

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

November 12, 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 Banning City Council:

Per City Council Resolution 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 – Elder Ralph Bobik, Church of Jesus Christ of Latter-Day Saints
- Pledge of Allegiance
- Roll Call – Councilmembers Andrade, Happe, Peterson, Wallace, and Mayor Welch

II. AGENDA APPROVAL

III. PRESENTATION

Swearing In Ceremony for New Police Officers
(*Marie Calderon, City Clerk*)

IV. REPORT ON CLOSED SESSION

V. PUBLIC COMMENTS, CORRESPONDENCE, AND APPOINTMENTS

PUBLIC COMMENTS – *On Items Not on the Agenda*

A five (5) 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 wishes to remove an item for separate consideration.)

Mayor to Open Consent Items for Public Comments

Motion: Approve Consent items 1 - 15: Items ____, ____ to be pulled for discussion.

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

1.	Minutes – October 22, 2019, Special Meeting (Workshop).....	1
2.	Minutes – October 22, 2019, Regular City Council Meeting	13
3.	Contracts Approved by City Manager – October 2019	27
4.	Police Stats – September 2019	29
5.	Fire Stats – August and September 2019.....	31
6.	Electric Utility Capital Improvement Project Update.....	33
7.	Resolution 2019-141, Accepting Donation from Sun Lakes Charitable Trust	35
8.	Notice of Completion for Project No. ATPL-5214, “ATP Cycle 2 – Bicycle and Safe Route to School Improvements”	37
9.	Resolution 2019-138, Approving Community Development Block Grant Supplemental Agreement.....	39
10.	Resolution 2019-136, Awarding a Professional Services Agreement to Transtech Engineers, Inc. for Plan Check, Inspection, and Related Administrative Services	41
11.	Resolution 2019-142, Awarding a Construction Agreement for Project 2019-046 “Dysart Park Fencing Project” to AB Fence Company, Inc.....	45
12.	Resolution 2019-131, Accepting Supplemental Law Enforcement Services Allocation (SLESA) in the Amount of \$100,000.....	49
13.	Resolution 2019-140, Awarding a Construction Agreement for Project No. 2019-05, “Street Rehabilitation at Various Locations” to Hardy and Harper, Inc. of Lake Forest, California.....	51
14.	Resolution 2019-143, Authorizing Purchase of Three (3) Ford Police Interceptor Utility Patrol Vehicles through Fritts Ford Under Riverside County PURAC #1634	55
15.	Request for Addition of Temporary Police Captain Position	57

VII. PUBLIC HEARING(S):

None

VIII. ANNOUNCEMENTS AND REPORTS:

CITY COUNCIL COMMITTEE REPORTS

REPORT BY CITY ATTORNEY

REPORT BY CITY MANAGER

REPORTS OF OFFICERS

1. Resolution 2019-137, Approving Fiscal Year 2020-21 Community Development Block Grant Applications..... **59**
(Staff Report: Ted Shove, Economic Development Manager)

Recommendation: Adopt Resolution 2019-137, approving Fiscal Year 2019-2020 Community Development Block Grant Program Project and authorize staff to submit application to the Riverside County Economic Development Agency.

2. Resolution 2019-135, Authorizing Waiver of Fees for Healing Waters Mobile Shower for Water and Wastewater Use **63**
(Staff Report: Doug Schulze, City Manager)

Recommendation: Adopt Resolution 2019-135, authorizing waiver of fees for Healing Waters Mobile Shower water and wastewater use.

3. Resolution 2019-139, Establishing Financial Targets and Revenue Requirements for the 2020 Electric Cost of Service Study **65**
(Staff Report: Tom Miller, Electric Utility Director)

Recommendation: Adopt Resolution 2019-139, establishing financial targets for the electric utility, which affect the revenue requirements needed to be recovered by electric rates.

4. Update and Discussion on the Draft Financial Analysis, Redevelopment and Proposition 218 of Landscape Maintenance District (LMD) No. 1 Report and Applicable Utility Rates **69**
(Staff Report: Art Vela, Public Works Director/City Engineer)

Recommendation: Discuss the Draft Financial Analysis, Redevelopment and Proposition 218 of LMD No. 1 Report and provide direction to staff regarding whether to apply municipal utility rates or retail utility rates to LMD No. 1.

5. Ordinance 1555, Amending Chapters 15.08 and 8.16 of the Banning Municipal Code by Adopting by Reference the Entirety of the 2019 Editions of the California Building Code, Residential Code, Green Building Standards Code, Plumbing Code, Mechanical Code, Electrical Code, and Fire Code, the 2018 edition of the International Property Maintenance Code, and the 1997 Edition of the Uniform Code for the Abatement of Dangerous Buildings, Together with Certain Amendments, Deletions and Additions Supported by the Necessary Findings and Justification..... 73

(Staff Report: Adam Rush, Community Development Director)

Recommendation: 1) Waive full reading and introduce, as read by title only, Ordinance 1555. 2) Schedule a public hearing and second reading of Ordinance 1555 for December 10, 2019.

IX. DISCUSSION ITEM

None

X. ITEMS FOR FUTURE AGENDAS

New Items:

Pending Items:

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
8. Wildfire Mitigation Plans
9. 553 E. Ramsey Receivership

XI. ADJOURNMENT

Next Meeting December 10, 2019

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.

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In accordance with City Council Resolution No. 1995-21, the minutes of meetings of the City Council and the Boards, Commissions, and Committees of the City shall be prepared as Action Minutes.

MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

10/22/2019
SPECIAL MEETING - WORKSHOP

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

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT: Kevin G. Ennis, City Attorney
Sonja De La Fuente, Deputy City Clerk
Art Vela, Director of Public Works/City Engineer
Adam Rush, Community Development Director
Tom Miller, Electric Utility Director
Jim Steffens, Power Resource & Revenue Administrator
Carla Young, Business Support Manager

I. CALL TO ORDER

A special meeting of the Banning City Council was called to order by Mayor Welch on October 22, 2019 at 4:01 P.M. at the Banning City Council Chamber, 99 E. Ramsey Street, Banning, California.

II. WORKSHOP

1. Integrated Resource Plan – lite (prepared by Black and Veatch)

Tom Miller, Electric Utility Director shared a presentation (Attachment 1) with the City Council and public and answered several questions from the Council.

III. PUBLIC COMMENTS

Jerry Westholder asked about hydro-generators on the flume. Public Works Director/City Engineer, advised the Edison facility was decommissioned in 2008, but the City can look into reactivating. Mr. Westholder suggested building a solar farm on City-owned property by the airport. He also asked if battery storage would be lithium. Mr. Miller advised he is unsure at this time.

IV. ADJOURNMENT

By consensus, the meeting adjourned at 4:53 p.m.

Minutes Prepared by:

Sonja De La Fuente, Deputy City Clerk

The entire discussion of this meeting may be viewed here:
<https://banninglive.viebit.com/player.php?hash=obYx4NVtqHpX> and related documents can be viewed here: <https://banningca.gov/Archive.aspx?ADID=2177> or by requesting a CD or DVD at Banning City Hall located at 99 E. Ramsey Street.

ATTACHMENT 1

(Presentation)



Integrated Resource Plan - Lite

City of Banning
Banning Electric Utility
City Council Workshop
October 22, 2019

Planning Milestones



- Updated the 10-year Load Forecast 2018-2028
 - Pardee Homes completed in 10 years
 - No significant commercial or industrial additions
- Reviewed System Master Plan for 2004-2014
 - 4,160V to 12,470V conversion
 - Rebuilding Aloha (Stagecoach) and Airport (Ivy) Substations
 - Automated Meter Reading and Advanced Metering Infrastructure
 - Fiber Optic Ring and SCADA
 - System Mapping
- 2005 Bond Issuance - \$45.8 Million
 - 2015 Bond Refinance - \$31.8 Million
- Updating the 5-year Financial Forecast 2019-2024
- Cost of Service Analysis in-progress 2019 historical year + 2020 Proforma
- General Fund Cost Allocation Model 2019
- **Integrated Resource Plan – Lite for 2020-2030**
 - Last Plan dated December 2003
 - San Juan Closing – 20 MW Baseload Capacity Resource
 - Biowaste Opportunities
 - Pardee Homes Microgrid
 - Local Generation Resources
 - CAISO - Resource Adequacy Requirements
- System Sectionalizing Plan
 - Distribution Automation
 - Automated Reclosers
 - Line Fusing
 - Voltage Support
 - Voltage Drop

