operating activities:

Depreciation and amortization	95,132
Gain on preferred member unit redemption	(359,000)
Change in operating assets and liabilities:	
Accounts receivable and unbilled AR	(1,461,983)
Prepaid expenses	(91,863)
Due to related party	(32,063)
Other assets	(4,072)
Deferred revenue	(922,186)
Accounts payable and accrued expenses	517,394
Net cash used in operating activities	<u>133,807</u>

Cash flows from investing activities:

Purchase of property and equipment	(185,439)
Acquired acquisition	(232,249)
Payments on capital lease agreements	(42,107)
Payments on related party note payable	(31,619)
Distributions to members	(2,260)
Net cash used in investing activities	<u>(493,674)</u>

Cash flows from financing activities:

Increase in LOC, net	745,909
Principal payments on long-term debt	(1,314,406)
Proceeds from long-term debt	1,310,000
Principal payments on related party debt	(92,362)
Proceeds from related party debt	10,000
Net cash provided by financing activities	<u>659,141</u>

Increase in cash 299,274

Cash, beginning of year 1,173,587

Cash, end of year \$ 1,472,861

Supplemental disclosure of cash flow information:

Cash paid during the year for interest \$ 245,535

Supplemental schedule of noncash financing and investing activities:

Related party notes with former founders in exchange for their preferred interests	\$ <u><u>1,206,000</u></u>
Equipment purchased with assumption of capital leases	\$ <u><u>271,407</u></u>

Read accompanying Independent Auditor's Report and Notes to Consolidated Financial Statements.

MGT of America, LLC and Subsidiaries
Notes to Consolidated Financial Statements
As of June 30, 2018 and 2017 and for the Year Ended June 30, 2018

1. Description of Business

MGT of America, LLC (MGT) along with its subsidiaries (MGT of America Consulting, LLC and Strategos Public Affairs, LLC) (collectively called "the Company") is a nationwide professional services firm that delivers a diverse range of consulting services to public and public related agencies in the following markets: financial services, educational transformation, PK-12, higher education, facilities, disparity, human resources, and cyber security.

2. Basis of Presentation and Consolidation

The accompanying audited consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and reflect the financial statement presentation and disclosure requirements under U.S. GAAP. The consolidated financial statements include the accounts of MGT along with its subsidiaries as noted above. All significant intercompany transactions have been eliminated in consolidation.

3. Summary of Significant Accounting policies under US GAAP

Use of Estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents include cash or deposits with financial institutions and deposits in highly liquid money market securities. Deposits with financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor. Bank deposits at times may exceed federally insured limits. Amounts over the FDIC insurance limit at June 30, 2018 and 2017 were approximately \$1,409,600 and \$963,500, respectively.

Accounts Receivable, Net

The Company carries its accounts receivable at face value less an allowance for doubtful accounts. The allowance for doubtful accounts is established to cover probable and reasonably estimable losses. The Company evaluates its accounts receivable and establishes an allowance for doubtful accounts based on historical experience, aging analyses, specifically identified troubled receivable balances that are past due and other currently available information, including macroeconomic factors. Uncollectible receivables are charged to bad debt expense when that determination is made. There was no bad debt expense for the year ended June 30, 2018. Allowance for doubtful accounts was \$29,000 and \$25,000 for the years ended June 30, 2018 and 2017.

Read accompanying Independent Auditor's Report.

MGT of America, LLC and Subsidiaries
Notes to Consolidated Financial Statements
As of June 30, 2018 and 2017 and for the Year Ended June 30, 2018

3. Summary of Significant Accounting policies under US GAAP - Continued

Property and Equipment, Net

Property and equipment is carried at cost, net of accumulated depreciation and amortization. Maintenance repairs and minor improvements are expensed as incurred. Depreciation is computed using the straight-line method of depreciation over the estimated useful lives of the assets, as follows:

Technology equipment and software	3 to 5 years
Furniture and fixtures	15 years
Leasehold improvements	Term of lease

Goodwill and Intangible Assets

Goodwill consists of the excess of purchase price over the fair value of identifiable net assets of companies acquired. In accordance with the Accounting Standards Codification "ASC") 350 "Intangibles-Goodwill and Other", the carrying amount of goodwill and intangible assets is to be reviewed at least annually for impairment, and losses in value, if any, will be charged to operations in the period of impairment. ASU 2011-8 permits an entity to evaluate qualitative factors to assess whether impairment is more likely than not to have occurred. The test for impairment was completed for the years ended June 30, 2018 and 2017. Goodwill was determined to not be impaired for the years ended June 30, 2018 and 2017.

In August 2017, the Company acquired the assets of Anderson Strickler (AS), a management consultancy firm for \$50,000 at closing, \$286,000 payable over the next three years based on AS achieving certain earn out targets. Earn out targets for the first payoff of \$50,000 due in August 2018 were not achieved and was recorded against Goodwill as of June 30, 2018. The achievements of the remaining targets are doubtful. The acquisition added one director and four staff and strengthened the Company's capabilities in higher education.

Intangible assets are recorded at their estimated fair value at the date of acquisition. Intangible assets are amortized using the straight-line method over 15 years. Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. Assets that are deemed to be potentially impaired are evaluated for recoverability based upon management's estimates of future discounted cash flows. If the carrying value exceeds the recoverable amount of the asset, the deficiency is recorded as an impairment loss. No fixed or intangible assets impairment charges were recorded for the years ended June 30, 2018 and 2017.

Fair Value Measurements

The Company's financial instruments primarily consist of cash, accounts receivable, accounts payable, and debt. The fair value of cash, accounts receivable, and accounts payable approximate carrying value since they are relatively short-term in nature. The carrying value of debt approximates fair value due either to length of maturity or existence of interest rates that approximate the prevailing market rates.

Read accompanying Independent Auditor's Report.

MGT of America, LLC and Subsidiaries
Notes to Consolidated Financial Statements
As of June 30, 2018 and 2017 and for the Year Ended June 30, 2018

3. Summary of Significant Accounting policies under US GAAP - Continued

Income Taxes and Priority Charges

The Company operates as a partnership for U.S. federal and state income tax purposes with a calendar year end. Generally, the tax liability related to income earned represents obligations of the individual members and has not been reflected in the consolidated financial statements. In the operating agreement, preferred members earn a 4% dividend on capital invested payable at the discretion of management with board approval. This obligation is not charged against earnings but shown as priority charge in the Statement of Changes in Members' equity.

The Company accounts for uncertain tax positions, if any in accordance with FASB Accounting Standards Codification 740. In accordance with these professional standards, the Company recognizes tax positions only to the extent management believes it is "more likely than not" that its tax positions will be sustained upon IRS examination. Management believes it has no uncertain tax positions that qualify for either recognition or disclosure in the consolidated financial statements for the year ended June 30, 2018. The Company believes that its income tax filings positions will be sustained upon examination and does not anticipate any adjustments that would result in material adverse effect on the Company's consolidated balance sheet, consolidated statement of operations or consolidated cash flows. Accordingly, the Company has not recorded any accruals for interest and penalties for uncertain income tax positions at June 30, 2018.

The Company's income tax returns are subject to examination by taxing authorities since its formation. As of June 30, 2018 the following tax years are subject to examination

Jurisdiction
Federal

Open Years for Filed Returns
December 31, 2016 and 2017

Revenue Recognition

Revenues include all amounts billable to clients. Revenues are principally recognized as services are rendered by employees of the Company and subcontractors working under the authority of the Company. The impact of performance variances to engagement revenues recognized to date, from changes in expected revenues, are recorded in the period in which these changes become known. Unbilled accounts receivable represents revenues for services rendered and expenses incurred that have not yet been billed. Billings in excess of services rendered are recorded as deferred revenues until the applicable revenue recognition criteria are met. The Company also derives revenues from engagements with incentive-based contracts and other contracts that condition fees on the ability to deliver certain defined goals. Revenues from such engagements are not recognized until a defined goal or milestone is met.

Advertising Costs

Advertising costs are charged to expense as incurred. Related expenses included in operating expenses in the accompanying consolidated statement of operations approximated \$11,000 for the year ended June 30, 2018.

Read accompanying Independent Auditor's Report.

MGT of America, LLC and Subsidiaries
Notes to Consolidated Financial Statements
As of June 30, 2018 and 2017 and for the Year Ended June 30, 2018

3. Summary of Significant Accounting policies under US GAAP - Continued

Credit Risks

The Company provides professional services to many geographically diverse customers primarily across the public sector. The Company performs ongoing credit evaluations of its clients and generally does not require collateral. Accounts receivable are reviewed on a periodic basis and an allowance for doubtful accounts is recorded where such amounts are determined to be uncollectible. Due to the large number of client accounts and the type of client base, management does not believe that a significant exposure from a concentration of credit risk exists.

4. Property and Equipment, net

Property and equipment, net consists of the following at June 30:

	<u>2018</u>	<u>2017</u>
Computer equipment	\$ 485,398	\$ 183,663
Software	174,086	172,022
Furniture and equipment	80,655	80,655
Leasehold improvements	36,170	36,170
Assets under construction	<u>151,200</u>	<u>-</u>
	927,509	472,510
Less accumulated depreciation	<u>(423,822)</u>	<u>(372,846)</u>
	<u>\$ 503,687</u>	<u>\$ 99,664</u>

Depreciation expense for the year ended June 30, 2018 was approximately \$53,000.

5. Intangible Assets, net

Intangible assets consist of the following:

	<u>2018</u>	<u>2017</u>	<u>Estimated Useful Life (Years)</u>
Non-compete agreements	\$ 771,277	\$ 771,277	15
Customer Relationships	<u>1,088,000</u>	<u>1,088,000</u>	15
	1,859,277	1,859,277	
Less accumulated amortization	<u>(1,551,597)</u>	<u>(1,509,288)</u>	
	<u>\$ 307,680</u>	<u>\$ 349,989</u>	

Estimated future amortization is estimated to be approximately \$42,000 each year through 2026. Amortization expense was approximately \$42,000 for the year ended June 30, 2018.

Read accompanying Independent Auditor's Report.

MGT of America, LLC and Subsidiaries
Notes to Consolidated Financial Statements
As of June 30, 2018 and 2017 and for the Year Ended June 30, 2018

6. Line of Credit

The Company has two lines of credit. One line has a limit of \$3,500,000 with an interest rate of prime plus one percent. The other line has a limit of \$150,000 with an interest rate of the Wall Street Journal Prime Interest Rate. The rate on the \$3,500,000 line was 5%. The rate on the \$150,000 line at June 30, 2018 was 5%. Interest on both lines is due monthly and the outstanding principal balance is due in full on demand. The outstanding balances owed on the lines of credit at June 30, 2018 were approximately \$2,849,195 and \$110,000. The outstanding balances owed on the lines of credit at June 30, 2017 were approximately \$2,163,287 and \$50,000. The line of credit of \$3,500,000 is collateralized by all assets of the Company. The line of credit of \$150,000 is collateralized by all assets of Strategos Public Affairs, LLC. As of June 30, 2018 and 2017, the Company is in compliance with all covenants.

7. Long Term Debt

In February 2018, the Company replaced its \$1,200,000 term loan with a new \$1,300,000 term loan and restructured the terms of its lines of credit to finance continued growth of the business.

Long Term debt consists of the following:

	<u>2018</u>	<u>2017</u>
Term loan due in monthly installments of \$24,883, including interest at 5.5% through January 2023, secured by assets of the Company and guaranteed by a member of the Company.	\$ 1,204,494	\$ -
Term loan due in monthly installments of \$4,500.28, including interest at 5% through October 2019, secured by all assets of Strategos Public Affairs, LLC.	69,485	107,563
Term loan due in monthly installments of \$8,800 including interest at 6% for July 2017 and August 2017. Final balloon payment due September 2017. Loan was extended month to month with same terms until refinancing in February 2018. Secured by assets of the Company.	-	1,170,822
	<u>1,273,979</u>	<u>1,278,385</u>
Less current installments of long-term debt	292,579	1,208,900
Long-term debt, excluding current installments	<u>\$ 981,400</u>	<u>\$ 69,485</u>

Read accompanying Independent Auditor's Report.

MGT of America, LLC and Subsidiaries
Notes to Consolidated Financial Statements
As of June 30, 2018 and 2017 and for the Year Ended June 30, 2018

7. Long Term Debt - Continued

As of June 30, 2018, the annual maturities of long-term debt are as follows:

<u>June 30,</u>		
2019	\$	292,579
2020		269,332
2021		265,893
2022		280,891
2023		165,284
	\$	<u>1,273,979</u>

8. Lease Obligations

The Company leases various operating facilities in Florida, Michigan and California with non-cancelable lease terms through 2025. The leases require payments of taxes and certain other expenses. Office rent expense was approximately \$466,000 in 2018. The following is a schedule of future minimum rental commitments required under non-cancelable leases that have a minimum initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2018:

<u>Year Ending June 30,</u>		
2019	\$	272,000
2020		278,000
2021		155,000
2022		149,000

In 2018, the Company began leasing certain computer equipment under leases classified as capital leases. The leased equipment is amortized on a straight line basis over 3 years. Total accumulated amortization related to the leased equipment was approximately \$17,100 in 2018. The following is a schedule showing the future minimum lease payments under capital leases:

<u>Year Ending June 30,</u>		
2019	\$	91,000
2020		90,500
2021		96,600
		<u>278,100</u>
Less interest		<u>(48,800)</u>
Total		<u>229,300</u>

Read accompanying Independent Auditor's Report.

MGT of America, LLC and Subsidiaries
Notes to Consolidated Financial Statements
As of June 30, 2018 and 2017 and for the Year Ended June 30, 2018

8. Lease Obligations - Continued

The interest rate related to the lease obligation is six percent with a maturity date in 2021. Total property under capital lease is \$271,407.

9. Retirement Plan

The Company has adopted a 401(k) profit sharing plan. Eligible employees may contribute elective pre-tax deferrals subject to Internal Revenue Service limitations. The Company matches contributions up to 3% of an employee's compensation. Employee contributions vest over a six year period. Total employer contributions for the year ended June 30, 2018 was approximately \$222,000.

10. Related Party Transactions

In June, the former founders exchanged their preferred interests for long term notes with an original principal balance of \$1,206,000, payable in 96 monthly principal payments of \$12,706 plus interest of 4.25%. In 2014, CPI, a company majority owned by former stock holders of MGT of America, Inc. entered into a loan agreement with an original principal balance of \$ 1,000,000 with the Company to fund ongoing operations payable monthly through July 15, 2025 plus interest of 6.25%.

Related party notes consist of the following:

	<u>2018</u>	<u>2017</u>
Related party debt due in monthly payments of \$12,706 plus interest of 4.25% through July 2026.	\$ 1,197,396	\$ -
Related party debt due in monthly payments of \$9,288 plus interest of 6.25% through September 2025. Secured by accounts receivable of the Company.	671,749	751,507
Due to partner	<u>10,000</u>	<u>10,000</u>
	1,879,145	761,507
Less current installments of long-term debt	<u>221,632</u>	<u>88,936</u>
Long-term debt, excluding current installments	\$ <u><u>1,657,513</u></u>	\$ <u><u>672,571</u></u>

Read accompanying Independent Auditor's Report.

MGT of America, LLC and Subsidiaries
Notes to Consolidated Financial Statements
As of June 30, 2018 and 2017 and for the Year Ended June 30, 2018

10. Related Party Transactions – Continued

As of June 30, 2018, the annual maturities of related party debt are as follows:

June 30,		
2019	\$	221,632
2020		222,460
2021		233,864
2022		245,876
2023		258,528
Thereafter		696,785
	\$	<u>1,879,145</u>

During 2018, the Company incurred rent expense of approximately \$226,000; legal costs of \$124,000; travel costs of \$115,000 and \$72,000 of refinancing costs to entities that are owned by members.

11. Commitments and Contingencies

The Company is involved in litigation arising in the ordinary course of business. Some of the actions and proceedings have been brought on behalf of various claimants and certain of these claimants seek damages of unspecified amounts. While the ultimate outcome of litigation matters cannot be predicted with certainty, it is the current opinion of management that the resolution of such litigation is not likely to have a material adverse effect on the consolidated financial statements.

12. Voting rights

Common units includes two classes - Class A common unit which has total voting rights while Class C common unit has limited voting rights and can be redeemed subject to cash availability and board approval. There were 483,646 and 458,479 vested units and 509,229 and 483,646 issued units Class A unit at June 30, 2018 and 2017, respectively. Class C common units vested and issued were 23,132 and 23,132 and 32,850 and 32,850 at June 30, 2018 and 2017, respectively. At June 9, 2018, Class C units were redeemed as part of the related party transaction described in Note 10.

Preferred units include three types – Preferred A, Preferred B and Preferred C. Preferred A units have no voting rights. They were issued at \$1,000 per unit and can be redeemed at any time at the discretion of the Board. They accrue dividends at Prime plus 3% per annum, payable monthly, which should be cumulative and payable with preference over common units. All of the 687 issued and outstanding units except 59 were redeemed during June 2018 for notes payable – see note 10. Preferred B units have no voting rights. They were issued at \$12 per unit and can be redeemed at any time at the discretion of the Board. They accrue dividends at 5% of Agreed Value, cumulative, payable monthly, with preference over common units. All of the 65,384 units were redeemed during June 2018 for notes payable. See note 10.

Read accompanying Independent Auditor's Report.

MGT of America, LLC and Subsidiaries
Notes to Consolidated Financial Statements
As of June 30, 2018 and 2017 and for the Year Ended June 30, 2018

12. Voting rights - Continued

Preferred Class C units have limited voting rights and accrue dividends at 4% to be paid at the discretion of the Board with preference over common units. There were 515,205 units outstanding as of June 30, 2018 and 2017.

13. Subsequent Events

Management has evaluated subsequent events through November 20, 2018, the date on which the consolidated financial statements were available to be issued. No subsequent events were identified that would require adjustment to, or disclosure in, the consolidated financial statements.

H. DISCLOSURE

MGT Consulting has no financial, business or other relationship with the City of Banning, and nothing that would impact the outcome of this contract. MGT Consulting is in full compliance with GC section 1090.

I. PRICE PROPOSAL

COST PROPOSAL: FULL COST ALLOCATION PLAN

MGT proposes to perform the services included in this proposal related to a Full Cost Allocation Plan for a fixed fee of **\$17,050**. This budget will provide the City with **82** consulting hours, which will provide the City with ample time and resources to produce a cost allocation plan as described in the scope of services. If the City chooses to proceed with the Federal Cost Allocation Plan, MGT has budgeted 20 hours to convert the Full Cost Allocation Plan to an OMB compliant Federal Cost Allocation Plan. Estimated expenses are shown for anticipated travel, copying and other costs related to the cost allocation plan. Only actual expenses will be charged.

Cost Allocation Plan				
	Hours	Labor	Expenses	Total
1. Initial Meeting	4	\$ 810	\$ 750	\$ 1,560
2. Introductory Training	4	\$ 810		\$ 810
3. Review and Preparation	1	\$ 185		\$ 185
4. Collect Core Data	0	\$ -		\$ -
5. Department Interviews	6	\$ 1,110		\$ 1,110
6. Develop Cost Plan Structure	4	\$ 740		\$ 740
7. Distribute Costs Into Functions	4	\$ 740		\$ 740
8. Develop Allocation Bases	4	\$ 740		\$ 740
9. Process Draft Cost Plans	24	\$ 4,440		\$ 4,440
10. Quality Control & Internal Review	4	\$ 810		\$ 810
11. Provide Draft Cost Plans	4	\$ 740		\$ 740
12. Produce Final Cost Plan	8	\$ 1,480	\$ 100	\$ 1,580
13. Finalize Cost Plans	8	\$ 1,480		\$ 1,480
14. Present Results	3	\$ 590	\$ 750	\$ 1,340
15. Present, Negotiate, Secure Approval of the Plan	2	\$ 405		\$ 405
16. Training, Guidance, Recap Memo	2	\$ 370		\$ 370
TOTAL	82	\$ 15,450	\$ 1,600	\$ 17,050
Federal Cost Allocation Plan (Optional)				
17 Adjustments to the Full Cost Plan to comply with 2 CFR Part 200 requirements	20	\$ 3,000	\$ -	\$ 3,000

I. PRICE PROPOSAL

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HOURLY BILLING RATES

MGT's hourly billing rates are as follows:

MGT Professional Staff	Hourly Billing Rates
Project Director	\$ 220
Senior Manager	\$ 185
Manager	\$ 170
Consultant	\$ 135

Additional services requested that fall outside the scope of this project shall be provided on a time-and-materials basis using the above hourly rates, with all expenses billed at cost subject to pre-approval. The hourly rate schedule is part of MGT's quote for use in invoicing for progress payments and for extra work incurred that is not part of this RFP.

METHOD OF PAYMENT

MGT will provide monthly invoices to the City. It is customary for MGT to invoice 10% of the contract price at the time of contract execution. This invoiced amount covers MGT efforts on strategy sessions, preliminary on-site meetings, project planning and items not tied to fixed fee tasks outlined in the proposal. The amount due per month will then be based on the remaining amount of the fixed fee amount divided by the anticipated number of months to complete the project.

J. PROPOSAL FORMS (EXHIBIT "A")

EX PARTE COMMUNICATIONS CERTIFICATE

DISQUALIFICATIONS QUESTIONNAIRE


DISCLOSURE OF GOVERNMENT POSITIONS

INDEMNITY AND INSURANCE STATEMENT

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 this RFP at any time after the date this RFP was publically advertised.


J. Bradley Burgess, Executive Vice President

OR

I certify that Proposer or Proposer's representatives have communicated about this RFP after the date this RFP was publically advertised with a City Councilmember. A copy of all such communications is attached to this form for public distribution.

DISQUALIFICATIONS 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 X

If the answer is yes, explain the circumstances in the following space.

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."

None

INDEMNITY AND INSURANCE STATEMENT

Summary of Indemnity and Insurance Requirements

1. These are the Indemnity and Insurance Requirements for Contractors providing services or supplies to the City. By agreeing to perform the work or submitting a proposal, you verify that you comply with and agree to be bound by these requirements. If any additional contract documents are executed, the actual Indemnity language and Insurance Requirements may include additional provisions as deemed appropriate by the City.
2. You should check with your Insurance advisors to verify compliance and determine if additional coverage or limits may be needed to adequately insure your obligations under this agreement. These are the minimum required and do not in any way represent or imply that such coverage is sufficient to adequately cover the Contractor's liability under this agreement. The full coverage and limits afforded under Contractor's policies of insurance shall be available to the City and these Insurance Requirements shall not in any way act to reduce coverage that is broader or includes higher limits than those required. The Insurance obligations under this agreement shall be: 1 – all the Insurance coverage and limits carried by or available to the Contractor; or 2 – the minimum Insurance Requirements shown in this agreement, whichever is greater. Any insurance proceeds in excess of the specified minimum limits and coverage required, which are applicable to given loss, shall be available to the City.
3. Contractor shall furnish the City with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to the City before work begins. The City reserves the right to require full-certified copies of all Insurance coverage and endorsements.

I. INDEMNIFICATION

To the fullest extent permitted by law, Consultant shall, at its sole cost and expense, defend, hold harmless and indemnify City and its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those City agents serving as independent contractors in the role of City officials (collectively "Indemnitees"), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys, or other professionals and all costs associated therewith and the payment of all consequential damages (collectively "Liabilities"), in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant, its officers, agents, servants, employees, subcontractors, materialmen, consultants or their officers, agents, servants or employees (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities

arising from the sole negligence or willful misconduct of the Indemnitees as determined by court decision or by the agreement of the Parties. Consultant shall defend the Indemnitees in any action or actions filed in connection with any Liabilities with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. Consultant shall reimburse the Indemnitees for any and all legal expenses and costs incurred by Indemnitees in connection therewith. Contractor shall agree that their defense and indemnification obligations are in addition to, and are not limited by, the Insurance obligations in the agreement.

Consultant shall pay all required taxes on amounts paid to Consultant under this Agreement, and indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Consultant shall fully comply with the workers' compensation law regarding Consultant and Consultant's employees. Consultant shall indemnify and hold City harmless from any failure of Consultant to comply with applicable workers' compensation laws. City may offset against the amount of any fees due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant's failure to promptly pay to City any reimbursement or indemnification arising under this paragraph.

Consultant shall obtain executed indemnity agreements with provisions identical to those in this Section from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. If Consultant fails to obtain such indemnity obligations, Consultant shall be fully responsible and indemnify, hold harmless and defend the Indemnitees from and against any and all Liabilities at law or in equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant's subcontractor, its officers, agents, servants, employees, subcontractors, materialmen, consultants or their officers, agents, servants or employees (or any entity or individual that Consultant's subcontractor shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees as determined by court decision or by the agreement of the Parties.

II. INSURANCE

The City of Banning will require the following to approve insurance for your contract:

1) Insurance Limits:

(a) General Liability insurance with limits of not less than \$1,000,000 for bodily injury and property damage; \$1,000,000 for personal and advertising injury; \$2,000,000 products and completed operations aggregate and \$2,000,000 general aggregate.

(b) Auto Liability insurance endorsed for "any auto" with limits of liability of not less than \$1,000,000 per accident for bodily injury and property damage.

(c) Professional Liability (Errors and Omissions) insurance appropriate to Consultant's profession, with limits of liability of not less than \$1,000,000 per claim/occurrence and \$1,000,000 policy aggregate. The "Retro Date" must be shown for the Professional Liability insurance. **(only required if contract involves the rendering of a professional service).**

(d) Workers' Compensation insurance as required under the California Labor Code.

(e) Employer's Liability insurance with limits of liability of not less than \$1,000,000, each accident; \$1,000,000 disease each employee; and \$1,000,000 disease policy limit.

*Limits can be adjusted by the City based on services provided.

2.) Insurance Requirements:

(a) California Insurance Commissioner to do business in the State of California and rated not less than "A- VII" in Best's Insurance Rating Guide.

(b) Certificate holder should appear as follows:

City of Banning
Attn: Purchasing Division
99 E. Ramsey Street
Banning, CA 92220-4837

(c) The certificate of insurance should read *"The City of Banning, its officers, officials, employees and agents are additional insured with respects to General Liability and Auto Liability insurance. This insurance is primary, and our obligations are not affected by any other insurance carried by such additional insured whether primary, excess, contingent, or on any other basis. Waiver of subrogation for Workers' Compensation insurance with respects to the City of Banning, its officers, officials, employees and agents."*

(d) The additional insured coverage under the contractor's policy shall be "primary and non-contributory" and will not seek contribution from the City's insurance or self-insurance and shall be at least as broad as CG 20 01 04 13.

3.) Insurance Documents:

(a) Include an Additional insured endorsement, with primary and non-contributory language or a primary insurance endorsement, for General Liability

insurance including ongoing operations and completed operations (i.e., CG 20 10, CG 20 33, or CG 20 38). The additional insured should read, "*The City of Banning, its officers, officials, employees, agents and volunteers*". Examples of primary insurance language are "*Such insurance as is afforded by the policy is primary and any other insurance shall be excess and not contribute to the insurance afforded by this endorsement*" or "*This insurance is primary, and our obligations are not affected by any other insurance carried by such additional insured whether primary, excess, contingent, or on any other basis*". The endorsement number needs to be included in the accord description of certificate of insurance.

(b) Include an Additional insured endorsement for Auto Liability insurance. The additional insured should read, "*The City of Banning, its officers, officials, employees and agents.*" The endorsement number needs to be included in the accord description of certificate of insurance.

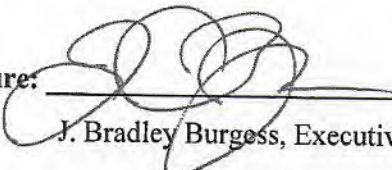
(c) Include a Waiver of subrogation endorsement for Workers' Compensation insurance should read, "*the City of Banning, its officers, officials, employees and agents.*" The endorsement number needs to be included in the accord description of certificate of insurance.

(d) Include a copy of the Declarations & Policy Endorsements page for the GL policy.

I have read and understood the above requirements and agree to be bound by them for any work performed for the city.

Authorized signature: _____

Date: March 18, 2019


J. Bradley Burgess, Executive Vice President

APPENDIX A: RESUMES

APPENDIX A: RESUMES

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**J. BRADLEY BURGESS**

Executive Vice President, Financial Solutions
MGT CONSULTING GROUP | bburgess@mgtconsulting.com

Over the past 29 years, J. Bradley Burgess has become a trusted thought leader in governmental financial analysis and executive decision making. He is regularly retained by public sector leaders throughout the nation to provide advice and solutions for difficult or complex public policy matters. He has provided expert testimony to state legislators, and is an adept negotiator who has successfully negotiated with state and federal authorities on multi-million dollar audits and reviews. He has served as a corporate officer for the following consulting firms: MGT of America Consulting, LLC, MGT of America, Inc., Public Resource Management Group, LLC (founder), MAXIMUS, DMG-MAXIMUS, and David M. Griffith and Associates, Ltd.



Mr. Burgess has personally served over 190 cities, and 49 of the 58 counties in California during his 29-year consulting career. He has also personally provided consulting services to 19 of California's 20 largest counties. Mr. Burgess also has extensive port experience having worked directly with San Diego Port, Port of Oakland, Port of San Francisco, as well as others. He has also consulted with such districts as Los Angeles Metro Transit, SF Muni, BART, Charlotte Transit, and Sound Transit in Seattle.

Recent projects include cannabis research and costing projects for the City and County of Denver, the State of Maryland and several counties in California. He also prepared the budget for Gary Indiana School Corporation as part of the Emergency Management Team hired by the State of Indiana in 2017.

AREAS OF EXPERTISE

Trusted advisor to public executives	Cost-of-service analysis
Public leadership / policy alignment	Public and private entrepreneurship
Strategic analysis	Expert witness
Project management	Audit preparation and defense
Budgeting	Organizational transformation

PROFESSIONAL LEADERSHIP

Mr. Burgess is an Executive Vice President at MGT Consulting and serves on the firm's Board of Directors. He is also the national manager responsible for MGT's Financial Services Division. Mr. Burgess was one of three founding partners of Public Resource Management Group (PRM). PRM became the fastest growing local government costing services practice in the nation. During his tenure with DMG and Maximus, Mr. Burgess was responsible for the large, multi-million local government consulting practice, with over 40 professional consultants, and over 400 clients served per year. In addition to state claiming and federal grant assistance, additional representative consulting studies include appropriation limitation studies, indirect cost rate proposal preparation, full cost and 2 CFR Part 200 federal cost allocation plans, user fee studies, development impact fee analysis, and legislative analysis.

APPENDIX A: RESUMES

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**SARA BEEMER***Manager*

MGT CONSULTING GROUP | sbeemer@mgtconsulting.com

Ms. Beemer has over sixteen years of professional consulting experience working with local governmental agencies. She is a Manager assigned to the MGT Financial Solutions Division. Prior to her consulting career, she worked for five years in local government agencies and worked on the city side of costing service projects during those years. While working for the City of Claremont Finance Department, Ms. Beemer prepared auditing schedules, assisted with the preparation, development and analysis of the Budget, assisted in the preparation of monthly financial reports, prepared and verified financial results, notes, statistical information, and formats for the city's Comprehensive Annual Financial Report (CAFR).



