

# AGENDA

## REGULAR MEETING OF THE BANNING CITY COUNCIL, THE CITY COUNCIL SITTING AS THE SUCCESSOR AGENCY BOARD, AND THE BANNING UTILITY AUTHORITY CITY OF BANNING BANNING, CALIFORNIA

October 8, 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, the Banning Utility Authority, and the Banning City Council sitting in its capacity as the Successor Agency Board.*

*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 – Merle Malland, Police Chaplain
- Pledge of Allegiance
- Roll Call – Council Members Andrade, Happe, Peterson, Wallace, Mayor Welch

### **II. AGENDA APPROVAL**

### **III. PRESENTATIONS**

None

### **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

None

## **VI. CONSENT ITEMS**

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

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

**Motion: Approve Consent item 1: Item \_\_\_\_ to be pulled for discussion.**

*(Resolutions require a recorded majority vote of the total membership of the City Council/Banning Utility Authority/Successor Agency Board)*

1.	Resolution 2019-03 SA, Termination of Regulatory Agreement for 42 W. Ramsey Street.....	1
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## **VII. PUBLIC HEARINGS:**

None

## **VIII. ANNOUNCEMENTS AND REPORTS:**

### CITY COUNCIL COMMITTEE REPORTS

#### REPORT BY CITY ATTORNEY

#### REPORT BY CITY MANAGER

## REPORT OF OFFICERS

1. Report of Internal Audit of the Banning Electric Utility and Resolutions 2019-127 and 2019-20 UA, Amending Fiscal Year 2018-19 Budget and Prior Period Adjustment to the Fund Balances for the Electric and Water Funds.....5  
*(Staff Report: Jennifer Christensen, Administrative Services Director)*  
**Recommendation:** 1) Receive and file the Electric Utility Internal Audit Report prepared by Christy White Associates, Inc. 2) Adopt Resolutions 2019-127 and 2019-20 UA, approving an Amendment to the Fiscal Year 2018-19 Budget and Prior Period Adjustment to the fund balances for the Electric Utility and Water Funds for overcharge of Electric charges, Fiscal Years 2014, 2015 and 2016; and 3) Authorize the Administrative Services Director or her designee to make the appropriate adjustments to the budget and financial statements.
2. Resolution 2019-130, Approving Administrative Procedures Policy B-28 Debt Management Policy and Administrative Procedures Policy B-29 Tax-Exempt Bonds Compliance Policy and Resolution 2019-22 UA, Authorizing the Issuance of Wastewater Enterprise Refunding Revenue Bonds and Approving the Forms of Adopting a Debt Management Policy and a Tax-Exempt Compliance Policy .....9  
*(Staff Report: Jennifer Christensen, Administrative Services Director)*  
**Recommendation:** 1) Adopt Resolution 2019-130, approving Administrative Procedures Policy B-28 Debt Management Policy and Administrative Procedures Policy B-29 Tax-Exempt Bonds Compliance Policy, and authorizing certain actions in connection therewith; and 2) Adopt Resolution 2019-22 UA, authorizing the issuance of its Wastewater Enterprise Refunding Revenue Bonds, 2019 Series in the aggregate principal amount of not to exceed \$4,250,000, approving an Indenture of Trust and an Escrow Agreement, approving the forms of and adopting a Debt Management Policy and a Tax-Exempt Compliance Policy and authorizing the taking of certain actions in connection therewith.
3. Resolution 2019-129, Updating Administrative Policy B-30 (Purchasing Policy).....13  
*(Staff Report – Jennifer Christensen, Administrative Services Director)*  
**Recommendation:** 1) Approve the revisions to Purchasing Policy B-30 to reflect changes pursuant to Ordinance 1550 electing to become subject to the California Uniform Public Construction Cost Accounting Act. 2) Adopt Resolution 2019-129, making the subsequent changes to Purchasing Policy B-30 required by Ordinance 1550.