Integrated Resource Plan External Influences

Energy
Efficiency
Requirements

1 Million Solar
Roof-Tops

Renewable
Portfolio
Standards

Green House
Gasses
Reduction

Net Zero
Building
Standards

De-
Carbonization
Goals

Transportation
Electrification

Technology
Improvements

Integrated Resource Plan - *Lite*

City of Banning dba Banning Electric Utility

Not required to have a full-blown IRP

- Small Utility Exemption
- Load and Customers

Good Utility Practices

- Legally equivalent to the "Prudent Man" Concept

Internal Influences

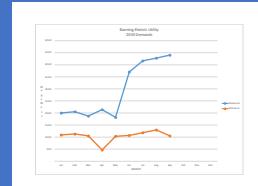
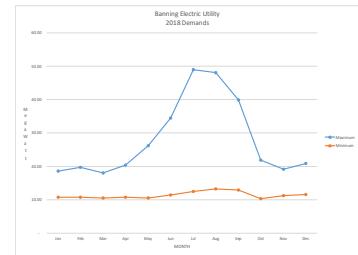
- City Manager – Biowaste Opportunities
- Electric Utility Director – Local Utility-Owned Generation
- Power Resource Manager – CAISO Resource Adequacy Requirements

Integrated Resource Plan - *Lite*

Piggy-Backed SCPPA's Contract with Black and Veatch (B&V) and issued a task order to develop a plan

B&V Deliverables included:

- Technology Assessment:
 - Solar, Wind, Biowaste, Microturbines, Fuel Cells, and Battery Storage
 - Report and Power Point Presentation of findings
- Energy Portfolio Modeling
 - 3 scenarios: Base load, expected load growth w/local generation, and resiliency (microgrid)
 - Power Presentation of findings
- Buy or Build Options
- City ownership v. purchase power agreements



10 MW
Minimum
Load



Levelized Cost of Energy by Technology Summary

Technology	System Size	Economic Life (years)	Capital Cost (\$/kW)	Capacity Factor (%)	Fixed O&M Cost (\$/kW-Yr)*	Variable O&M Cost (\$/kWh)*	Fuel Cost (\$/MMBtu)*	Heat Rate (Btu/kWh)	LCOE (\$/MWh)- MUNI	LCOE (\$/MWh)- IPP
PV	10 MW	25	2,000	33	13	0	0	0	56	55
Wind	10 MW	25	2,888	14	40	0	0	0	206	354
Bioenergy- Small**	284 kW	25	27,025	85	0	0	0	15,000	245	483
Bioenergy- Large**	442 kW	25	22,155	85	0	0	0	15,000	201	396
Fuel Cells	1 MW	20	8,925	95	163	0	4	8,500	142	167
Microturbines	1 MW	20	4,325	92	175	0	4	10,300	116	138

*2% Escalation assumed

**Low Case Revenue from non-energy sources is assumed to be only sufficient to cover the annual O&M cost and therefore the economic model assumes they net each other out.



Task 1 Findings: Technology Assessment

- For a discussion starting point, we settle on 10 MWs of generation
- In B&V's expert opinion, a **utility scale** biowaste to energy project is not financially feasible.
- Photovoltaic generation is the most economically feasible technology based on the levelized cost of energy.
- The quality of the wind in the Pass Area is not adequate.

Task 2 Findings: Energy Portfolio Modeling

- Modelled multiple technologies to determine combinations as a Microgrid
 - Solar
 - Microturbines
 - Battery Storage
- Three cases:
 - Forecasted Load as of 2030 w/o Pardee Homes
 - Pardee Homes Load only
 - Forecasted load plus Pardee Homes (same as Itron load forecast)

Capital Costs by Scenario



Partial Microgrid Scenario (99% Served) requires lower capital.

Modeling Results for Microturbine Cases (Muni Ownership)

Scenario (100% Served)	Annual Load (MWh)	Utility-Scale PV Capacity (MW)*	Microturbine (MW)	BESS Capacity (MWh)	BESS Power (MW)	Cap Ex (\$ Mil)	LCOE (\$/MWh)
Pardee	42,996	28	3	136	21	\$ 95	\$ 228
Banning 2030	152,515	115	15	402	82	\$ 358	\$ 229
Banning 2030 + Pardee	195,511	131	20	507	80	\$ 434	\$ 218
(99% Served)							
Pardee	42,996	24	1	115	21	\$ 75	\$ 180
Banning 2030	152,515	120	0	463	82	\$ 319	\$ 195
Banning 2030 + Pardee	195,511	135	5	558	80	\$ 392	\$ 190

*Pardee Rooftop PV Capacity modeled is in addition to utility PV system listed above (rooftop PV modeled as a separate resource with zero capital and credit to customers equal cost of Utility-Scale PV); total capacity of 11.1 MWdc/ 9.3 MWac)

Substantially less microturbines are needed in partial microgrid case, resulting in LCOE savings.

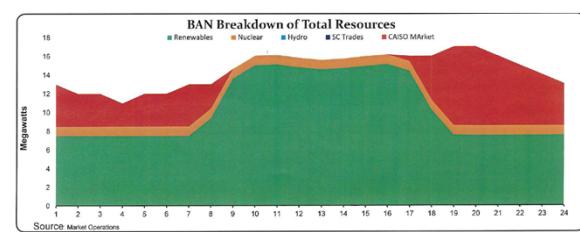
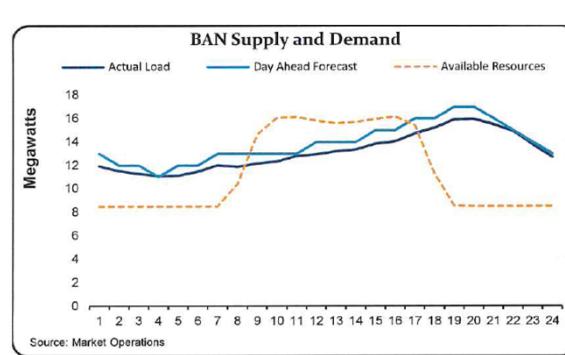
Excess/Curtailed Solar Energy in All Scenarios

- Overagegeneration of solar in all cases, modeled as curtailment
- Solar is oversized in each scenario because it appears to be more cost effective to overbuild PV to cover load during low solar resource and high load periods than adding more microturbine capacity.
- Sale of energy could potentially reduce LCOE

Excess/Curtailed Energy (MWh/yr)

Scenarios	100% Served	99% Served
Pardee	45,543	37,251
Banning 2030	172,152	184,980
Banning 2030 + Pardee	169,645	181,582

A Routine Load Day in Banning



Overview of Resource Mix to Meet 2030 Load

- By 2030/2031, almost 11 MW of baseload energy is up for renewal
 - Landfill project will likely be retired
 - Geothermal contract will potentially be extended
- CAISO Market purchases = 58% of annual energy
- Excess energy sales from **Solar/Contracts?** = 37% of annual energy

Resources	Dispatch Priority	Contracted Capacity (MW)	Contracted Scheduled Delivery	Contract Expiration Year
Hoover Dam	Dispatchable to meet peak	2 MW, 1,847 Annually	Per Hoover Schedule B	2067
Palo Verde Nuclear Power Station	Baseload	2 MW	7x24	2045
Astoria 2 Solar	As generated	8 MW	As generated	2036
Puente Hills Landfill Gas-to-Energy	Baseload	9 MW but declining	7x24	2030
Heber South/Gould 2 Geothermal Project	Baseload	1.6 MW	7x24	2031
Anaheim - Ormat Project Firming	Firming to 2 MW	.4 MW	7x24	2031

Task 3 Results

2030 Resource Mix Considerations

- Status of baseload RE contract renewals: Depends on whether renewed contracts are also renewable baseload
- RPS Requirement (60% by 2030): Depends on RE baseload renewals and purchase of RECs-only
- Value of Excess Energy Sales: LCOE of Incremental Energy depends on this assumption.
- Minimize Market Purchases: Depends on expected cost of market purchases.

Case	Load Served	Baseload RE Contracts Renewed (MW)	Additional Solar (MW)	Percent Renewable Energy	BESS (MWh)	LCOE of Incremental Energy*(\$/MWh)	Excess Energy (MWh)	Market Purchases to Serve Remaining Load (MWh)
1	Pardee	2	0	28%	10	\$65	523	28,608
2	Pardee	9	0	60%	10	\$70	2,007	27,766
3	All Load	2	22	60%	100	\$86	3,661	81,323
4	All Load	9	0	60%	10	\$69	1,842	78,646
5*	All Load	9	10	74%	30	\$77	10,413	59,488

*Includes (rooftop PV modeled as a separate resource with zero capital and credit to customers that equal cost of Utility-Scale PV, counts toward RPS). Accounts for Excess Energy sales @ \$25/MWh

Findings and Conclusions

- Solar and solar plus battery energy storage will likely be the most cost effective distributed energy resource (DER) options for Banning.
- Local wind will not be a good option due to poor resources, but opportunities to contract with non-local, utility-scale wind should still be considered.
- All of the other DER options (bioenergy, fuel cells, and microturbines), despite operating at baseload conditions, have much higher LCOE.
- Developing a microgrid to serve Pardee load or all of Banning by 2030 comes at a LCOE cost of \$180-\$220, resulting from need to oversize solar to meet seasonal needs and a large battery to store solar energy. A microturbine is still needed to cover the few hours of the year when solar plus BESS cannot meet load.
- A fully islandable, self-serving microgrid is likely not necessary for Pardee, especially at the estimated cost, but the availability of local generation and batteries to some degree will provide benefits during outages and emergency events.