As an Senior Administrative Analyst with the City of Redondo Beach Police Department, Ms. Beemer was responsible for budget preparation; and monitoring, analyzing, and the approval of all budget and grant expenditures. She also served as the financial liaison to city departments and grantor agencies.

AREAS OF EXPERTISE

Ms. Beemer's local government and consulting experience, has given her the knowledge and experience of governmental budgeting, finance, accounting and operations; generally accepted accounting principles and costing principles. The following are the types of projects she has managed and/or participated on:

- ♦ Development of cost allocation plans (CAPs) in accordance with generally accepted accounting principles (GAAP).
- ♦ Development of CAPs in accordance with federal principles.
- ♦ Assisting agencies in maximizing general fund cost recoveries from federally funded programs, enterprise and special revenue funds, and other non-general fund sources.
- ♦ Development and negotiation of indirect cost rate proposals (ICRPs).
- ♦ Development of activity based cost of service and user fee studies.
- ♦ Development and negotiation of charge-back rate methodologies and rates.

Ms. Beemer has worked with agencies and developed several cost allocation plans, indirect cost rate proposals (ICRPs) and user fee studies.

EDUCATION

B.S., Finance, California State University, Fullerton

WORK EXPERIENCE

MGT of America Consulting, LLC, Manager, August 2007 - Present

PRM, Consultant, 2006 – 2007

City of Redondo Beach, CA, Administrative Analyst, 2004 - 2006

City of Claremont, CA, Analyst, 2002 – 2004

CLIENT SERVICE HIGHLIGHTS**City of Vallejo**

Ms. Beemer has prepared the **City of Vallejo's** full cost allocation plan, 2 CFR Part 200 cost allocation plan, indirect overhead rates, additional overhead rate calculations that conform with Caltrans requirements and a

APPENDIX A: RESUMES

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SARA BEEMER

Manager

MGT CONSULTING GROUP | sbeemer@mgtconsulting.com

Water Fund cost allocation plan for the last ten years. Their Federal Cognizant Agency, the U.S. Department of Housing and Urban Development (HUD) has approved the City's 2 CFR cost plans and indirect cost rates. The City was having difficulties getting buy-in on the cost allocation plan methodology and results from residents of Community Facilities Districts and Landscape Maintenance Districts. Previous meetings and written communications with the residents had not proven effective. This challenge was solved when Ms. Beemer was invited to attend the meeting and explain the methodology and results to the residents. Her presentation was well-received and resulted in the residents accepting the plan results.

Yuba County Cost Allocation Plan

Over the last few years the County restructured their organization, including departments that were transitioning Internal Service departments. Ms. Beemer has prepared **Yuba County's** annual 2 CFR Part 200 cost allocation plans for the past nine years. The County's organization changes impacted the cost allocation plan, which had to be adjusted because those departments previously had their costs allocated through the cost plan but were now Internal Service Funds. Ms. Beemer created a customized report to indicate previous cost plan charges and the department's future transition as a grantee to ensure full recovery of appropriate costs. During this process, Ms. Beemer worked directly with the California State Controller's Office to walk them through the report and explain the adjustments and get the customized plan approved for Yuba County, as well as for and other counties that had similar transitions.

City of Rancho Cucamonga – Cost Allocation Plan

When the City needed assistance in handling the overhead for the City's Special Districts about three years ago, Ms. Beemer developed a specific methodology to allocate administrative costs for the Special Districts. Since then, For the past seven years, Ms. Beemer has prepared the **City of Rancho Cucamonga's** full cost allocation plans and the 2 CFR Part 200 cost allocation plans. In addition, the City requested assistance in about three years ago. Ms. Beemer has developed a cost allocation plan specifically for the allocation of and this has since then been one of the services included in the annual project for the City. During the last couple of years, the City has had several staff transitions of those who were directly involved with the management of the cost allocation plan for the City side of the project. The transitions have been smooth due to the great relationship that Ms. Beemer and the City staff have established. The success of this annual project is due to the communication and the efforts to ensure that there is an understanding of the process of the development of their cost plan and the thorough evaluation of the results of the cost plans each year.

APPENDIX A: RESUMES

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**CHRIS BRUNETTE***Senior Consultant*

MGT CONSULTING GROUP | cbrunette@mgtconsulting.com

Mr. Brunette is a consultant with MGT Consulting working primarily as a costing services technical analyst specializing in cost allocation and state/federal reimbursement projects. Prior to that, he spent 16 years working on cost reimbursement claiming and data acquisition and manipulation projects. While working for Mandated Cost Systems, Inc. (and later as SI&A, Inc.), he prepared reimbursement claims for local agencies and school districts, as well as data analysis. He refined salary and budget information for hundreds of clients each year for use in reimbursement claims.



As an associate consultant and consultant for MAXIMUS, Inc., he prepared reimbursement claims, formatted and processed raw data for salaries and claiming. He also managed smaller projects, created and updated claim forms, and managed a claiming database used by the mandated cost reimbursement department. At MGT Consulting, Mr. Brunette assists on cost allocation plan projects, uploading and reformatting data. His most recent cost allocation plan projects include cost plans for City of Long Beach, City of Santa Monica and Arapahoe County, Colorado.

Mr. Brunette also manages MGT's practice for preparing and defending audits related to the CA Ground Emergency Medical Transport grants for local fire departments. He works with the cities of Beverly Hills, Newport Beach, West Covina and Glendale analyzing large EMS data sets, fire department expenditures and billing statistics to seek reimbursement from the State of California for medical transports. His efforts have helped local cities and counties recoup over \$1 million in funds from the 2014 to 2017 fiscal years.

AREAS OF EXPERTISE

Mr. Brunette's processing and consulting experience has given him the knowledge and experience of governmental budgeting, finance, accounting and operations.

- ♦ SB90 Claims and Processing
- ♦ Cost Allocation Plans
- ♦ ICRPs

WORK EXPERIENCE

MGT of America Consulting, LLC, *Consultant*, September 2014 - Present

MAXIMUS, Inc., *Associate Consultant/Consultant*, June 2007 – May 2013

Mandated Cost Systems, Inc. (SI&A, INC.) *In-House Staff/Product Support*, November 1998 – June 2007

RELEVANT PROJECT EXPERIENCE

- | | |
|------------------------------|-----------------------------|
| ♦ City of Bakersfield SB90 | ♦ County of Amador SB90 |
| ♦ City of Beverly Hills GEMT | ♦ County of Lake CAP |
| ♦ City of Chico SB90 | ♦ County of Monterey SB90 |
| ♦ City of Colton SB90 | ♦ County of Napa SB90 |
| ♦ City of Fresno ICRPs | ♦ County of Riverside SB90 |
| ♦ City of Newport Beach GEMT | ♦ County of Sacramento SB90 |
| ♦ City of Sacramento ICRPs | ♦ County of San Mateo SB90 |
| ♦ City of San Jose SB90 | ♦ County of Santa Cruz CAP |
| ♦ City of Santa Clara SB90 | ♦ City of Turlock CAP/ICRP |
| ♦ City of Sunnyvale SB90 | ♦ City of Turlock SB90 |
| ♦ County of Alameda SB90 | ♦ County of Siskiyou SB90 |
| ♦ County of Amador CAP | ♦ County of Yuba CAP |

APPENDIX A: RESUMES

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**BRET SCHLYER**

Vice President, Financial Solutions
MGT CONSULTING GROUP | bschlyer@mgtconsulting.com

Mr. Schlyer is a Vice President for MGT's Financial Solutions Division, with more than 24 years of experience assisting state and local government clients. His work experience with the Kansas Corporation Commission and consulting project experiences have provided him both theoretical and practical experience in the analysis and costing of governmental operations. He has extensive experience with federal cost determination standards; generally accepted accounting principles and procedures; and governmental budgeting, finance, accounting, and operations.

**AREAS OF EXPERTISE**

- ♦ Development of cost allocation plans (CAPs) in accordance with generally accepted accounting principles (GAAP).
- ♦ Development of CAPs in accordance with federal principles (2 CFR Part 200).
- ♦ Development and negotiation of statewide cost allocation plans (SWCAPs).
- ♦ Development and negotiation of charge-back rate methodologies and rates for Internal Service Funds.
- ♦ Development and negotiation of indirect cost rate proposals (ICRPs).
- ♦ Development of indirect cost policies, procedures, and models for sub-grantees.
- ♦ Development of activity based cost of services and user fee studies.
- ♦ Development and implementation of random moment sampling systems and other personnel activity reporting systems.
- ♦ Assisting agencies in maximizing general fund cost recoveries from federally funded programs, enterprise and special revenue funds, and other non-general fund sources.

EDUCATION

B.S., Business Accounting, University of Kansas

WORK EXPERIENCE

MGT of America Consulting, LLC, *Director, Financial Services*, 2008-Present

Maximus, Inc., *Director, Financial Services Division*, 2000-2008

David M. Griffith & Associates, LTD. (DMG), *Consultant*, 1994-1998

Kansas Corporation Commission, *Administrative Officer*, 1993

STATE GOVERNMENT EXPERIENCE

Mr. Schlyer has extensive experience and knowledge of 2 CFR Part 200 and its application and relevance to state governments in a variety of settings including the development and negotiation of cost allocation plans (CAP), state wide cost allocation plans (SWCAPs) and indirect cost rate proposals (ICRP). He also has experience with implementing and administering random moment sampling systems, and rate setting and administrative claiming for the Medicaid program.

LOCAL GOVERNMENT AND NOT-FOR-PROFIT EXPERIENCE

Mr. Schlyer also has significant experience with local government and not-for-profit cost recovery operations, including

- Development of Federal and GAAP (Full Cost) allocation plans and indirect cost rate proposals.
- Development of Activity Based Costing and User Fee models
- Charge back rate studies for internal service funds
- Jail per-diem rate studies
- Administrative claiming for the Medicaid and IV-E programs
- Claims for the State Criminal Alien Assistance Program

APPENDIX A: RESUMES

♦ ♦ ♦

**BRET SCHLYER**

Vice President, Financial Solutions
MGT CONSULTING GROUP | bschlyer@mgtconsulting.com

REPRESENTATIVE CLIENTS**STATEWIDE COST ALLOCATION PLANS**

- ♦ Kansas Department of Administration
- ♦ Louisiana Office of Statewide Reporting & Accounting Policy
- ♦ Nevada Department of Administration
- ♦ New Mexico Department of Administration
- ♦ North Dakota Department of Fiscal Management
- ♦ Oklahoma Office of State Finance
- ♦ Texas Office of the Governor
- ♦ Washington Office of Financial Management

INTERNAL SERVICE RATE SETTING

- ♦ Alaska Division of Enterprise Technology Services – Billed Services Methodology Review
- ♦ Alaska Division of Enterprise Technology Services – Billed Services Rate Model Development
- ♦ Kansas Department of Social and Rehabilitation Services – Rate Setting
- ♦ Louisiana Office of Computing Services – Cost Allocation & Rate Development
- ♦ Louisiana Office of State Procurement – Rate Model And Billing Methodology.
- ♦ Louisiana Office of Human Capital Management – Rate Model And Billing Methodology
- ♦ Louisiana Division of Administrative Law – Rate Model And Billing Methodology.
- ♦ North Carolina Office of Administrative Hearings – Rate Model And Billing Methodology

STATEWIDE COST ALLOCATION AND INDIRECT COST RATE

- ♦ Arizona Department of Game & Fish
- ♦ Arizona Department of Forestry
- ♦ Arizona Governor's Office
- ♦ Arizona Attorney General
- ♦ Florida Agency for Workforce Innovation
- ♦ Alaska Department of Community Commerce and Economic Development
- ♦ Alaska Department of Environmental Conservation, Division of Water – Cost Allocation Model
- ♦ Kansas Corporation Commission
- ♦ Kansas Department of Agriculture
- ♦ Kansas Department of Commerce
- ♦ Kansas Department of Labor
- ♦ Kansas Department of Health & Environment
- ♦ Kansas Department of Wildlife, Parks & Tourism
- ♦ Kansas Historical Society
- ♦ Louisiana Department of Corrections
- ♦ Louisiana Department of Transportation and Development
- ♦ Louisiana Department of Labor
- ♦ Louisiana Department of Natural Resources
- ♦ Louisiana Department of Public Safety
- ♦ Louisiana Department of Wildlife & Fisheries
- ♦ North Carolina Department of Environment & Natural Resources
- ♦ Ohio Department of Health
- ♦ Washington Student Achievement Council
- ♦ Texas Secretary of State
- ♦ Virginia Department of Mines & Minerals

**FLORIDA**

516 North Adams Street
Tallahassee, Florida 32301

4320 West Kennedy Boulevard
Tampa, Florida 33609

CALIFORNIA

2251 Harvard Street, Suite 134
Sacramento, California 95815

3579 East Foothill Boulevard, Suite 144
Pasadena, California 91107

COLORADO

8200 South Quebec, Suite A3 #184
Centennial, Colorado 80112

INDIANA

1988 Polk Street
Gary, Indiana 46407

KANSAS

13303 West Maple, Suite 139 #177
Wichita, Kansas 67235

MARYLAND

18310 Montgomery Village Avenue #520
Gaithersburg, Maryland 20879

MICHIGAN

2343 Delta Road
Bay City, Michigan 48706

NORTH CAROLINA

10030 Green Level Church Road, Suite #1267
Cary, North Carolina 27519

TEXAS

1801 East 51st Street, Suite 365-504
Austin, Texas 78723

VIRGINIA

3126 West Cary Street, Suite 108
Richmond, Virginia 23221

WASHINGTON

1420 Marvin Road, NE, Suite C #342
Olympia, Washington 98516



MGT of America Consulting, LLC

www.mgtconsulting.com

ATTACHMENT 4

Professional Services Agreement

**PROFESSIONAL SERVICES AGREEMENT (C00500)
FOR ENTERPRISE FUND & INTERNAL SERVICE FUND
COST ALLOCATION STUDY**

By and Between

THE CITY OF BANNING

and

**MGT OF AMERICA CONSULTING, LLC,
a Florida limited liability company**

**AGREEMENT FOR PROFESSIONAL SERVICES (C00500) FOR ENTERPRISE
FUND & INTERNAL SERVICE FUND COST ALLOCATION STUDY BY AND
BETWEEN CITY OF BANNING AND MGT OF AMERICA CONSULTING, LLC**

THIS AGREEMENT FOR PROFESSIONAL SERVICES (herein "Agreement") is made and entered into this ____ day of _____, 2019 by and between the **CITY OF BANNING, a municipal corporation** ("City") and **MGT OF AMERICA CONSULTING, LLC, a Florida limited liability company** ("Consultant"). City and Consultant are sometimes hereinafter individually referred to as "Party" and hereinafter collectively referred to as the "Parties."

RECITALS

A. City has sought, by issuance of a Request for Proposals (RFP No. 19-031), the performance of the services for the Enterprise Fund & Internal Service Fund Cost Allocation Study prepared in connection therewith, and as further defined and described particularly in Article 1 of this Agreement.

B. Consultant, following submission of a proposal or bid for the performance of the services defined and described particularly in Article 1 of this Agreement, was selected by the City to perform those services.

C. Pursuant to the City of Banning's Municipal Code, City has authority to enter into this Agreement.

D. The Parties desire to formalize the selection of Consultant for performance of those services defined and described particularly in Article 1 of this Agreement and desire that the terms of that performance be as particularly defined and described herein.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the mutual promises and covenants made by the Parties and contained herein and other consideration, the value and adequacy of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1. SERVICES OF CONSULTANT

1.1 Scope of Services.

In compliance with all terms and conditions of this Agreement, the Consultant shall provide those services specified in the "Scope of Services" attached hereto as Exhibit "A" and incorporated herein by this reference, which services may be referred to herein as the "services" or "work" hereunder and which relate to Enterprise Fund & Internal Service Fund Cost Allocation Study. As a material inducement to the City entering into this Agreement, Consultant represents and warrants that it has the qualifications, experience, and facilities necessary to properly perform the services required under this Agreement in a thorough, competent, and professional manner, and is experienced in performing the work and services contemplated herein. Consultant shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services

described herein. Consultant covenants that it shall follow the highest professional standards in performing the work and services required hereunder and that all materials will be of good quality, fit for the purpose intended. For purposes of this Agreement, the phrase "highest professional standards" shall mean those standards of practice recognized by one or more first-class firms performing similar work under similar circumstances.

1.2 Consultant's Proposal.

This Agreement shall, in addition to the Scope of Services provided in Exhibit "A", include the Request for Proposal or Invitation for Bids ("Contract Documents"), which are incorporated herein by this reference as though fully set forth herein. This Agreement shall also include the Consultant's accepted bid proposal ("Accepted Bid"), which is attached hereto as Exhibit "A-1" and incorporated herein by this reference as though fully set forth herein. In the event of any inconsistency between the Contract Documents, Accepted Bid, and/or this Agreement, the terms of the Contract Documents shall govern over the Accepted Bid, and the terms of this Agreement shall govern over both the Contract Documents and the Accepted Bid.

1.3 Compliance with Law.

Consultant shall keep itself informed concerning, and shall render all services hereunder in accordance with, all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental entity having jurisdiction in effect at the time service is rendered.

1.4 Licenses, Permits, Fees and Assessments.

Consultant shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. Consultant shall have the sole obligation to pay for all fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Consultant's performance of the services required by this Agreement, and Consultant shall indemnify, defend and hold harmless City, its officers, employees or agents of City, against all such fees, assessments, taxes penalties or interest levied, assessed or imposed against City hereunder.

1.5 Familiarity with Work.

By executing this Agreement, Consultant warrants that Consultant (i) has thoroughly investigated and considered the Scope of Services to be performed, (ii) has carefully considered how the services should be performed, and (iii) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, Consultant warrants that Consultant has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services hereunder. Should the Consultant discover any latent or unknown conditions, which will materially affect the performance of the services hereunder, Consultant shall immediately inform the City of such fact and shall not proceed except at City's risk until written instructions are received from the Contract Officer.

1.6 Care of Work.

The Consultant shall adopt reasonable methods during the life of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the work by City, except such losses or damages as may be caused by City's own negligence.

1.7 Further Responsibilities of Parties.

Both Parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both Parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonable necessary to carry out the purposes of this Agreement. Unless hereafter specified, neither Party shall be responsible to perform the services of the other.

1.8 Additional Services.

City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or to make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer (as defined in Section 4.3, *infra*) to the Consultant, which written order incorporates therein an adjustment in (i) the Contract Sum (as defined in Section 2.1, *infra*), and/or (ii) the Schedule of Performance, (as defined in Section 3.2, *infra*), and which written order is approved in writing by the Consultant. Any increase in compensation of up to five percent (5%) of the Contract Sum or \$25,000, whichever is less; or in the Schedule of Performance of up to one hundred eighty (180) days may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively must be approved by the City Council. It is expressly understood by Consultant that the provisions of this Section 1.8 shall not apply to services which are specifically set forth in the Scope of Services or which are reasonably contemplated therein. Consultant hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Consultant anticipates and that Consultant shall not be entitled to additional compensation therefor.

1.9 Facilities and Equipment.

Except as otherwise provided, Consultant shall, at its own cost and expense, provide all facilities and equipment necessary to perform the services required by this Agreement. City shall make available to Consultant only physical facilities such as desk, filing cabinets, and conference space ("City Facilities"), as City deems, in its sole discretion, to be reasonably necessary for Consultant's use while consulting with City employees and reviewing records and the information in possession of City. The location, quality, and time of furnishing City Facilities shall be in the sole discretion of City. In no event shall City be required to furnish any facilities that may involve incurring any direct expense, including but not limited to computer, long distance telephone, network data, internet or other communication charges, vehicles and reproduction facilities.

1.10 Special Requirements.

Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as Exhibit "B" and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit "B" and any other provisions of this Agreement, the provisions of Exhibit "B" shall govern.

ARTICLE 2. COMPENSATION AND METHOD OF PAYMENT.

2.1 Contract Sum.

Subject to any limitations set forth in this Agreement, City agrees to pay Consultant the amounts specified in Exhibit A-1. The total compensation, including reimbursement for actual expenses, shall not exceed SEVENTEEN THOUSAND FIFTY DOLLARS (\$17,050.00) (the "Contract Sum"), unless additional compensation is approved pursuant to Section 1.8.

2.2 Method of Compensation.

The method of compensation may include: (i) a lump sum payment upon completion, (ii) payment in accordance with specified tasks or the percentage of completion of the services, (iii) payment for time and materials based upon the Consultant's rates as specified in Exhibit A-1, provided that time estimates are provided for the performance of sub tasks, but not exceeding the Contract Sum or (iv) such other methods as may be specified in Exhibit A-1.

2.3 Reimbursable Expenses.

Compensation may include reimbursement for actual and necessary expenditures for reproduction costs, telephone expenses, and travel expenses approved by the Contract Officer in advance, or actual sub-consultant expenses if an approved sub-consultant pursuant to Section 4.5, and only if specified in Exhibit A-1. The Contract Sum shall include the attendance of Consultant at all project meetings reasonably deemed necessary by the City. Coordination of the performance of the work with City is a critical component of the services. If Consultant is required to attend additional meetings to facilitate such coordination, Consultant shall not be entitled to any additional compensation for attending said meetings.

2.4 Invoices.

Each month Consultant shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month. Each such invoice shall contain all of the information set forth in Exhibit A-1. By submitting an invoice for payment under this Agreement, Consultant is certifying compliance with all provisions of the Agreement. Consultant shall not invoice City for any duplicate services performed by more than one person.

City may independently review each invoice submitted by the Consultant to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. City will use its best efforts to cause Consultant to be paid within thirty (30) days of receipt of Consultant's correct and undisputed invoice. Except as to any charges for work performed or expenses incurred by Consultant which are disputed by City, or as provided in

Section 7.3. In the event any charges or expenses are disputed by City, the original invoice shall be returned by City to Consultant for correction and resubmission. Review and payment by the City of any invoice provided by the Consultant shall not constitute waiver of any rights or remedies provided herein or any applicable law.

2.5 Waiver.

Payment to Consultant for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Consultant.

ARTICLE 3. PERFORMANCE SCHEDULE

3.1 Time of Essence.

Time is of the essence in the performance of this Agreement.

3.2 Schedule of Performance.

Consultant shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in Exhibit A-1 and incorporated herein by this reference. When requested by the Consultant, extensions of the time period(s) specified in Exhibit A-1 ("Schedule of Performance") may be approved in writing by the Contract Officer but not exceeding one hundred eighty (180) days cumulatively, as set forth in Section 1.8, above.

3.3 Force Majeure.

The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Consultant, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Consultant shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified, subject to the provisions of Section 1.8, above. The Contract Officer's determination shall be final and conclusive upon the Parties to this Agreement. In no event shall Consultant be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Consultant's sole remedy being extension of the Agreement pursuant to this Section.

3.4 Term.

Unless earlier terminated in accordance with Article 7 of this Agreement, the term of this Agreement shall continue in full force and effect until completion of the services but not exceeding one (1) year from the date hereof, except as otherwise provided in the Schedule of Performance. Maximum term and any subsequent amendment or modification shall not exceed five (5) years.

ARTICLE 4. COORDINATION OF WORK

4.1 Principals of Consultant.

The following representatives and personnel of Consultant (Principals) are hereby designated as being the Principals of Consultant authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith:

J. Bradley Burgess, Executive Vice President

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing principals were a substantial inducement for City to enter into this Agreement. Therefore, the foregoing Principals shall be responsible during the term of this Agreement for directing all activities of Consultant and devoting sufficient time to personally supervise the services hereunder. All personnel of Consultant, and any authorized agents, shall at all times be under the exclusive direction and control of the Principals. For purposes of this Agreement, the foregoing Principals may not be replaced nor may their responsibilities be substantially reduced by Consultant without the express written approval of City. Additionally, Consultant shall utilize only competent personnel to perform services pursuant to this Agreement. Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's staff and sub-consultants, if any, assigned to perform the services required under this Agreement. Consultant shall notify City of any changes in Consultant's staff and sub-consultants, if any, assigned to perform the services required under this Agreement, prior to and during any such performance. In the event that City, in its sole discretion, at any time during the term of this Agreement, desires to reassign any staff or sub-consultant of Consultant, Consultant shall, immediately upon receipt of a written reassign notice from City which requests such a reassignment, reassign such person or persons.

4.2 Status of Consultant.

Consultant shall have no authority to bind City in any manner, or to incur any obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City. Consultant shall not at any time or in any manner represent that Consultant or any of Consultant's officers, employees, or agents are in any manner officials, officers, employees or agents of City. Neither Consultant, nor any of Consultant's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Consultant expressly waives any claim Consultant may have to any such rights.

4.3 Contract Officer.

The Contract Officer shall be such person as may be designated by the City Manager. It shall be the Consultant's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and the Consultant shall refer any decisions which must be made by City to the Contract Officer. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Contract Officer. The Contract Officer shall have authority, if specified in writing by the City Manager, to sign all documents on behalf of the City required hereunder to carry out the terms of this Agreement.

4.4 Independent Consultant.

Neither the City nor any of its employees shall have any control over the manner, mode or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth herein. City shall have no voice in the selection, discharge, supervision or control of Consultant's employees, servants, representatives or agents, or in fixing their number, compensation or hours of service. Consultant shall perform all services required herein as an independent Consultant of City and shall remain at all times as to City a wholly independent Consultant with only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed to be a partner of Consultant in its business or otherwise or a joint venture or a member of any joint enterprise with Consultant.

4.5 Prohibition Against Subcontracting or Assignment.

The experience, knowledge, capability and reputation of Consultant, its principals and employees were a substantial inducement for the City to enter into this Agreement. Therefore, Consultant shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of the City. In addition, neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty-five percent (25%) of the present ownership and/or control of Consultant, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release the Consultant or any surety of Consultant of any liability hereunder without the express consent of City.

ARTICLE 5. INSURANCE, INDEMNIFICATION AND BONDS

5.1 Insurance Coverages.

Throughout the life of this Agreement, Consultant shall pay for and maintain in full force and effect all policies of insurance required hereunder with an insurance company(ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A- VII" in Best's Insurance Rating Guide, or (ii) authorized by the City Manager or his/her designee at any time and in his/her sole discretion. The following policies of insurance are required:

(i) **COMMERCIAL GENERAL LIABILITY** insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01 and include insurance for "bodily injury," "property damage" and "personal and advertising injury" with coverage for premises and operations (including the use of owned and non-owned equipment), products and completed operations, and contractual liability (including, without limitation, indemnity obligations under the Contract) with limits of liability of not less than the following:

\$1,000,000 per occurrence for bodily injury and property damage

\$1,000,000 per occurrence for personal and advertising injury

\$2,000,000 aggregate for products and completed operations

\$2,000,000 general aggregate

(ii) COMMERCIAL AUTOMOBILE LIABILITY insurance which shall be at least as broad as the most current version of Insurance Service Office (ISO) Business Auto Coverage Form CA 00 01, and include coverage for all owned, hired, and non-owned automobiles or other licensed vehicles (Code 1 Any Auto) with limits of liability of not less than \$1,000,000 per accident for bodily injury and property damage.

(iii) WORKERS' COMPENSATION insurance as required under the California Labor Code.

(iv) EMPLOYERS' LIABILITY insurance with limits of liability of not less than \$1,000,000 each accident, \$1,000,000 disease policy limit and \$1,000,000 disease each employee.

(v) PROFESSIONAL LIABILITY Professional Liability (Errors and Omissions) insurance appropriate to Consultant's profession, with limits of liability of \$1,000,000 per claim/occurrence and \$1,000,000 policy aggregate.

In the event Consultant purchases an Umbrella or Excess insurance policy(ies) to meet the minimum limits of insurance set forth above, this insurance policy(ies) shall "follow form" and afford no less coverage than the primary insurance policy(ies).

If this Agreement continues for more than three (3) years duration, or in the event the City Manager or his/her designee determines that the work or services to be performed under this Agreement creates an increased or decreased risk of loss to the City, the Consultant agrees that the minimum limits of the insurance policies may be changed accordingly upon receipt of written notice from the City Manager, or his/her designee.

Consultant shall be responsible for payment of any deductibles contained in any insurance policies required hereunder and Consultant shall also be responsible for payment of any self-insured retentions.

Any deductibles or self-insured retentions must be declared to, and approved by, the City Manager or his/her designee. At the option of the City Manager or his/her designee, either: (i) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects to City, its Council members, officers, officials, employees and agents; or (ii) Consultant shall provide a financial guarantee, satisfactory to the City Manager or his/her designee, guaranteeing payment of losses and related investigations, claim administration and defense expenses. At no time shall the City be responsible for the payment of any deductibles or self-insured retentions.

5.2 General Requirements.

All policies of insurance required hereunder shall be endorsed to provide that the coverage shall not be cancelled, non-renewed, reduced in coverage or in limits except after 30 calendar day written notice has been given to City. Upon issuance by the insurer, broker, or agent of a notice of cancellation, non-renewal, or reduction in coverage or in limits, Consultant shall furnish City with a new certificate and applicable endorsements for such policy(ies). In the event any policy is due to expire during the Schedule of Performance for the work to be performed for City, Consultant shall provide a new certificate, and applicable endorsements, evidencing renewal of such policy not less than 15 calendar days prior to the expiration date of the expiring policy.

The General Liability and Automobile Liability insurance policies shall be written on an occurrence form. The General Liability (including ongoing and completed operations) and Automobile Liability shall name City and its officers, officials, employees, agents and volunteers as an additional insured. Such policy(ies) of insurance shall be endorsed so Consultant's insurance shall be "primary and non-contributory" and will not seek contribution from the City's insurance or self-insurance and shall be at least as broad as CG 20 01 04 13. The coverage shall contain no special limitations on the scope of protection afforded to the City and its officers, officials, employees, agents and volunteers. The Workers' Compensation insurance policy shall contain a waiver of subrogation as to City and its officers, officials, employees, agents and volunteers. Should Consultant maintain insurance with broader coverage and/or limits of liability greater than those shown above, City requires and shall be entitled to the broader coverage and/or the higher limits of liability maintained by Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to City.

If the Professional Liability (Errors and Omissions) insurance policy is written on a claims-made form:

1. The retroactive date must be shown, and must be before the effective date of the Agreement or the commencement of work by Consultant.
2. Insurance must be maintained and evidence of insurance must be provided for at least three years after any expiration or termination of the Agreement or, in the alternative, the policy shall be endorsed to provide not less than a three-year discovery period.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of the Agreement or the commencement of work by Consultant, Consultant must purchase extended reporting coverage for a minimum of three years following the expiration or termination of the Agreement.
4. A copy of the claims reporting requirements must be submitted to City for review.
5. These requirements shall survive expiration or termination of the Agreement.