4. Resolution 2019-126, Caltrans Sustainable Communities Grant..... 17  
*(Staff Report – Adam Rush, Community Development Director)*

**Recommendation: Adopt Resolution 2019-126, authorizing the City Manager to Execute Agreements with the California Department of Transportation for the City of Banning.**

5. Resolution 2019-125, Initiating a Proposal for School District Territory Transfer ..... 19  
*(Staff Report – Douglas Schulze City Manager)*

**Recommendation: Adopt Resolution 2019-125, initiating a proposal for school district territory transfer and direct the City Clerk to file the resolution with the Riverside County Board of Education and the Superintendent of the Riverside County Board of Education.**

**IX. DISCUSSION ITEM**

None

**CITY COUNCIL – Next Meeting, October 22, 2019**

**X. ITEMS FOR FUTURE AGENDAS**

1. Mills Act Update
2. Fee Suspension Update
3. Website Redesign
4. Street Naming Policy to Honor Land Owners
5. Contingency Plan for Residents During Emergencies
6. Appraisals Update
7. Honor Banning High School Senior Aliyah Amis

**XI. ADJOURNMENT**

**NOTICE:** Any member of the public may address this meeting of the Mayor and City Council on any item appearing on the agenda by approaching the microphone in the Council Chambers and asking to be recognized, either before the item about which the member desires to speak is called, or at any time during consideration of the item. A five-minute limitation shall apply to each member of the public, unless such time is extended by the Mayor. No member of the public shall be permitted to "share" his/her five minutes with any other member of the public.

Any member of the public may address this meeting of the Mayor and Council on any item which does not appear on the agenda, but is of interest to the general public and is an item upon which the Mayor and Council may act. A five-minute limitation shall apply to each member of the public, unless such time is extended by the Mayor. No member of the public shall be permitted to "share" his/her five minutes with any other member of the public. The Mayor and Council will in most instances refer items of discussion which do not appear on the agenda to staff for appropriate action or direct that the item be placed on a future agenda of the Mayor and Council. However, no other action shall be taken, nor discussion held by the Mayor and Council on any item which does not appear on the agenda, unless the action is otherwise authorized in accordance with the provisions of subdivision (b) of Section 54954.2 of the Government Code.

**In compliance with the Americans with Disabilities Act**, if you need special assistance to participate in this meeting, please contact the City Clerk's Office (951)-922-3102. **Notification 48 hours prior to the meeting** will enable the City to make reasonable arrangements to ensure accessibility to this meeting. [28 CFR 35.02-35.104 ADA Title II]

*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.*



**CITY OF BANNING  
CITY COUNCIL/  
SUCCESSOR AGENCY BOARD REPORT**

**TO:** **CITY COUNCIL**

**FROM:** **Douglas Schulze, City Manager**

**MEETING DATE:** **October 8, 2019**

**SUBJECT:** **Resolution 2019-03 SA, Approving Termination of Regulatory Agreement, Substitution of Trustee and Full Reconveyance, Cancellation of Promissory Note, and Forgiveness of Loan, Pursuant to an Owner Participation Agreement, in Connection with 42 W. Ramsey Street (APN 540-204-010)**

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**RECOMMENDED ACTION:**

Staff recommends the City Council/Successor Agency Board adopt Resolution 2019-03 SA, approving 1) Termination of Regulatory Agreement, 2) Substitution of Trustee and Full Reconveyance, and 3) Cancellation of Promissory Note and Forgiveness of Loan.

**BACKGROUND:**

In 2007, the Banning Community Redevelopment Agency (“CRA”) established and funded an Owner Participation Program (Attachment 2). Projects were reviewed and approved in the downtown area, with the primary goal of alleviating blight by revitalizing the area through aesthetic appearance improvements of commercial structures.

On October 9, 2009, rehabilitation was completed and a Regulatory Agreement and Deed of Trust and Assignment of Rents were recorded against the property (42 W. Ramsey St, APN 540-204-010) with E. Robert Freeman and Nina Freeman, Husband and Wife, and Dirk Addison Dorning and Paula Christy Dorning, Trustees of the Family Trust of Dirk Addison and Paula Christy Dorning dated February 25, 2002, for an existing commercial structure located at 42 W. Ramsey Street.

The governing agreement, an Owner Participation Agreement (OPA) required both a Regulatory Agreement and Security in the form of the Deed of Trust and Assignment of Rents. The terms of the Agreement included a ten (10) year forgivable loan, in the amount of six hundred eighty-five thousand dollars (\$685,000) to construct and complete façade improvements and maintain commercial tenants during the period.