Findings and Conclusions

- Given the pending expiration of up to 11 MW of baseload renewable energy, Banning needs to cover growing load by 2030 as well as meet California's renewable portfolio standard.
- In addition, Banning already faces surplus generation from existing solar contracts during all months except during the summer. This will be further exacerbated by Pardee, where almost 10 MW of rooftop solar on new homes is anticipated by 2030.
 - The sale of the excess energy may become problematic in 2030 when CAISO will see far more solar on the system, resulting in very low or negative value for the excess solar energy
- Based on the analysis, adding about 10 MWh of batteries will help mitigate part of the excess issues from anticipated solar. However, the amount of batteries need to be balanced against the forecasted value of the excess solar energy vs. procurement of market energy.
- Excess energy can be further minimized by procuring less baseload renewable energy than currently.

Recommendations

- Conduct a full IRP-like analysis that incorporates dispatch modeling and forecast market prices in 2030 and beyond, taking into account the renewable energy penetration across California. The cost of avoided market energy purchases will help inform the level of RE contracting.
- Consider building batteries totaling 5 to 10 MWh in the near-term to start capturing excess solar energy and strategically place batteries to provide local distribution system support where needed
- When baseload RE contracts expire in 2030/2031, seek to reduce the total capacity of the baseload contracts, provided the contracts are lower cost than solar plus battery storage (see Case 3).
- Consider exceeding the RPS requirement in 2030 by adding another 10 MW of solar and a larger battery (see Case 5 below), which will help reduce market purchases during the summer at a relatively modest LCOE. This also reduces reliance on market purchases from 40-45% to 30% of load.
- By 2030, a municipal financed model for solar plus battery storage could be more cost-effective than a 3rd party PPA, due to reduction in ITC, and should be considered.

Case	Load Served	Baseload RE Contracts Renewed (MW)	Additional Solar (MW)	Percent Renewable Energy	BESS (MWh)	LCOE of Incremental Energy*(\$/MWh)	Excess Energy (MWh)	Market Purchases to Serve Remaining Load (MWh)
5*	All Load	9	10	74%	30	\$77	10,413	59,488

30



Tom's Take-a-ways



We are going to miss the Investment Tax Credit due to timing

Replace baseload per B&V's recommendation

Consider adding battery storage in smaller increments in preparations for additional solar in 2030

Be patient

In accordance with City Council Resolution 1995-21, the minutes of meetings of the City Council and the Boards, Commissions, and Committees of the City shall be prepared as Action Minutes.

The following information comprises the minutes for the regular meeting of the City Council and the Banning Utility Authority.

MINUTES
CITY COUNCIL

10/22/2019
REGULAR MEETING

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

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT Kevin G. Ennis, City Attorney
Sonja De La Fuente, Deputy City Clerk
Art Vela, Public Works Director/City Engineer
Adam Rush, Community Development Director
Jennifer Christensen, Administrative Services Director
Ralph Wright, Community Services Director
Tom Miller, Electric Utility Director
Laurie Sampson, Executive Assistant
Leila Lopez, Office Specialist
Andrea Mares, WRCOG Fellow

I. CALL TO ORDER

A regular meeting of the Banning City Council was called to order by Mayor Welch on October 22, 2019, at 5:03 p.m. at the Banning City Council Chamber, 99 E. Ramsey Street, Banning, California.

Mayor Art Welch offered the invocation.

Councilmember Wallace led the audience in the Pledge of Allegiance.

II. APPROVAL OF AGENDA

A motion was made by Councilmember Wallace, seconded by Councilmember Happe, to approve the agenda. Roll Call vote was taken as follows:

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

III. PRESENTATION – None

IV. REPORT ON CLOSED SESSION – None

V. PUBLIC COMMENTS, CORRESPONDENCE, AND APPOINTMENTS

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

Public Comments

John Hagan indicated that although plans have not been introduced for a homeless shelter, it appears all indicators are there. He congratulated the City Manager on completing one year of employment. He condemned namecalling on social media and recommended a probationary period for all employees.

Susie Biby suggested the City look into the property on Wilson and Sunset for a future sportspark.

Jerry Westholder acknowledged the controversy around Banning Informer and Sun Lakes Tattler authors being anonymous and provided history regarding authors who wrote anonymously.

CORRESPONDENCE - None

APPOINTMENTS

1. Logo Design/Branding Ad Hoc Committee

Mayor Pro Tem Andrade advised she would like to form an Ad Hoc Committee to look into whether or not the community is interested in revising the logo and removing the tag line “Proud History, Prosperous Tomorrow”.

Public Comments

Inge Schuler advised this is a controversial and horrific issue and suggested leaving it alone.

Jerry Westholder suggested leaving it alone and doesn't believe it is worth the effort.

A motion was made by Councilmember Happe, seconded by Mayor Pro Tem Andrade, to appoint Mayor Pro Tem Andrade and Councillmember Happe to a Logo Design/Ad Hoc Committee. Roll Call vote was taken as follows:

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

VI. CONSENT ITEMS

Mayor Welch asked if the Council wished to pull the item for discussion. Council Member Peterson pulled item 13 for discussion.

1. Minutes – September 10, 2019, Closed Session
2. Minutes – September 10, 2019, Regular City Council Meeting
3. Minutes – September 24, 2019, Closed Session
4. Minutes – September 24, 2019, Workshop
5. Minutes – September 24, 2019, Regular City Council Meeting
6. Minutes – October 8, 2019, Closed Session
7. Minutes – October 8, 2019, Workshop
8. Minutes – October 8, 2019, Regular City Council Meeting
9. Contracts Approved Under City Manager Signature Authority
10. Accounts Payable/Payroll Warrants – September 2019
11. Investment Report – September 2019
12. Capital Improvement Project Update
14. Resolutions 2019-134 and 2019-23 UA, Integrated Regional Water Management (IRWM) Grant Application

Public Comment - None

A motion was made by Councilmember Wallace, seconded by Mayor Pro Tem Andrade, to approve the rest of the consent calendar items 1 through 12 and 14, as presented. Electronic vote was taken as follows:

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

Action: Approved Consent Items 1 through 12 and 14.

13. Resolution 2019-133, Approving Final Tract Map 36939

Councilmember Peterson asked for clarification regarding the fault line. Art Vela, Public Works Director/City Engineer provided information and background as requested.

Public Comment - None

A motion was made by Councilmember Peterson, seconded by Councilmember Happe, to approve the rest of the consent calendar items 1 through 14, as presented. Electronic vote was taken as follows:

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

Action: Approved Consent Item 13.

VII. PUBLIC HEARING(S)

1. Resolution 2019-113, Approving the Comprehensive User Fee Study Report, Dated January 2, 2019 and Adopting an Updated Master User Fee Schedule for the Following City Departments and Fee Groups: Finance and Administration, Animal Control, Community Services, Airport, Building, Planning, Utility Billing, Electric Utility, Police, Fire, and Engineering; Making a Finding for Exemption under CEQA, and; Introducing Ordinance 1553, Proposing Amendments to Chapter 3.36 "Fee and Service Charge Revenue/Cost Comparison" of the Banning Municipal Code (BMC) ("Code Amendment"), and Making Findings Pursuant to CEQA

Public Hearing

Public Comment - None

A motion was made by Councilmember Wallace, seconded by Councilmember Happe, to continue the Public Hearing to the December 10, 2019 City Council Meeting. Electronic vote was taken as follows:

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

Action: Public Hearing continued to the Decembr 10, 2019 City Council Meeting.

VIII. ANNOUNCEMENTS AND REPORTS

CITY COUNCIL COMMITTEE REPORTS

Councilmember Happe reported the following:

- Attended the League of California Cities Annual Conference in Long Beach and learned a lot about trash, short term rentals, energy. He commended Tom and the electric utility staff for being ahead of the curve.
- Attended the Cost of Service Committee meeting where there was discussion held regarding bonds.

Mayor Pro Tem Andrade reported the following:

- Attended the League of California Cities Annual Conference in Long Beach and learned a lot, however was disappointed it was mostly geared toward millennials. Provided information to the Parks and Recreation Department.
- Commended the Parks & Recreation staff for the community clean up event.

Councilmember Wallace reported the following:

- Attended the League of California Cities Annual Conference in Long Beach and got a lot of information from various vendors. Interested in the grant writers.
- Community Action Partnership will be at the City's Halloween Fest with information for the community.

Council Member Peterson had nothing to report.

Mayor Welch reported the following:

- Attended the League of California Cities Annual Conference in Long Beach and the Banning City Council won the Waste Management "Trash Talk" award for asking the most questions.