Consultant shall furnish City with all certificate(s) and applicable endorsements effecting coverage required hereunder. All certificates and applicable endorsements are to be received and approved by the City Manager or his/her designee prior to City's execution of the Agreement and before work commences.

If at any time during the life of this Agreement or any extension, Consultant or any of its subcontractors fail to maintain any required insurance in full force and effect, all work under this Agreement shall be discontinued immediately, and all payments due or that become due to Consultant shall be withheld until notice is received by City that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period satisfactory to City. Any failure to maintain the required insurance shall be sufficient cause for City to terminate this Agreement. No action taken by City hereunder shall in any way relieve Consultant of its responsibilities under this Agreement.

Upon request of City, Consultant shall immediately furnish City with a complete copy of any insurance policy required under this Agreement, including all endorsements, with said copy certified by the underwriter to be a true and correct copy of the original policy. This requirement shall survive expiration or termination of this Agreement.

The fact that insurance is obtained by Consultant shall not be deemed to release or diminish the liability of Consultant, including, without limitation, liability under the indemnity provisions of this Agreement. The duty to indemnify City and its officers, officials, employees, agents and volunteers shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by Consultant. Approval or purchase of any insurance contracts or policies shall in no way relieve from liability nor limit the liability of Consultant, its principals, officers, employees, agents, persons under the supervision of Consultant, vendors, suppliers, invitees, subcontractors, or anyone employed directly or indirectly by any of them.

If Consultant should subcontract all or any portion of the services to be performed under this Agreement, Consultant shall require each subcontractor to provide insurance protection in favor of City and its officers, officials, employees, agents and volunteers in accordance with the terms of each of the preceding paragraphs, except that the subcontractors' certificates and endorsements shall be on file with Consultant and City prior to the commencement of any work by the subcontractor.

5.3 Indemnification, Hold Harmless, and Duty to Defend.

A. Indemnity.

1) To the fullest extent permitted by law, Consultant shall, at its sole cost and expense, defend, hold harmless and indemnify City and its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those City agents serving as independent contractors in the role of City officials (collectively "Indemnitees") from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys, or other professionals and all costs associated therewith and the payment of all consequential damages (collectively "Claims"), in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant, its officers, agents, servants, employees, subcontractors, materialmen, contractors or their officers, agents, servants or employees (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of this Agreement, including

the Indemnitees' active or passive negligence, except for Claims arising from the sole negligence or willful misconduct of the Indemnitees, as determined by court decision or by the agreement of the Parties. Consultant shall defend the Indemnitees in any action or actions filed in connection with any Claim with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. Consultant shall reimburse the Indemnitees for any and all legal expenses and costs incurred by the Indemnitees in connection therewith.

2) Consultant shall pay all required taxes on amounts paid to Consultant under this Agreement, and indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Consultant shall fully comply with the workers' compensation law regarding Consultant and Consultant's employees. Consultant shall indemnify and hold City harmless from any failure of Consultant to comply with applicable workers' compensation laws. City may offset against the amount of any fees due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant's failure to promptly pay to City any reimbursement or indemnification arising under this subparagraph B.2).

3) Consultant shall obtain executed indemnity agreements with provisions identical to those in this Section from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. If Consultant fails to obtain such indemnities, Consultant shall be fully responsible and indemnify, hold harmless and defend the Indemnitees from and against any and all Claims in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant's subcontractor, its officers, agents, servants, employees, subcontractors, materialmen, contractors or their officers, agents, servants or employees (or any entity or individual that Consultant's subcontractor shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Claims arising from the sole negligence or willful misconduct of the Indemnitees, as determined by court decision or by the agreement of the Parties.

B. Workers' Compensation Acts not Limiting. Consultant's indemnifications and obligations under this Section, or any other provision of this Agreement, shall not be limited by the provisions of any workers' compensation act or similar act. Consultant expressly waives its statutory immunity under such statutes or laws as to City, its officers, agents, employees and volunteers.

C. Insurance Requirements not Limiting. City does not, and shall not, waive any rights that it may possess against Consultant because of the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement. The indemnities in this Section shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liabilities, tax, assessment, penalty or interest asserted against City.

D. Survival of Terms. Consultant's indemnifications and obligations under this Section shall survive the expiration or termination of this Agreement.

ARTICLE 6. RECORDS, REPORTS, AND RELEASE OF INFORMATION

6.1 Records.

Consultant shall keep, and require sub-consultants to keep, such ledgers books of accounts, invoices, vouchers, canceled checks, reports, studies or other documents relating to the disbursements charged to City and services performed hereunder (the "books and records"), as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. Any and all such documents shall be maintained in accordance with generally accepted accounting principles and shall be complete and detailed. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of three (3) years following completion of the services hereunder, and the City shall have access to such records in the event any audit is required. In the event of dissolution of Consultant's business, custody of the books and records may be given to City, and access shall be provided by Consultant's successor in interest.

6.2 Reports.

Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require. Consultant hereby acknowledges that the City is greatly concerned about the cost of work and services to be performed pursuant to this Agreement. For this reason, Consultant agrees that if Consultant becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services contemplated herein or, if Consultant is providing design services, the cost of the project being designed, Consultant shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if Consultant is providing design services, the estimated increased or decreased cost estimate for the project being designed.

6.3 Ownership of Documents.

All drawings, specifications, maps, designs, photographs, studies, surveys, data, notes, computer files, reports, records, documents and other materials (the "documents and materials") prepared by Consultant, its employees, sub-consultants and agents in the performance of this Agreement shall be the property of City and shall be delivered to City upon request of the Contract Officer or upon the termination of this Agreement, and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership use, reuse, or assignment of the documents and materials hereunder. Any use, reuse or assignment of such completed documents for other projects and/or use of uncompleted documents without specific written authorization by the Consultant will be at the City's sole risk and without liability to Consultant, and Consultant's guarantee and warranties shall not extend to such use, revise or assignment. Consultant may retain copies of such documents for its own use. Consultant shall have an unrestricted right to use the concepts embodied therein. All sub-consultants shall provide for assignment to City of any documents or materials prepared by them, and in the event

Consultant fails to secure such assignment, Consultant shall indemnify City for all damages resulting therefrom.

6.4 Confidentiality and Release of Information.

(a) All information gained or work product produced by Consultant in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Consultant. Consultant shall not release or disclose any such information or work product to persons or entities other than City without prior written authorization from the Contract Officer.

(b) Consultant, its officers, employees, agents or sub-consultants, shall not, without prior written authorization from the Contract Officer or unless requested by the City Attorney, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives City notice of such court order or subpoena.

(c) If Consultant, or any officer, employee, agent or sub-consultant of Consultant, provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorney's fees, caused by or incurred as a result of Consultant's conduct.

(d) Consultant shall promptly notify City in writing should Consultant, its officers, employees, agents or sub-consultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed there under. City retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Consultant. However, this right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

ARTICLE 7. ENFORCEMENT OF AGREEMENT AND TERMINATION

7.1 California Law.

This Agreement shall be interpreted, construed and governed both as to validity and to performance of the Parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Riverside, State of California, or any other appropriate court in such county, and Consultant covenants and agrees to submit to the personal jurisdiction of such court in the event of such action. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in Riverside.

7.2 Disputes; Default.

In the event that City determines Consultant is in default under the terms of this Agreement, the City shall not have any obligation or duty to continue compensating Consultant for any work performed after the date of default. Instead, the City may give notice to Consultant of the default and the reasons for the default. The notice shall include the timeframe in which Consultant may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, though not reduced, if circumstances warrant. During the period of time that Consultant is in default, the City shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. In the alternative, the City may, in its sole discretion, elect to pay some or all of the outstanding invoices during the period of default. If Consultant does not cure the default, the City may take necessary steps to terminate this Agreement under this Article. Any failure on the part of the City to give notice of the Consultant's default shall not be deemed to result in a waiver of the City's legal rights or any rights arising out of any provision of this Agreement.

7.3 Retention of Funds.

Consultant hereby authorizes City to deduct from any amount payable to Consultant (whether or not arising out of this Agreement) (i) any payment amount of which may be in dispute hereunder or which are necessary to compensate City for any losses, costs, liabilities, or damages suffered by City, (ii) all amounts for which City may be liable to third parties, by reason of Consultant's acts or omissions in performing or failing to perform Consultant's obligation under this Agreement, and (iii) all payments due or that become due to Consultant during the period that Consultant or any of its subcontractors fail to maintain any required insurance in full force and effect, until notice is received by City that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period satisfactory to City, as provided in Section 5.2, above. In the event that any claim is made by a third party, the amount or validity of which is disputed by Consultant, or any indebtedness shall exist which shall appear to be the basis for a claim of lien, City may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Consultant to insure, indemnify, and protect City as elsewhere provided herein.

7.4 Waiver.

Waiver by any Party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any Party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Consultant shall not constitute a waiver of any of the provisions of this Agreement. No delay or omission in the exercise of any right or remedy by a non-defaulting Party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either Party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

7.5 Rights and Remedies are Cumulative.

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the Parties are cumulative and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

7.6 Legal Action.

In addition to any other rights or remedies, either Party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement. Notwithstanding any contrary provision herein, Consultant must file a statutory claim pursuant to Government Code Sections 905 et seq. and 910 et seq., in order to pursue a legal action against City under this Agreement.

7.7 Liquidated Damages.

Since the determination of actual damages for any delay in performance of this Agreement would be extremely difficult or impractical to determine in the event of a breach of this Agreement, the Consultant and its sureties shall be liable for and shall pay to the City the sum of Not Applicable (\$0.00) as liquidated damages for each working day of delay in the performance of any service required hereunder, as specified in the Schedule of Performance. The City may withhold from any monies payable on account of services performed by the Consultant any accrued liquidated damages.

7.8 Termination Prior to Expiration of Term.

This Section shall govern any termination of this Agreement except as specifically provided in the following Section 7.9 for termination for default of Consultant. The City reserves the right to terminate this Agreement at any time, with or without cause, upon thirty (30) days' written notice to Consultant, except that where termination is due to the fault of the Consultant, the period of notice may be such shorter time as may be determined by the Contract Officer. In addition, the Consultant reserves the right to terminate this Agreement at any time, with or without cause, upon sixty (60) days' written notice to City, except that where termination is due to the fault of the City, the period of notice may be such shorter time as the Consultant may determine. Upon receipt of any notice of termination, Consultant shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Except where the Consultant has initiated termination, the Consultant shall be entitled to compensation for all services rendered prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with Exhibit A-1 or such as may be approved by the Contract Officer, except as provided in Section 7.3. In the event the Consultant has initiated termination, the Consultant shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder. In the event of termination without cause pursuant to this Section, the terminating Party need not provide the non-terminating Party with the opportunity to cure pursuant to Section 7.2.

7.9 Termination for Default of Consultant.

If termination is due to the failure of the Consultant to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to completion by contract or otherwise, and the Consultant shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Consultant for the purpose of set-off or partial payment of the amounts owed the City as provided in Section 7.3.

7.10 Attorneys' Fees.

If either Party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees. Attorney's fees shall include attorney's fees on any appeal, and in addition the Party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

ARTICLE 8. CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

8.1 Non-liability of City Officers and Employees.

No officer or employee of the City shall be personally liable to the Consultant, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

8.2 Conflict of Interest.

Consultant covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of City or which would in any way hinder Consultant's performance of services under this Agreement. Consultant further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or sub-consultant without the express written consent of the Contract Officer. Consultant agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of City in the performance of this Agreement.

No officer or employee of the City shall have any financial interest, direct or indirect, in this Agreement within the scope of Government Code section 1090, nor shall any such officer or employee make, participate in making, or use his or her official position to influence, any City decision relating to the Agreement which has a material financial effect on his or her financial interests or the financial interests of any corporation, partnership or association in which he or she is, directly or indirectly, interested, in violation of any State statute or regulation. The Consultant

warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

8.3 Covenant Against Discrimination.

Consultant covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, or ancestry in the performance of this Agreement. Consultant shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin, or ancestry, or other protected class.

8.4 Unauthorized Aliens.

Consultant hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§ 1101, et seq., as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Consultant so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should the any liability or sanctions be imposed against City for such use of unauthorized aliens, Consultant hereby agrees to and shall reimburse City for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorneys' fees, incurred by City.

ARTICLE 9. MISCELLANEOUS PROVISIONS

9.1 Notices.

Any notice, demand, request, document, consent, approval, or communication either Party desires or is required to give to the other Party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the City, to the City Manager and to the attention of the Contract Officer, CITY OF BANNING, 99 East Ramsey Street, Banning, CA 92220 and in the case of the Consultant, to the person at the address designated on the execution page of this Agreement. Either Party may change its address by notifying the other Party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

9.2 Interpretation.

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either Party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

9.3 Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

9.4 Integration; Amendment.

This Agreement including the attachments hereto is the entire, complete and exclusive expression of the understanding of the Parties. It is understood that there are no oral agreements between the Parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the Parties, and none shall be used to interpret this Agreement. No amendment to or modification of this Agreement shall be valid unless made in writing and approved by the Consultant and by the City Council. The Parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

9.5 Severability.

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the Parties hereunder unless the invalid provision is so material that its invalidity deprives either Party of the basic benefit of their bargain or renders this Agreement meaningless.

9.6 Corporate Authority.

The persons executing this Agreement on behalf of the Parties hereto warrant that (i) such Party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said Party, (iii) by so executing this Agreement, such Party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said Party is bound. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the Parties.

[SIGNATURES ON FOLLOWING PAGE]

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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 RIVERSIDE

On _____, 20__ before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(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: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER		DESCRIPTION OF ATTACHED DOCUMENT
<input type="checkbox"/>	INDIVIDUAL	_____
<input type="checkbox"/>	CORPORATE OFFICER	_____
<input type="checkbox"/>	<div style="display: flex; align-items: center;"> <div style="margin-right: 20px;">TITLE(S)</div> <div> <input type="checkbox"/> LIMITED <input type="checkbox"/> GENERAL </div> </div>	TITLE OR TYPE OF DOCUMENT
<input type="checkbox"/>	PARTNER(S)	_____
<input type="checkbox"/>	ATTORNEY-IN-FACT	_____
<input type="checkbox"/>	TRUSTEE(S)	NUMBER OF PAGES
<input type="checkbox"/>	GUARDIAN/CONSERVATOR	_____
<input type="checkbox"/>	OTHER _____	_____
SIGNER IS REPRESENTING: (NAME OF PERSON(S) OR ENTITY(IES)) _____ _____		DATE OF DOCUMENT
		SIGNER(S) OTHER THAN NAMED ABOVE

EXHIBIT "A"**SCOPE OF SERVICES**

- I. Consultant will perform the following services in connection with providing Enterprise Fund & Internal Service Fund Cost Allocation Study prepared in connection therewith:**

PROJECT BACKGROUND The purpose of this project is to ensure that the City is utilizing justifiable overhead allocation rates and accurately accounting for the true cost of providing various programs and services within City operations. It is the City's goal to have a well-documented and defensible cost allocation plan that will incorporate appropriate general and administrative cost allocations into the budget.

Project Scope – Enterprise Fund & Internal Service Fund Cost Allocation Study

1. The Consultant shall develop and prepare a detailed Enterprise Fund and Internal Service Fund Cost Allocation Plan ("CAP"), based on the City's audited financial records for the fiscal year ended June 30, 2018 and/or most recently adopted budget.
2. The City will use the CAP as the basis for allocation of indirect costs to enterprise and special revenue funds for services provided by the general fund, as well as to any state or federally funded grant programs, as needed.
3. The Consultant shall provide recommendations on appropriateness or efficiency of either charging personnel directly to enterprise fund operations or to the general fund and then allocating costs back through the CAP.
4. The approach required to develop the CAP includes the following major tasks:
 - a. Identify the support services provided and the related costs of service, including the future provision of new or expanded facilities.
 - b. Establish interrelationships among the City's legislative, administrative, finance, debt service and other departments, funds, programs, services and activities in terms of direct costs, indirect costs and support service costs.
 - c. Develop CAP as a percentage of direct costs for all City service departments and funds. Develop a model and methodology for gathering data, and provide the work plan for each service department to develop and understand the methodologies for cost allocations. Methodologies for allocation shall be data driven and replicable to provide for the ability of the City to continuously update the model from year-to-year as the organization structure changes. The City's internal services funds are as follows:
 - i. Facilities Maintenance Fund
 - ii. Information Systems Maintenance Fund
 - iii. Fleet Maintenance Fund

- iv. Risk Management/Insurance Fund
 - v. Human Resources Fund
 - vi. Finance Fund
 - vii. Purchasing Fund
- d. Present a written "draft" CAP to City management for staff review. Following discussions with City management staff, the Consultant will enter agreed upon changes into the program and finalize the study.
- e. Present the Final CAP to the City's Budget and Finance Committee and City Council.

EXHIBIT "A-1"
CONSULTANT'S PROPOSAL
(pages 1-59)

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CITY OF BANNING CITY COUNCIL REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Adam B. Rush, Community Development Director

MEETING DATE: May 28, 2019

SUBJECT: BUTTERFIELD SPECIFIC PLAN ("ATWELL") ANNUAL REVIEW

RECOMMENDED ACTION:

Staff recommends that the City Council:

Receive and File the enclosed Annual Review for the Butterfield Specific Plan being developed by Pardee Homes as the *Atwell Master Planned Community* and that the developer is proceeding in Good Faith in accordance with Section 12.1 of the Development Agreement and Government Code Section 65865.1.

PLANNING COMMISSION ACTION:

The Pardee Development Agreement is under the sole jurisdiction of the City Council and as such, Planning Commission review is not required.

PROJECT DESCRIPTION:

In accordance with Section 12, page 34, of the Development Agreement between the City of Banning ("City") and Pardee Homes ("Developer"), which was entered into on March 27, 2012, with a subsequent revised effective date of February 9, 2015, the City is conducting an annual review, following the commencement of construction, which is reviewing the performance of the agreement on or about each anniversary of the effective date of said agreement. The developer has delivered the necessary information, reasonably requested by the City, regarding the Developer's performance under the agreement. Staff has reviewed the information requested, performed a series of site inspections, conducted several meetings with the Developer, and determined that the Developer has, and continues to, demonstrate compliance with the Agreement; that the Developer is

implementing the Agreement in good faith, and continues to comply with the provisions and regulations of the Adopted Specific Plan, the Certified Environmental Impact Report, and the existing land use regulations set forth by the City, through the Banning Municipal Code and the Butterfield Specific Plan.

ENVIRONMENTAL DETERMINATION:

City staff has reviewed the previously certified Environmental Impact Report prepared for the Butterfield Specific Plan project (SCH No. 2007091149) as modified by the Addendum approved by the City Council on February 14, 2017, including the impacts and mitigation measures identified therein, which documents are on file in the Community Development Department. Based on that review, the City of Banning Planning Division has determined that the proposed Project and the circumstances under which the proposed Project is undertaken do not involve substantial changes which will result in new significant environmental effects, and that the Project does not involve new information of substantial importance which shows that the Project will have significant effects not discussed in the prior EIR. All potential environmental impacts associated with the Butterfield Specific Plan project and the proposed Tentative Tract Maps are adequately addressed by the prior EIR, and the mitigation measures contained in the prior EIR will reduce those impacts to a level that is less than significant. Therefore, in accordance with CEQA Guidelines Section 15162 ("Subsequent EIRs and Negative Declarations"), a subsequent environmental document is not required.

FISCAL IMPACT:

The cost of preparing this report, the research, meeting coordination, and staff time associated with all aspects of the Pardee project are borne by the Developer through a reimbursement agreement with the City.

OPTIONS:

1. Approve as recommended
2. Do not approve and provide alternative direction

ATTACHMENTS:

1. Annual Review Matrix
2. Pardee Development Agreement
3. Site Plan

Approved by:


 Douglas Schulze
 City Manager

ATTACHMENT 1
Annual Review Matrix

Development Agreement Section/Provisions	Status
Section 1 - Definitions	Conforming/No Update
Section 2 – Exhibits	Conforming/No Update
Section 3 – Term	Conforming/No Update
Section 4 – Development of the Developer's Property	(4.7) A Development Impact Fee Update is underway
Section 5 – Financing and the City's Obligations	Formation of Financing Districts is underway
Section 6 – Time for Construction and Completion of Project	<p>(6.1) The development is proceeding at an acceptable pace given current market conditions</p> <p>(6.2) The development has not begun to pull residential building permits. Current estimates place the development at 180 permits per year; which places the anticipated development around 500 building permits by the first 10-year review. This estimate is approximately 700 building permits below what is anticipated for Phase I.</p> <p>(6.2.3.) Infrastructure related plans have been submitted for a majority of this infrastructure.</p> <p>(6.2.4.) Developer has undergone a good faith effort to market the commercial retail planning area.</p> <p>All other provisions, of Section 6, is proceeding in good faith.</p>
Section 7 – Development Impact Fees	<p>(7.2.2) Development Impact Fee Studies are underway. Adjustments will be made at the 10-year review</p> <p>(7.3.5.) Fee Impact Studies, associated with reclaimed water facilities are underway.</p> <p>(7.4.1.) Plans have been submitted, and are continuing to be submitted for review.</p> <p>(7.5.1 – 7.5.3.) A TUMF Credit Agreement was executed by the City Council at the May 14, 2019 Meeting.</p>
Section 8 – Dedications and Conveyances of Property Interests	<p>(8.1.1.) Plans have been submitted, and are continuing to be submitted for review.</p> <p>Plans are being submitted and actively processed by the City for infrastructure improvements.</p>
Section 9 – Processing of Requests and Applications: Other Government Permits	<p>(9.2) A Deposit Reimbursement Agreement is executed between the Developer and City.</p> <p>(9.3) City is generally complying with the two-week turnaround timeframes.</p>
Section 10 – Amendment and Modification of Development Agreement	Conforming/No Update
Section 11 – Reservations of Authority	Conforming/No Update
Section 12 – Annual Review	Underway (5/28/19)

Section 13 – Default, Remedies & Termination	Conforming/No Update
Section 14 – Assignment	Conforming/No Update
Section 15 – Releases and Indemnities	Conforming/No Update
Section 16 – Effect of Agreement on Title	Conforming/No Update
Section 17 – City Officers and Employees: Non-Discrimination	Conforming/No Update
Section 18 – Mortgage Protection	Conforming/No Update
Section 19 – Miscellaneous	Conforming/No Update

ATTACHMENT 2

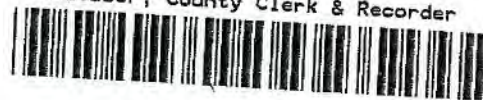
Pardee Development Agreement

*RECORDING REQUESTED BY,)
 AND WHEN RECORDED MAIL TO:)
)
 CITY CLERK)
 City of Banning)
 99 E. Ramsey Street)
 Banning, CA 92220)

DOC # 2012-0332888

07/17/2012 02:58P Fee:NC

Page 1 of 82

Recorded in Official Records
County of RiversideLarry W. Ward
Assessor, County Clerk & Recorder

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No Recording Fee Required - Government Code § 27383



DEVELOPMENT AGREEMENT

between

THE CITY OF BANNING

("City")

and

PARDEE HOMES

A California Corporation

("Developer")

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this "Agreement") is entered into on March 27, 2012, between the CITY OF BANNING (the "City"), a municipal corporation, and PARDEE HOMES (the "Developer"), a California corporation, pursuant to Article 2.5 of Chapter 4 of Division 1 of Title 7, §§ 65864 through 65869.5 of the Government Code. The City and the Developer shall be referred to within this Agreement jointly as the "Parties" and individually as a "Party."

RECITALS:

A. Capitalized Terms. The capitalized terms used in these Recitals and throughout this Agreement shall have the meaning assigned to them in Section 1. Any capitalized terms not defined in Section 1 shall have the meaning otherwise assigned to them in this Agreement or apparent from the context in which they are used.

B. Development of the Developer's Property. Concurrent with the approval of this Agreement, the City has approved the Specific Plan, which contemplates low, medium and high density residential development, to a maximum total of 5,387 dwelling units, 36 acres of commercial/retail development, schools, parks and supporting infrastructure on 1,543 acres, and a general plan amendment and a zone change and has certified a Final Environmental Impact Report, State Clearinghouse No. 2007091149, for the area described in Exhibit "A" (the "Developer's Property").

C. Legislation Authorizing Development Agreements. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted the Development Agreement Statute, authorizing the City to enter into an agreement with any person having a legal or equitable interest in real property providing for the development of such property and establishing certain development rights therein. The legislative findings and declarations underlying the Development Agreement Statute and the provisions governing contents of development agreements state, in Government Code §§ 65864(c) and 65865.2, that the lack of public facilities, including, but not limited to, streets, sewerage, transportation, drinking water, school, and utility facilities is a serious impediment to the development of new housing, and that applicants and local governments may include provisions in development agreements relating to applicant financing of necessary public facilities and subsequent reimbursement over time.

D. Intent of the Parties. The Developer and the City have determined that the Project is a development for which a development agreement is appropriate. The Parties desire to define the parameters within which the obligations of the Developer for infrastructure and public improvements and facilities will be met and to provide for the orderly development of the Developer's Property, assist in attaining the most effective utilization of resources within the City and otherwise achieve the goals of the Development Agreement Statute. In consideration of these benefits to the City and the public benefits of the development of the Developer's Property, the Developer will receive assurances that the City shall grant all permits and approvals required

for total development of the Developer's Property and will provide for the assistance called for in this Agreement in accordance with the terms of this Agreement.

E. Public Benefits of the Project. This Agreement provides assurances that the public benefits identified below in this Recital E will be achieved in accordance with the terms of this Agreement. The Project will provide local and regional public benefits to the City, including, without limitation:

1. Increased Tax Revenues. The development of the Developer's Property in accordance with the terms of this Agreement will result in increased real property and sales taxes and other revenues to the City.
2. Reduced Vehicle Miles Travelled. The Project will reduce vehicle trips by implementing a transportation demand management program that takes advantage of alternative modes of mass transit within the City.
3. Pedestrian Mobility. The Project encourages pedestrian mobility through the provision of walking paths, through signage guiding pedestrians to nearby destinations and through preservation of significant open space to create pleasant environments that will encourage walking.
4. Sustainable Design. The Developer will, to the extent reasonably feasible, include sustainable design for commercial and industrial uses and green building standards for residential construction.
5. Pedestrian Connection. The Project will include a series of public pedestrian trails throughout the Developer's Property.
6. Reduced Traffic Congestion. The Project will include improvements and contribute fees to improvements that will reduce congestion on local streets and the regional transportation network.
7. Public Schools. The Project will allow for the construction of elementary schools in both the Beaumont Unified School District and Banning Unified School District, which will benefit residents both within and outside the Project.
8. Natural Open Space. Over 56 acres of natural open space will be preserved in perpetuity.
9. Parks and Recreation. Park and recreation improvements include:
 - a. 58.5 acres of community and neighborhood parks
 - b. 8.0 acres devoted to private recreation centers.
 - c. 254 acres of public golf course or active open space amenity
 - d. 108.4 acres of other open space.

10. Financial Impact Mitigation. Based upon a study of financial impacts on the City, the Project will pay a Services Special Tax to alleviate negative financial impacts of the Project on the City.

F. Public Hearings: Findings. In accordance with the requirements of the California Environmental Quality Act (Public Resources Code § 21000, et seq. ("CEQA")), appropriate studies, analyses, reports and documents were prepared and considered by the Planning Commission and the City Council. The Planning Commission, after a public hearing on March 7, 2012, recommended, and the City Council, after making appropriate findings, certified, by Resolution No. 2012-24 adopted on March 27, 2012 a Final Environmental Impact Report for the Project, more specifically identified as the Final Environmental Impact Report for the Butterfield Specific Plan, State Clearinghouse No. 2007091149, as having been prepared in compliance with CEQA. On March 7, 2012, the Planning Commission, after giving notice pursuant to Government Code §§ 65090, 65091, 65092 and 65094, held a public hearing on the Developer's application for this Agreement. On March 27, 2012, the City Council, after providing the public notice required by law, held a public hearing to consider the Developer's application for this Agreement. The Planning Commission and the City Council have found on the basis of substantial evidence based on the entire administrative record, that this Agreement is consistent with all applicable plans, rules, regulations and official policies of the City.

G. Mutual Agreement. Based on the foregoing and subject to the terms and conditions set forth herein, Developer and City desire to enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, and having determined that the foregoing recitals are true and correct and should be, and hereby are, incorporated into this Agreement, the Parties agree as follows:

1. DEFINITIONS

The following words and phrases are used as defined terms throughout this Agreement. Each defined term shall have the meaning set forth below.

1.1 Acquisition Agreement. "Acquisition Agreement" shall have the meaning set forth in Section 5.1 below.

1.2 Anniversary Date. "Anniversary Date" means the date of the anniversary of each year following the Effective Date established in Section 3.5.

1.3 Annual Review. "Annual Review" means the annual review of the Developer's performance of the Agreement in accordance with Section 12.1 of the Agreement and Government Code § 65865.1.

1.4 Applications. "Application(s)" means a complete application for the applicable land use approvals (such as a subdivision map, conditional use permit, etc.) meeting all of the current ordinances of the City provided that any additional or alternate requirements in those ordinances enacted after the Effective Date which affect the Project application shall apply only to the extent permitted by this Agreement.

1.5 Appraisal of Land Value. "Appraisal of Land Value" when referred to herein shall mean the determination by an experienced and independent MAI appraiser retained by City (Developer may veto any appraiser selected by City for good cause), in a written appraisal at fair market value based upon comparable sales of unimproved land, and serviced by the existing infrastructure, and with the development restrictions of the Specific Plan, and with the understanding that such value shall not exceed \$80,000 per acre.

1.6 Assignment. "Assign" shall have the meaning set forth in § 14.1.1 below. All forms of use of the verb "assign" and the nouns "assignment" and "assignee" shall include all contexts of hypothecations, sales, conveyances, transfers, leases, and assignments.

1.7 Authorizing Ordinance. "Authorizing Ordinance" means Ordinance No. 1451 approving this Agreement, introduced on March 27, 2012 and adopted on April 10, 2012.

1.8 Building Permit. "Building Permit," with respect to any building or structure to be constructed on the Developer's Property, means a building permit for not less than the shell and core of such building or structure issued by the City's Division of Building and Safety.

1.9 CC&R's. "CC&R's" shall have the meaning set forth in Section 14.4 below.

1.10 Certificate of Compliance. "Certificate of Compliance" shall have the meaning set forth in Section 12.2 below.

1.11 Certificate of Occupancy. "Certificate of Occupancy," with respect to a particular building or other work of improvement, means the final certificate of occupancy issued by the City with respect to such building or other work of improvement.

1.12 CFD. "CFD" means a community facilities district for the Project allowed to be formed pursuant to the CFD Act by a Local Agency.

1.13 CFD Act. "CFD Act" means the Mello Roos Community Facilities Act of 1982 (Government Code § 53311 et seq.), as it may be amended from time to time, authorizing the imposition of special taxes to fund capital facilities and services.