The term is set to expire on October 9, 2019 (tomorrow) and the ownership has recently requested that the City formalize the termination of the associated regulatory

agreement; release of security; forgiveness of loan and cancellation of promissory note, in accordance with the terms of the OPA.

**JUSTIFICATION:**

Pursuant to Section 2.1 and 3.2.2.3 of the Owner Participation Agreement between the former Community Redevelopment Agency (CRA) and E. Robert Freeman and Nina Freeman, Husband and Wife, and Dirk Addison Dorning and Paula Christy Dorning, Trustees of the Family Trust of Dirk Addison and Paula Christy Dorning dated February 25, 2002, the City agreed to loan and thereafter forgive up to \$685,000 for the aesthetic rehabilitation of their commercial property located at 42 W. Ramsey Street.

As of October 9, 2019, the Participants have fully complied with the terms of the Agreement. As a result, staff recommends the following actions, in accordance with the terms and conditions of the Owner Participation Agreement:

- Termination of Regulatory Agreement;
- Substitution of Trustee and Full Reconveyance;
- Cancellation of Promissory Note; and
- Forgiveness of Loan.

**FISCAL IMPACT:**

No fiscal impact to the City of Banning.

**OPTIONS:**

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

**ATTACHMENTS:**

1. Resolution 2019-03 SA  
[https://banningca.gov/DocumentCenter/View/6559/ATTACHMENT-1---Resolution-2019-03-SA\\_100819](https://banningca.gov/DocumentCenter/View/6559/ATTACHMENT-1---Resolution-2019-03-SA_100819)
2. Owner Participation Agreement, dated March 27, 2007  
<https://banningca.gov/DocumentCenter/View/6558/ATTACHMENT-2---42-W-Ramsey-OPA>
3. Substitution of Trustee and Full Reconveyance  
<https://banningca.gov/DocumentCenter/View/6557/ATTACHMENT-3---Substitution-of-Trustee-and-Full-Reconveyance>
4. Termination of Regulatory Agreement  
<https://banningca.gov/DocumentCenter/View/6560/ATTACHMENT-4---Termination-of-Regulatory-Agreement>

October 8, 2019

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Approved by:



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Douglas Schulze  
City Manager

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**CITY OF BANNING  
CITY COUNCIL AND  
BANNING UTILITY AUTHORITY REPORT**

**TO:** **CITY COUNCIL AND BANNING UTILITY AUTHORITY**

**FROM:** **Douglas Schulze, City Manager/Executive Director**

**PREPARED BY:** **Jennifer Christensen, Administrative Services Director**  
**Suzanne Cook, Deputy Finance Director**

**MEETING DATE:** **October 8, 2019**

**SUBJECT:** **Internal Audit of the City of Banning Electric Utility and Resolutions 2019-127 and 2019-20 UA Approving an Amendment to the Fiscal Year 2018-19 Budget and Prior Period Adjustment to the Fund Balances for the Electric and Water Funds for Overcharge of Electric Charges, Fiscal Years Ending 2014, 2015 and 2016**

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**RECOMMENDED ACTION:**

That the City Council:

1. Receive and file the Electric Utility Internal Audit Report, Prepared by Christy White Associates, Inc. ("CW");
2. Adopt Resolutions 2019-127 and 2019-20 UA, approving an Amendment to the Fiscal Year 2018-19 Budget and Prior Period Adjustment to the Fund Balances for the Electric Utility and Water Funds for Overcharge of Electric Charges, Fiscal Years 2014, 2015 and 2016; and
3. Authorize the Administrative Services Director or her designee to make the appropriate adjustments to the budget and financial statements.

**BACKGROUND:**

**Electric Utility Internal Audit Report**

On April 10, 2018, Council approved to award a professional service agreement to CW and adopted resolution 2018-46 to perform an audit of the Electric Utility and Billing Departments.

As a result of the award, CW entered into an agreement with the City of Banning on September 10, 2018 to conduct an internal audit with the specific areas of scope as follows:

- a) **Examine** all cash, check and credit transactions of the Banning Electric Utility and determine if all customer cash payments are fully accounted for. Amount of money deposited should correspond and determine if all with the amounts paid by the City of Banning customers.
- b) **Identify** the amount of electricity purchased (from Southern California Edison and other power suppliers) by the utility in a given year and compare it to the amount of electricity sold to customers during that year (in megawatt hours).
- c) **Identify** all dwellings in the City that receive utilities but are not billed or are partially billed. Identify the retail value for each of those transactions.
- d) **Examine** random samples of electric utility bills for billing accuracy, rate structure, and consistency.
- e) **Examine** if electric utility usage was overridden (lowered) manually in individual cases.
- f) **Identify** charges billed for incorrect or non-existent equipment.