REPORT BY CITY ATTORNEY

- Attended the League of California Cities Annual Conference in Long Beach and their City Attorney sessions.

REPORT BY CITY MANAGER

Public Works Director/City Engineer Art Vela had nothing to report on behalf of the City Manager.

REPORT OF OFFICERS

1. Adopt-A-Roadway Program for the Downtown Area.

Adam Rush, Community Development Director, introduced Andrea Mares, WRCOG Fellow, who presented the staff report and presentation (Attachment 1) for this item and answered questions from the Council.

Public Comment - None

A motion was made by Councilmember Wallace, seconded by Councilmember Happe, to adopt Resolution 2019-123, approving the City of Banning's Adopt-A-Roadway Program for the Downtown area. Electronic vote was taken as follows:

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

Action: Adopted Resolution 2019-123.

IX. DISCUSSION ITEM

None

CITY COUNCIL – Next Meeting, November 12, 2019, 5:00 p.m.

X. ITEMS FOR FUTURE AGENDAS

XI. ADJOURNMENT

By consensus, the meeting was adjourned at 5:56 p.m.

Minutes Prepared by:

Sonja De La Fuente, Deputy City Clerk

The entire discussion of this meeting may be viewed here:
<https://banninglive.viebit.com/player.php?hash=Jm1Kni6wRt2o> and related documents can be viewed here:
<https://banningca.gov/ArchiveCenter/ViewFile/Item/2178> or by requesting a CD or DVD at Banning City Hall located at 99 E. Ramsey Street.

ATTACHMENT 1



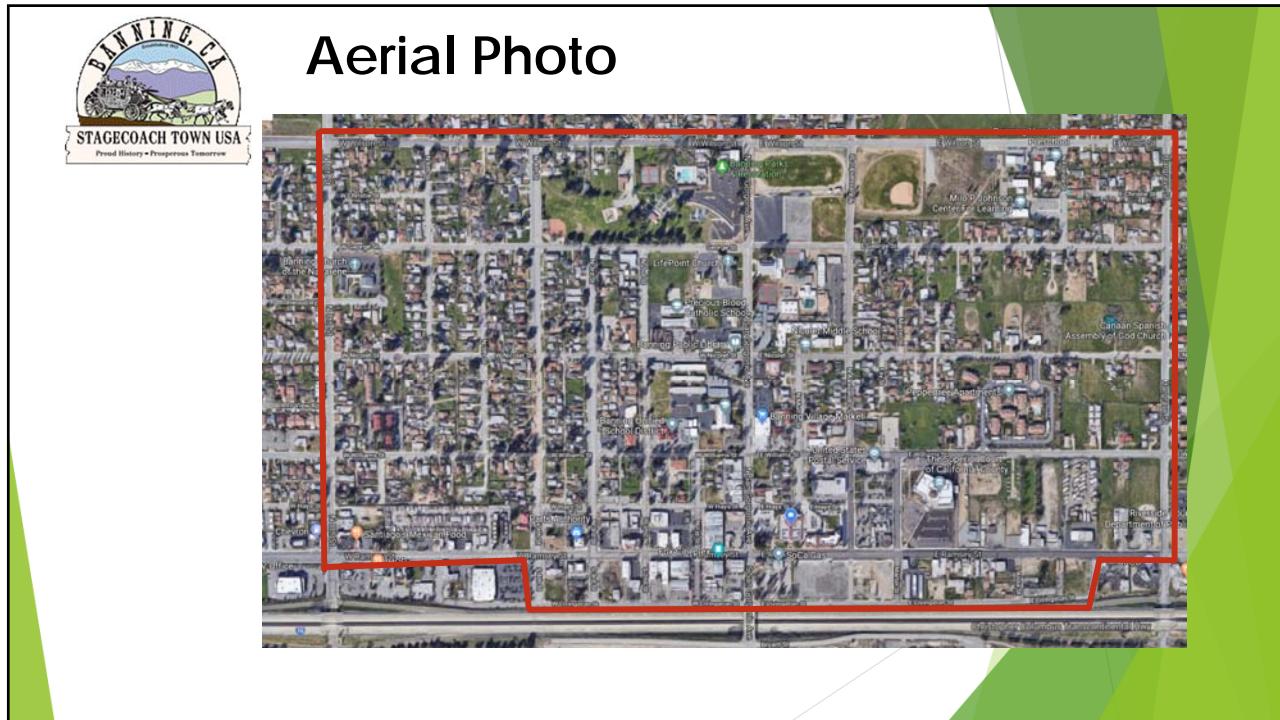
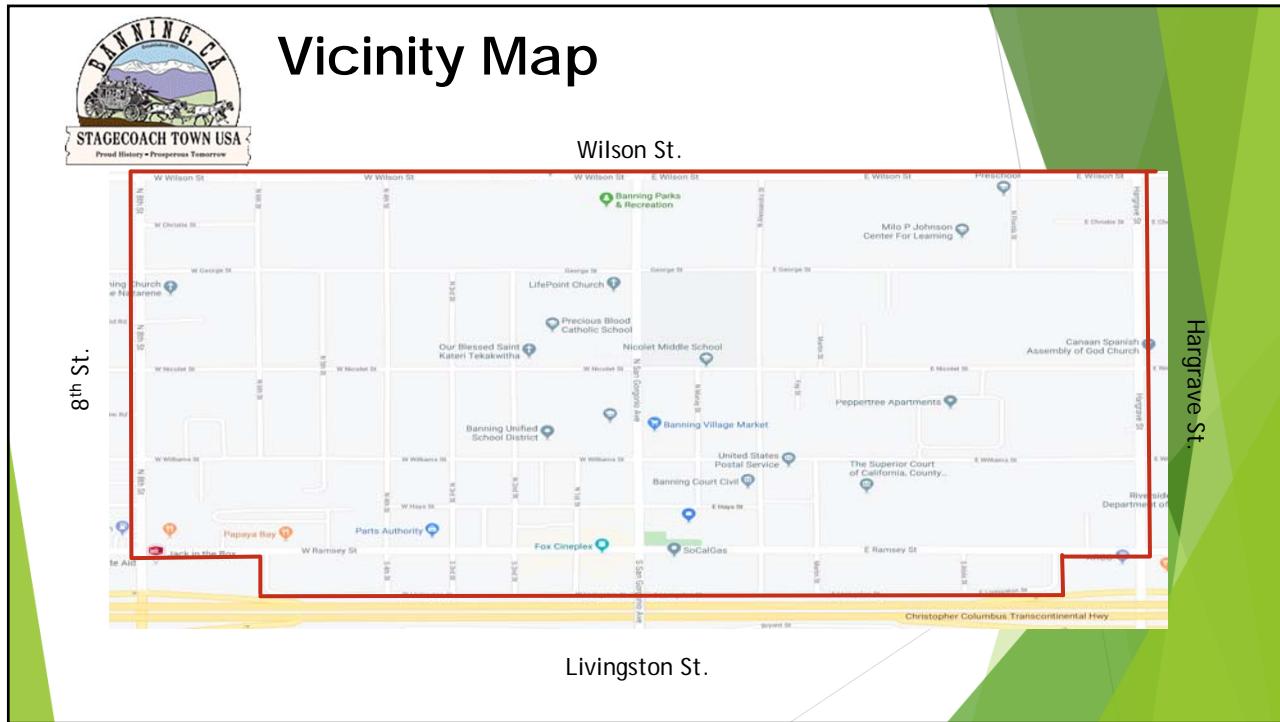
**CITY COUNCIL
RESOLUTION NUMBER
2019-123
ADOPT-A-ROADWAY
PROGRAM**

**Proposed Adopt-A-Roadway Program for
the Downtown Commercial Zoning District**



Background

- Downtown Commercial District is the core retail and small business center of the community.
- Most suburban communities lack this traditional downtown space. Its existence here provides us with unique opportunity.
- A successful downtown promotes a walkable, vibrant environment and serves as a compact retail and entertainment "hub".





Background continued

- Multi-year program in process to revitalize the City's downtown core.
- On March 26th, the City Council appointed Councilmember Wallace, to join Mayor Pro-Tem Andrade, in serving on the Downtown Ad Hoc Committee.
- The item is a direct product of these successful meetings.
- Roadway Adoption Program is one of many ways to offer community members "hands-on" opportunities to become engaged in the city.
 - The program will ultimately provide opportunities; requested by community members for involvement activities, and aide in efforts to maintain an active and safe streetscape within the downtown.



Justification

- The Program is the ideal solution the concerns brought up the community.
 - Cleaner streets
 - Increase upkeep incentive for local business owners
 - Pride among volunteers
 - Encourage others to give back to the community
- Potential to evolve and include sidewalk plant upkeep and/or other volunteer-based projects that revitalize Banning's downtown area.
- Similar programs have been successfully implemented within neighboring cities; opportunity to learn from others.