1.14 City. "City" means the City of Banning, California.

1.15 City Council. The "City Council" means the governing body of the City.

1.16 City Development Agreement Ordinance. "City Development Agreement Ordinance" means Chapter 17.60 of the Zoning Ordinance which establishes a procedure for the consideration and approval of development agreements pursuant to the Development Agreement Statute.

1.17 City Manager. "City Manager" means the City Manager of City.

1.18 City Wide Traffic Improvements. "City Wide Traffic Improvements" means those traffic improvements identified in the Traffic Impact Mitigation Fee established in Article 7.

1.19 Claims or Litigation. "Claims or Litigation" means any challenge by adjacent owners or any other third parties (i) to the legality, validity or adequacy of the General Plan, Land Use Regulations, this Agreement, Development Approvals or other actions of the City pertaining to the Project, or (ii) seeking damages against the City as a consequence of the foregoing actions, for the taking or diminution in value of their property or for any other reason.

1.20 Dedicate or Dedication. "Dedicate" or "Dedication" means to offer the subject land to the City.

1.21 Default. "Default" refers to any material default, breach, or violation of a provision of this Development Agreement as defined in Section 13 below. "City Default" refers to a Default by the City, while "Developer Default" refers to a Default by the Developer.

1.22 Developed Property. "Developed Property" shall mean residential property for which a certificate of occupancy has been issued or a final inspection conducted.

1.23 Development Goals. "Development Goals" shall have the meaning set forth in Section 6.2 below.

1.24 Developer's Property. "Developer's Property" means the 1543 acres of land, more or less, described in Exhibit A in which Developer holds a legal or equitable interest and upon which the Project will be developed.

1.25 Development. "Development" means the improvement of the Developer's Property for purposes of effecting the structures, improvements and facilities composing the Project including, without limitation: grading, the construction of infrastructure and public facilities related to the Project, whether located within or outside the Developer's Property; the construction of structures and buildings; the installation of landscaping; and the operation, use and occupancy of, and the right to maintain, repair, or reconstruct, any private building, structure, improvement or facility after the construction and completion thereof, provided that such repair, or reconstruction takes place during the Term of this Agreement on parcels subject to this Agreement.

1.26 Development Agreement Statute. "Development Agreement Statute" means §§ 65864 through 65869.5 of the Government Code as it exists on the Effective Date.

1.27 Development Approvals. "Development Approvals" means all site-specific (meaning specifically applicable to the Developer's Property only and not generally applicable to some or all other properties within the City) plans, maps, permits, and entitlements to use of every kind and nature. Development Approvals includes, but is not limited to, specific plans, site plans, tentative and final subdivision maps, vesting tentative maps, variances, zoning designations, planned unit developments, conditional use permits, grading, building and other similar permits, the site-specific provisions of general plans, environmental assessments, including environmental impact reports, and any amendments or modifications to those plans,

maps, permits, assessments and entitlements. The term Development Approvals does not include rules, regulations, policies, and other enactments of general application within the City.

1.28 Development Impact Fees. "Development Impact Fees" means the monetary consideration, other than a tax or assessment, charged by the City in connection with mitigating the Project's specific impacts and the development of the public facilities related to the Development of the Project, including those fees, calculated on the basis of the number of residential units or square footage of non-residential development to be constructed, as set forth on Exhibit "D" attached hereto as well as those Development Impact Fees set forth in Exhibit B and being revised. Development Impact Fees do not include Processing Fees.

1.29 Development Plan. "Development Plan" means the Existing Development Approvals, Future Development Approvals and Existing Land Use Regulations.

1.30 Director. "Director" means the City's Director of Community Development or equivalent official.

1.31 Economically Distressed Year. "Economically Distressed Year" means any calendar year in which the number of building permits for single family dwelling units issued in Western Riverside County (includes all cities and unincorporated county territory) are less than 50% of the average number of building permits issued during the prior 25 years, based on the annual report of the California Construction Industry Research Board. For example, for the 25 year period from 1987 to 2011, inclusive, total permits issued were 235,455 and the annual average was 9418. In 2008, 2009, 2010 the total permits issued were 2794, 2717 and 3321, so all three years would have been declared "Economically Distressed" hereunder. If the number of building permits issued in any calendar year are not available from the California Construction Industry Research Board, then the City shall obtain them from any other reliable source measuring the same data over the period.

1.32 Effective Date. "Effective Date" means the date this Agreement becomes effective as set forth in Section 3.5.

1.33 Eligible Facilities. "Eligible Facilities" means the Proposed Project Facilities and other public facilities, fees and contributions for public facilities, as described in the Financing Plan.

1.34 Exaction. "Exaction" means Dedications, payment of Development Impact Fees and/or construction of public infrastructure by the Developer as part of the Development of the Project. The development will be subject to all development and/or in lieu fees currently in the process of being studied by the City as identified in Section 7.22 so long as they are adopted prior to the issuance of building permits for specific portions of the development proposed herein. The amount of the fees shall be as required at the time of issuance of building permits.

1.35 Existing Development Approvals. "Existing Development Approvals" means only the Development Approvals which are listed on Exhibit "B."

- 1.36 Existing Land Use Regulations. "Existing Land Use Regulations" means those Land Use Regulations applicable to the Property in effect on the Effective Date.
- 1.37 Financing Plan. "Financing Plan" means Exhibit "H" attached hereto.
- 1.38 Force Majeure. "Force Majeure" shall have the meaning set forth in Section 19.2 below.
- 1.39 Future Development Approvals. "Future Development Approvals" means those Development Approvals applicable to the Developer's Property approved by the City after the Effective Date such as tentative tract maps, subdivision improvement agreements and other more detailed planning or engineering approvals.
- 1.40 General Plan. "General Plan" means the City's General Plan as it exists on the Effective Date, and as expressly amended by (i) General Plan Amendment 11-2501 approved by the City Council concurrently with this Agreement; and (ii) future amendments applicable to the Developer's Property, if permitted, by Article 11.
- 1.41 Goals and Policies for Financing. "Goals and Policies for Financing" or "Goals and Policies" means the City's goals and policies adopted in accordance with Section 5.2.1.
- 1.42 Golf Course/Active Open Space. "Golf Course/Active Open Space" means the area containing all of Planning Area 35 and Planning Area 39 as described in the Specific Plan and Sections 5.3 and 5.9.10 below.
- 1.43 Grading Permit. "Grading Permit" means a permit issued by the City's Division of Building and Safety which allows the excavation or filling, or any combination thereof, of earth.
- 1.44 Improvement Area. "Improvement Area" shall have the meaning set forth in Section 5.1 below.
- 1.45 Innocent Owner. "Innocent Owner" shall have the meaning set forth in Section 13.6 below.
- 1.46 LAFCO. "LAFCO" means the Riverside County Local Agency Formation Commission.
- 1.47 Land Use Regulations. "Land Use Regulations" means those ordinances, laws, statutes, rules, regulations, initiatives, policies, requirements, guidelines, constraints, codes or other actions of the City which affect, govern, or apply to the Developer's Property or the implementation of the Development Plan. Land Use Regulations include the ordinances and regulations adopted by the City which govern permitted uses of land, density and intensity of use and the design of buildings, applicable to the Property, including, but not limited to, the General Plan, the Specific Plan, zoning ordinances, development moratoria, implementing growth management and phased development programs, ordinances establishing development exactions, subdivision and park codes, any other similar or related codes and building and

improvements standards, mitigation measures required in order to lessen or compensate for the adverse impacts of a project on the environment and other public interests and concerns or similar matters. The term Land Use Regulations does not include, however, regulations relating to the conduct of business, professions, and occupations generally; taxes and assessments; regulations for the control and abatement of nuisances; building codes; encroachment and other permits and the conveyances of rights and interests which provide for the use of or entry upon public property; any exercise of the power of eminent domain; or similar matters.

1.48 Legal or Equitable Interest. "Legal or Equitable Interest" means (i) an option or purchase agreement or (ii) fee title evidenced by appropriate title insurance issued in favor of the Developer.

1.49 LMD. "LMD" means the Landscape and Maintenance District established pursuant to Streets and Highways Code § 22500 et seq. to fund parks, parkways, City rights of way landscaping and common areas.

1.50 Local Agency. "Local Agency" means any public agency authorized to levy, create or issue any form of land secured financing over all or any part of the Project, including, but not limited to, the City.

1.51 Lot. "Lot" means any of the parcels legally created within the Project as a result of any approved final subdivision, parcel or tract map, pursuant to the Subdivision Map Act or recordation of a condominium plan pursuant to Civil Code § 1352.

1.52 Master Tract Map. "Master Tract Map" (or "A Map") means a large scale tract map covering one or more complete Planning Areas which will include all infrastructure necessary to develop the tract and a phasing plan as to the development of the infrastructure and the subsidiary subdivisions within the tract. The Master Tract Map is a subdivision map within the meaning of the Subdivision Map Act and shall meet the requirements of the Act and of this Agreement. The Master Tract Map may also be a financing map for purpose of financing the development of the Project or the conveyance of large lots and may not require the actual construction of improvements.

1.53 Mortgage. "Mortgage" means a mortgage, deed of trust, sale and leaseback arrangement or other transaction in which all, or any portion of, or any interest in, the Developer's Property is pledged as security.

1.54 Mortgagee. "Mortgagee" refers to the holder of a beneficial interest under a Mortgage.

1.55 Mortgagee Successor. "Mortgagee Successor" means a Mortgagee or any third party who acquires fee title or any rights or interest in, or with respect to, the Developer's Property, or any portion thereof, through foreclosure, trustee's sale, deed in lieu of foreclosure, lease termination, or otherwise from, or through, a Mortgagee. If a Mortgagee acquires fee title or any right or interest in, or with respect to, the Developer's Property, or any portion thereof, through foreclosure, trustee's sale or by deed in lieu of foreclosure and such Mortgagee subsequently conveys fee title to such portion of the Developer's Property to a third party, then such third party shall be deemed a Mortgagee Successor.

1.56 Municipal Code. "Municipal Code" means the City's Municipal Code as it existed on the Effective Date and as it may be amended from time to time consistent with the terms of this Agreement.

1.57 Non-Defaulting Party. "Non-Defaulting Party" shall have the meaning set forth in Section 13.1 below.

1.58 Owner. "Owner" means Pardee Homes and any successors during the period of time that each such person or entity owns fee title to any portion of the Developer's Property prior to the development of such portion of the developer's Property and subject to the terms of this Agreement.

1.59 Park fees. "Park Fees" means Development Impact Fees levied by the City for Open Space and Park Development pursuant to Chapter 15.68 of the Municipal Code.

1.60 Phase. "Phase" shall have the meaning set forth in Section 6.2 below.

1.61 Phasing Plans. "Phasing Plans" shall mean the detailed plans for development of the Proposed Project Facilities and other infrastructure and for the Project which are developed pursuant to Section 6.5 as a part of processing the Subdivision Maps.

1.62 Planning Area. "Planning Area" means each of the 75 planning areas described in the Specific Plan, and shown on Exhibit "A."

1.63 Planning Commission. "Planning Commission" means the City's Planning Commission.

1.64 Pre-Qualified Buyer. "Pre-Qualified Buyer" means a publicly traded builder or developer or a privately held merchant builder with a minimum net financial worth of Five Million Dollars (\$5,000,000) who has constructed at least 75 homes in California during the preceding five year period.

1.65 Property Owner's Association or POA. "Property Owner's Association" or "POA" means one or more association formed among the owners of real estate located within the Property (as the same may be subdivided from time to time), including, but not limited to, one or more associations of homeowners and/or other associations of owners of industrial, commercial, educational and retail property.

1.66 Processing Fees. "Processing Fees" means (i) the City's normal fees for processing, environmental assessment/review, tentative tracts/parcel map review, plan checking, site review, site approval, administrative review, building permit (plumbing, mechanical, electrical, building), inspection and similar fees imposed to recover the City's costs associated with processing, review and inspection of applications, plans, specifications, etc., and (ii) fees and charges levied by any other public agency, utility, district or joint powers authority, whether or not City is a member of such body or such fees are collected by the City, and whether or not such fees are used for maintenance or capital outlay purposes.

1.67 Project. "Project" means the Development of the Developer's Property, pursuant to this Agreement and the Existing Land Use Regulations, as depicted on Exhibit "B" attached hereto.

1.68 Proposed Project Facilities. "Proposed Project Facilities" means those improvements set forth on Exhibit "F" attached hereto or otherwise included in conditions of approval of the maps.

1.69 Reimburse or Reimbursement. "Reimburse" or "Reimbursement" means the provision by the City of cash or credit in return for land, goods or services provided by Pardee Homes.

1.70 Reservations of Authority. "Reservation of Authority" shall have the meaning set forth in Article 11 below.

1.71 Services Special Tax. "Services Special Tax" shall mean the special tax authorized to be levied by the CFD(s) established over the Developer's Property to alleviate the negative fiscal impact of the Project on City services as established by the Fiscal Impact Analysis ("FIA") and as further described in Section 5.3 below.

1.72 Specific Plan. "Specific Plan" means the Butterfield Specific Plan, prepared by RBF Consulting and approved by the City Council by Ordinance No. 1450 introduced on March 27, 2012, adopted on April 10, 2012.

1.73 Subdivision Map. "Subdivision Map" (or "B Map") means the subsidiary subdivision maps for the development of any Tract which shall be consistent with the conditions of the Master Tract Map and shall contain its own phasing plan for the installation of the infrastructure and other improvements within the subdivision. All subdivision maps shall meet the requirements of the Subdivision Map Act including § 66473.7 (See 65867.5).

1.74 Subdivision Map Act. "Subdivision Map Act" means Government Code § 66412 et seq. as implemented by Title 16 of the Municipal Code.

1.75 Taxes. "Taxes" means general or special taxes, including but not limited to ad valorem property taxes, sales taxes, transient occupancy taxes, utility taxes or business taxes of general applicability citywide which do not burden the Developer's Property disproportionately to similar types of development in the City and which are not imposed as a condition of approval of a development project. Taxes do not include Development Impact Fees, Processing Fees or Traffic Control Facility Fees.

1.76 Ten or 10th Year Anniversary Review. "Ten Year Anniversary Review" means the review performed upon each 10th anniversary of the Effective Date as provided in Section 6.6.

1.77 Term. "Term" means that period of time during which this Agreement shall be in effect and bind the Parties, as defined in Article 6.7 below.

1.78 Traffic Control Facility Fee. "Traffic Control Facility Fee" means the fee set forth in Exhibit "B" attached hereto.

1.79 Transfer. "Transfer" shall have the meaning set forth in Article 14 below.

1.80 Trigger Percentages. "Trigger Percentages" shall have the meaning set forth in Section 14.1.1 below.

1.81 TUMF. "TUMF" means the Transportation Uniform Mitigation Fee promulgated by the Western Riverside Council of Governments and implemented by Chapter 15.76 of the Municipal Code.

1.82 Zoning Code. "Zoning Code" means Title 17 of the Municipal Code as it existed on the Effective Date except (i) as amended by any zone change relating to the Developer's Property approved concurrently with the approval of this Agreement, including Zone Change No. 11-3501, and (ii) as the same may be further amended from time to time consistent with this Agreement.

2. EXHIBITS.

The following are the Exhibits to this Agreement:

Exhibit "A": Map and Legal Description of the Developer's Property

Exhibit "B": Existing Development Approvals/Fee Studies

Exhibit "C": Estoppel Certificate

Exhibit "D": Development Impact Fees

Exhibit "E": Additional Agreements Concerning Development

Exhibit "F": Proposed Project Facilities

Exhibit "G": Highland Springs Avenue Improvements

Exhibit "H": Butterfield Project Financing Plan

3. TERM.

3.1 Term. The term of this Development Agreement (the "Term") shall commence on the Effective Date and shall continue for a period of forty (40) years, subject to review, as called for in Section 6.2 below, to determine whether the Development Goals have been met, and reduction in the Term of five (5) years for each time the Development Goals of a Phase are not met and extensions for Economic Distress, as provided in Sections 6.6.5 and 6.7 below.

3.2 Termination Upon Completion of Construction. This Agreement shall terminate with respect to any Lot, and such Lot shall be released and no longer subject to this Agreement, without the execution or recordation of any further document, when a certificate of occupancy has been issued for the last building on the Lot or, if no certificate is issued, when the final inspection for the last building on the Lot has taken place.

3.3 Termination for Default. This Agreement may be terminated due to the occurrence of any default in accordance with the procedures in Article 13.

3.4 Extension of the Term: The Term shall be extended by one (1) year for each Economically Distressed Year occurring during any Phase up to a maximum of three (3) years for any Phase.

3.5 Effective Date. This Agreement shall become effective upon the date thirty (30) days after the adoption of the Authorizing Ordinance if no Claim or Litigation have been filed which would prevent the Authorizing Ordinance from taking effect. If such a Claim or Litigation has been filed, then the Effective Date shall be the date that the Claim or Litigation has been successfully resolved in the City's favor, and the time for any further judicial review has run, so that the Authorizing Ordinance shall be effective. The City shall give Developer notice as to the date established as the Effective Date. The Effective Date is not otherwise tolled for any other Force Majeure as described in Section 19.2.

4. DEVELOPMENT OF THE DEVELOPER'S PROPERTY.

4.1 Right to Develop. During the Term, the Developer shall have a vested right to develop the Developer's Property (subject to Article 11 below) to the full extent permitted by the Development Plan and this Agreement. Except as provided within this Agreement, the Development Plan shall exclusively control the development of the Developer's Property (including the uses of the Developer's Property, the density or intensity of use, the maximum height and size of proposed buildings, the provisions for reservation or dedication of land for public purposes and the design, improvement and construction standards and specifications applicable to the Project). The maximum number of residential units authorized to be constructed hereunder and the approximate acreage of commercial development, without regard to any density bonus or incentive or concession for child care pursuant to Government Code §§ 65915 through 65918 or other similar legislation or regulation, is 5,387 units and approximately 36-acres of commercial development. In furtherance of the foregoing, the Developer retains the right to apportion the uses, intensities and densities, between itself and any subsequent Owners, upon the sale, transfer, or assignment of any portion of the Property, so long as such apportionment is consistent with the Existing Land Use Regulations and this Agreement.

4.2 Right To Future Approvals. Subject to the City's exercise of its police power authority as specified in Article 11 below, the Developer shall have a vested right: (i) to receive from the City all future Development approvals for the Developer's Property that are consistent with, and implement, the Existing Land Use Regulations and this Agreement; (ii) not to have such approvals be conditioned or delayed for reasons which are inconsistent with the Existing Land Use Regulations or this Agreement; and (iii) to Develop the Developer's Property in a manner consistent with such approvals in accordance with the Existing Land Use

Regulations and this Agreement. All future Development Approvals for the Developer's Property, including without limitation General Plan amendments, zone changes, or parcel maps or tract maps, shall upon approval by the City, be vested in the same manner as provided in this Agreement for the Existing Land Use Regulations, for the term of this Agreement.

4.3 Existing Development Approvals. Only those items specifically set forth on Exhibit "B" hereto are deemed Existing Development Approvals for purposes of this Agreement. Any approvals not included within Exhibit "B" shall not apply to the Project with the exception of those reservations set forth in Article 11 below.

4.4 Specific Plan. Land use and Development of the Property shall be governed by the Specific Plan and this Agreement. Notwithstanding any other provision of this Agreement, the Developer shall have the right, but not the obligation, to Develop the Developer's Property for the uses specified in the Specific Plan at the locations specified in the Specific Plan.

4.5 Priority Of Specific Plan. The City has determined that the Specific Plan is consistent with the General Plan and the Zoning Code. As such, the Specific Plan shall be the primary document governing the use and Development of the Developer's Property and, in the event of a conflict, shall prevail over any other of the Existing Land Use Regulations except for this Agreement, which prevails over the Specific Plan.

4.6 Later Enacted Measures. This Agreement is a legally binding contract which will supersede any initiative, measure, moratorium, statute, ordinance, or other limitation enacted after the Effective Date, except as provided in Article 11. Any such enactment which affects, restricts, impairs, delays, conditions, or otherwise impacts the implementation of the Development Plan (including the issuance of all necessary Future Project Approvals or permits for the Project) in any way contrary to the terms and intent of this Agreement shall not apply to the Project unless otherwise provided by State law.

4.7 Impact Fee Studies. As provided in Section 7.2, studies for certain Development Impact Fees, listed in Exhibit "D," will be performed after the Effective Date of this Agreement and shall become a part of the Existing Development Approvals. Additionally, Development Impact Fees are subject to review and adjustment as a part of the 10 Year Anniversary Reviews, in accordance with Section 6.6. The cost of performing the studies may be included in the fees.

5. FINANCING AND THE CITY'S OBLIGATIONS.

5.1 Formation of CFD(s) and LMDs. Subject to the provisions of this Article 5, some or all of the Eligible Facilities shall be funded through the City's formation of one or more CFDs and the levy of a special tax of the CFD(s) (the "Facilities Special Tax") and issuance of bonds secured by the Facilities Special Tax (the "Bonds") in accordance with the Financing Plan set forth in Exhibit H. Such CFD(s) shall, pursuant to Section 5.3, also be authorized to finance certain City public services costs (incurred as a result of Development of the Developer's Property) through the levy of a special tax, in the not to exceed amount set forth in the Financing Plan, on each residential unit located within the boundaries of such CFD(s) (the

"Services Special Tax"). Additionally, landscape maintenance districts ("LMDs") may be formed under Section 5.6.

5.1.1. Procedures for Formation. The City and the Developer shall cooperate in good faith to form one or more (i) CFDs and/or designate improvement areas therein (the "Improvement Areas"), (ii) LMDs and designate improvement areas therein (also "Improvement Areas"), and (iii) CFDs for the Special Services Tax (collectively referred to herein as the "Financing Districts"), which are consistent with the Financing Plan and which in the aggregate will encompass and encumber the Developer's Property. Final terms and conditions regarding the formation of the Financing Districts, their boundaries, Improvement Area boundaries, the rate and method of apportionment of the Services Special Taxes and Facilities Special Taxes to be levied in any CFD, LMD and/or Improvement Area (including any tax zones therein), any acquisition or construction agreements related thereto, and the terms of one or more series of Bonds to be issued in conjunction therewith shall be determined jointly by City and the Developer in accordance with the Financing Plan and the City's Goals and Policies for Financing. In conjunction with the formation of any Financing District, the Developer and the City shall cooperate in good faith to negotiate and finalize any acquisition and funding agreement prior to the formation of the first Financing District addressing the terms of construction, acquisition and financing of any of the Eligible Facilities to be funded by the Financing District (such agreement to be referred to herein as the "Acquisition Agreement"). Developer shall cooperate in the establishment of the levy over Developer's Property and not exercise any rights of protest.

5.1.2. Timing of Formation. Developer shall prepare all studies and submit all documents necessary to form the Financing Districts within one year after the adoption of City's Goals and Policies for Financing. After Developer has initiated formation of the Financing Districts, City shall form the Financing Districts consistent with the City's adopted Goals and Policies for Financing and State Law. City shall complete formation proceedings within 180 days after Developer makes the necessary submission. The Developer shall indemnify the City and hold it harmless against Claims or Litigation brought in connection with the formation of the Financing Districts.

5.1.3. Failure to Form Financing Districts. If any of the contemplated Financing Districts are not formed, or formed but not in accordance with the terms of this Agreement, through the failure of one Party to perform its obligations pursuant to Section 5.1, the other Party shall have the right, but not the obligation, to terminate this Agreement upon providing 30 days written notice to the Party which has failed to perform prior to the actual termination date.

5.2 Adoption of Goals and Policies for Financing. Before the Developer undertakes development of any units, the City shall retain a financial advisor and prepare a City-wide policy for undertaking land based CFD and assessment financing. The draft policy will be reviewed with the Developer and the City shall in good faith consider any comments made by the Developer on the draft policy. The goals and policies for Financing shall be adopted within 180 days after the Effective Date and shall be consistent with Exhibit H, including the Financing Parameters described therein. The goals and policies shall be adopted by Council by resolution and thereafter be the Goals and Policies for Financing. The City may amend the Goals and

Polices for Financing from time to time, and will be a part of the Existing Land Use Regulations hereunder, but such amendment shall not apply to the Development unless they are consented to by Developer.

5.3 Services Special Tax. The final Fiscal Impact Analysis prepared by the City's consultant, Willdan Financial Services, dated September 16, 2011, (the "FIA") demonstrates an overall negative fiscal impact on certain City public service costs incurred as a result of Development of the Developer's Property, including without limitation, the City's costs for police and fire services. The FIA demonstrates that such negative fiscal impact can fully be mitigated by an annual Services Special Tax, implemented as required by this Section 5.3 and the Financing Plan set forth in Exhibit "H" attached hereto. The annual services Special Tax shall not exceed \$ 115 per dwelling unit of greater than 1820 square feet of habitable area and \$92 per dwelling unit of 1820 or less square feet of habitable area in fiscal year 2013-14 and shall increase each fiscal year thereafter by 3%. The Services Special Tax may be levied in perpetuity and shall only be levied by the CFD(s) formed pursuant to Section 5.1 on residential parcels classified as Developed Property, but Developer shall cooperate in the establishment of the levy over Developer's Property and not exercise any rights of protest.

5.4 Planning Area 19, 35, 39 and 71 Drainage Facilities. In the event that the Developer, in its sole and absolute discretion, determines that the Golf Course is financially infeasible, the flood control improvements within Planning Areas 35 and 39 shall be considered Proposed Project Facilities and may be funded through the CFD(s). If this occurs, then portions of the land within Planning Areas 35 and 39 will be dedicated as public open space and the remaining portions dedicated to flood control appurtenances, to be transferred to the City or the Riverside County Flood Control District upon completion of the flood control facilities on such site and shall be improved to the Master Plan Standards of District. Plans for developing the necessary improvements shall be developed as a part of the Phasing Plans pursuant to Section 6.5, but improvements may not be required until the City Engineer determines that development will (i) intrude into the flood plan or (ii) cause the alteration of Smith Creek. The City Engineer may approve temporary improvements until the scale of the portion of the Project completed requires permanent structures. Upon transfer of the portions of the Planning Areas relating to the flood control facilities to the City or District, if the CFD(s) are formed or, as soon thereafter as the CFD(s) are formed, the City shall pay the agreed upon construction costs to the Developer from available CFD Proceeds in accordance with the Financing Plan. (Also see Sections 8.1.3. and 8.2.)

5.5 Reimbursement Agreements. If, and to the extent that, the Developer constructs or installs any infrastructure and/or facilities that have a capacity or size in excess of that required to serve the Project or to mitigate its impacts, the City shall reimburse the Developer for all costs and expenses incurred by the Developer in constructing such improvements for that portion of the Dedications, public facilities and/or infrastructure that the City, pursuant to this Agreement, may require pursuant to the Existing Land Use Regulations. The City further shall adopt ordinances, including but not limited to those authorized by Government Code § 66485 et seq., as may be required in order to impose a reimbursement obligation on other properties which may be served or benefited by the oversized infrastructure or facilities. The terms of the Reimbursement Agreements shall otherwise be consistent with the City's forms generally used with all other development projects of over 200 units. Such

reimbursement shall be paid to the Developer at the earliest opportunity out, and upon collection, of available fees from benefited developments so long as consistent with City's other contractual obligations. Repayment shall not extend beyond the Term of this Agreement.

5.6 Landscape Maintenance Districts. The City shall take, and Developer shall support, all steps necessary to establish LMD(s) or other maintenance districts, to fund maintenance of City parks, parkways, City rights of way landscaping, and common areas as provided in Section 5.1. The Developer shall make a deposit to pay the cost for review and approval of all agreements, studies, analysis and actions necessary for the establishment of the LMD(s).

5.7 Reimbursement for Pre-Approval Costs. The City shall provide fee credits to the applicable DIFs, as set forth below, for those residential units for which Commencement of Construction occurs by the twelfth anniversary of the Effective Date, but not more than for the first 1200 units. "Commencement of Construction" as used herein shall have the same meaning as under Section 6.3. The units eligible for fee credits for reimbursement shall be those of the 1200 which are not eligible for the incentive provided for in Section 6.8. If the incentive is taken in accordance with Section 6.8, then the amount of the credit for each unit for each fee shall be determined by taking the amount of cost to be reimbursed and dividing it by 1200 minus the number of units eligible for the incentive. As an example, if the total amount of the cost to be reimbursed is \$227,500 and the number of units eligible for the incentive is 400, then the amount of the credit for each unit after the first 400 within the 12 years following the Effective Date will be $\$227,500 / (1200 - 400) = \$227,500 / 800 = \$284$ rounded to the nearest dollar. These fee reimbursements may be included in the subsequent fee studies performed pursuant to Section 7.2.2. [The per unit figure shown below assumes the credit is taken over 1200 units.]

5.7.1.1 A fee credit against updated Sewer Sanitary Fee and Recycled Water Fee of \$227,500 or \$189.60 per unit for the Corollo Study related to the sewer and recycled water master plans.

5.7.1.2 A fee credit against the updated Domestic Water Fee of \$1,115,000 or \$929.17 per unit for the consultant time related to the preparation of the City's 2010 Urban Water Management Plan.

5.7.1.3 A fee credit against the proposed revised Traffic Control Facility Fee of \$105,000 or \$875 per unit for the consultant time related to the preparation of the Traffic Impact Analysis and related traffic fee prepared documents.

5.7.1.4 A fee credit against the proposed revised Traffic Control Facility Fee of \$45,000 or \$375 per unit for the development of Citywide fees related to the Traffic Impact Fees study or other fee studies required as a result of entitlement activities.

5.7.1.5 A fee credit against the proposed revised Traffic Control Facility Fee or other appropriate fee of \$550,000 or \$462.50 per unit for the consultant time and plan preparation for required studies related to pre-project improvements to Highland Springs near the I-10 freeway.

5.7.1.6 A fee credit against the General Plan Fee of \$187,500 or \$156 per unit for the General Plan Traffic Circulation Element Amendment preparation.

5.8 Obligations of Developer Respecting Financing; No Speculation. Except as specifically provided herein, it is expressly understood that the Developer is fully responsible for the cost of the Project and obtaining any necessary construction or long term financing therefore. The Developer's Property shall be used solely to support the development of the Project and may not be pledged as security to support financing for any other purpose, in accordance with Article 18.