CW commenced work on January 15, 2019 and prepared the final audit report with findings dated September 10, 2019. The Internal Audit of City of Banning Electric Utility Final Audit Report is attached for your review and includes detailed results for each of the six scope items outlined above.

The conclusion of the audit report states that CW's examinations, observations and inquiries did not uncover any instances of fraud. Instead, CW noted that issues mentioned in the report are a result of outdated reporting systems and manual processes that do not allow for transparent reporting and make it difficult to detect errors timely.

### **Electric Charges to the Water Fund**

At the request of the Public Works Director, a review was performed of the electrical charges for six (6) utility accounts that supply electrical services to the City's largest water wells. The findings of the audit and background are as follows:

In July 2013, the Public Works Department gave direction to Utility Billing to change the billing rate of six (6) electrical utility accounts to a Time of Use (TOU) rate instead of the current Rate Schedule C – General & Industrial Service. The bills from July 2013 until March 2014 were billed at the correct rates and consumptions.

In March 2014, the Electric Department made a request for these six (6) accounts to have a special rate code so the revenue and consumption could be tracked separately from the City's other retail TOU customers. A new rate code, identified as I5, was created by the Utility Billing staff and it was labeled as City Time of Use Wells. The new rate was entered with an effective date of March 25, 2014.

It was discovered that this rate was not assigned to the summer/winter rates which caused errors in the rate amounts and consumption totals for both demand and KWh. As a result, incorrect rates were used to calculate the bills to the Water fund from May 2014 to May 2016. In May 2016, the rates were corrected and electric charges from that point forward were billed correctly.

This information was provided to the audit firm conducting the audit of the City's Electrical Utility to be included in the final audit report. Under Scope Item D, CW addressed the audit procedures undertaken with respect to the examination of electric utility bills for billing accuracy, rate structure and consistency. CW found no errors with the rates calculated on other bills. According to the findings in the audit report, only the six (6) City accounts that had a special code set up encountered the errors in billing.

This information was also provided to Willdan as part of their water rate study analysis to allow for adjustment of the costs as appropriate.

**JUSTIFICATION:**

The Electric Utility and Water funds need to accurately reflect the actual revenue and expenses for the correct fiscal years. Since the errors in rate amounts charged to the Water Fund affected previous fiscal years, an adjustment to the fund balances as a prior period adjustment needs to be made to correctly reflect the actual fund balances of the Water and Electric Utility funds. As part of the current fiscal year being audited (Fiscal Year 2018-19), an adjustment and note will appear in the Financial Statements.

In addition, Council's approval to amend the Fiscal Year 2018-19 budget is needed in order to transfer the overcharged amounts of \$1,276,936.12 from the Electric Utility fund to the Water Fund.

**FISCAL IMPACT:**

Increase to the Fund Balance of the Water Fund (660) \$1,276,936.12 and  
Decrease to the Electric Utility Fund (670) \$1,276,936.12

Fiscal Year 2014	\$ 153,705.29
Fiscal Year 2015	\$ 596,405.74
Fiscal Year 2016	<u>\$ 526,825.18</u>
Total	<b><u>\$1,276,936.12</u></b>

**OPTIONS:**

1. Approve Resolution 2019-127 and 2019-20 UA, Approving an Amendment to the Fiscal Year 2018-19 Budget and Prior Period Adjustment to the Fund Balances for the Electric Utility and Water Funds for Overcharge of Electric Charges, Fiscal Years 2014, 2015 and 2016 as recommended; or
2. Do not approve and provide alternative direction to staff.