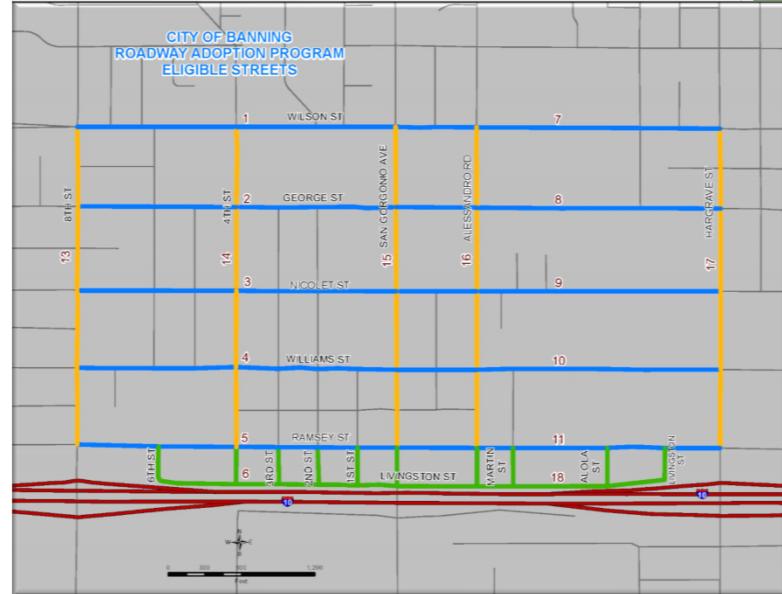


Fiscal Impact

- Costs: Live Scans and Signs
- Estimated: \$2,400.00
- Most of the revenue will be gas tax revenue for the signage purchases.



Adoptable Roadway Map



Note: Roadways #16 and #17 are slightly longer than .5 miles.



Adoptable Roadway List

ADOPTABLE ROADWAYS LIST			
West to East			
Number	Adopted Roadway	Start	End
1	W Wilson Street	N 8th Street	N San Gorgonio Ave
6	E Wilson Street	N San Gorgonio Ave	Hargrave Street
2	W George Street	N 8th Street	N San Gorgonio Ave
7	E George Street	N San Gorgonio Ave	Hargrave Street
3	W Nicolet Street	N 8th Street	N San Gorgonio Ave
8	E Nicolet Street	N San Gorgonio Ave	Hargrave Street
4	W Williams Street	N 8th Street	N San Gorgonio Ave
9	E Williams Street	N San Gorgonio Ave	Hargrave Street
5	W Ramsey Street	8th Street	San Gorgonio Ave
10	E Ramsey Street	San Gorgonio Ave	Hargrave Street
North to South			
11	N 8th Street	W Wilson Street	W Ramsey Street
12	N 4th Street	W Wilson Street	W Ramsey Street
13	N San Gorgonio Ave	Wilson Street	E Ramsey Street
14	N Alessandro Street	E Wilson Street	E Ramsey Street
15	Hargraves Street	E Wilson Street	E Ramsey Street
Odd Shapes			
Number	Adopted Roadways	Start	End
16	W Livingston Street	S 6th Street	S San Gorgonio Ave
	S 6th Street	W Ramsey Street	W Livingston Street
	S 4th Street	W Ramsey Street	W Livingston Street
	S 3rd Street	W Ramsey Street	W Livingston Street
	S 2nd Street	W Ramsey Street	W Livingston Street
	S 1st Street	W Ramsey Street	W Livingston Street
17	E Livingston Street	S San Gorgonio Ave	S Livingston Street
	S San Gorgonio Ave	Ramsey Street	Livingston Street
	N Alessandro Street	E Ramsey Street	E Livingston Street
	Martin Street	E Ramsey Street	E Livingston Street
	S Aloha Street	E Ramsey Street	E Livingston Street
	S Livingston Street	E Ramsey Street	E Livingston Street

Note: Roadways #16 and #17 are slightly longer than .5 miles



Recommendation

RECOMMENDATION:

The Community Development Department recommends that the City Council:

- Adopt Resolution No. 2019-123 approving the City of Banning's Adopt-A-Roadway Program for the Downtown area.



Discussion

Thank You & Questions

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CITY OF BANNING CITY COUNCIL REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Laurie Sampson, Executive Assistant

MEETING DATE: November 12, 2019

SUBJECT: Receive and File Contracts Approved Under the City Manager's Signature Authority for the Month of October 2019.

RECOMMENDATION:

Receive and file contracts approved under the City Manager's signature authority for the Month of October 2019.

BACKGROUND:

City Council requested regular reports of contracts signed under the City Manager's signature authority of \$25,000 or less.

ATTACHMENT:

1. List of Contracts approved by City Manager
<https://banningca.gov/DocumentCenter/View/6648/2019-Executed-Contracts-up-to-25000>

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: Matthew Hamner, Police Chief
Sol Ivett Avila, Executive Assistant

MEETING DATE: November 12, 2019

SUBJECT: Police Department Statistics for September 2019

RECOMMENDED ACTION:

Receive and File September 2019 Police Statistics.

BACKGROUND:

The Police Department provides statistics to the public and City Council upon request.

FISCAL IMPACT:

None

OPTIONS:

1. Receive and File

ATTACHMENT:

1. September 2019 Statistics
<https://banningca.gov/DocumentCenter/View/6636/Stats-September-2019>

Approved by:

A handwritten signature in blue ink, appearing to read "ASH".

Douglas Schulze
City Manager

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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: November 12, 2019
SUBJECT: Receive and File Fire Department Statistics for September 2019

RECOMMENDED ACTION:

Receive and file Fire Department statistics for September 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 September 2019

<https://banningca.gov/DocumentCenter/View/6620/Banning-September-Fire-Report>

Approved by:

A handwritten signature in blue ink, appearing to read "AS S".

Douglas Schulze
City Manager

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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: November 12, 2019

SUBJECT: Banning Electric Utility Capital Improvement Project Updates

RECOMMENDED ACTION:

This is informational only; receive and file report.

GOAL STATEMENT:

The purpose of presenting the attached Banning Electric Utility (BEU) Capital Improvement Project (CIP) update is to keep City Council and the public informed of the status of the various capital improvement and projects and tasks that are currently managed by the Electric Utility Department.

BACKGROUND:

Banning Electric Utility has several planning, design, software and construction projects that have been approved by City Council. 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 BEU CIP Project list. The list will be presented to City Council on a monthly basis. This document is a work in progress and will continue to be updated.

FISCAL IMPACT:

None

ATTACHMENTS:

1. CIP Status List
<https://banningca.gov/DocumentCenter/View/6619/Electric-CIP>

Approved by:

Douglas Schulze
City Manager

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CITY OF BANNING CITY COUNCIL REPORT

TO: **CITY COUNCIL**

FROM: **Douglas Schulze, City Manager**

PREPARED BY: **Ralph Wright, Parks and Recreation Director**

MEETING DATE: **November 12, 2019**

SUBJECT: **Resolution 2019-141, Accepting a Donation for the Banning Senior Center from the Sun Lakes Country Club Charitable Trust in the amount of \$3,000.**

RECOMMENDED ACTION:

The City Council adopt Resolution 2019-141 approving the following:

1. Accepting the donation to the Banning Senior Center from the Sun Lakes Country Club Charitable Trust in the amount of \$3,000.
2. Authorizing the City Manager or his designee to make necessary budget adjustments, appropriations and transfers related to donation and its use.
3. Authorizing the City Clerk to certify the adoption of this resolution and to have said resolution filed in the book of original resolutions.

BACKGROUND:

City of Banning Administrative Policy B-27 – Donation to City Funds and Programs/Administration, effective 4/2015 and reviewed on 07/2018, establishes the protocol for acceptance of donations for City programs and services.

Administrative Policy B-27 also establishes the acceptance approval thresholds and per this policy, donations in an amount greater than \$1,000 must be approved by the City Council.

The Banning Senior Center and its programming is substantially funded under the Parks and Recreation Budget allocation for the Senior Center within the General Fund and is also supported through donations and fund raising throughout the year.

Sun Lakes Country Club Charitable Trust has been a continuous supporter of the Banning Senior Center and has graciously donated \$3,000 for the purpose of minor improvements to the Banning Senior Center through purchase of equipment and supplies directly supported the programming of the Senior Center. The donation is tentatively allocated for replacement of small building fixtures in the Banning Senior Center such as blinds, chairs and a television mount. All items will significantly improve and enhance the experience of our senior population that call the banning Senior Center home.

JUSTIFICATION:

Donations that directly and positively impact the Parks and Recreation Services and Programs enhance the City's offerings and aid in the development and improvement of our Community.

FISCAL IMPACT:

The acceptance of the donation does not require any matching funding and will allow for the purchase of program enhancements that do not rely on the General Fund allocations for FY 2019-20.