6. TIME FOR CONSTRUCTION AND COMPLETION OF PROJECT.

6.1 Timing of Development. The Parties acknowledge that the substantial public benefits to be provided by the Developer to the City pursuant to this Agreement are in consideration for, and in reliance upon, assurances that the City will permit Development of the Developer's Property in accordance with the terms of this Agreement. Accordingly, the City shall not attempt to restrict or limit the Development of the Developer's Property in any manner that would conflict with the provisions of this Agreement. The City acknowledges that the Developer cannot at this time predict the timing or rate at which the Developer's Property will be Developed. The timing and rate of Development depend on numerous factors such as market demand, interest rates, absorption, completion schedules and other factors, which are not within the control of the developer or the City. In *Pardee Construction Co. v. City of Camarillo* (1984) 37 Cal.3d 465, the California Supreme Court held that a construction company was not exempt from a city's growth control ordinance notwithstanding that the construction company and the city had entered into a consent judgment (tantamount to a contract under California law) establishing the company's vested rights to develop its property in accordance with the zoning. The California Supreme Court reached this result on the basis that the consent judgment failed to address the timing of development. It is the intent of the Parties to avoid the result of the *Pardee* case by acknowledging and providing in this Agreement that the Developer shall have the vested right to Develop the Developer's Property in such order and at such rate and at such time as the Developer deems appropriate, but in accordance with the Development Goals and the phasing plans developed in accordance with Section 6.5, and in accordance with other terms hereof or in the Development Approvals related to project phasing and timing. In addition to, and not in limitation of, the foregoing, but except as set forth in the following sentence, it is the intent of the Parties that no City moratorium or other similar limitation relating to the rate or timing of the Development of the Developer's Property or any portion thereof, whether adopted by initiative, referendum or otherwise, shall apply to the Developer's Property to the extent that such moratorium, referendum or other similar limitation is in conflict with this Agreement. Notwithstanding the foregoing, the Developer acknowledges that nothing herein is intended or shall be construed as (i) overriding any provision of the Existing Land Use Regulations to the phasing of development of the Project; or (ii) restricting the City from exercising the powers described in Section 11 of this Agreement to regulate development of the Property. Nothing in this Section 6.1 is intended to excuse or release the Developer from any obligation set forth in this Agreement which is required to be performed on or before a specified calendar date or event without regard to whether or not one or more Owners proceeds with any portion of the Project. The City acknowledges that the Project Phasing set forth in the Specific Plan does not require

that the Project be Developed in any specific order but, instead, are illustrative of how the Project may be Developed. The Project Phasing instead is controlled by this Agreement.

6.2 Development Goals. Notwithstanding the provisions of Section 6.1, the Developer must achieve certain goals and objectives in terms of Project development in order to keep the Agreement in place for the full term contemplated in Section 3.1. The development of the Project will be reviewed at each Ten Year Anniversary Review. The Development Goals are as follows:

Phase I (10 th Anniversary)	<ul style="list-style-type: none"> ▪ Development will begin near the corner of Highland Springs and Wilson unless otherwise agreed ▪ 1,200 Residential Units to be constructed ▪ Commercial retail development per 6.2.4 ▪ Outlet for Smith Creek and other improvements in Section 6.2.3.
Phase II (20 th Anniversary)	<ul style="list-style-type: none"> ▪ 1,600 residential units to be constructed
Phase III (30 th Anniversary)	<ul style="list-style-type: none"> ▪ 1,400 residential units to be constructed
Phase IV (40 th Anniversary)	<ul style="list-style-type: none"> ▪ 1,187 residential units to be constructed

6.2.1. Cumulative Measure of Units. The Development Goals for each Phase shall be cumulative, e.g., if the Developer has constructed 2000 Residential Units in Phase I and 1000 Residential Units in Phase II, then the Developer will have met the Development Goal for Phase II even though less than 1500 Residential Units were constructed during Phase II.

6.2.2. More Detailed Phasing Plans Developed. Within each Phase, as defined above, more detailed phasing plans for each subdivision shall be developed in accordance with Section 6.5, and are subject to the City's review and approval as conditions of approval of the Tract or Subdivision Map and, as approved, shall become a part of the Existing Approvals.

6.2.3. Additional Phase I Development. In addition to the residential unit Development Goals, Phase I shall also include: (i) commercial development as specified in Section 6.2.4, (ii) the outlet for the Smith Creek flood control improvements at Wilson, (iii) the preparation and dedication of the Recreation/Emergency Center site described in Section 8.1.4, (iv) the satellite water treatment plant described in Section 8.3, (v) the water tanks described in Section 8.5; and (vi) such other Proposed Project Facilities as required by the Specific Plan and the Phasing Plans approved pursuant to Section 6.5. Notwithstanding the specification of timing as provided herein, with the approval of the City Manager, any public improvement required herein may be deferred for good cause.

6.2.4. Commercial Development. A minimum 23-acre retail-commercial site at the corner of Highland Springs and Wilson (Planning Area 18) will be prepared as a part of Phase I, and concurrently with the development undertaken pursuant to Section 6.8. Site preparation

shall require the grading of the Site, construction of surrounding streets, and bringing all necessary utilities and infrastructure for development. Developer shall also demonstrate a good faith effort undertaken over at least a five (5) year period to market the site for sale or lease to a suitable user. Additionally, Developer shall maintain the potential to expand the site to as much as 88 acres to permit a larger commercial development, provided that such expanded project obtains any necessary entitlements. Developer shall advise City within five (5) years of the Effective Date as to what interest there might be in the expanded project and the parties will mutually agree as to the scope of the project. The timely preparation and attempts to market this site is required for completion of Phase I and is subject to the same treatment as the residential units (i.e. phasing period can be prolonged for economic distress and the Term of Agreement can be shortened pursuant to Section 6.7). The goal of the City is to locate a significant sales tax generating "big box user" as the major tenant of the project. Accordingly, City retains the right to approve the major tenant in the project (tenants over 75,000 sq. ft), in accordance with the provisions in Article 14 as a transferee by lease or sale.

6.2.5. Extensions of Phases. The length of each Phase for the purposes of this Section 6.2 shall be extended by one (1) year for each Economically Distressed Year occurring during the Phase, up to a maximum of three (3) years as provided in Section 6.6.5.

6.3 Development Goals Satisfied By Commencement of Construction. The Development Goals for residential units specified above are satisfied if construction has commenced. "Commencement of Construction" of a residential unit means that building plans have been approved, that a building permit has been issued and that construction has commenced on the unit. The unit shall not be counted if the building permit expires without completion of the unit.

6.4 Public Improvements. The Parties understand and agree that the Specific Plan identifies the public infrastructure and though it contains phasing concepts, it does not specify precisely the phasing of the construction of public infrastructure. The development phasing will be consistent with the Specific Plan and this Agreement. The City desires that required public infrastructure generally be constructed in the early portion of the applicable phase of the development cycle subject to the guidelines specified below. In consideration of the foregoing, notwithstanding any provision herein to the contrary, the City shall retain the right to condition any Future Approvals to require Developer to dedicate necessary land, pay the development fees specified in Article 7, and/or to construct the required public infrastructure ("Exactions"), at such time as City shall determine in accordance with the process in Section 6.5 and subject to the following conditions:

A. The dedication, payment or construction must be to alleviate an impact caused by the Project or be of benefit to the Project; and

B. The timing of the Exaction should be reasonably related to the phasing of the development of the Project and said public improvements shall be phased to be commensurate with the logical progression of the Project development as well as the reasonable needs of the public and the improvements shall be completed based upon the needs of the general public existing from time to time.

When the Developer is required by this Agreement and/or the Development Plan to construct any public improvements which will be dedicated to the City or any other public agency, upon completion, and if required by applicable laws to do so, the Developer shall perform such work in the same manner and subject to the same construction standards as would be applicable to the City or such other public agency should it have undertaken such construction work. The Developer shall pay prevailing wages as required by law.

6.5 Development of Phasing Plans During Subdivision Map Approvals. The phasing and timing requirements for the construction of all development including public improvements shall generally be in accordance with the Development Approvals and applicable provisions of this Agreement (For example, Sections 6.2, 6.4, 6.5, 7.3, 8.0, etc.). Although the overall timing of Project development remains subject to the Developer's discretion based on market conditions in accordance with Section 6.1, there is a logical sequence to the development and certain improvements are required to be complete before phases of the Project can be considered complete and ready for occupancy. The Phasing Plan will be developed over time in accordance with the following process:

6.5.1. Master Phase Tract Map. Each Phase shall have a Master Tract Map which shall be submitted for financing and conveyance purposes only and no improvements may be constructed nor shall development be permitted pursuant to such approved Tract Map except through submission and approval of tentative and final Subdivision Maps. Concurrently with processing of the Master Tract Map, all tentative Subdivision Maps for the Tract shall be submitted and processed.

6.5.2. Subdivision Maps. Each Master Tract Map shall designate future subdivisions within the Tract and the order of subdivision development to the extent that the need for development of public infrastructure dictates the logical progression of subdivision development. Each Subdivision Map shall show all infrastructure necessary for the development of the Subdivision. Each subdivision will have a written Phasing Plan approved by the Director and the City Engineer prior to commencement of development of the subdivision specifying when the lots within the subdivision will be developed and when all public infrastructure within the subdivision will be constructed. Generally all streets, lighting, curbs and gutters, sidewalks, parkway landscaping, asphalt concrete paving, traffic signs and stripping, medians, landscaping, drainage facilities, storm drains, water lines, sewer lines, utility lines, trails and other facilities within the subdivision must be completed before release of any occupancy permits within the subdivision. All conditions which require the provision of Proposed Project Facilities and Subdivision Improvements for the area covered by each tentative Subdivision Map must be satisfied, either through performance or through the provision of suitable security, prior to the approval and recordation of the Subdivision Map.

6.5.3. Proposed Project Facilities. Attached as Exhibit "F" are diagrams showing Proposed Project Facilities and depicting the major public infrastructure of the development, including roadways, detention basins, water lines, sewer lines, recycle water lines, utilities, storm drains and drainage facilities, treatment plants, power substations, community parks, community centers, fire stations, and other infrastructure serving area-wide populations. The Proposed Project Facilities serve multiple subdivisions, and may need to be constructed in the initial phase of a particular Tract, or even before certain Tracts can be developed. The

detailed phasing of construction will be provided through the Master Tract and Subdivision Phasing Plans, and subject to Section 6.4.

6.5.4. Time for Map Submission. The Developer shall submit all applications for tentative, or vesting tentative, Master Tract Maps and, concurrently with each application for a Master Tract Map, the applications for tentative, or vesting tentative, Subdivision Maps thereof within five (5) years of the Effective Date for the City's review and approval.

6.6 Ten Year Anniversary Review.

6.6.1. Generally. On or about each Tenth Anniversary of the Effective Date as provided herein, the City shall conduct the Ten Year Anniversary Review") the City and the Developer review to shall review the performance of this Agreement, and the development of the Project to see if the Development Goals have been met. The cost of the Annual Review shall be borne by the Developer and the Developer shall pay a reasonable deposit in an amount requested by City to pay for such review.

As part of each Ten Year Anniversary Review, sixty (60) days before each tenth anniversary of this Agreement, the Parties shall mutually meet and outline the review process, including (i) the information needed and formats, (ii) the schedule for performing the review, (iii) indentifying any needed consultants and studies, (iv) the adequacy of current DIFs and any anticipated need for changes, (v) any adjustments to needed public infrastructure, (vi) the estimated deposit needed to pay the City's costs of performing the review, and (vii) other matters necessary for the review.

The Developer shall deliver to the City all information reasonably requested by City (i) regarding the Developer's performance under this Agreement demonstrating that the Developer has complied in good faith with the terms of this Agreement and (ii) as required by this Agreement or the Existing Land Use Regulations. The Developer's submittal shall include a written explanation of any reasons why the Development Goals were or were not met, and any request for the modification of future Development Goals in the next 10 year period, and the reasons therefore.

The Developer shall submit its report on or before the Tenth Anniversary. Thereafter, the Director shall prepare and submit to City Council a written report on the performance of the Project. The Developer's written response shall be included in the Director's report. The report and recommendations to Council shall be made within 45 days of the anniversary, and a public hearing shall be held thereon.

6.6.2. Adjustment to DIFs. As provided in Section 7.2.2, all Development Impact Fees are subject to adjustment as put of the Ten Year Anniversary Review provided (i) the adjustment is based on the preparation a suitable analysis by an independent professional consultant experienced in performing such studies demonstrating the basis for the increase, (ii) the study is performed on a City-wide basis and applies to all development projects of 200 or more residential units, (iii) all infrastructure financed is included within the City's General Plan and capital projects master plan, (iv) the study demonstrates a reasonable nexus to

the Project and the fees are proportionate to the benefit received. The Development Impact Fees shall not contain any escalators but the studies justifying the fees may use cost numbers which recognize the ten year horizon of each study.

6.6.3. Parties Can Alter Development Goals Objectives. The Development Goals for the next Ten Year Anniversary Review period as set forth in Section 6.2 may be modified with the mutual agreement of the Parties at the time of the hearing set forth in Section 6.6.1. Unless the Parties reach agreement for modification, the Development Goals will remain as provided therein.

6.6.4. No Other Changes to Development Plan. Other than the Development Impact Fee adjustments provided in Section 6.6.2 which may be unilaterally approved by City subject to performing the required studies, no other changes to the Development Approvals may be made by City without the consent of Developer. Nothing herein shall restrict the City's reservations of rights under Article 11.

6.6.5. Extensions Due to Economic Distress.

6.6.5.1 Determination of Distress. As provided in Section 6.2.4, the Phases can be extended up to three (3) years due to the occurrence of an Economically Distressed Year(s). In any year in which Developer believes conditions exist to warrant Declaration of an Economically Distressed Year, within 30 days following the Anniversary Date, Developer shall submit his request therefore. Additionally, in support thereof, Developer shall provide City with a Report including the following: (i) a written analysis of County-wide data supporting the Declaration; (ii) publicly available reports concerning general market conditions affecting home building; (iii) analysis as to how general market conditions have affected the Project including demand, costs and financing; and (iv) forecasts concerning the next three (3) years. The Report is for informational purposes only and City shall not be permitted to disapprove the Declaration of Economic Distress if the data submitted meets the definition in Section 1.31. Within 30 days the City Manager shall review the Declaration and Report and determine if the data supports the declaration of an Economically Distressed Year. The City Manager's determination is appealable to the Council under Section 13.6.3, but not as a default thereunder.

6.6.5.2 Effect of Determination on 10-Year Review. Generally the effect of the declaration of an Economically Distressed Year shall also toll the performance of the 10 Year Anniversary Review. For example, if during any 10 year cycle, two years had been declared Economically Distressed, then the 10 Year Anniversary Review would be performed on or about the Anniversary Date of the 12th year, as otherwise provided in Section 6.6. The City, however, retains the right to elect to perform the DIF adjustments in accordance with Section 6.6.2 on the 10 Year Anniversary, or to defer the studies and do them in accordance with the general 10 Year Anniversary Review performed on the date to which the Phase has been extended due to the extensions for Economically Distressed Years pursuant to Section 6.2.4.

6.7 Failure to Satisfy Phasing Goals and Objectives. For reasons stated in Section 6.1, failure to achieve the Development Goals in any ten year period shall not be a default hereunder, but it shall cause the term of the Agreement to be shortened five (5) years.

Accordingly, a failure at the first Ten Year Anniversary Review shall cause the term of the Agreement in Section 3.1 to be reduced to 35 years, while a failure at the second review in year 20 (to achieve 3000 units) shall cause the Agreement to be shortened another five (5) years to 30 years (subject to any extension of the Term due to the occurrence of Economically Distressed Years as set forth in Section 3.4), but once the Term has been reduced, the lost time is not reinstated due to production of excess units in later phases.

The termination of this Agreement shall not alter the provisions of the Specific Plan concerning the zoning, density of development or any other regulatory provisions concerning the development of the Project, though the limitations provided in Article 4 on enactment of Future Land Use Regulations would be null and void.

6.8 Developer Incentives for Expedited Development.

6.8.1. Incentive for Early Development. The City wishes to establish new communities in the City and to encourage the early development of the Project, which, in light of current economic conditions, may require economic incentives to be provided to the Developer. Accordingly, the Developer shall be given a credit so that DIFs do not have to be paid for up to 500 residential units, if Commencement of Construction, as that term is defined in Section 6.3, occurs on or before the production dates in Section 6.8.4.

6.8.2. Conditions for Receipt of Credits. To receive the credits, the following conditions must be satisfied: (i) the units must be in Planning Areas 1 and 2 provided that, for good cause, City may approve building the units in alternative Planning Areas, (ii) each Tract containing residential units needs to be developed as a single unit with appropriate entry design features including walls, fountains, landscaping, signage and other features approved by City, (iii) the preparation of the commercial site in Planning Area 18 shall take place pursuant to Section 6.2.4, unless waived by City.

6.8.3. Fees Eligible for Credit. The DIFs eligible for credit are those identified as eligible in Exhibit "D."

6.8.4. Schedule. The credit shall be given for all units for which the Commencement of Construction, as that term is defined in Section 6.3, occurs within five (5) years after the Effective Date.

6.9 City Provided Assistance. The City shall provide the Developer with each of the items set forth in Exhibit "E."

7. FEES, TAXES AND ASSESSMENTS.

7.1 Processing Fees. During the Term of this Agreement, the City may require the Developer to pay all Processing Fees applicable to the Development of the Project at the rates in effect on the applicable application date or as described in this Agreement unless a specific amount is stated herein.

7.2 Development Impact Fees.

7.2.1. Limit on Exactions, Mitigation Measures, Conditions and Development Fees. Except for those fees expressly set forth in Sections 7.3 and 7.5 below, and for the reservations of authority in Article 11, the City shall charge and impose only those Exactions, mitigation measures and conditions, including, without limitation, dedications as are set forth in the Existing Land Use Regulations, and those fees relating to the Development of the Developer's Property as are expressly set forth in Exhibit "D" attached hereto, and no others. Per Section 7.4 below, Park Fees shall not be imposed during the life of this Agreement. The Developer shall pay the stated amount of all other fees shown in Exhibit "D" for the first 10 years of the Term, and subsequently adjusted amounts determined in accordance with Section 6.6.2.

7.2.2. Development Impact Fees to be Established Based on Studies. The City will study and establish DIFs within one year of the effective Date for the following: revised City Traffic Control Facility Fee, revised Domestic Water Fee, new Recycled Water Fee and revised Sanitary Sewer Fee. The Developer shall be obligated to pay the revised fees and the revised DIFs shall be considered part of the Existing land Use Regulations. The initial DIFs shall be established in accordance with fee studies meeting the requirements of Section 6.6.2.

7.2.3. Adjustment at 10 Year Anniversary Review. The Developer shall pay increased fees after the Ten Year Anniversary Review if those fees are adopted on a City wide basis after the preparation of, and are justified by, a suitable analysis demonstrating the basis for the increase in accordance with Section 6.6.2. The City shall be entitled to repeat the process of increasing the fees thereafter upon the same terms, during the Ten Year Anniversary Review in accordance with Section 6.6.2, throughout the Term of this Agreement.

7.2.4. Payment of Development Impact Fees. The Developer shall pay all Development Impact Fees with respect to Development commenced on the portion of the Developer's Property owned by the Developer. The Development Impact Fees set forth on Exhibit "D" attached hereto shall be paid at the issuance of the Certificate of Occupancy for each building. Unless otherwise specified herein, all other fees, including Processing Fees shall be paid when at issuance of building permits or otherwise when required by code.

7.3 Wastewater, Domestic and Reclaimed Water Facilities Development Impact Fees.

7.3.1. Wastewater Fees. The City levies two capital facilities fees related to wastewater: (i) a sewer collection fee; and (ii) a sewer frontage fee, but collectively such fees are referred to herein as sewer collection fees. The sewer collection fee shall be fixed in accordance with Section 7.2.1 above.

7.3.2. Construction of Wastewater Collection Infrastructure in Lieu of Fees. If any additions, improvements and/or upgrades to the City's wastewater collection system outside or within the boundaries of the Developer's Property are required in

connection with any Development of the Project, then with the mutual agreement of the parties, the Developer shall have the option to elect to construct some or all of such additions, improvements and/or upgrades at its sole cost and expense. The City shall develop the project specifications and shall undertake a design process to develop project plans and drawings meeting the City's specifications. The City may utilize the Developer to develop the plans and drawings if the design costs are competitive and Developer has retained competent design professionals who can timely perform the services. If, thereafter, the Developer wishes to construct the improvements, the Developer shall give City a fixed budget and construction schedule, while City obtains competitive bids. City may award the contract to the most competitive entity, considering price, financing, schedule and ability to perform. The contract may include liquidated damages provisions and other requirements to assure the timely and satisfactory completion of the project within budget. If performed by Developer, upon completion of such works of improvement, the Developer shall be entitled to offset the actual costs approved by City and incurred by it for the design, permitting, construction and installation of such works of improvement against any wastewater collection-related Development Impact Fees that may otherwise be payable in connection with future Development of the portion of the Developer's Property owned by the Developer.

7.3.3. Wastewater Treatment Capacity. The City shall use its best efforts to obtain the required permits and to construct the needed improvements to the City's wastewater treatment facilities in order to serve the Project as the need for additional facilities arises. The Developer shall include the construction of the wastewater treatment plant within the phasing plan developed pursuant to Section 6.5. The City estimates that a four year lead time is required with one year for design and one year for permitting with the remaining period needed for construction.

7.3.4. Wastewater, Domestic and Reclaimed Water Facilities and Fees. If any additions, improvements and/or upgrades to the City's water system, either domestic or reclaimed, outside or within the boundaries of the Developer's Property are required in connection with any Development of the Project, then with the City's approval, they may be undertaken by the Developer in accordance with the procedures in Section 7.3.2. Without limiting the generality of the foregoing, this includes the water tanks, pipelines and appurtenant facilities described in Section 8.5.

7.3.5. Recycled and Domestic Water Fees. Recycled and domestic water developer impact fees shall be established in accordance with Section 7.2.1 above. City does not currently have Development Impact Fees for reclaimed water facilities or for domestic water facilities for the Project. Within a year after the Effective Date, the City shall conduct a study to determine the reasonable charge and the Developer's pro rata share of the cost of such improvements. When adopted by the Council, the fees shall be considered incorporated herein as Existing Land Use Regulations, and shall be subject to further review at the Ten Year Anniversary Review as provided in Section 6.2.2.

7.4 Park Fees.

7.4.1. Construction of Facilities. The Developer will be constructing, installing and improving the park and recreation facilities listed below, which are

deemed to be park, recreation and/or open space for the purpose of complying with the Municipal Code's park fee requirements. All parkland and open space shall be maintained by the POA, the Developer, the City, the Golf Course operator or such other entity as approved by the City. Provided that all required parks and recreation facilities are constructed and installed in accordance with the Specific Plan and this Agreement, the Project shall not be subject to the imposition of Park Fees by the City. The City acknowledges that the value of the land and improvements for the park, recreation and open space land and facilities exceeds the aggregate of all park fees which may be charged by the City pursuant to the Municipal Code in connection with the proposed Development of the entire Project. The Developer shall construct and install within the Project's boundaries the following park and recreation facilities:

7.4.1.1 254-acre Golf Course or Active Open Space, as set forth in Sections 5.3 above and 8.1.3 below;

7.4.1.2 22 publicly accessible parks (each ranging in size from approximately less than 1 acre to over 16 acres), equipped by Developer with typical neighborhood park facilities, which may include picnic facilities, shade structures, playgrounds, turf areas, and related facilities as further defined in the Specific Plan and in accordance with the plans developed in Section 8.1;

7.4.1.3 Two private recreation centers, totaling approximately eight acres, which will be gated and accessible only to the residents of the Project. These centers may, but are not required to, include clubhouse facilities, restrooms, and other amenities as further defined in the Specific Plan; and

7.4.1.4 108.4 acres of additional open space as described in the Specific Plan.

7.4.2. Community Recreation Center. The City shall also be entitled to construct a community recreation center in Planning Areas 35 or 39, on any park or open space site or on any site identified for a public facility, such as a fire station or waste water treatment plant, if that site is not used for the public facility. Once the site has been identified, the Developer shall grade it and stub utilities to site. The Developer's obligations are further described in Section 8.1.4.

7.5 Traffic Impact Mitigation.

7.5.1. Fees to be Established. The City has established a Development Impact Fee for the purpose of collecting funds to pay for the cost of constructing localized transportation improvements. At the request of the City, the Developer may initiate a study to expand upon the existing Traffic Control Facility Fee to include additional improvements not currently covered in the fee. The fee includes signal costs and minor roadway improvements. The Developer shall pay the applicable Traffic Control Facility Fee established by the City in effect on the Effective Date or at the time that the new revised fee is established, pursuant to Section 7.2.1 above.

7.5.2. Highland Springs Interim Improvement Project. The Developer has initiated and will complete interim improvements to Highland Springs Avenue between Ramsey Street and the I-10 Freeway. These improvements include, but are not limited to, the synchronization of traffic signals along Highland Springs Avenue, relocation of traffic signals, closings and relocation of Joshua Palmer Way and the restriping and repaving of Highland Springs Avenue. The City believes that the current traffic impacts are caused by the Developer's earlier project in Beaumont. The City shall use its best efforts to coordinate with the City of Beaumont an agreement to reimburse a portion of the improvements either through the appropriate transportation fee credits or other mechanism.

7.5.3. The Developer to Construct Traffic Improvements In Lieu of Paying City Fair Share Fees. In the event the Developer is required to construct traffic improvements in lieu of paying the City's fair share fees, City shall reimburse the Developer for the cost of the completed improvements through Reimbursement Agreements mandating that any project larger than 20 dwelling units pay a prorated share for benefits associated with completion of the Project.

8. DEDICATIONS AND CONVEYANCES OF PROPERTY INTERESTS

8.1 Park Improvements.

8.1.1. Neighborhood/Community Parks. Prior to the construction of any parks, the Developer shall meet with both the Director and the Director of Parks and Recreation to review the provisions set forth in the Specific Plan outlining the facilities to be provided at each park and discuss the Developer's plans for near term construction of the parks. Prior to development of each park, a detailed site plan consistent with the Specific Plan shall be prepared by the Developer and approved by the Director and the Parks and Recreation Commissions. The Developer shall complete the construction of neighborhood parks, Planning Areas 22 through 34, 62, 64 through 67 and 72, and the parks in the SCE easement, Planning Areas 36 through 38, no later than the issuance of the final Certificate of Occupancy for residential units within the adjacent subdivisions. Active use park improvements may not be placed in the SCE easement parks if the Director and Commissions believe there are issues of public health with electro magnetic radiation. A subdivision separated from a park by a street shall not be considered to be adjacent to the park. The Parties shall, mutually, determine what constitutes the adjacent subdivision if a park adjoins more than one subdivision. Upon completion of each neighborhood park, the City shall after the one-year maintenance period has expired, within 10 working days, develop final punch lists of items to be corrected prior to acceptance by the City. Upon correction of final punch list items by the Developer, the City shall accept the park within 30 days of the date of the final inspection.

8.1.2. POA Recreation Centers. The POA Recreation centers identified in Planning Areas 21 and 63 shall be constructed by the Developer in accordance with the Tract Phasing Plan pursuant to Section 6.5.

8.1.3. Golf Course/Active Open Space. The Golf Course shall be constructed at the sole and absolute discretion of the Developer. The determination to construct the Golf Course will take place within the first phase of Phase I of development due to the need to construct of the flood control improvements for Smith Creek. The Golf Course will be maintained by a Developer selected operator and open to the public. The operator may sell annual play memberships. If, as described in Section 5.4 above, the Golf Course is determined to be financially infeasible, the Developer shall notify the Planning Department in writing and the open space and drainage provisions described in the Specific Plan shall dictate the uses allowed on Planning Areas 35 and 39. The revised use of Planning Areas 35 and 39 shall be approved by both the Planning Commission (as the recommending body) and City Council prior to construction. The revised plan shall incorporate active recreational use including biking and pedestrian trails, turnouts for exercise, viewing and educational facilities, all linkable to other tracts, parks and open space, landscaping and providing full public access.

8.1.4. Community Recreation/Emergency Center. The City's Parks Master Plan identifies the need in the Project for a community recreation center, and this is even more necessary if the Golf Course is not developed. This Center would be on an approximately six (6) acre parcel in Planning Area 39 in lieu of the golf clubhouse, or alternatively could be located as a part of a community park or other available site including in Planning Area 71, or in lieu of the waste water treatment plant site in Planning Area 11. Depending on the site selected, the six (6) acres may be reduced so as to not adversely affect the development area of adjacent parcels from the development areas shown in the Specific Plan. The Center is contemplated as a 30,000 sq. foot facility. The plan for the Center shall be included in the Park Master Plan and the site plan shall be processed at the time the chosen Planning Area is developed, subject to the Phasing Plans approved pursuant to Section 6.5, and provided that if the City chooses to put the Center in Planning Area 11, it may be developed as part of Phase I provided that Developer shall satisfy the Phase I obligation by providing a developed Site, and need not fund the construction of the improvements if there are insufficient DIF's for credit. The Developer shall dedicate the site to City without charge. If developed as part of a park it shall be developed at the time required for parks in Section 8.1.1. The Center may include emergency operations and shelter components, and will also include appropriate landscaped grounds and facilities as specified in the Master Plan. The Center may be developed and constructed by Developer in the same manner as for the waste water treatment plant in Section 7.3.2, except as provided above.

8.2 Drainage Facilities. Planning Areas 19 and 71 are required areas of detention, recharge and conveyance of Project created and natural storm flows through the Project as set forth in Section 5.4 above. Planning Area 19 will consist of water quality basins, habitat restoration and flood conveyance facilities as well as the head works for the culvert underneath Wilson Street. This Planning Area may be ultimately transferred to the Flood Control District or City for acceptance and maintenance, but the Developer shall have the right to utilize it until such time as Development has fully or partially occurred for erosion control purposes. Planning Area 71 may be constructed in Phase I of the Project if required for the realignment of Smith Creek. This Planning Area may also consist of a large open reservoir, detention basin and recharge facility that may ultimately be transferred to the City or other appropriate body for acceptance and maintenance. The City shall have no obligation to accept

the facilities if they primarily benefit the Project and are for flood control purposes but City may do so if the recharge facility and reservoir facility is designed for water recharge purposes and City determines in its sole and absolute discretion that they are needed to enhance the City's water supply.

8.3 Satellite Water Treatment Plant. The Director of Public Works Director shall determine the location of a two to five acre portion of Planning Area 11 for the onsite treatment of Project-related and other localized wastewater flows. The City shall have an Appraisal of Land Value determined within one (1) year of the signing of this Agreement. The City shall grant a credit equal to the fair market value determined by the appraisal to the City's waste water impact fee, when that fee is established, which credit may be used by the Developer on a unit by unit basis. Title to the site shall be transferred to the City after the site has been graded by the Developer and utilities are stubbed to the site.

8.4 Fire Station Site. The Specific Plan has identified a site in Planning Area 60 as the possible site for a fire station. The City shall have the an Appraisal of Land Value performed for a site of up to two (2) acres within one (1) year of the signing of this Agreement. The City shall grant a credit equal to the fair market value determined by the appraisal to the City's Fire Facilities Development Fee which credit may be used by the Developer on a unit by unit basis. Title to the site shall be transferred to the City after the site has been graded by the Developer and utilities are stubbed to the site.