**ATTACHMENTS:**

1. Electric Utility Internal Audit Report Prepared by Christy White, Inc.  
<https://banningca.gov/DocumentCenter/View/6536/Attachment-1---Internal-Audit-of-City-of-Banning-Electric-Utility-FINAL-93019>
2. Agreement for Professional Services Between the City of Banning, California and Christy White Associates, Inc.  
[https://banningca.gov/DocumentCenter/View/6537/Attachment-2---Christy-White-Contract\\_09-10-18-Signed-Contract](https://banningca.gov/DocumentCenter/View/6537/Attachment-2---Christy-White-Contract_09-10-18-Signed-Contract)
3. Resolution 2019-127  
<https://banningca.gov/DocumentCenter/View/6538/Attachment-3---2019-10-08-RESO-2019-127-Overcharge-Electric-to-Water-Fund>
4. Resolution 2019-20 UA  
<https://banningca.gov/DocumentCenter/View/6535/Attachment-4---2019-10-08-RESO-2019-20-UA-Overcharge-Electric-to-Water-Fund>

Approved by:



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Douglas Schulze  
City Manager/Executive Director



**CITY OF BANNING  
CITY COUNCIL AND  
BANNING UTILITY AUTHORITY REPORT**

**TO:** **CITY COUNCIL and BANNING UTILITY AUTHORITY**

**FROM:** **Douglas Schulze, City Manager/Executive Director**

**PREPARED BY:** **Jennifer Christensen, City Administrative Services Director**  
**Suzanne Cook, Deputy Finance Director**  
**Doug Anderson, Urban Futures, Inc.**

**MEETING DATE:** **October 8, 2019**

**SUBJECT:** **Authorizing the Issuance of Wastewater Enterprise Refunding Revenue Bonds and Approving Related Documents and Approving Administrative Procedures Policies B-28 Debt Management Policy and B-29 Tax-Exempt Bonds Compliance Policy.**

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**RECOMMENDATION:**

1. Staff recommends Council adopt Resolution 2019-130 approving Administrative Procedures Policy B-28 Debt Management Policy and Administrative Procedures Policy B-29 Tax-exempt Bonds Compliance Policy and Authorizing Certain Actions in Connection Therewith.
2. Staff recommends that the Banning Utility Authority adopt Resolution 2019-22 UA, Authorizing the Issuance of its Wastewater Enterprise Refunding Revenue Bonds, 2019 Series in the Aggregate Principal Amount of Not to Exceed \$4,250,000, Approving an Indenture of Trust and an Escrow Agreement, Approving the Forms of and Adopting a Debt Management Policy and a Tax-Exempt Compliance Policy and Authorizing the Taking of Certain Actions in Connection Therewith.

**BACKGROUND:**

At its meeting on September 24, 2019, the Banning Utility Authority (the "Authority") adopted Resolution 2019-19 UA authorizing the selection of a proposal related to the proposed issuance of its Wastewater Enterprise Revenue Bonds, 2019 (the "2019 Bonds").

Stifel, Nicolaus & Company, acting as placement agent, solicited bids from potential purchasers of the 2019 Bonds. Several proposals from potential purchasers were received. After discussions with the City's finance team, the Agency's Executive Director signed a term sheet provided by JPMorgan Chase Bank ("JP Morgan"). Based on the interest rate and terms provided by JP Morgan, the estimated total debt service savings will be approximately \$1.64 million over the remaining term of the bonds.

Recent amendments to California Government Code Section 8855(j) requires public agencies to include in their reports to the California Debt and Investment Advisory Commission (“Commission”) a certification that it has adopted local debt policies and that the use of outstanding debt is consistent with the local policy.

Section 8855(i) requires the local debt policy to include information about the purpose of each new debt issue, the relationship of the debt to the issuer's capital improvement program, and internal control procedures that the issuer has (or will) implement to ensure that the proceeds of the proposed debt issuance will be directed to the intended use. Section (k) of Section 8855 requires public agencies to submit annual reports for any issue of debt for which it has submitted a report of final sale on or after January 21, 2017. The annual report must cover a reporting period of July 1 through June 30, and must be submitted no later than (7) months after the end of the reporting period. The annual report must contain certain information about debt authorized during the reporting period, debt outstanding during the reporting period, and the use of proceeds of issued debt during the reporting period including the purposes for which it was spent.

The attached debt management policy (“Debt Management Policy”) satisfies the legal requirements and is intended to guide and regulate the City's issuance and administration of debt. The Debt Management Policy also applies to any debt issued by the Banning Utility Authority, or any other public agency for which the Banning City Council acts as the legislative body.