OPTIONS:

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

ATTACHMENTS:

1. Resolution 2019-141
<https://banningca.gov/DocumentCenter/View/6621/Attachment-1---Resolution-2019-141-Acceptance-of-Donation>
2. Donation Acceptance Form
<https://banningca.gov/DocumentCenter/View/6622/Donation-item---Attachment-2---Donation-Acceptancve-Form>

Approved by:



Douglas Schulze
City Manager



CITY OF BANNING CITY COUNCIL REPORT

TO: **CITY COUNCIL**

FROM: **Douglas Schulze, City Manager**

PREPARED BY: **Art Vela, Director of Public Works**
Kevin Sin, Senior Civil Engineer

MEETING DATE: **November 12, 2019**

SUBJECT: **Notice of Completion for Project No. ATPL-5214(012), "ATP Cycle 2 – Bicycle and Safe Route to School Improvements"**

RECOMMENDED ACTION:

That the City Council accept Project No. ATPL-5214(012), "ATP Cycle 2 – Bicycle and Safe Route to School Improvements" as complete, authorize the City Manager or his designee to sign the Notice of Completion, and direct the City Clerk to record the Notice of Completion.

BACKGROUND:

On April 23, 2019, City Council adopted Resolution 2019-48 awarding a Construction Agreement to Calpromax Engineering, Inc. for Project No. ATPL-5214(012), "ATP Cycle 2 – Bicycle and Safe Route to School Improvements". The project was approved in the amount of \$822,814 with a 10% contingency for a total project budget of \$905,095.

The principal items of work included the installation of Type II and Type III bicycle lanes; widening of certain segments of Ramsey Street; removal and replacement of broken sidewalks and curb and gutters; removal and replacement of access ramps to comply with ADA requirements; installation of new sidewalks and access ramps; repainting of existing crosswalks and installation of new crosswalks; and removal and replacement of all affected pavement markings and striping. The work was performed on Ramsey Street from Highland Springs Avenue to San Gorgonio Avenue; on San Gorgonio Avenue from Ramsey Street to Indian School Lane; and on Wilson Street from 8th Street to Blanchard Street as shown in Attachment 2.

A project change order was processed in the amount of \$34,288.36 increasing the contract amount by approximately 4% for a total contract amount of \$857,102.36 and within the approved budget. Change order addressed an increase in quantities for various contract bid items such as installation of sidewalk, curb and gutter, crosswalk painting, signs and additional striping.

November 12, 2019

Page 2 of 2

JUSTIFICATION:

The lowest qualified bidder, Calpromax Engineering, Inc. was awarded the contract and work was completed on September 25, 2019. Public Works staff verified through inspections that the workmanship, materials, and procedures were satisfactory and that the contractor had met the required contract obligations.

FISCAL IMPACT:

The original contract was awarded in the amount of \$822,814 and the final contract amount for this project is \$857,102.36, under the allocated project budget approved under Resolution 2019-48. The project was 100% funded by an Active Transportation Program (ATP) Cycle 2 Grant Fund offered by the State of California Department of Transportation (Caltrans) and administered through the California Transportation Commission (CTC).

ALTERNATIVE:

City Council may elect to not accept the project as complete which would keep the project open and prevent the release of retention funds to the contractor.

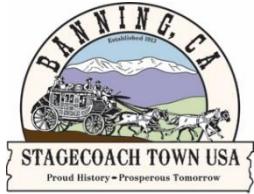
ATTACHMENTS:

1. Notice of Completion
<https://banningca.gov/DocumentCenter/View/6642/Attachment-1---NOC-Project-No-ATPL-5214012>
2. Project Locations
<https://banningca.gov/DocumentCenter/View/6643/Attachment-2---Project-Locations>

Approved by:



Douglas Schulze
City Manager



CITY OF BANNING CITY COUNCIL REPORT

TO: **CITY COUNCIL**

FROM: **Douglas Schulze, City Manager**

PREPARED BY: **Ted Shove, Economic Development Manager**

MEETING DATE: **November 12, 2019**

SUBJECT: **Resolution 2019-138, Accepting Community Development Block Grant Funds for Fiscal Year 2019-2020 in the Amount of \$184,193 for the Dysart Park Improvement Project (5.BN.43-19)**

RECOMMENDED ACTION:

Staff recommends the City Council adopt Resolution 2019-138 and authorize staff to execute and submit the Supplemental Agreement to the Riverside County Economic Development Agency.

BACKGROUND:

The submittal of the Dysart Park Improvement Project application for CDBG 2019/2020 program funding was approved by City Council on October 23, 2018 under Resolution 2018-128. The execution of the 2019/2020 CDBG Supplemental Agreement is required in order for the City to obtain and utilize the CDBG funds.

JUSTIFICATION:

On an annual basis, the City of Banning has participated in the federally funded CDBG program. On October 23, 2018, the City Council adopted Resolution 2018-128 approving the Dysart Park Improvement Project and application submittal to the Riverside County Economic Development Agency ("EDA") for consideration.

The City received a letter dated October 7, 2019 from the EDA confirming approval of the project and funding. In order to utilize Fiscal Year 2019/2020 CDBG program funds, the City is required to execute a Supplemental Agreement attached hereto by reference. The CDBG FY 2019/2020 funding will be allocated to the Dysart Park Improvement Project (5.BN.43-19), in the amount of \$184,193.

The scope of work for the project includes demolition of an existing restroom and concession stand and installation of a new modular structure that will provide upgraded restrooms, concessions, and storage. CDBG funds will specifically be used for construction and project management expenses.

FISCAL IMPACT:

By approving the CDBG Supplemental Agreement, Fiscal Year 2019/2020, the City anticipates receiving \$184,193 to fund a portion of the Dysart Park Improvement Project. Acceptance of these funds are restricted exclusively for this project.

OPTIONS:

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

ATTACHMENTS:

1. Resolution 2019-138
<https://banningca.gov/DocumentCenter/View/6617/Resolution-2019-138-CDBG-Supplemental-Agreement>
2. Supplemental Agreement, CDBG FY 2019/2020
<https://banningca.gov/DocumentCenter/View/6618/ATTACHMENT-2---Supplemental-Agreement>

Approved by:



Douglas Schulze
City Manager



CITY OF BANNING CITY COUNCIL REPORT

TO: **CITY COUNCIL**

FROM: **Douglas Schulze, City Manager**

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

MEETING DATE: **November 12, 2019**

SUBJECT: **Adopt Resolution 2019-136, Awarding a Professional Services Agreement to Transtech Engineers, Inc. in the Amount of \$100,000 for Plan Check, Inspection and Related Administrative Services**

RECOMMENDED ACTION:

City Council adopt Resolution 2019-136:

1. Approving an award of a Professional Services Agreement to Transtech Engineers, Inc. in the amount of \$100,000 for plan check, inspection and related administrative services for a one-year period with the option to renew for three (3) additional single years.
2. Authorizing the City Manager or his designee to make necessary budget adjustments, appropriations and transfers related to the Professional Services Agreement with Transtech Engineers, Inc.
3. Authorizing the City Manager or his designee to execute the Professional Services Agreement with Transtech Engineers, Inc. valid for a one-year period with the option to renew for three (3) additional signal years.

BACKGROUND:

The Public Works Department is currently staffed with two full-time engineers that administer an array of services including management of capital improvement projects related to the design and construction of water, wastewater, streets, storm drain and building infrastructure. In addition to managing public works projects, staff is also

responsible for processing private land development projects related to Public Works responsibilities (e.g. infrastructure, grading, storm water, etc.).

In order to maintain acceptable levels of service and to assist with private development related responsibilities, in January of 2019, following an RFP process, an agreement was awarded by City Council to Engineering Resources of Southern California (ERSC) in the amount of \$250,000 for plan check, inspection and related administrative services as needed. This agreement has been utilized for processing the heavy workload (e.g. plan checks and inspections) related to the Pardee-Atwell project. Revenues from plan check and inspection fees have been used to offset expenditures related to the ERSC agreement.

Due to the anticipated Diversified Pacific – Rancho San Gorgonio development project, it has been identified that an additional plan check, inspection and related administrative services agreement is necessary in order for the City to provide timely responses to plan checks and inspection requests. To expedite the process of obtaining an agreement, staff turned to the pre-approved engineering vendor list that was approved by City Council in September of 2019. This list allows staff to acquire various services from pre-approved vendors allowing for expedited processing while saving limited staff resources.

In reviewing the pre-approved list, the highest ranked and qualified firm is Transtech Engineers, Inc. As a result, staff recommends an award of an agreement to Transtech Engineers, Inc. in the amount of \$100,000 for a one-year period with the option to renew for three (3) additional single years.

The scope of services requested for plan checking includes, but is not limited to street, sewer, water, grading and storm drain projects for residential and non-residential projects; responses to staff and applicants regarding permits; and preparation of conditions of approval. The inspection services scope requires inspectors to work under the direction of the Public Works Director and/or assigned staff to provide construction inspections services before, during and after construction insuring conformance with Federal, State and City statutes while maintaining appropriate records.