8.5 Water Tanks. The City's water facilities and improvements described in Section 7.3.4 include certain water tanks, pipelines, access roads and appurtenant facilities which largely serve the Development and must be located at specific locations and elevations to make the water system function correctly and maintain public health and safety. The water tanks shall be developed as follows:

- A. A 500,000 gallon tank in Planning Area 73 at an high water elevation line of 3237 feet.
- B. A 1.4 million gallon tank in Planning Area 73 at an high water elevation line of 3070 feet.
- C. A 1.6 million gallon tank Planning Area 68 or 50 at an high water elevation line of 2822 feet.

Each tank will require a parcel from 1 to 1.5 acres in area and additional area for access, and shall be dedicated to City without charge after the site has been graded and stubbed out by Developer. The Developer may construct the improvements in accordance with Section 7.3.2 and receive fee credits to the water development impact fee on a unit per unit basis for the construction costs. The water tanks are considered part of the Proposed Project Facilities and shall be constructed in accordance with the Phasing Plans developed in accordance with Section 6.5 provided that the tanks in paragraph C above must be in Phase I.

9. PROCESSING OF REQUESTS AND APPLICATIONS: OTHER GOVERNMENT PERMITS.

9.1 Processing. In reviewing Future Development Approvals which are discretionary, the City may impose only those conditions, exactions, and restrictions which are allowed by the Development Plan and this Agreement. Upon satisfactory completion by the Developer of all required preliminary actions, meetings, submittal of required information and payment of appropriate processing fees, if any, the City shall promptly commence and diligently proceed to complete all required steps necessary for the implementation of this Agreement and the development by the Developer of the Project in accordance with the Existing Development Approvals. In this regard, the Developer, in a timely manner, will provide the City with all documents, applications, plans and other information necessary for the City to carry out its obligations hereunder and will cause the Developer's planners, engineers and all other consultants to submit in a timely manner all required materials and documents therefor. It is the express intent of this Agreement that the parties cooperate and diligently work to implement any zoning or other land use, site plan, subdivision, grading, building or other approvals for development of the Project in accordance with the Existing Development Approvals and those items set forth in Exhibit "E." Notwithstanding the foregoing, nothing contained herein shall be construed to require City to process Developer's Applications ahead of other projects in process in the City and City's obligations hereunder shall be subject to the City's workload and staffing at any given time.

9.2 Developer to Pay for Expedited Processing. If Developer elects, in its sole and absolute discretion, to request the City to incur overtime or additional consulting services to receive expedited processing by the City, the Developer shall pay all such overtime costs, charges or fees incurred by City for such expedited processing.

9.3 General Time Periods for Processing.

9.3.1. General Plan Review and Approval. The City shall provide comments within two weeks for all plan checks for required infrastructure, building, grading, both mass and finished, architectural, erosion control or any other required plan submittal and will not unduly extend amount of plan checks beyond three submittals provided that Developer's consultants are responsive. In the event that consensus between the City and the Developer regarding the content of the plans after the 3rd submittal can not be made, a meeting will be scheduled to discuss how to reconcile the differences.

9.3.2. Architectural Plan Submittal Process. The Developer shall submit architectural plans to the Planning Department for maximum two-week review of the entire plan set for each submittal for a maximum of three plan check reviews to ensure that they conform to the guidelines set forth in Specific Plan provided that Developer's consultants are responsive. In the event that consensus can not be made after the third plan check, a meeting will be coordinated with the plan checker, Planning Department and the Developer or the Developer's representative. The Planning Department, upon determining compliance with the guidelines set forth in the Specific Plan, shall approve the plans. This review is a ministerial action. Additional architectural enhancements that are above and beyond the design guidelines

will be implemented at the Developer's sole and absolute discretion but are subject to review by City if proposed.

9.4 Precise Grading/Plot Plan Revisions. In the event that the Developer wishes to revise house plan type or elevation on an approved plot plan or revised grading plan, City Engineering and Planning staff review and approval shall be done over the counter.

9.5 Additional Inspectors and Plan Checkers. In the event that the Developer requests it, the City shall permit overtime, including both additional days and hours, for inspections and plan checking at the Developer's expense. In the event that the City is unable to provide inspectors or plan checkers capable of meeting the demand for inspections or plan checks required for the Development of the Project in a timely fashion, the City shall, if requested to do so by the Developer and at the Developer's expense, employ additional private entities or persons to perform such services.

9.6 Tentative Subdivision Maps. The City shall extend through the Term hereof (pursuant to Government Code § 66452.6) all Master Tract Maps and all tentative and vesting tentative Subdivision Maps applied for by the Developer during the term of this Agreement and approved by the City in the future.

9.7 Multiple Final Subdivision Maps: The Developer may file as many final maps over a tentative Subdivision Map as it deems appropriate in its sole and absolute discretion.

9.8 Financing and Conveyance Maps: The Developer may have a Master Tract Map approved for the purpose of conveying portions of the Developer's Property to others and/or for the purpose of creating legal lots which may be used as security for loans to develop the Developer's Property and as provided in Section 6.5.1. Any such map shall not authorize any Development and shall not be subject to any conditions, Exactions or restrictions, other than monumentation and conditions which do not require the payment of money or the installation or construction of improvements.

9.9 Water Availability. Any final subdivision map prepared for the Developer's Property, or any portion of the Developer's Property, shall comply with the provisions of Government Code § 66473.7.

9.10 Other Governmental Permits. The Developer shall apply in a timely manner for such other permits and approvals as may be required from other governmental or quasi-governmental agencies having jurisdiction over the Project as may be required for the development of, or provision of services to, the Project. The City shall cooperate with the Developer in its efforts to obtain such permits and approvals.

9.11 Public Agency Coordination. The City and Developer shall cooperate and use reasonable efforts in coordinating the implementation of the Development Plan with other public agencies, if any, having jurisdiction over the Property or the Project.

9.12 Annexation. This Agreement's effectiveness over land within the Developer's Property that is currently not within the City nor within its sphere of influence is subject to the annexation of that land into the City. If the land is annexed into the City, the terms

of this Agreement shall automatically apply to all portions of that land upon its annexation. In the event that annexation of portions of the Developer's Property not currently within the City is not approved by LAFCO, or for any other reason is not annexed to the City, then any such portions shall be excluded from this Agreement. With the exception of land within Planning Area 43B, the City shall, subject to the negotiation of a tax allocation agreement with the County of Riverside acceptable to City, use its best efforts to expeditiously accomplish the annexation of those portions of the Developer's Property not within the City, or such portions thereof as may be approved by the developer, to the City.

10. AMENDMENT AND MODIFICATION OF DEVELOPMENT AGREEMENT.

10.1 Initiation of Amendment. Either Party may propose an amendment to this Agreement.

10.2 Procedure. Except as set forth in Section 10.4 below, the procedure for proposing and adopting an amendment to this Agreement shall be the same as the procedure required for entering into this Agreement in the first instance, and meet the requirements of the Development Agreement Statute § 65867.

10.3 Consent. Except as expressly provided in this Agreement, no amendment to all or any provision of this Agreement shall be effective unless set forth in writing and signed by duly authorized representatives of each of the Parties hereto and recorded in the Official Records of Riverside County.

10.4 Minor Modifications.

10.4.1. Flexibility Necessary. The provisions of this Agreement require a close degree of cooperation between the City and the Developer. Implementation of the Project may require minor modifications of the details of the Development Plan and affect the performance of the Parties under this Agreement. The anticipated refinements to the Project and the Development of the Developer's Property may demonstrate that clarifications to this Agreement and the Existing Land Use Regulations are appropriate with respect to the details of performance of the City and the Developer. The Parties desire to retain a certain degree of flexibility with respect to those items covered in general terms under this Agreement. Therefore, non-substantive and procedural modifications of the Development Plan shall not require modification of this Agreement.

10.4.2. Non-Substantive Changes. A modification will be deemed non-substantive and/or procedural if it does not result in a material change in fees, maximum residential density, maximum intensity of use, permitted uses, the maximum height and size of buildings, the reservation or dedication of land for public purposes, or the improvement and construction standards and specifications for the Project, including density transfers between phases. A "material change" is generally one which does not change the standard by ten percent (10%) or more. For example, for a height limit of 20 feet, a change of less than two feet is deemed non-material.

10.4.3. Hearing Rights Protected. Notwithstanding the foregoing, City will process any change to this Development Agreement consistent with state law and will hold public hearings thereon if so required by state law and the parties expressly agree nothing herein is intended to deprive any party or person of due process of law.

10.5 Effect of Amendment to Development Agreement. Except as expressly set forth in any such amendment, an amendment to this Agreement will not alter, affect, impair, modify, waive, or otherwise impact any other rights, duties, or obligations of either Party under this Agreement.

11. RESERVATIONS OF AUTHORITY.

11.1 Limitations, Reservations and Exceptions. Notwithstanding anything to the contrary set forth hereinabove, in addition to the Existing Land Use Regulations, only the following Land Use Regulations adopted by City hereafter shall apply to and govern the Development of the Developer's Property ("Reservation of Authority"):

11.1.1. Future Regulations. Future Land Use Regulations which (i) are not in conflict with the Existing Land Use Regulations, (ii) which would be applicable under the Development Agreement statute (§ 65866); (iii) if in conflict with the Existing Land Use Regulations but the application of which to the Development of the Developer's Property has been consented to in writing by Developer.

11.1.2. State and Federal Laws and Regulations. Where state or federal laws or regulations enacted after the Effective Date prevent or preclude compliance with one or more provisions of the Development Agreement, those provisions shall be modified, through revision or suspension, to the extent necessary to comply with such state or federal laws or regulations.

11.1.3. Public Health and Safety/Uniform Codes.

11.1.3.1 Adoption Automatic Regarding Uniform Codes. This Agreement shall not prevent the City from adopting Future Land Use Regulations or amending Existing Regulations which are uniform codes and are based on recommendations of a multi-state professional organization and become applicable throughout the City, such as, but not limited to, the Uniform Building, Electrical, Plumbing, Mechanical, or Fire Codes.

11.1.3.2 Adoption Regarding Public Health and Safety/Uniform Codes. This Development Agreement shall not prevent the City from adopting Future Land Use Regulations respecting public health and safety to be applicable throughout the City which directly result from findings by the City that failure to adopt such Future Land Use Regulations would result in a condition injurious or detrimental to the public health and safety and that such Future General Regulations are the only reasonable means to correct or avoid such injurious or detrimental condition.

11.1.3.3 Adoption Automatic Regarding Regional Programs. This Agreement shall not prevent the City from adopting Future Land Use Regulations or amending Existing Regulations which are regional codes and are based on recommendations of a county or regional organization and become applicable throughout the region, such as Western Riverside Council of Governments.

11.1.4. Amendments to Codes for Local Conditions. Notwithstanding the foregoing, no construction within the Project shall be subject to any provision in any of the subsequent Uniform Construction Codes, adopted by the State of California, but modified by the City to make it more restrictive than the provisions of previous Uniform Construction Codes of the City, notwithstanding the fact that the City has the authority to adopt such more restrictive provision pursuant to the California Building Standards Law, including, but not limited to, Health and Safety Code § 18941.5, unless such amendment applies City-wide. The City shall give Developer prior written notice of the proposed adoption of such amendment and Developer shall have the right to present its objections to the amendment.

11.2 Regulation by Other Public Agencies. It is acknowledged by the Parties that other public agencies not within the control of the City possess authority to regulate aspects of the Development of the Developer's Property separately from, or jointly with, the City and this Agreement does not limit the reasonable authority of such other public agencies.

11.3 Fees, Taxes and Assessments. Notwithstanding any other provision herein to the contrary, the City retains the right (i) to impose or modify Processing Fees and Development Impact Fees as provided in Article 7, (ii) to impose or modify business licensing or other fees pertaining to the operation of businesses, (iii) to impose or modify taxes and assessments which apply City-wide such as utility taxes, sales taxes and transient occupancy taxes, (iv) to impose or modify fees and charges for City services such as electrical utility charges, water rates, and sewer rates, (v) to impose or modify a community wide or area-wide assessment district which does not predominately apply to the Developer's Property, and (vi) to impose or modify any fees, taxes or assessments similar to the foregoing.

12. ANNUAL REVIEW.

12.1 Annual Monitoring Review. Following commencement of construction, the City and the Developer shall review the performance of this Agreement, and the Development of the Project, on or about each anniversary of the Effective Date (the "Annual Review"). The cost of the Annual Review shall be borne by Developer and Developer shall pay a reasonable deposit in an amount requested by City to pay for such review. As part of each Annual Review, within ten (10) days after each anniversary of this Agreement, the Developer shall deliver to the City all information reasonably requested by City (i) regarding the Developer's performance under this Agreement demonstrating that the Developer has complied in good faith with the terms of this Agreement and (ii) as required by the Existing Land Use Regulations.

The Director shall prepare and submit to Developer and thereafter to City Council a written report on the performance of the Project, and identify any deficiencies. If any deficiencies are noted, or if requested by a Councilmember a public hearing shall be held before the City Council on the report to Council. The Developer's written response shall be included in the Director's report. The report to Council shall be made within 45 days of the anniversary date.

If the City determines that the Developer has substantially complied with the terms and conditions of this Agreement, the Annual Review shall be concluded. If the City finds and determines that the Developer has not substantially complied with the terms and conditions of this Agreement for the period under review, the City may declare a default by the Developer in accordance with Section 13.1.

12.2 Certificate of Compliance. If, at the conclusion of an Annual Review, the City finds that the Developer is in substantial compliance with this Agreement, the City shall, upon request by the Developer, issue an Estoppel Certificate to the Developer in the form shown on Exhibit "C."

12.3 Failure to Conduct Annual Review. The failure of the City to conduct the Annual Review shall not be a Developer Default unless Developer fails to cooperate in providing necessary information.

13. DEFAULT, REMEDIES AND TERMINATION.

13.1 Rights of Non-Defaulting Party after Default. The Parties acknowledge that both Parties shall have hereunder all legal and equitable remedies as provided by law following the occurrence of a Default or to enforce any covenant or agreement herein except as provided in Section 13.2 below. Before this Agreement may be terminated or action may be taken to obtain judicial relief the Party seeking relief ("Non-Defaulting Party") shall comply with the notice and cure provisions of this Article 13.

13.2 No Recovery for Monetary Damages. The nature of a development agreement under the Development Agreement Statute is a very unusual contract involving promoting a very large development project facing many complex issues including geologic, environmental, finance, market, regulatory and other constantly evolving factors over an extremely long time frame. The high level of uncertainty and risk involved justify the extraordinary commitments made to the Developer. However, the original persons representing the parties and approving the transaction are only likely to be involved with the Project for a limited time in comparison to the over-all life of the Project.

It is highly likely that misunderstandings will develop over time. Moreover, municipal budgets are extremely constrained, and a threat of recovery of damages against a municipal entity may pressure a municipality with limited resources to settle in a manner adverse to its interests and those of its citizens. Finally, the municipal entity represents the public welfare of the entire community, a community who cannot directly represent themselves. The City Council has come to believe that entering into a development agreement with the Developer vesting the Developer with the extraordinary rights provided herein is in the best interests of the community

through the Developer's active engagement with the community and open communications over several years. It is critical to the success of this Project that as inevitable obstacles are met, and the persons implementing the Project change over the 40 year time span of the Project, that close working relationships be maintained. Accordingly, in this Agreement, the rights of enforcement are limited as follows (i) the remedy of monetary damages is not available to either Party, and (ii) there is no shortcut to a mediation or arbitration procedure where a nonelected representative can arbitrarily determine land use development issues.

For purposes of enforcement, stated positively, the Parties shall have the equitable remedies of specific performance, injunctive and declaratory relief, or a mandate or other action determining that the City has exceed its authority, and similar remedies, other than recovery of monetary damages, to enforce their rights under this Agreement. The Parties shall have the right to recover their attorney fees and costs pursuant to Section 19.9 in such action. Moreover, the Developer shall have the right to a public hearing before the City Council before any default can be established under this Agreement, as provided in Section 13. 6.

13.3 Recovery of Monies Other Than Damages.

13.3.1. Restitution of Improper Exactions. In the event any actions, whether monetary or through the provision of land, good or services, are imposed on the Development of the Developer's Property other than those authorized pursuant to this Agreement, the Developer shall be entitled to recover from City restitution of all such improperly assessed exactions, either in kind or the value in lieu of the exaction, together with interest thereon at the rate of the maximum rate provided by law per year from the date such exactions were provided to City to the date of restitution.

13.3.2. Monetary Default. In the event the Developer fails to perform any monetary obligation under this Agreement, City may sue for the payment of such sums to the extent due and payable. The Developer shall pay interest thereon at the lesser of: (i) ten percent (10%) per annum, or (ii) the maximum rate permitted by law, from and after the due date of the monetary obligation until payment is actually received by the City.

13.4 Compliance with the Claims Act. Compliance with this Article 13 shall constitute full compliance with the requirements of the Claims Act, Government Code § 900 et seq., pursuant to Government Code § 930.2 in any action brought by the Developer.

13.5 Notice and Opportunity to Cure. A Non-Defaulting Party in its discretion may elect to declare a Default under this Agreement in accordance with the procedures hereinafter set forth for any failure or breach of the other Party ("Defaulting Party") to perform any material duty or obligation of the Defaulting Party under the terms of this Agreement. However, the Non-Defaulting Party must provide written notice to the Defaulting Party setting forth the nature of the breach or failure and the actions, if any, required by the Defaulting Party to cure such breach or failure. The Defaulting Party shall be deemed in Default under this Agreement, if the breach or failure can be cured, but the Defaulting Party has failed to take such actions and cure such default within thirty (30) days after the date of such notice or ten (10) days for monetary defaults (or such lesser time as may be specifically provided in this Agreement).

However, if such non-monetary Default cannot be cured within such thirty (30) day period, and if and, as long as the Defaulting Party does each of the following:

1. Notifies the Non-Defaulting Party in writing with a reasonable explanation as to the reasons the asserted default is not curable within the thirty (30) day period;
2. Notifies the Non-Defaulting Party of the Defaulting Party's proposed cause of action to cure the default;
3. Promptly commences to cure the default within the thirty (30) day period;
4. Makes periodic reports to the Non-Defaulting Party as to the progress of the program of cure;
5. Diligently prosecutes such cure to completion, and

Then the Defaulting Party shall not be deemed in breach of this Agreement.

Notwithstanding the foregoing, the Defaulting Party shall be deemed in default under this Agreement if the breach or failure involves the payment of money but the Defaulting Party has failed to completely cure the monetary default within ten (10) days (or such lesser time as may be specifically provided in this Agreement) after the date of such notice.

13.6 Dispute Resolution.

13.6.1. Meet & Confer. Prior to any Party issuing a Default Notice hereunder, the Non-Defaulting Party shall inform the Defaulting Party either orally or in writing of the Default and request a meeting to meet and confer over the alleged default and how it might be corrected. The Parties through their designated representatives shall meet within ten (10) days of the request therefore. The Parties shall meet as often as may be necessary to correct the conditions of default, but after the initial meeting either Party may also terminate the meet and confer process and proceed with the formal Default Notice.

13.6.2. Termination Notice. Upon receiving a Default Notice, should the Defaulting Party fail to timely cure any default, or fail to diligently pursue such cure as prescribed above, the Nondefaulting Party may, in its discretion, provide the Defaulting Party with a written notice of intent to terminate this Agreement and other Agreements ("Termination Notice"). The Termination Notice shall state that the Nondefaulting Party will elect to terminate the Agreement and such other Agreements as the Non-defaulting Party elects to terminate within thirty (30) days and state the reasons therefor (including a copy of any specific charges of default) and a description of the evidence upon which the decision to terminate is based. Once the Termination Notice has been issued, the Non-defaulting Party's election to terminate Agreements will only be waived if (i) the Defaulting Party fully and completely cures all defaults prior to the date of termination, or (ii) pursuant to Section 13.6.3 below.

13.6.3. Hearing Opportunity Prior to Termination. Prior to any termination, a termination hearing shall be conducted as provided herein ("Termination Hearing"). The Termination Hearing shall be scheduled as an open public hearing item at a regularly-scheduled City Council meeting within thirty (30) days of the Termination Notice, subject to any legal requirements including but not limited to the Ralph M. Brown Act, Government Code Sections 54950-54963. At said Termination Hearing, the Defaulting Party shall have the right to present evidence to demonstrate that it is not in default and to rebut any evidence presented in favor of termination. Based upon substantial evidence presented at the Termination Hearing, the Council may, by adopted resolution, act as follows:

- A. Decide to terminate this Agreement.
- B. Determine that the alleged Defaulting Party is innocent of a default and, accordingly, dismiss the Termination Notice and any charges of default; or
- C. Impose conditions on a finding of default and a time for cure, such that Defaulting Party's fulfillment of said conditions will waive or cure any default.

Findings of a default or a condition of default must be based upon substantial evidence supporting the following three findings: (i) that a default in fact occurred and has continued to exist without timely cure, (ii) that the Non-Defaulting Party's performance has not excused the default; and (iii) that such default has, or will, cause a material breach of this Agreement and/or a substantial negative impact upon public health, safety and welfare, or the financial terms established in the Agreement, or such other interests arising from the Project. Notwithstanding the foregoing, nothing herein shall vest authority in the City Council to unilaterally change any material provision of the Agreement.

Following the decision of the City Council, any Party dissatisfied with the decision may seek judicial relief consistent with this Article 13.

13.7 Waiver of Breach. By not challenging any Development Approval within 90 days of the action of City enacting the same, Developer shall be deemed to have waived any claim that any condition of approval is improper or that the action, as approved, constitutes a breach of the provisions of this Agreement. By recordation of a final map on all or any portion of the Developer's Property, the Developer shall be deemed to have waived any claim that any condition of approval is improper or that the action, as approved, constitutes a breach of the provisions of this Agreement.

13.8 Limitations on Defaults. Notwithstanding any provision in this Agreement to the contrary, a Default by one Owner shall not constitute a Default by an Owner of a portion of the Developer's Property, which is not the owner of the portion of the Developer's Property that is the subject of the Default (an "Innocent Owner"). Likewise, a Default by an Owner with respect to a Lot (or group of Lots) it owns or leases shall not constitute a Default by an Innocent Owner, nor shall the Default by another Owner of a portion of the Developer's Property not owned by an Innocent Owner constitute a Default of the Innocent Owner. Therefore, (i) no Innocent Owner shall have any liability to the City for, or with respect to, any

Default by another Owner or any Default of any other Owner, (ii) an Innocent Owner shall have no liability to the City for, or with respect to, any Default by any other Owner, and (iii) the City's election to terminate this Agreement as a result of a Default by an Owner shall not result in a termination of this Agreement with respect to either (x) any portion of the Developer's Property not owned by such Owner or (y) those Lots owned or leased by an Innocent Owner until such time that this Agreement would otherwise terminate in accordance with its terms.

13.9 Venue. In the event of any judicial action, venue shall be in the Superior Court of Riverside County.

14. ASSIGNMENT.

14.1 Right to Assign.

14.1.1. General. Neither Party shall assign (as hereinafter defined) or transfer (as hereinafter defined) its interests, rights or obligations under this Agreement without the prior written consent of the other, which consent shall not be unreasonably withheld or delayed. The term "assignment" as used in this Agreement shall include successors-in-interest to the City that may be created by operation of law. Notwithstanding the foregoing, the City shall have the right to sell, assign or transfer its interest in any real property dedicated or transferred to the City pursuant to the terms of this Agreement or to another public agency.

As used in this Section, the term "transfer" shall include the transfer to any person or group of persons acting in concert of more than seventy percent (70%) of the present equity ownership and/or more than fifty percent (50%) of the voting control of the Developer (jointly and severally referred to herein as the "Trigger Percentages") or any general partner of the Developer in the aggregate, taking all transfers into account on a cumulative basis, except transfers of such ownership or control interest between members of the same immediate family, or transfers to a trust, testamentary or otherwise, in which the beneficiaries are limited to members of the transferor's immediate family. A transfer of interests (on a cumulative basis) in the equity ownership and/or voting control of the Developer in amounts less than the Trigger Percentages shall not constitute a transfer subject to the restrictions set forth herein. In the event the Developer or any general partner of the Developer or its successor is a corporation or trust, such transfer shall refer to the transfer of the issued and outstanding capital stock of the Developer, or of beneficial interests of such trust; in the event that Developer or any general partner of the Developer is a limited or general partnership, such transfer shall refer to the transfer of more than the Trigger Percentages in the limited or general partnership interest; in the event that the Developer or any general partner is a joint venture, such transfer shall refer to the transfer of more than the Trigger Percentages of such joint venture partner, taking all transfers into account on a cumulative basis.

The Developer shall not transfer this Agreement or any of the Developer's rights hereunder, or any interest in the Developer's Property or in the improvements thereon, directly or indirectly, voluntarily or by operation of law, except as provided below, without the prior written approval of City, and if so purported to be transferred, the same shall be null and void. In considering whether it will grant approval to any transfer by Developer, which transfer requires City approval, City shall consider factors such as (i) the financial strength and capability of the

proposed transferee to perform the obligations hereunder; and (ii) the proposed transferee's experience and expertise in the planning, financing, development, ownership, and operation of similar projects. In no event shall the City's approval of any transfer be unreasonably withheld or delayed.

In addition, no attempted assignment of any of the Developer's obligations hereunder shall be effective unless and until the successor party signs and delivers to the City an assumption agreement, in a form approved by the City, assuming such obligations. No consent or approval by City of any transfer requiring the City's approval shall constitute a further waiver of the provision of this Section 14.1.1 and, furthermore, the City's consent to a transfer shall not be deemed to release the Developer of liability for performance under this Agreement unless such release is specific and in writing executed by City. In no event shall the City's release of the Developer from liability under this Agreement upon a transfer be unreasonably withheld or delayed.

Notwithstanding any provision of this Agreement to the contrary, City approval of a Transfer or Assignment of any portion of the Developer's Property under this Agreement shall not be required in connection with any of the following provided that such person or entity transferee or assignee assumes in writing all of the Developer's obligations under this Agreement and notifies the City in writing of the same:

- A. Any mortgage, deed of trust, sale/lease-back, or other form of conveyance for financing and any resulting foreclosure therefrom.
- B. The granting of easements or dedications to any appropriate governmental agency or utility or permits to facilitate the development of the Developer's Property.
- C. A sale or transfer resulting from, or in connection with, a reorganization as contemplated by the provisions of the Internal Revenue Code of 1986, as amended or otherwise, in which the ownership interests of a corporation are assigned directly or by operation of law to a person or persons, firm or corporation which acquires the control of the voting capital stock of such corporation or all or substantially all of the assets of such corporation.
- D. A sale or transfer of less than the Trigger Percentages between members of the same immediate family, or transfers to a trust, testamentary or otherwise, in which the beneficiaries consist solely of immediate family members of the trustor or transfers to a corporation or partnership in which the immediate family members or shareholders of the transferor who owns at least ten percent (10%) of the present equity ownership and/or at least fifty percent (50%) of the voting control of Developer.
- E. A transfer of common areas to a POA.
- F. Any transfer to an entity or entities in which the Developer retains a minimum of 51% of the ownership or beneficial interest and retains management and control of the transferee entity or entities.

G. Any transfer of interests in Owner for estate planning purposes to the heirs of Owner, provided that the heirs retain a minimum of 51% of the ownership or beneficial interest of the transferor entity and retain management and control of the transferee entity.

H. Any transfer of interest to a Pre-Qualified Buyer.

14.1.2. Subject to Terms of Agreement. Following any such Transfer or Assignment of any of the rights and interests of the Developer under this Agreement, in accordance with Section 14.1.1 above, the exercise, use and enjoyment of such rights and interests shall continue to be subject to the terms of this Agreement to the same extent as if the assignee or transferee were the Developer.

14.1.3. Release of Developer. Upon the written consent of the City to the complete assignment of this Agreement or the transfer of a portion of the Developer's Property and the express written assumption of the assigned obligations of the Developer under this Agreement by the assignee, the Developer shall be relieved of its legal duty from the assigned obligations under this Agreement with respect to the portion of the Developer's Property transferred, except to the extent the Developer is in default under the terms of this Agreement prior to the transfer.

14.1.4. No Approval of Terms of Loan by City. Notwithstanding anything to the contrary set forth herein with regards to the approval by the City of hypothecation, encumbrances or mortgages, the City shall only have the right to approve the identity of the Developer's lender, which approval will not be unreasonably withheld, taking into consideration such lender's financial strength, reputation, and other relevant factors. The City shall not have any right to approve any of the terms or conditions of the Developer's financing arrangements with third party lenders.

14.2 Sale to Pre-Qualified Buyer. Nothing herein shall prevent the Developer from selling a portion of the Developer's Property for residential development subject to any approved final subdivision map to a Pre-Qualified Buyer for construction of houses in accordance with the terms of this Agreement provided that the transferee must enter into appropriate agreements with the City to assure that all Development restrictions hereunder will be met.

14.3 Termination of Agreement With Respect to Individual Parcels Upon Sale to Public. Notwithstanding any provisions of this Agreement to the contrary, this Agreement shall terminate as to any Lot which has been finally subdivided and improved with all required public improvements and which is individually (and not in "bulk") sold to an owner-user and thereupon, and without the execution or recordation of any further document or instrument, such Lot shall be released from and no longer be subject to the provisions of this Agreement; provided, however, that CC&R's are placed of record in accordance with Section 14.4 below.

14.4 Declaration of Covenants, Conditions and Restrictions. Prior to the transfer of any portion of the Project to a third party, the Developer shall submit a proposed form of Declaration of Covenants, Conditions and Restrictions to be recorded against the applicable subdivision to the City for its review and approval ("CC&RS"). The CC&RS must be recorded prior to issuance of certificates of occupancy, and Developer shall pay City's review costs. It is anticipated that the CC&RS will contain, among other things, protective covenants to protect and preserve the integrity and value in the subdivision, including but not limited to use restrictions, maintenance covenants, EIR mitigation measures, restrictions under this Development Agreement which will continue to apply to the subdivision, covenants for construction and completion of the improvements and a provision giving the City the right to enforce the CC&RS, including the right to recover its enforcement costs if there is noncompliance following notice and the opportunity to cure.

15. RELEASES AND INDEMNITIES.

15.1 The City's Release As To Actions Prior To Effective Date. The City forever discharges, releases and expressly waives as against the Developer and its attorneys and employees any and all claims, liens, demands, causes of action, excuses for nonperformance (including but not limited to claims and/or defenses of unenforceability, lack of consideration, and/or violation of public policy), losses, damages, and liabilities, known or unknown, suspected or unsuspected, liquidated or unliquidated, fixed or contingent, based in contract, tort, or other theories of direct and/or of agency liability (including but not limited to principles of respondent superior) that it has now or has had in the past, arising out of or relating to this Agreement and the development agreement approved in 1993, and the currently existing land use plans for the Developer's Property or any portion thereof.