The attached tax-exempt bonds compliance policy (“Tax-Exempt Bonds Compliance Policy”) contains procedures and guidelines of the City to further assure continuing compliance by the City with certain federal tax requirements applicable to each of its issuances of obligations (including those of the Banning Utility Authority and any other public agency for which the Banning City Council acts as the legislative body) the interest on which is intended to be excluded from the gross income of the owners thereof for federal income tax purposes.

The procedures and guidelines included in the Tax-Exempt Bonds Compliance Policy relate to requirements that must be satisfied subsequent to the issuance of a tax-exempt debt issue to maintain the exclusion of interest on such issue. Such requirements include, without limitation: those requiring the timely allocation of proceeds of that issue to the governmental purposes of the issue; those regulating the investment of proceeds of that issue under the arbitrage rebate rules; those limiting the private business use of facilities financed or refinanced by that issue; and those pertaining to the creation and retention of records of such expenditure, use and investment of such proceeds and of the use of such facilities.

In connection with the issuance of the 2019 Bonds, and to conform to these recent amendments to California Government Code Section 8855(j) and in connection with certain federal tax requirements, the City of Banning will need to adopt a debt management policy (“Debt Management Policy”) and a tax-exempt bonds compliance policy (“Tax-Exempt

Bonds Compliance Policy"). Pursuant to the terms of each, the Debt Management Policy and the Tax-exempt Bonds Compliance Policy will also apply to the Authority.

The attached Resolution 2019-130 will approve and adopt the Debt Management Policy and Tax-Exempt Bonds Compliance Policy.

The attached Resolution 2019-22 UA will authorize the issuance of the 2019 Bonds, will approve the forms of the Indenture of Trust and the Escrow Agreement, and will also acknowledge that the Debt Management Policy and the Tax-Exempt Bonds Compliance Policy will apply to the Authority.

It is anticipated that the 2019 Bonds will close on or before October 30, 2019.

**FISCAL IMPACT:**

By issuing the 2019 Bonds to refund the outstanding 2005 Bonds, the City can save an estimated \$1.64 million in debt service payments over the remaining term of the bonds, without extending the current final maturity date of November 1, 2035. All costs of issuance will be paid from bond proceeds, and the estimated savings is net of such costs. The 2019 Bonds will be secured by the same revenues (Net Revenues of the Wastewater system) that are currently pledged to the 2005 Bonds, and the 2019 Bonds will not be a debt of the City's general fund.

Pursuant to the requirements contained in SB 450, estimated financial information relative to the issuance of the 2019 Bonds is shown in the table below:

Item	Estimate as of 9/30/2019 (with JP Morgan as Purchaser)
True interest cost of the bonds	1.80%
Finance charge of the bonds	\$139,347
Bond proceeds received by the Authority	\$3,885,653
Total payment amount	\$4,668,971 (Total principal and interest payments)

There will be no fiscal impact for the adoption of the two policies.

**ATTACHMENTS:**

1. Resolution 2019-130  
<https://banningca.gov/DocumentCenter/View/6547/Attachment-1---Reso-2019-130-CITY-OF-BANNING--2019-WASTEWATER>
2. AP B-28 Debt Management Policy  
<https://banningca.gov/DocumentCenter/View/6548/Attachment-2---B-28-Debt-Management-Policy>
3. AP B-29 Tax-Exempt Bonds Compliance Policy  
<https://banningca.gov/DocumentCenter/View/6549/Attachment-3---B-29-Tax-Exempt-Bonds-Compliance-Policy>
4. Resolution 2019-22 UA  
<https://banningca.gov/DocumentCenter/View/6550/Attachment-4---Reso-2019-22-UA-BANNING-UTILITY-AUTHORITY--2019-BONDS>
5. Form of Indenture of Trust  
<https://banningca.gov/DocumentCenter/View/6551/Attachment-5---BANNING-UTILITY-AUTHORITY---INDENTURE-OF-TRUST-WASTEWATER-2>
6. Form of Escrow Agreement  
<https://banningca.gov/DocumentCenter/View/6546/Attachment-6---2019-Refunding---Banning-Utility-Authority---Escrow-Agreement-Wastewater>

Approved by:



Douglas Schulze  
City Manager/Executive Director



## CITY OF BANNING CITY COUNCIL REPORT

**TO:** CITY COUNCIL

**FROM:** Douglas Schulze, City Manager

**PREPARED BY:** Jennifer Christensen, Administrative Services Director  
Shiloh Rogers, Purchasing Manager

**MEETING DATE:** October 8, 2019

**SUBJECT:** **Resolution 2019-129 revising the Purchasing Policy B-30 to reflect changes pursuant to Ordinance 1550 approved by the City Council on August 27, 2019 adopting the California Uniform Public Construction Cost Accounting Act (CUPCCAA).**

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### **RECOMMENDED ACTION:**

It is recommended the City Council take the following two actions:

- (1) Approve the revisions to the Purchasing Policy B-30 to reflect the changes pursuant to the newly adopted Ordinance 1550 electing to become subject to the California Uniform Public Construction Cost Accounting Act (CUPCCAA or otherwise known as “the Act”).
- (2) Adopt Resolution 2019-129, a Resolution of the City Council of the City of Banning making the subsequent changes to the Purchasing Policy B-30 required by Ordinance 1550.

### **BACKGROUND:**

When contracting for public projects, the City is subject by the State of California to abide by certain standard provisions of the California Public Contract Code (PCC) that apply to public works contracts awarded by cities.

In 1983, the State of California legislation enacted the California Uniform Public Construction Cost Accounting Act to help promote “uniformity of the cost accounting standards and bidding procedures on construction work performed or contracted by public entities in the state” (PCC Section 22001). The Act is a voluntary program available to all public entities in the State, but it applies only to those public agencies that have “opted in” to the provisions set forth by the Act using the processes outlined in the Act. The entirety of the Act is found at PCC Sections 22000- 22045.

It was determined it be in the best interests of the City to update its practices and procedures to the most current California State standards for public projects, and in order to do so, the State Controller's Office requires public agencies to voluntarily decide to "opt in" by formal approval of the Awarding Body.

On July 9, 2019, the first Ordinance review to adopt the provisions of the Act was presented to City Council and approved by Resolution 2019-92 (Attachment 2). In the Staff Report, under "Implementation," the City Council was informed that "If the City Council chooses to adopt the draft CUPCCAA Ordinance and Resolution, City staff will undertake a review of existing Purchasing Policy provisions that apply to public facility contracting work so as to ensure consistency between the procedures in the CUPCCAA Ordinance and the City's Purchasing Policy."

On August 27, 2019, the second reading and adoption of Ordinance No. 1550 was approved (Attachment 3) by the City Council, electing to be subject to the Act.

On September 5, 2019, the City Clerk's Office mailed a letter along with a copy of Ordinance 1550 (Attachment 4) to the State Controller's Office to inform them that the City has followed the required steps to "opt in" to the Act and requested to become a participating agency. The State Controller's Office accepted the City's request determining that the City met the requirements to opt in to the Act, and now the City is officially listed as a participating agency and subject to the provisions of the Act by the State of California. This can be validated by visiting the State of California's website to see the City of Banning now listed as a participating agency at: [https://www.sco.ca.gov/ard\\_cuccac.html](https://www.sco.ca.gov/ard_cuccac.html)

## **Alternatives**

In addition to the policy decisions noted above, the City Council has the following alternatives:

1. Approve the revisions to the Purchasing Policy B-30 pursuant to the adoption of Ordinance 1550; or
2. Provide direction to staff.

## **FISCAL IMPACTS**

There are no Fiscal Impacts to revising the Purchasing Policy, accordingly.

## **ATTACHMENTS**

1. Resolution 2019-129 Revision to Purchasing Policy B-30 with “Exhibit A”—  
Purchasing Policy B-30 (Revised pursuant to Ordinance 1550)  
<https://banningca.gov/DocumentCenter/View/6540/ATTACHMENT-1-EXHIBIT-A---B--30-Procurement-Policies-and-Procedures-10-08-2019>
2. Resolution 2019-92 (Electing to be subject to the CUPCCAA)  
<https://banningca.gov/DocumentCenter/View/6541/ATTACHMENT-2---Reso-No-2019-92>
3. Ordinance 1550 (Adopting a CUPCCAA Ordinance)  
<https://banningca.gov/DocumentCenter/View/6542/ATTACHMENT-3---Ordinance-No-1550>
4. Letter to the State Controller’s Office (Requesting to opt in to the Act)  
<https://banningca.gov/DocumentCenter/View/6543/ATTACHMENT-4---Letter-to-State-Controllers-Office>
5. B-30 Purchasing Policy with Mark-ups  
<https://banningca.gov/DocumentCenter/View/6539/ATTACHMENT-5--B--30-Procurement-Policies-and-Procedures-with-Mark-Up>