JUSTIFICATION:

In order to maintain an acceptable service level and due to current and anticipated workload increases related to private land development activities, the Public Works Department has recognized a need for additional resources to provide plan check, inspection and related administrative services.

Transtech Engineers, Inc. is the highest rated qualified firm on the pre-approved established vendor list to provide plan check, inspection and related administrative services.

FISCAL IMPACT:

An appropriation from the General Fund in the amount of \$100,000 to the Engineering Fund, Account No. 001-3000-442.33-53 is necessary and will be directly offset by revenues collected from plan check and inspection fees collected by the Public Works Department.

ALTERNATIVE:

Do not approve Resolution 2019-136. This alternative would cause a reduction in the level of service to private development applicants in the processing of their projects. Additionally, staff would have less time to work on the City's capital improvement projects and other department programs.

ATTACHMENTS:

1. Resolution 2019-136
<https://banningca.gov/DocumentCenter/View/6637/Attachment-1-Reso-2019-136>
2. Draft Professional Services Agreement with Transtech Engineers, Inc.
<https://banningca.gov/DocumentCenter/View/6638/Attachment-2---DRAFT-PSA>

Approved by:



Douglas Schulze
City Manager

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CITY OF BANNING CITY COUNCIL REPORT

TO: **CITY COUNCIL**

FROM: **Douglas Schulze, City Manager**

PREPARED BY: **Ralph Wright, Parks and Recreation Director**

MEETING DATE: **November 12, 2019**

SUBJECT: **Resolution 2019-142, Awarding a Construction Agreement for Project 2019-046 “Dysart Park Fencing Project” to AB Fence Company, Inc. of Beaumont, CA in the amount of \$178,910, establishing a total project budget of \$196,800, which includes a 10% contingency.**

RECOMMENDED ACTION:

The City Council adopt Resolution 2019-142, approving the following:

1. Awarding a Construction Agreement for the Dysart Park Fencing Project 2019-046, to AB Fence Company of Beaumont, California, in the amount of \$178,910 and a 10% contingency in the amount of \$17,890 for a total project budget of \$196,800 and rejecting all other bids.
2. Authorizing the City Manager or his designee to make necessary budget adjustments, appropriations and transfers related to the Construction Agreement for the Project and to approve Change Orders within the 10% contingency.
3. Authorizing the City Manager or his designee to execute the Construction Agreement with AB Fence Company of Beaumont, CA.
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:

The Dysart Park exterior fence is in a dilapidated condition and needs replacement. Funding through the Community Development Block Grant Program was available and requested to fund the project. The project will include the removal of the existing fencing and installation of approximately 1,360 feet of wrought iron fencing on the north side of Dysart Park from 22nd street to Lovell Street.

After rejection of the initial bid process, a second Invitation for Bid was issued, and the resulting bids were in line with the original engineer's estimate for the project.

The project and process timeline were as follows:

On 6/26/2019, the County of Riverside, Economic Development Agency approved the request for Community Development Block Grant Funding in the amount of \$184,193 for the Dysart Park Improvements.

On 07/12/2019, Invitation for Bid (IFB) 19-043, Dysart Park Fencing Project was advertised for 21 days and bids were opened on 08/02/2019. Five bids were received, with the three low bidders deemed unresponsive and the fourth low bidder more than double the original engineer's estimate for the project.

On 8/26/2019, The County of Riverside, Economic Development Agency completed their review and approval of Dysart Park Fencing Project plans and Specifications for the potential rebid of the project.

On 8/27/2019, the City Council adopted Resolution 2019-107 authorizing staff to reject all bids for IFB 19-043 – The Dysart Park Fencing Project and reissue an Invitation for Bids on the project.

On 8/30/2019, IFB 19-046-Dysart Park Fencing Project was advertised through the City's electronic bidding system. Additionally, a Notice Inviting to Bid for the Project was advertised in the Press Enterprise on September 5 & 11, 2019, the Inland Empire Community newspaper, El Chicano, on September 12, 2019. Lastly, the IFB was also sent to the inland Empire Small Business Development Center and the Coachella Valley Women's Business Center. In response to these efforts, ten (10) bids were received and opened on October 1, 2019 at 2:00 pm, with the following results:

<u>Companies</u>	<u>Bid Amount</u>
AB Fence Company	\$178,910.00
REDHAWKSERVICES	\$181,444.66
R DEPENDABLE CONST INC	\$198,875.00
Coastal Iron Works Corporation	\$198,996.00
Lightning Fence	\$207,790.00
Sidra Group Inc	\$270,685.00
Golden Gate Steel Inc	\$271,292.87
Greenfield Fence, Inc	\$316,640.00
Quality Fence Co., Inc	\$336,440.00
AZ Construction Inc. DBA ACE Fence Company	\$425,230.00

The lowest bidder, AB Fence Company, was deemed to be responsive and a responsible bidder for the project.

As a result, staff recommends that the Construction Agreement be awarded to the lowest responsive and responsible bidder, AB Fence Company of Beaumont, California, in the amount of \$178,910.

If awarded, staff anticipates the work to be completed within thirty (30) days from the issuance of the Notice to proceed.

JUSTIFICATION:

AB Fence Company is the lowest responsive and responsible bidder to complete Project No. 2019-046 - Dysart Park Fencing Project.

FISCAL IMPACT:

The Construction Agreement with AB Fence Company is for an amount of \$178,910 with a 10% contingency of \$17,890 for a total project budget amount of \$196,800. \$184,193 was awarded as Community Development Block Grant Funding and will be reimbursed to the City after the completion of the project. The remaining funds of \$12,607 will be funded with Park Maintenance Funds within the Adopted Parks budget for FY 2019-20.

OPTIONS:

1. Approve as recommended.
2. Do not approve and provide alternative direction. If rejected, the City will potentially lose or may be allowed to reprogram the Community Development Block Grant funds.

ATTACHMENTS:

1. Resolution 2019-142
<https://banningca.gov/DocumentCenter/View/6624/Attachment-1---2019-142-Award-of-Project-Construction-Contract-AB-Fence-Co>
2. County of Riverside, Funding Approval and Project and Specification Acceptance Letters
<https://banningca.gov/DocumentCenter/View/6625/Award-item---Attachment-2-County-of-Riverside-Acceptance-and-Project-Approval>
3. IFB 19-046, Dysart Park Fencing Project Bid Specifications
<https://banningca.gov/DocumentCenter/View/6626/Award-item---Attachment-3-IFB-19-046-Specifications>
4. Proof of Advertisement, Press Enterprise, El Chicano, Inland Empire Small Business Development Center, Coachella Valley Women's Business Center
<https://banningca.gov/DocumentCenter/View/6627/Award-item---Attachment-4---Proof-of-Advertisement>

5. AB Fence Company Bidder Detail

<https://banningca.gov/DocumentCenter/View/6628/Award-item---Attachment-5-AB-Fence-Bid-Detail>

Approved by:



Douglas Schulze
City Manager



CITY OF BANNING RESOLUTION

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Matthew Hamner, Chief of Police
Phil Holder, Captain

MEETING DATE: November 12, 2019

SUBJECT: Resolution 2019-131, Accepting the 2019 Supplemental Law Enforcement Services Allocation (SLESA) in the Amount of \$100,000

RECOMMENDATION:

The City Council adopt Resolution 2019-131, a Resolution of the City of Banning, California, authorizing the acceptance of the 2019 SLESA in the amount of \$100,000 and authorizing the Banning Police Department to apply the funds towards the purchase of frontline law enforcement related equipment, services, training, and supplies.

JUSTIFICATION:

Potential purchases with SLESA funds may include but are not limited to vehicle related equipment, technology related equipment and software, evidence collection materials, training, communication related parts, as well as tactical and safety equipment.

All purchases with these funds must follow the purchasing practices for the City of Banning.

BACKGROUND:

On March 15, 2019, the City of Banning Police was notified by the Riverside County Sheriff's Department that its 2019 SLESA funding was \$100,000. The funding must be used to support front line law enforcement services and cannot be used to supplant already allocated expenditures in the police department's budget.

Legislation requires the City Council to officially accept the Supplemental Law Enforcement Services Funds and approve the police department's anticipated use of the funds.

STRATEGIC PLAN OBJECTIVE:

This request supports the City's strategic goal related to "Public Health and Safety".

FISCAL IMPACT:

A budget adjustment in the amount of \$100,000 is necessary to increase estimated revenues and appropriate funds into the 2019 SLESA account. There is no city match required for this grant. The appropriation is requested in the resolution.