15.2 The Developer's Release As To Actions Prior To Effective Date. The Developer forever discharges, releases and expressly waives as against the City and its respective councils, boards, commissions, officers, attorneys and employees any and all claims, liens, demands, causes of action, excuses for nonperformance (including but not limited to claims and/or defenses of unenforceability, lack of consideration, and/or violation of public policy), losses, damages, and liabilities, known or unknown, suspected or unsuspected, liquidated or unliquidated, fixed or contingent, based in contract, tort or other theories of direct and/or of agency liability (including but not limited to principles of respondent superior) that they have now or have had in the past, arising out of or relating to this Agreement and the development agreement approved in 1993, and the currently existing land use plans for the Developer's Property or any portion thereof.

15.3 Third-Party Litigation.

15.3.1. Non-liability of City. As set forth above, the City has determined that this Agreement is consistent with the General Plan and that the General Plan and Development Approvals meets all of the legal requirements of State law. The Parties acknowledge that:

A. In the future there may be challenges to legality, validity and adequacy of the General Plan, the Development Approvals and/or this Agreement; and

B. If successful, such challenges could delay or prevent the performance of this Agreement and the development of the Developer's Property.

In addition to the other provisions of this Agreement, including, without limitation, the provisions of this Section 15, the City shall have no liability under this Agreement for any failure of the City to perform under this Agreement or the inability of the Developer to develop the Developer's Property as contemplated by the Development Plan or this Agreement as the result of a judicial determination that on the Effective Date, or at any time thereafter, the General Plan, the Land Use Regulations, the Development Approvals, this Agreement, or portions thereof, are invalid or inadequate or not in compliance with law.

15.3.2. Revision of Land Use Restrictions. If, for any reason, the General Plan, Land Use Regulations, Development Approvals, this Agreement or any part thereof is hereafter judicially determined, as provided above, to not be in compliance with the State or Federal Constitution, laws or regulations and, if such noncompliance can be cured by an appropriate amendment thereof otherwise conforming to the provisions of this Agreement, then this Agreement shall remain in full force and effect to the extent permitted by law. The Development Plan, Development Approvals and this Agreement shall be amended, as necessary, in order to comply with such judicial decision.

15.3.3. Participation in Litigation: Indemnity. The Developer shall indemnify the City and its elected boards, commissions, officers, agents and employees and will hold and save them and each of them harmless from any and all actions, suites, claims, liabilities, losses, damages, penalties, obligations and expenses (including but not limited to attorneys' fees and costs) against the City and/or Agent for any such Claims or Litigation (as defined in Section 1.10) and shall be responsible for any judgment arising therefrom. The City shall provide the Developer with notice of the pendency of such action and shall request that the Developer defend such action. The Developer may utilize the City Attorney's office or use legal counsel of its choosing, but shall reimburse the City for any necessary legal cost incurred by City. The Developer shall provide a deposit in the amount of 150% of the City's estimate, in its sole and absolute discretion, of the cost of litigation, including the cost of any award of attorneys fees, and shall make additional deposits as requested by City to keep the deposit at such level. The City may ask for further security in the form of a deed of trust to land of equivalent value. If the Developer fails to provide or maintain the deposit, the City may abandon the action and the Developer shall pay all costs resulting therefrom and City shall have no liability to the Developer. The Developer's obligation to pay the cost of the action, including judgment, shall extend until judgment. After judgment in a trial court, the parties must mutually agree as to whether any appeal will be taken or defended. The Developer shall have the right, within the first 30 days of the service of the complaint, in its sole and absolute discretion, to determine that it does not want to defend any litigation attacking this Agreement or the Development Approvals in which case the City shall allow the Developer to settle the litigation on whatever terms the Developer determines, in its sole and absolute discretion, but Developer shall confer with City before acting and cannot bind City. In that event, the Developer shall be liable for any costs incurred by the City up to the date of settlement but shall have no further obligation to the City

beyond the payment of those costs. In the event of an appeal, or a settlement offer, the Parties shall confer in good faith as to how to proceed. Notwithstanding the Developer's indemnity for claims and litigation, the City retains the right to settle any litigation brought against it in its sole and absolute discretion and the Developer shall remain liable except as follows: (i) the settlement would reduce the scope of the Project by 10% or more, and (ii) the Developer opposes the settlement. In such case the City may still settle the litigation but shall then be responsible for its own litigation expense but shall bear no other liability to the Developer.

15.4 Hold Harmless: Developer's Construction and Other Activities. The Developer shall defend, save and hold the City and its elected and appointed boards, commissions, officers, agents, and employees harmless from any and all claims, costs (including attorneys' fees) and liability for any damages, personal injury or death, which may arise, directly or indirectly, from the Developer's or the Developer's agents, contractors, subcontractors, agents, or employees' operations under this Agreement, whether such operations be by the Developer or by any of the Developer's agents, contractors or subcontractors or by any one or more persons directly or indirectly employed by or acting as agent for the Developer or any of the Developer's agents, contractors or subcontractors. Nothing herein is intended to make the Developer liable for the acts of the City's officers, employees, agents, contractors of subcontractors.

15.5 Survival of Indemnity Obligations. All indemnity provisions set forth in this Agreement shall survive termination of this Agreement for any reason other than the City's Default.

16. EFFECT OF AGREEMENT ON TITLE.

16.1 Covenant Run with the Land. Subject to the provisions of Sections 14 and 18 and pursuant to the Development Agreement Statute (§ 65868.5):

A. All of the provisions, agreements, rights, powers, standards, terms, covenants and obligations contained in this Agreement shall be binding upon the parties and their respective heirs, successors (by merger, consolidation, or otherwise) and assigns, devisees, administrators, representatives, lessees, and all other persons acquiring any rights or interests in the Developer's Property, or any portion thereof, whether by operation of laws or in any manner whatsoever and shall inure to the benefit of the parties and their respective heirs, successors (by merger, consolidation or otherwise) and assigns;

B. All of the provisions of this Agreement shall be enforceable as equitable servitudes and constitute covenants running with the land pursuant to applicable law; and

C. Each covenant to do or refrain from doing some act on the Developer's Property hereunder (i) is for the benefit of and is a burden upon every portion of the Developer's Property, (ii) runs with such lands, and (iii) is binding upon each party and each successive owner during its ownership of such properties or any portion thereof, and each person having any interest therein derived in any manner through any owner of such lands, or any portion thereof, and each other person succeeding to an interest in such lands.

17. CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION.

17.1 Non-liability of City Officers and Employees. No official, agent, contractor, or employee of the City shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Developer or to its successor, or for breach of any obligation of the terms of this Agreement.

17.2 Conflict of Interest. No officer or employee of the City shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to this Agreement which affects the financial interest of any corporation, partnership or association in which he or she is, directly or indirectly, interested, in violation of any state statute or regulation.

17.3 Covenant Against Discrimination. The Developer covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. The Developer shall take affirmative action to insure that employees are treated during employment without regard to their race, color, creed religion, sex, marital status, national origin or ancestry.

18. MORTGAGEE PROTECTION.

18.1 Definitions. As used in this Section, the term "mortgage" shall include any mortgage, whether a leasehold mortgage or otherwise, deed of trust, or other security interest, or sale and lease-back, or any other form of conveyance for financing. The term "holder" shall include the holder of any such mortgage, deed of trust, or other security interest, or the lessor under a lease-back, or the grantee under any other conveyance for financing.

18.2 No Encumbrances Except Mortgages to Finance the Project. Notwithstanding the restrictions on transfer in Section 14, mortgages required for any reasonable method of financing of the construction of the improvements are permitted but only for the following: (i) for the purpose of securing loans of funds used or to be used for financing the acquisition of a separate lot(s) or parcel(s), (ii) for the construction of improvements thereon, in payment of interest and other financing costs, and (iii) for any other expenditures necessary and appropriate to develop the Project under this Agreement, or for restructuring or refinancing any for same. No map permitted herein, even if for financing purposes, shall permit financing for other than purposes of developing the Project solely. The Developer (or any entity permitted to acquire title under this Agreement) shall notify the City in advance of any future mortgage or any extensions or modifications thereof. Any lender which has so notified the City shall not be bound by any amendment, implementation, or modification to this Agreement without such lender giving its prior written consent thereto. In any event, the Developer shall promptly notify the City of any mortgage, encumbrance, or lien that has been created or attached thereto prior to completion of construction, whether by voluntary act of the Developer or otherwise.

18.3 Developer's Breach Not Defeat Mortgage Lien. The Developer's breach of any of the covenants or restrictions contained in this Agreement shall not defeat or render void the lien of any mortgage made in good faith and for value but, unless otherwise provided herein, the terms, conditions, covenants, restrictions, easements, and reservations of this Agreement shall be binding and effective against the holder of any such mortgage whose interest is acquired by foreclosure, trustee's sale or otherwise.

18.4 Holder Not Obligated to Construct or Complete Improvements. The holder of any mortgage shall in no way be obligated by the provisions of this Agreement to construct or complete the improvements or to guarantee such construction or completion. Nothing in this Agreement shall be deemed or construed to permit or authorize any such holder to devote the Project or any portion thereof to any uses, or to construct any improvements thereon, other than those uses or improvements provided for or authorized by this Agreement.

18.5 Notice of Default to Mortgagee. Whenever the City shall deliver any notice or demand to the Developer with respect to any breach or default by the Developer hereunder, the City shall at the same time deliver a copy of such notice or demand to each holder of record of any mortgage who has previously made a written request to the City therefor, or to the representative of such lender as may be identified in such a written request by the lender. No notice of default shall be effective as to the holder unless such notice is given.

18.6 Right to Cure. Each holder (insofar as the rights of City are concerned) shall have the right, at its option, within ninety (90) days after the receipt of the notice, and one hundred twenty (120) days after the Developer's cure rights have expired, whichever is later, to:

A. Obtain possession, if necessary, and to commence and diligently pursue the cure until the same is completed, and

B. Add the cost of said cure to the security interest debt and the lien or obligation on its security interest;

provided that, in the case of a default which cannot with diligence be remedied or cured within such cure periods referenced above in this Section 18.6, such holder shall have additional time as reasonably necessary to remedy or cure such default.

In the event there is more than one such holder, the right to cure or remedy a breach or default of the Developer under this Section shall be exercised by the holder first in priority or as the holders may otherwise agree among themselves, but there shall be only one exercise of such right to cure and remedy a breach or default of the Developer under this Section.

No holder shall undertake or continue the construction or completion of the improvements (beyond the extent necessary to preserve or protect the improvements or construction already made) without first having expressly assumed the Developer's obligations to the City by written agreement satisfactory to City with respect to the Project or any portion thereof in which the holder has an interest. The holder must agree to complete, in the manner required by this Agreement, the improvements to which the lien or title of such holder relates, and submit evidence satisfactory to the City that it has the qualifications and financial responsibility necessary to perform such obligations.

18.7 City's Rights upon Failure of Holder to Complete Improvements. In any case where one hundred eighty (180) days after default by the Developer in completion of construction of improvements under this Agreement, the holder of any mortgage creating a lien or encumbrance upon the Project or portion thereof has not exercised the option to construct afforded in this Section or, if it has exercised such option and has not proceeded diligently with construction, the City may, after ninety (90) days' notice to such holder and if such holder has not exercised such option to construct within said ninety (90) day period, purchase the mortgage, upon payment to the holder of an amount equal to the sum of the following:

- A. The unpaid mortgage, debt plus any accrued and unpaid interest (less all appropriate credits, including those resulting from collection and application of rentals and other income received during foreclosure proceedings, if any);
- B. All expenses, incurred by the holder with respect to foreclosure, if any;
- C. The net expenses (exclusive of general overhead), incurred by the holder as a direct result of the ownership or management of the applicable portion of the Project, such as insurance premiums or real estate taxes, if any;
- D. The costs of any improvements made by such holder, if any; and
- E. An amount equivalent to the interest that would have accrued on the aggregate of such amounts had all such amounts become part of the mortgage debt and such debt had continued in existence to the date of payment by the City.

If the City has not purchased the mortgage within ninety (90) days of the expiration of the ninety (90) days referred to above, then the right of the City to purchase shall expire.

In the event that the holder does not exercise its option to construct afforded in this Section, and if the City elects not to purchase the mortgage of holder, upon written request by the holder to the City, the City shall use reasonable efforts to assist the holder in selling the holder's interest to a qualified and responsible party or parties (as determined by City), who shall assume the obligations of making or completing the improvements required to be constructed by the Developer, or such other improvements in their stead as shall be satisfactory to the City. The proceeds of such a sale shall be applied first to the holder of those items specified in subparagraphs A through E hereinabove and any balance remaining thereafter shall be applied as follows:

- (1) First, to reimburse the City for all costs and expenses actually and reasonably incurred by the City, including, but not limited to, payroll expenses, management expenses, legal expenses, and others;
- (2) Second, to reimburse the City for all payments made by City to discharge any other encumbrances or liens on the applicable portion of the Project or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults, or acts of the Developer, its successors or transferees;

(3) Third, to reimburse the City for all costs and expenses actually and reasonably incurred by the City, in connection with its efforts assisting the holder in selling the holder's interest in accordance with this Section; and

(4) Fourth, any balance remaining thereafter shall be paid to the Developer.

18.8 Right of City to Cure Mortgage Default. In the event of a default or breach by the Developer (or entity permitted to acquire title under this Section) prior to completion of the Project or the applicable portion thereof, and the holder of any such mortgage has not exercised its option to complete the development, the City may cure the default prior to completion of any foreclosure. In such event, the City shall be entitled to reimbursement from the Developer or other entity of all costs and expenses incurred by the City in curing the default, to the extent permitted by law, as if such holder initiated such claim for reimbursement, including legal costs and attorneys' fees, which right of reimbursement shall be secured by a lien upon the applicable portion of the Project to the extent of such costs and disbursements. Any such lien shall be subject to:

- A. Any Mortgage; and
- B. Any rights or interests provided in this Agreement for the protection of the holders of such Mortgages;

provided that nothing herein shall be deemed to impose upon the City any affirmative obligations (by the payment of money, construction or otherwise) with respect to the Project in the event of its enforcement of its lien.

18.9 Right of the City to Satisfy Other Liens on the Developer's Property After Conveyance of Title. After the conveyance of title and prior to completion of construction and development, and after the Developer has had a reasonable time to challenge, cure, or satisfy any liens or encumbrances on the Project, the City shall have the right to satisfy any such liens or encumbrances; provided, however, that nothing in this Agreement shall require the Developer to pay or make provision for the payment of any tax, assessment, lien or charge so long as the Developer in good faith shall contest the validity or amount thereof, and so long as such delay in payment shall not subject the Project or any portion thereof to forfeiture or sale.

19. MISCELLANEOUS.

19.1 Estoppel Certificates. Either Party (or a Mortgagee under Section 18) may at any time deliver written notice to the other Party requesting an Estoppel Certificate stating:

- A. The Agreement is in full force and effect and is a binding obligation of the Parties;
- B. The Agreement has not been amended or modified either orally or in writing or, if so amended, identifying the amendments; and
- C. There are no existing defaults under the Agreement to the actual knowledge of the party signing the Estoppel Certificate.

A Party receiving a request for an Estoppel Certificate shall provide a signed certificate to the requesting Party within thirty (30) days after receipt of the request. The Planning Director may sign Estoppel Certificates on behalf of the City. An Estoppel Certificate may be relied on by assignees and Mortgagees. The Estoppel Certificate shall be substantially in the same form as Exhibit "C."

19.2 Force Majeure. The time within which the Developer or the City shall be required to perform any act under this Agreement shall be extended by a period of time equal to the number of days during which performance of such act is delayed due to war, insurrection, strikes, lock-outs, riots, floods, earthquakes, fires, casualties, natural disasters, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, governmental restrictions on priority, initiative or referendum, moratoria, processing with governmental agencies other than the City, unusually severe weather, third party litigation as described in Section 15.3 above, or any other similar causes beyond the control or without the fault of the Party claiming an extension of time to perform. An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if written notice by the party claiming such extension is sent to the other Party within thirty (30) days of knowledge of the commencement of the cause. Any act or failure to act on the part of a Party shall not excuse performance by that Party.

19.3 Interpretation.

19.3.1. Construction of Development Agreement. The language of this Agreement shall be construed as a whole and given its fair meaning. The captions of the sections and subsections are for convenience only and shall not influence construction. This Agreement shall be governed by the laws of the State of California. This Agreement shall not be deemed to constitute the surrender or abrogation of the City's governmental powers over the Developer's Property.

19.3.2. Entire Agreement. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement and this Agreement supersedes all previous negotiations, discussions, and agreements between the Parties. No parol evidence of any prior or other agreement shall be permitted to contradict or vary the terms of this Agreement.

19.3.3. Recitals. The recitals in this Agreement constitute part of this Agreement and each Party shall be entitled to rely on the truth and accuracy of each recital as an inducement to enter into this Agreement.

19.3.4. Mutual Covenants. The covenants contained herein are mutual covenants and also constitute conditions to the concurrent or subsequent performance by the Party benefitted thereby of the covenants to be performed hereunder by such benefitted Party.

19.4 Severability. If any provision of this Agreement is adjudged invalid, void or unenforceable, that provision shall not affect, impair, or invalidate any other provision, unless such judgment affects a material part of this Agreement in which case the parties shall comply with the procedures set forth in Section 15.3.3 above.

19.5 Joint and Several Obligations. All obligations and liabilities of the Developer hereunder shall be joint and several among the obligees.

19.6 No Third Party Beneficiaries. The only Parties to this Agreement are the Developer and the City and their successor and assigns. There are no third party beneficiaries and this Agreement is not intended, and shall not be construed, to benefit or be enforceable by any other person whatsoever.

19.7 Notice.

19.7.1. To Developer. Any notice required or permitted to be given by the City to the the Developer under this Development Agreement shall be in writing and delivered personally to the Developer or mailed, with postage fully prepaid, registered or certified mail, return receipt requested, addressed as follows:

Pardee Homes.
10880 Wilshire Boulevard, Suite 1900
Los Angeles, CA 90024
Attention: Legal department

With a copy to:

Kenneth B. Bley, Esq.
Cox, Castle & Nicholson LLP
2049 Century Park East, 28th Floor
Los Angeles, CA 90067-3284

or such other address as the Developer may designate in writing to the City.

19.7.2. To the City. Any notice required or permitted to be given by the Developer to the City under this Development Agreement shall be in writing and delivered personally to the City Clerk or mailed with postage fully prepaid, registered or certified mail, return receipt requested, addressed as follows:

City of Banning
99 E. Ramsey Street
Banning, CA 92220
Attention: Planning Director

With a copy to:

David J. Aleshire, Esq., City Attorney
Aleshire & Wynder, LLP
18881 Von Karman Avenue, Suite 400
Irvine, California 92612

or such other address as the City may designate in writing to the Developer.

Notices provided pursuant to this Section shall be deemed received at the date of delivery as shown on the affidavit of personal service or the Postal Service receipt.

19.8 Relationship of Parties. It is specifically understood and acknowledged by the Parties that the Project is a private development, that neither Party is acting as the agent of the other in any respect hereunder, and that each Party is an independent contracting entity with respect to the terms, covenants, and conditions contained in this Agreement. The only relationship between the City and the Developer is that of a government entity regulating the development of private property and the owner of such private property.

19.9 Attorney's Fees. If either Party to this Agreement is required to initiate or defend litigation against the other Party, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees. Attorney's fees shall include attorney's fees on any appeal, and, in addition, a Party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to a final judgment.

19.10 Further Actions and Instruments. Each of the Parties shall cooperate with and provide reasonable assistance to the other to the extent necessary to implement this Agreement. Upon the request of either Party at any time, the other Party shall promptly execute, with acknowledgment or affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary to implement this Agreement or to evidence or consummate the transactions contemplated by this Agreement.

19.11 Time of Essence. Time is of the essence in:

A. The performance of the provisions of this Agreement as to which time is an element; and

B. The resolution of any dispute which may arise concerning the obligations of the Developer and the City as set forth in this Agreement.

19.12 Waiver. Failure by a Party to insist upon the strict performance of any of the provisions of this Agreement by the other Party, or the failure by a Party to exercise its rights upon the default of the other Party, shall not constitute a waiver of such Party's right to insist and demand strict compliance by the other Party with the terms of this Agreement thereafter.

19.13 Execution.

19.13.1. Counterparts. This Agreement may be executed by the parties in counterparts which counterparts shall be construed together and have the same effect as if all of the Parties had executed the same instrument.

19.13.2. Recording. The City Clerk shall cause a copy of this Agreement to be executed by the City and recorded in the Official Records of Riverside County


no later than ten (10) days after the Effective Date (Gov't Code § 65868.5). The recordation of this Agreement is deemed a ministerial act and the failure of the City to record the Agreement as required by this Section and the Development Agreement Statute does not make this Agreement void or ineffective.

19.13.3. Authority to Execute. The persons executing this Agreement on behalf of the Parties hereto warrant that (i) such Party is duly organized and existing, (ii) they are duly authorized to sign and deliver this Agreement on behalf of the Party he or she represents, (iii) by so executing this Agreement, such Party is formally bound to the provisions of this Agreement, (iv) the entering into of this Agreement does not violate any provision of any other Agreement to which the Party is bound and (v) there is no litigation or legal proceeding which would prevent the Parties from entering into this Agreement.

(SIGNATURES ON THE NEXT PAGE.)

IN WITNESS WHEREOF, the City and the Developer have executed this Agreement on the date first above written.

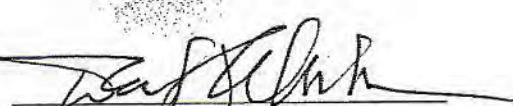
CITY OF BANNING

BY: 
Don Robinson, Mayor

ATTEST:



Marie Calderon, City Clerk

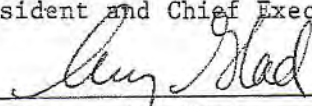
Approved as to form:
ALESHIRE & WYNDER, LLP


David J. Aleshire, City Attorney

"DEVELOPER"

PARDEE HOMES, a California corporation

BY: 
~~President~~ Michael V. McGee
President and Chief Executive Officer

BY: 
~~Secretary~~ Amy Glad
Senior Vice President-Governmental
Affairs

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

State of California
County of Los Angeles

On April 24, 2012, before me, Nancy Trojan, Notary Public personally appeared Michael V. McGee, President and Chief Executive Officer and Amy Glad, Senior Vice President-Governmental Affairs who proved to me on the basis of satisfactory evidence to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entities upon behalf of which the persons 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

Nancy Trojan
Nancy Trojan
Notary Public in and for said State.

-----OPTIONAL-----

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document: Development Agreement – City of Banning
Signers are Representing: Pardee Homes
Signer(s) other than named above:

CAPACITY CLAIMED BY SIGNER

Name of Signer: Michael V. McGee and Amy Glad
Corporate Officers Title: President and Chief Executive Officer and Senior Vice President-Governmental Affairs

EXHIBIT "A"
MAP AND LEGAL DESCRIPTION OF DEVELOPER'S PROPERTY

LEGAL DESCRIPTION

Those certain parcels of land situated in the City of Banning, County of Riverside, State of California, being Lots 1 through 20 of Tract No. 34330 as shown on a map thereof filed in Book 429, Pages 84 through 103 of Maps in the Office of the County Recorder of said Riverside County.

EXHIBIT "A"
PARDEE BANNING PROPERTY



SPECIFIC PLAN MAP

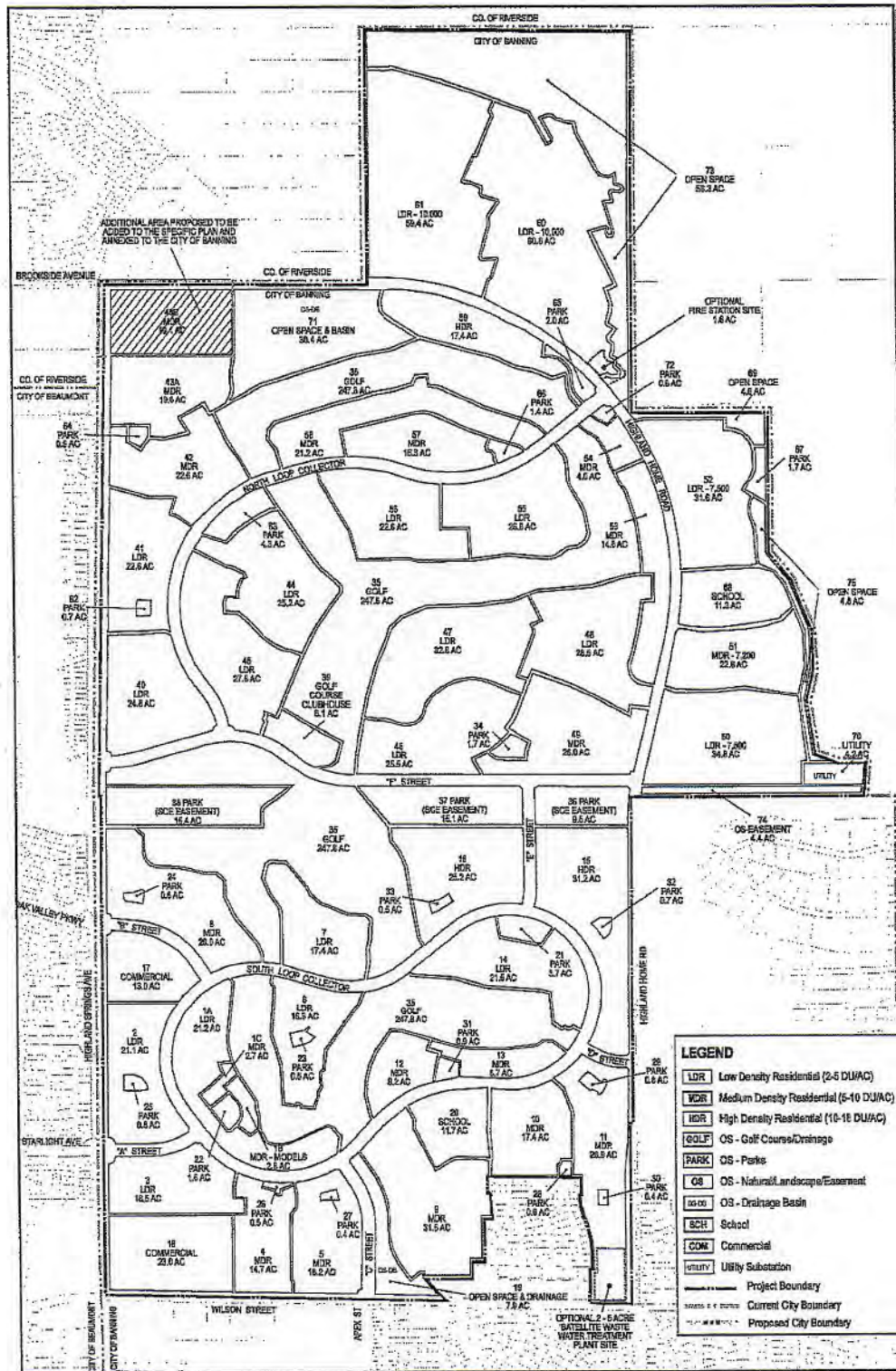


EXHIBIT "B"
EXISTING DEVELOPMENT APPROVALS/FEE STUDIES

A. EXISTING DEVELOPMENT APPROVALS (DA Section 1.35)

1. General Plan Amendment No. 11-2501
2. Zone Change No. 11-3501
3. Butterfield Specific Plan
4. Development Agreement

B. DEVELOPMENT FEE STUDIES IN PROCESS (DA Sections 1.28, 4.7)

Studies being prepared in accordance with Section 7.2.

1. General Facilities Fee*
2. Fire Facilities Fee*
3. Police Facilities Fee*
4. Traffic Control Fee*
5. Park Land Fee
6. Road and Bridge Fee
7. Recycled Water Fee
8. Water Connection*
9. Waste Water Connection* (Collection Fee)
10. Waste Water Frontage Fee
11. Emergency Shelter Fee

* Also included in Exhibit D and are subject to Developer Incentive Credit under Section 6.8.

EXHIBIT "C"
ESTOPPEL CERTIFICATE

Date Requested: _____

Date of Certificate: _____

On _____, 2012, the City of Banning approved the Development Agreement between Pardee Homes, a California corporation and the City of Banning (the "Development Agreement").

This Estoppel Certificate certifies that, as of the Date of Certificate set forth above:

[CHECK WHERE APPLICABLE]

- _____ 1. The Development Agreement remains binding and effective.
- _____ 2. The Development has not been amended.
- _____ 3. The Development Agreement has been amended in the following aspects: _____

- _____ 4. To the best of our knowledge, neither Developer nor any of its successors is in default under the Development Agreement.
- _____ 5. The following defaults exist under the Development Agreement: _____

This Estoppel Certificate may be relied upon by an transferee or mortgagee of any interest in the property which is the subject of the Development Agreement.