Approved by:



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Douglas Schulze  
City Manager

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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:** **October 8, 2019**

**SUBJECT:** **Adoption of Resolution 2019-126, Authorizing the City Manager to Execute Agreements with the California Department of Transportation for the City of Banning.**

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### **RECOMMENDED ACTION:**

The City Council adopt Resolution 2019-126, a Resolution of the City Council of the City of Banning, authorizing the City Manager to execute agreements with the California Department of Transportation for the City of Banning.

### **BACKGROUND:**

The City of Banning is eligible to receive funds from the California Department of Transportation through the Sustainable Communities Grant. The City wishes to prepare a grant application for submittal to Caltrans for such funds in order to further implement the City's circulation and active transportation goals.

### **DISCUSSION**

The City wishes to apply for funding to enhance the Sun Lakes Boulevard extension and ensure multi-modal access is planned for, designed, and implemented through this city-initiated circulation enhancement.

### **JUSTIFICATION:**

Caltrans requires a *Restricted Grant Agreement* to be executed with the California Department of Transportation before such funds can be claimed through the Transportation Planning Grant Programs. As such, the City of Banning City Council wishes to delegate authorization to execute these agreements, and any amendments, thereto to the City Manager.

**FISCAL IMPACT:**

The preparation of a grant application will enhance the active transportation and multi-modal aspects of the Sun Lakes Boulevard extension. The City's receipt of grant funding, through the Sustainable Transportation Planning Grant, will create a positive enhancement to the City's budget.

**OPTIONS:**

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

**ATTACHMENT:**

1. Resolution 2019-126

<https://banningca.gov/DocumentCenter/View/6545/Resolution-2019-126>

Approved by:



Douglas Schulze  
City Manager



## CITY OF BANNING CITY COUNCIL REPORT

**TO:** CITY COUNCIL

**FROM:** Douglas Schulze, City Manager

**MEETING DATE:** October 8, 2019

**SUBJECT:** Resolution 2019-125, Initiating a Proposal for School District Territory Transfer

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### **RECOMMENDED ACTION:**

Staff recommends the City Council adopt Resolution 2019-125 and direct the City Clerk to file the resolution with the Riverside County Board of Education and the Superintendent of the Riverside County Board of Education.

### **BACKGROUND:**

Representatives of the City of Banning, Banning Unified School District, and Pardee Homes have discussed options for transferring the school district territory within the Butterfield Specific Plan, known as the Atwell Project, from the Beaumont Unified School District to Banning Unified School District. Representatives from Beaumont Unified School District were invited to attend the meeting but declined. The result of the conversation was consensus to consider options for the territory transfer that did not require Pardee Homes to initiate the process.

California Education Code Section 35721 (c) establishes procedures for Territory Transfers initiated by a city council, county board of supervisors, governing body of a special district or LAFCO. During meetings with representatives of Banning Unified School District and the City of Banning this process was determined to be the preferred option to pursue.

### **JUSTIFICATION:**

A territory transfer would allow Banning Unified School District to grow and benefit from residential development that is occurring in Banning. In addition, the new residents of Banning that will be moving into the Atwell Development should become members of the Banning Community. One of the primary areas of community involvement for residents is through the relationships and activities within our schools. If the new residents of the Atwell Development are within the Beaumont Unified School District, those residents will likely become involved in the Beaumont community, which will detract from their involvement in the Banning community.

**FISCAL IMPACT:**

No fiscal impact to the City of Banning.

**OPTIONS:**

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

**ATTACHMENTS:**

1. Resolution 2019-125

<https://banningca.gov/DocumentCenter/View/6544/Resolution-2019-125-proposal-for-school-district-territory-transfer>

Approved by:



Douglas Schulze  
City Manager