CITY OF BANNING

BY: _____
 PLANNING DIRECTOR

EXHIBIT "D"
DEVELOPMENT IMPACT FEES

EXHIBIT "D"
CITY OF BANNING
SCHEDULE OF FEES
DEVELOPMENT IMPACT FEES

DESCRIPTION OF FEE	CURRENT FEE	UNIT	RESOLUTION/ ORDINANCE #	EFFECTIVE DATE
Fire Facilities				
Residential				
Single Family Detached	\$ 1,335.00	per unit	Reso. 2006-075	8/8/2006
Townhouse/Duplex	\$ 1,335.00	per unit	Reso. 2006-075	8/8/2006
Multi-Family	\$ 1,335.00	per unit	Reso. 2006-075	8/8/2006
Mobile Home	\$ 1,335.00	per unit	Reso. 2006-075	8/8/2006
Nonresidential				
Com/Shopping Ctr 50,000 SF or less	\$ 579.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Com/Shopping Ctr 50,001 - 100,000 SF	\$ 506.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Com/Shopping Ctr 100,001 - 200,000 SF	\$ 450.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Com/Shopping Ctr over 200,001 SF	\$ 405.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Office/Inst 25,000 SF or less	\$ 841.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Office/Inst 25,001 - 50,000 SF	\$ 792.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Office/Inst 50,001 - 100,000 SF	\$ 748.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Medical - Dental Office	\$ 821.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Hospital	\$ 685.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Business Park	\$ 640.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Light Industrial	\$ 468.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Manufacturing	\$ 363.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Warehousing	\$ 259.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Elementary School	\$ 186.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Other Nonresidential				
Lodging	\$ 144.00	per room	Reso. 2006-075	8/8/2006
Day Care	\$ 32.00	per student	Reso. 2006-075	8/8/2006
Nursing Home	\$ 73.00	per bed	Reso. 2006-075	8/8/2006
Police Facilities				
Residential				
Single Family Detached	\$ 823.00	per unit	Reso. 2006-075	8/8/2006
Townhouse/Duplex	\$ 626.00	per unit	Reso. 2006-075	8/8/2006
Multi-Family	\$ 913.00	per unit	Reso. 2006-075	8/8/2006
Mobile Home	\$ 500.00	per unit	Reso. 2006-075	8/8/2006
Nonresidential				
Com/Shopping Ctr 50,000 SF or less	\$ 472.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Com/Shopping Ctr 50,001 - 100,000 SF	\$ 413.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Com/Shopping Ctr 100,001 - 200,000 SF	\$ 358.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Com/Shopping Ctr over 200,001 SF	\$ 307.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Office/Inst 25,000 SF or less	\$ 192.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Office/Inst 25,001 - 50,000 SF	\$ 164.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Office/Inst 50,001 - 100,000 SF	\$ 140.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Medical - Dental Office	\$ 379.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Hospital	\$ 184.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Business Park	\$ 134.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Light Industrial	\$ 73.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Manufacturing	\$ 40.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Warehousing	\$ 52.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Elementary School	\$ 152.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Other Nonresidential				

EXHIBIT "D"
CITY OF BANNING
SCHEDULE OF FEES
DEVELOPMENT IMPACT FEES

DESCRIPTION OF FEE	CURRENT FEE	UNIT	RESOLUTION / ORDINANCE #	EFFECTIVE DATE
Lodging	\$ 95.00	per room	Reso. 2006-075	8/8/2006
Day Care	\$ 47.00	per student	Reso. 2006-075	8/8/2006
Nursing Home	\$ 24.00	per bed	Reso. 2006-075	8/8/2006
Traffic Control Facilities				
Residential				
Single Family Detached	\$ 250.00	per unit	Reso. 2006-075	8/8/2006
Townhouse/Duplex	\$ 153.00	per unit	Reso. 2006-075	8/8/2006
Multi-Family	\$ 172.00	per unit	Reso. 2006-075	8/8/2006
Mobile Home	\$ 130.00	per unit	Reso. 2006-075	8/8/2006
Nonresidential				
Com/Shopping Ctr 50,000 SF or less	\$ 1,176.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Com/Shopping Ctr 50,001 - 100,000 SF	\$ 1,029.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Com/Shopping Ctr 100,001 - 200,000 SF	\$ 891.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Com/Shopping Ctr over 200,001 SF	\$ 764.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Office/Inst 25,000 SF or less	\$ 479.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Office/Inst 25,001 - 50,000 SF	\$ 409.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Office/Inst 50,001 - 100,000 SF	\$ 349.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Medical - Dental Office	\$ 944.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Hospital	\$ 459.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Business Park	\$ 333.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Light Industrial	\$ 182.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Warehousing	\$ 130.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Elementary School	\$ 379.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Other Nonresidential				
Lodging	\$ 238.00	per room	Reso. 2006-075	8/8/2006
Day Care	\$ 117.00	per student	Reso. 2006-075	8/8/2006
Nursing Home	\$ 62.00	per bed	Reso. 2006-075	8/8/2006
Parkland				
Residential				
Single Family Detached	\$ 1,955.00	per unit	Reso. 2006-075	8/8/2006
Townhouse/Duplex	\$ 1,485.00	per unit	Reso. 2006-075	8/8/2006
Multi-Family	\$ 2,168.00	per unit	Reso. 2006-075	8/8/2006
Mobile Home	\$ 1,387.00	per unit	Reso. 2006-075	8/8/2006
Commercial/Industrial	\$ 1,233.00	per acre	Reso. 2006-075	8/8/2006
General City Facilities				
Residential				
Single Family Detached	\$ 478.00	per unit	Reso. 2006-075	8/8/2006
Townhouse/Duplex	\$ 363.00	per unit	Reso. 2006-075	8/8/2006
Multi-Family	\$ 530.00	per unit	Reso. 2006-075	8/8/2006
Mobile Home	\$ 290.00	per unit	Reso. 2006-075	8/8/2006
Nonresidential				
Com/Shopping Ctr 50,000 SF or less	\$ 208.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Com/Shopping Ctr 50,001 - 100,000 SF	\$ 182.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Com/Shopping Ctr 100,001 - 200,000 SF	\$ 162.00	per 1,000 SF	Reso. 2006-075	8/8/2006

EXHIBIT "D"
CITY OF BANNING
SCHEDULE OF FEES
DEVELOPMENT IMPACT FEES

DESCRIPTION OF FEE	CURRENT FEE	UNIT	RESOLUTION/ ORDINANCE #	EFFECTIVE DATE
Corn/Shopping Ctr over 200,001 SF	\$ 146.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Office/Inst 25,000 SF or less	\$ 302.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Office/Inst 25,001 - 50,000 SF	\$ 285.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Office/Inst 50,001 - 100,000 SF	\$ 269.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Medical - Dental Office	\$ 295.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Hospital	\$ 246.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Business Park	\$ 230.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Light Industrial	\$ 168.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Manufacturing	\$ 130.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Warehousing	\$ 93.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Elementary School	\$ 67.00	per 1,000 SF	Reso. 2006-075	8/8/2006
Other Nonresidential				
Lodging	\$ 52.00	per room	Reso. 2006-075	8/8/2006
Day Care	\$ 12.00	per student	Reso. 2006-075	8/8/2006
Nursing Home	\$ 26.00	per bed	Reso. 2006-075	8/8/2006
Water Connection				
Water system connection fee	\$ 7,232.00	per equivalent dwelling unit	Ord. # 1320	12/14/2004
Wastewater Connection				
Wastewater connection fee	\$ 2,786.00	per equivalent dwelling unit	Ord. # 1321	1/13/2005

* Fee shall be revised annually based on the average percentage change over the previous calendar year set forth in the Construction Price Index for the Los Angeles metropolitan area.

EXHIBIT "E"
ADDITIONAL AGREEMENTS CONCERNING DEVELOPMENT

In addition to the other terms and conditions concerning the City's assistance to the Project, the City shall accommodate and expedite the development of the Developer's Property as follows:

1.0 CONSTRUCTION CONDITIONS

1.1 Provision of Utility Connections. The City shall provide, at the Developer's expense, any necessary temporary and permanent utility connections requested by the Developer for power, water service and sewer service prior to recordation of final map.

1.2 Allowance of Transformers. The City shall allow the setting of transformers without requiring adjacent streets to be fully paved. It is anticipated that 6' feet of curb and gutter will be placed adjacent to the transformer to ensure correct elevation of the transformer pad. In the event that the location or elevation change, the Developer shall incur the full costs of relocation of both the curb and transformer.

1.3 Temporary Water Pipes. Temporary above ground pipes for construction water and temporary fire hydrants will be acceptable for model and production homes prior to the first certificate of occupancy in the construction phase being developed.

1.4 Provision of Construction Water. The City shall provide "jumpers" or temporary construction water at the City's normal rate.

1.5 Temporary Use of City Sewer System. The City shall allow the temporary connection of construction trailers to the permanent City sewer system.

1.6 Temporary Use of City Water System. The City shall allow temporary connection of construction trailers to the permanent City water system, provided that all required backflow devices are installed to protect the integrity of the system.

2.0 MAINTAINENCE

2.1 Maintenance of Construction Activities. The Developer shall contract directly for all work required for the maintenance of construction related activities, including but not limited to recycling of construction materials, erosion control, temporary fence installation, and temporary power installation. The selection and retention of the contractor, subcontractor or other person or entity to do such work shall be made by the Developer in its sole and absolute discretion. Trash removal will be coordinated directly with City franchisee. In regards to recycled materials, the Developer will produce for the City, at its request, a manifest to confirm the location, type and amount of materials recycled.

3.0 STREETS

3.1 Timing of Street Paving. The Developer shall be allowed to begin construction of model and production homes without first paving streets. Paved streets shall be required as a condition for the issuance of the certificate of occupancy for the first production home in each construction phase. The Developer shall install all-weather access for construction and emergency personnel, which, during dry months, may, include maintained dirt roads.

3.1 Final Lift of Pavement. The City shall allow the installation of the final 1" of asphalt pavement through coordination with the Developer and the City's Public Works officials. If the final 1" of pavement is installed early in the Development of specific in-tract or on backbone streets, and if no structural failures have occurred within the street system, the City may require a fog coat seal prior to exoneration of any outstanding bonds.

4.0 GRADING/DRAINAGE

4.1 At Risk Grading. After the first plan check comments on either the rough or mass grading plans are received by the Developer, the City shall allow the Developer to begin grading operations for the area that is the subject of the plan check. The Developer acknowledges that any changes that may be required by the City will be made at the sole expense of the Developer.

4.2 Erosion Control. The Developer shall Develop the Developer's Property in such a way as to confine all storm water within the Project and shall, do so in a manner which adequately protects all construction within the Project. The Developer shall prepare an erosion control plan that will demonstrate methods that may be incorporated in the Development of the Project to protect downstream watersheds. The Developer shall manage and determine when erosion control measures need to be installed and maintained, but Developer shall comply with any order of City.

4.3 Drainage. Reverse lot drainage on lots that back up to open space, the Golf Course or parks shall be allowed provided that these areas are privately maintained by the Property Owners Association.

5.0 DEVELOPMENT CONDITIONS

5.1 Lot Line Adjustments. In the event that lot line adjustments are required for model complexes or adjustments to open space lots after the recordation of a final map, the City shall review the requested adjustment over the counter with City Engineering staff and the Developer or the Developer's representative. This will not be allowed for the construction of regular production homes.

5.2 Rear Residential Slopes. The Developer shall stabilize according to the City Grading and Landscape Ordinance the rear slope of all residential Lots prior to issuance of a Certificate of Occupancy but shall not be required to landscape and/or irrigate the slopes. It is the intention that rear yard landscaping will be required and installed within the time specified in the CCC & R's by the homeowner.

5.3 Use of Joint Trenches. The City shall allow the Developer, to utilize joint trenches if it deems it necessary for Internet capabilities and/or telecommunication purposes.

5.4 Curbs. The construction of wedge, rolled curb, or mountable curbs within residential and multifamily zoned Planning Areas shall be permitted at the Developer's sole and absolute discretion.

6.0 GOLF COURSE

6.1 Golf Course/Active Open Space Drainage Facilities. It is the Developer's intention that the flood control facilities proposed within this area will be constructed consistent with all applicable design standards for such facilities with their maintenance being the responsibility of either the POA, the operator of the Golf Course, the Developer or the City and not the responsibility of the Riverside County Flood Control District (the "RCFCD") unless the facility has been identified as a Drainage Master Plan Facility by RCFCD.

6.2 Golf Course Water. The financial viability of the Golf Course will be dependent upon the costs to operate and maintain the Golf Course. The City shall provide water to the Project at a per unit rate not to exceed the cost highest tiered rate for irrigation water for the Golf Course for the Term of this Agreement.

7.0 PERMITTING

7.1 Fire Sprinkler Inspections. The City's Building and Safety Division shall serve as Special Fire Marshall for this project. Building and Safety shall be responsible for enforcing the then applicable provisions of the California Fire Code, and the California Building Standards Codes.

7.2 Bond Exoneration. Upon request by the Developer, the City shall generate a one-time punch list of items required for the full or partial exoneration of all Project-related improvement bonds, for improvements both within and outside of the Property. The City shall, within 5 days of receipt of a written request from the Developer, provide an inspector to determine if the punch list items have been corrected. Once it has been determined that they have been corrected, the City shall expeditiously exonerate the bonds, partially or fully, as applicable. No additional punch lists shall be generated once an improvement has been inspected and a punch list generated.

7.3 Building Permit Refunds. If a Building Permit has expired without construction having started on the structure for which the Building Permit was issued, the Developer shall be entitled to a refund of the building permit fee less 20% for an administrative fee. No refund will be provided if the request for the refund has not been provided to the City within 30 days of the Building Permit's expiration.

8.0 PREVAILING WAGES

The Developer shall pay prevailing wages in connection with the construction of the Project as required by law. To the extent that it is determined that Developer has not paid, or does not pay, prevailing wages required by law for any portion of the Project, Developer shall defend and hold the City harmless from and against any and all increase in construction costs, or other liability, loss, damage, costs, or expenses (including reasonable attorneys' fees and court costs) arising from or as a result of any action or determination that the Developer failed to pay prevailing wages in connection with the construction of the Project.

Developer acknowledges and agrees that should any third party, including but not limited to the Director of the Department of Industrial Relations ("DIR"), require Developer or any of its contractors or subcontractors to pay the general prevailing wage rates of per diem wages and overtime and holiday wages determined by the Director of the DIR under Prevailing Wage Law, then Developer shall indemnify, defend, and hold City harmless from any such determinations, or actions (whether legal, equitable, or administrative in nature) or other proceedings, and shall assume all obligations and liabilities for the payment of such wages and for compliance with the provisions of the Prevailing Wage Law. The City makes no representation that any construction or Site uses to be undertaken by Developer are or are not subject to Prevailing Wage Law.

9.0 COST OF DEVELOPMENT AGREEMENT

Developer has previously deposited approximately \$200,000 with the City to pay all the City's outside consulting costs, costs of the environmental and legal review, and costs to process and obtain the Development Approvals, including this Agreement. As of March 1, such costs in aggregate exceed the amount deposited by \$20,000, and additional costs are anticipated by the end of the approval process. Accordingly, before this Development Agreement shall be executed by the City, the Finance Director shall prepare a final written statement of costs incurred by City in the processing and approval of the Project, and Developer shall pay such amount in good money to City.

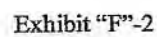


EXHIBIT "F" **PROPOSED PROJECT FACILITIES**

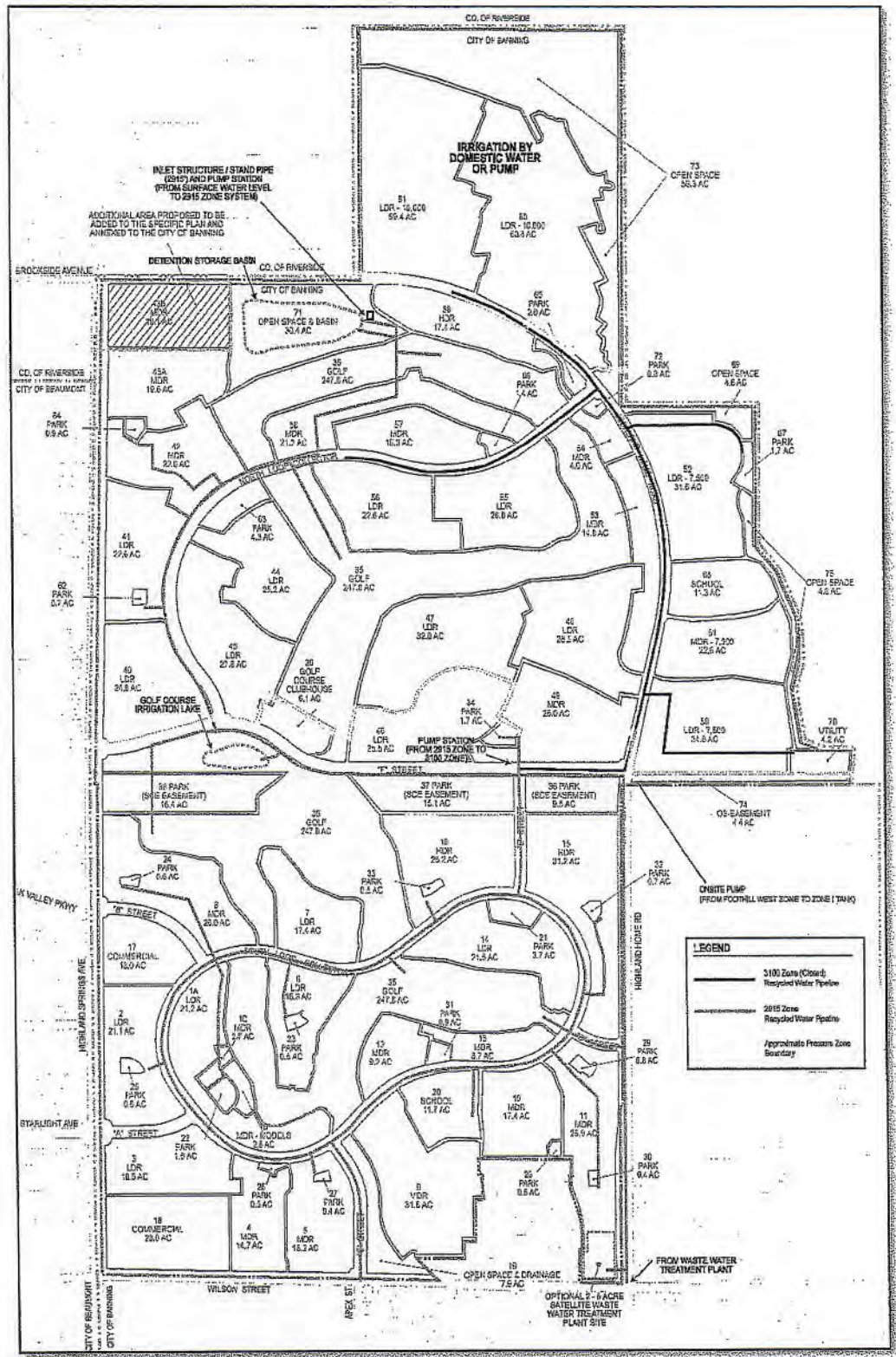
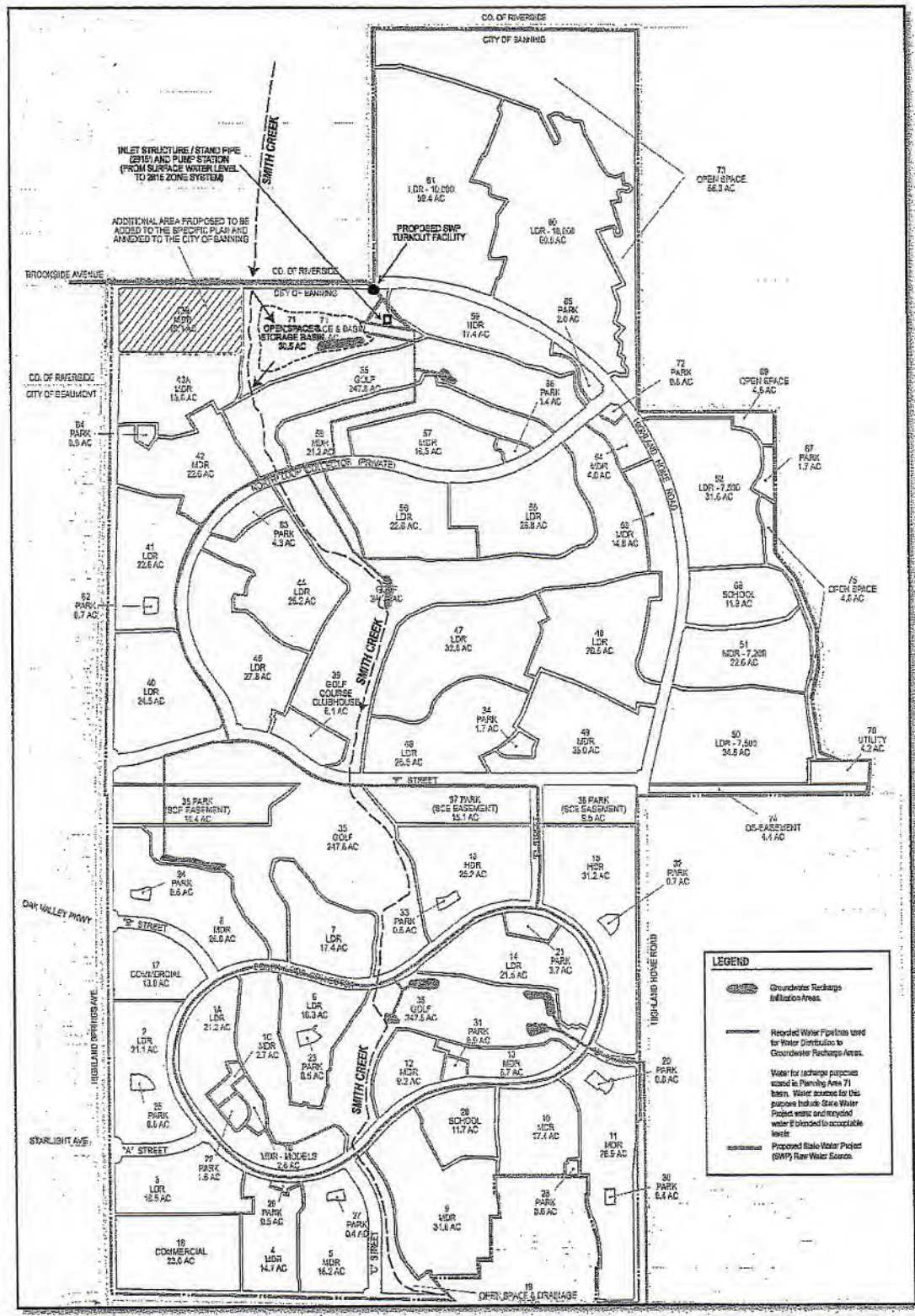
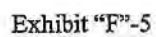


EXHIBIT "F" **PROPOSED PROJECT FACILITIES**





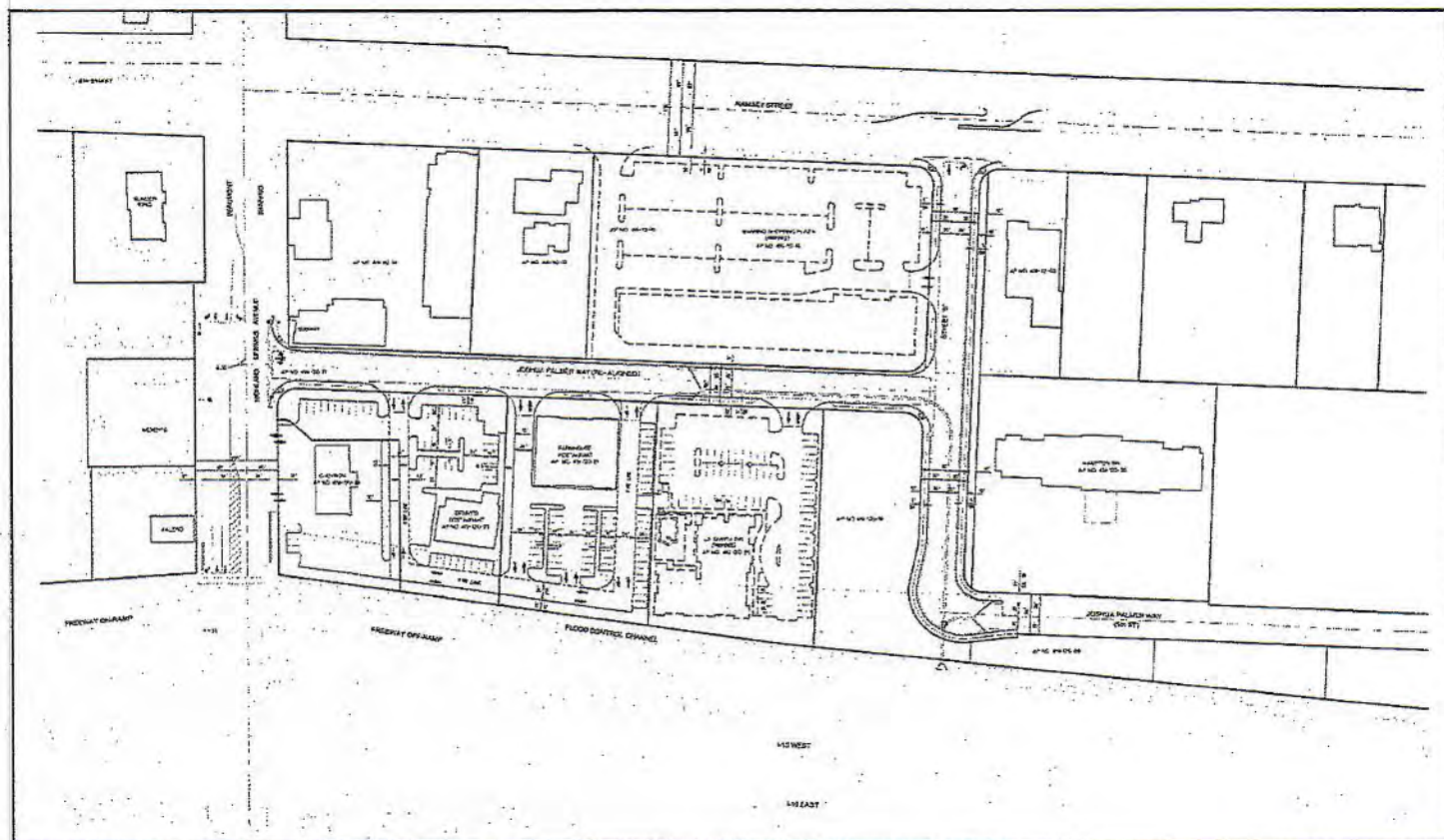


EXHIBIT "H"
BUTTERFIELD PROJECT FINANCING PLAN

This Financing Plan sets forth the basic terms and conditions pursuant to which City and Developer will cooperate to establish one or more CFD(s) and designate Improvement Areas therein pursuant to the CFD Act to finance the Eligible Facilities in connection with the Project and to levy the Services Special Tax. Capitalized terms not otherwise defined in this Financing Plan shall be defined as provided in the Development Agreement.

1. **Goals and Policies for Financing.** The City will adopt general Goals and Policies for establishing CFDs. The Goals and Policies for Financing shall apply on a City-wide basis and may be amended from time to time. This Financing Plan shall be consistent with the City's Goals and Policies for Financing. The principal objectives of this Financing Plan are to:

- a. Provide City and Developer reasonable certainty that each CFD will be established in accordance with the Goals and Policies and this Financing Plan.
- b. Provide basic parameters for the levy of (i) the Facilities Special Tax (defined below) within each CFD or Improvement Area to pay directly for Eligible Facilities and to secure the issuance of bonds of each CFD or Improvement Area secured by and payable from the Facilities Special Tax in order to finance the Eligible Facilities ("**Bonds**") and (ii) the Services Special Tax.
- c. Provide basic parameters for the issuance of Bonds by or for the CFD(s) and any Improvement Areas therein.

2. **Formation.** City shall initiate proceedings to establish a CFD, upon Developer's petition request pursuant to the CFD Act and submittal of City's standard application form and receipt of an advance from Developer in an amount determined by City to pay for City's estimated costs to be incurred in undertaking the proceedings to establish the CFD ("Formation Proceeding Costs"). City agrees that all such advances for Formation Proceedings Costs so long as the costs are reasonable and not due to the actions of developer, incurred in connection with the formation of such CFD shall be eligible for reimbursement out of the first available proceeds of Surplus Special Taxes (defined below) and Bonds of the CFD and/or Facilities Special Taxes to the extent approved by the City's Bond Counsel ("CFD Proceeds"). The exact terms and conditions for the advance of funds by Developer and the reimbursement of such advances shall be memorialized in a separate agreement between City and Developer. City agrees to use its best efforts to complete the proceedings to form each CFD and record the notice of special tax lien for the CFD and each Improvement Area therein within 210 days after City's receipt of Developer's complete application and deposit.

3. **Boundaries.** The CFD boundary, or the boundaries of all CFDs if more than one is formed, shall encompass the Project. Each CFD may contain multiple Improvement Areas based on phasing of the Project within the CFD.

4. Eligible Public Facilities and Discrete Components. Subject to the City's adopted Goals and Policies for Financing, and review by Bond Counsel, conditions set forth in the following paragraph, City may authorize the CFDs to finance the acquisition or construction of the Eligible Facilities, which may include the following:

- a. public streets and other related improvements within the public right-of-way
- b. water facilities
- c. storm drain facilities
- d. sewer facilities
- e. public parks, open space and landscaping
- f. electrical facilities to be extent reasonable
- g. any public facility to be constructed by City for which Developer is required to make a cash contribution pursuant to the Project's conditions of approval or this Agreement or which is included in any City capital improvement fee program and which public facility is to be owned by the City, subject to credit against the corresponding fee.

The costs of any Eligible Facility to be constructed by Developer that are eligible to be financed with CFD Proceeds ("Actual Costs") shall include the following if permissible under the Act:

- (i) The actual hard costs for the construction or the value of the Proposed Eligible Facility, including labor, materials and equipment costs;
- (ii) The costs of grading related to the Eligible Facility;
- (iii) The costs incurred in designing, engineering and preparing the plans and specifications for the Eligible Facility;
- (iv) The costs of environmental evaluation and mitigation of or relating to the Eligible Facility;
- (v) Fees paid to governmental agencies for, and costs incurred in connection with, obtaining permits, licenses or other governmental approvals for the Eligible Facility;
- (vi) Costs of construction administration and supervision;
- (vii) Professional costs associated with the Eligible Facility, such as engineering, legal, accounting, inspection, construction staking, materials and testing and similar professional services; and
- (viii) Costs of payment, performance and/or maintenance bonds and insurance costs directly related to the construction of the Eligible Facility.

- (ix) Any other costs permitted by law.

The Eligible Facilities constructed by Developer, and for which Developer elects to submit payment requests, shall be bid, contracted for and constructed in accordance with the Acquisition Agreement to be entered into between City and Developer at the time of formation of the first CFD. The Acquisition Agreement shall provide additional detail, consistent with the provisions of the Goals and Policies for Financing and this Development Agreement, with respect to the acquisition and construction of the Eligible Facilities, including a more detailed description of the specific Eligible Facilities that will be eligible to be financed through the CFD and discrete components of each Eligible Facility that may be reimbursed prior to the completion of the entire Eligible Facility. The Acquisition Agreement will also provide additional detail with respect to the financing of the City's construction of Eligible Facilities in satisfaction of corresponding City capital improvement fees, as elected by Developer. The CFD financing of the acquisition of an Eligible Facility constructed by Developer that is included in a City Capital improvement fee program or required by the Project conditions of approval, shall not preclude the Developer's receipt of corresponding fee credits.

5. Financing Parameters. Each CFD shall be authorized to levy Facilities Special Taxes of each Improvement Area and issue Bonds of each CFD or Improvement Area in one or more series to finance the Eligible Facilities in accordance with the basic parameters set forth below:

- a. A precondition to the issuance of Bonds shall be that the value of the real property subject to Facilities Special Taxes required to repay the Bonds shall be at least three times the amount of the Bonds.
- b. Each series of Bonds shall have a term of at least thirty (30) years and include escalating annual debt service commensurate with any annual escalation in the Facilities Special Taxes.
- c. The total effective tax rate within each Improvement Area applicable to any residential parcel on which a residential dwelling has or is to be constructed, taking into account all ad valorem property taxes, voter-approved ad valorem property taxes in excess of one percent (1%) of assessed value, the annual special taxes of existing community facilities districts and community facilities districts under consideration and reasonably expected to be established (but excluding the Services Special Tax), the annual assessments (including any administrative surcharge) of existing assessment districts and assessment districts under consideration and reasonably expected to be established (but excluding assessments for maintenance and services), and the Facilities Special Taxes, shall equal two percent (2.00%) of the projected initial sales price of the residential dwelling unit and such parcel, as estimated at the time of formation of the applicable CFD, or such lesser amount requested by Developer. The Facilities Special Taxes may escalate by up to 2% per year.

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ATTACHMENT 3

Site Plan