OPTIONS:

1. Adopt Resolution 2019-131
2. Reject Resolution 2019-131 and provide direction to staff.

ATTACHMENT:

1. Resolution 2019-131
<https://banningca.gov/DocumentCenter/View/6629/Resolution-2019-131>

Approved by:



Douglas Schulze
City Manager



CITY OF BANNING CITY COUNCIL REPORT

TO: **City Council**

FROM: **Douglas Schulze, City Manager**

PREPARED BY: **Art Vela, Public Works Director**
Kevin Sin, Senior Civil Engineer

MEETING DATE: **November 12, 2019**

SUBJECT: **Resolution 2019-140, Awarding a Construction Agreement for Project No 2019-05, "Street Rehabilitation at Various Locations" to Hardy and Harper Inc. of Lake Forest, CA**

RECOMMENDATION:

The City Council adopt Resolution 2019-140 approving the following actions:

1. Approving a Construction Agreement for Project No. 2019-05, "Street Rehabilitation at Various Locations" to Hardy and Harper, Inc. of Lake Forest, California in the amount of \$1,451,000 and a 10% contingency in the amount of \$145,100 for a total project budget of \$1,596,100 and rejecting all other bids.
2. Authorizing the City Manager or his designee to make necessary budget adjustments, appropriations and transfers related to the Construction Agreement for Project No. 2019-05, "Street Rehabilitation at Various Locations" and to approve change orders within the 10% contingency.
3. Authorize the City Manager to execute the Construction Agreement with Hardy and Harper, Inc. for Project No. 2019-05, "Street Rehabilitation at Various Locations".

JUSTIFICATION:

Hardy and Harper, Inc. is the lowest responsive and responsible bidder to construct Project No. 2019-05, "Street Rehabilitation at Various Locations" ("Project").

BACKGROUND:

Measure A

Voters in Riverside County approved Measure "A" in 1988, which authorized the Riverside County Transportation Commission to impose an additional one-half percent (0.5%) sales tax for the next 20 years to be used for improvements of state highways, public transit systems, and local streets. In 2002, voters in Riverside County approved a 30-year extension of the one-half percent sales tax for transportation improvements.

Annually, each City in Riverside County is required to submit a Five-Year CIP, as approved by its governing board, to indicate how Measure "A" funding is to be utilized over the next five years. The list of streets to be improved as part of the Project are consistent with the approved Five-Year CIP adopted by City Council.

Senate Bill 1

Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017) was passed by the Legislature and Signed into law by the Governor in April 2017 in order to address the significant multi-modal transportation funding shortfalls statewide.

Each city must include a list of all projects proposed to receive funding from the Road Maintenance and Rehabilitation Account (RMRA) created by SB 1, which must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement. A list of the proposed projects was approved by City Council on April 24, 2018. The approved list of projects are part of the Project.

Project

Public Works staff prepared plans and specifications for the Project which included the following items: grinding of existing asphalt concrete (AC) pavement; constructing new AC; crack sealing of existing AC pavement; apply slurry seals on various streets; remove and replace broken sidewalks, curb and gutters; remove and replace access ramps to comply with ADA requirements; repair potholes and trench repairs (related to water main repairs) on various streets; and remove and replace all affected pavement markings and striping. A list of locations of streets for the various improvements can be found attached hereto.

A Notice Inviting to Bid for the Project was posted on PlanetBids on September 26, 2019. Additionally, email notifications were sent to 168 vendors by PlanetBids. In response to these efforts, six (6) bids were received on October 23, 2019 from the following contractors:

<u>Companies</u>	<u>Bid Amount</u>
1) Hardy and Harper, Inc. of Lake Forest, CA	\$1,451,000.00
2) Onyx Paving Company, Inc. of Anaheim, CA	\$1,476,000.00
3) All American Asphalt of Corona, CA	\$1,592,000.00
4) COPP Contracting Inc. of Buena Park, CA	\$1,674,788.80
5) Vance Corporation of Bloomington, CA	\$1,840,848.80
6) Matich Corporation of Highland, CA	\$1,949,224.50

The apparent lowest bidder is Hardy and Harper, Inc. of Lake Forest, California.

Hardy and Harper has successfully performed similar work with the City in the past as a subcontractor and currently as a prime contractor. Purchasing staff has conducted reference checks on Hardy and Harper and found that the company is responsive and responsible on their contracts with other agencies.

As a result, staff recommends that the Construction Agreement be awarded to the lowest responsive and responsible bidder, Hardy and Harper, Inc. of Lake Forest, California, in the amount of \$1,451,000. A copy of the bid schedule for the lowest bid can be found attached hereto.

If awarded, staff anticipates the work to commence early January 2019 and to be completed within sixty (60) working days or approximately three (3) months from the issuance of a Notice to Proceed.

FISCAL IMPACT:

The Construction Agreement with Hardy and Harper, Inc. is for an amount of \$1,451,000 with a 10% contingency of \$145,100 for a total project budget amount of \$1,596,100.

The project shall be funded by the following sources:

<u>Account No.</u>	<u>Amount</u>
101-4900-431.93-16 (Street Improvements – Measure A)	\$1,030,183
102-4904-431.93-15 (Street Improvements – SB1)	\$515,917
660-6300-471.45-08 (Water Distribution Exp)	\$50,000
	<hr/>
	\$1,596,100

ALTERNATIVE

Reject Resolution No. 2019-140 and provide direction to staff.

ATTACHMENTS:

1. Resolution 2019-140
<https://banningca.gov/DocumentCenter/View/6639/Attachment-1-Resolution-2019-140>
2. Hardy and Harper, Inc. Bid Schedule
<https://banningca.gov/DocumentCenter/View/6640/Attachment-2---Hardy-and-Harper-Bid-Schedule>
3. Project List of Various Street Rehabilitation
<https://banningca.gov/DocumentCenter/View/6641/Attachment-3---Project-List-of-Various-Street-Rehab>

Approved by:



Douglas Schulze
City Manager



CITY OF BANNING RESOLUTION

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Matthew Hamner, Chief of Police
Phil Holder, Captain

MEETING DATE: November 12, 2019

SUBJECT: Discuss and Consider Adopting Resolution 2019-143:
Authorizing the Police Department to purchase three (3) Ford
Police Interceptor Utility Patrol Vehicles through Fritts Ford
under Riverside County PURAC # 1634.

RECOMMENDATION:

The City Council adopt Resolution No. 2019-143, a Resolution of the City of Banning, California, authorizing the police department to purchase three (3) Police Interceptor Utility Patrol Explorers through Fritts Ford in an amount not to exceed \$124,675, under Riverside County PURAC # 1634.

JUSTIFICATION:

The requested black and white patrol vehicles will be utilized by patrol officers on a daily basis as they patrol and handle calls for service in the City of Banning.

BACKGROUND:

On October 9, 2019, the Banning Police Department acquired a quote from Fritts Ford to purchase three (3) Ford Police Interceptor Utility Patrol Explorers in the amount of \$124,675. The quote is based on the Banning Police Department "Piggy Backing" on Riverside County PURAC # 1634 with Fritts Ford for the purchase of patrol vehicles.

The agreement for vehicle purchases between Riverside County and Fritts Ford was vetted by the City of Banning's Purchasing Department who determined it met the purchasing requirements for the City of Banning.

FISCAL IMPACT:

The cost of purchasing the new vehicles will be covered by existing funds in the Banning Police Department's Asset Forfeiture Account. Subsequently, no general funds are required for this activity.

OPTIONS:

1. Adopt Resolution 2019-143
2. Reject Resolution 2019-143 and provide direction to staff.

STRATEGIC PLAN OBJECTIVE:

This request supports the City's strategic goal related to "Public Health and Safety".

ATTACHMENTS:

1. Resolution 2019-143
<https://banningca.gov/DocumentCenter/View/6630/Attachment-1---Resolution-2019-143>
2. Fritts Ford Quote
<https://banningca.gov/DocumentCenter/View/6631/Attachment-2---Fritts-Ford-Quote>
3. Fritts Ford Agreement & Vehicle Specifications
<https://banningca.gov/DocumentCenter/View/6632/Attachment-3---Fritts-Ford-Agreement-and-Vehicle-Specs>
4. RivCo RFQ
<https://banningca.gov/DocumentCenter/View/6633/Attachment-4---RivCo-RFQ>
5. RivCo Bid Recap
<https://banningca.gov/DocumentCenter/View/6634/Attachment-5---RivCo-Bid-Recap>

Approved by:



Douglas Schulze
City Manager



CITY OF BANNING CITY COUNCIL REPORT

TO: **CITY COUNCIL**

FROM: **Douglas Schulze, City Manager**

PREPARED BY: **Jennifer Christensen, Administrative Services Director**

MEETING DATE: **November 12, 2019**

SUBJECT: **Request for Addition of Temporary Police Captain Position**

RECOMMENDED ACTION:

That the City Council approve the addition of one temporary unfunded Police Captain position to the position allocation for the Police Department.

BACKGROUND:

Due to the pending retirement of the current Police Captain, the Police Department opened a recruitment to identify a replacement for this key position.

In order to provide a smooth transition and allow the new employee an opportunity to cross-train prior to the final retirement date of the current Police Captain, the Police Department has requested a hire date for the new employee that will be three weeks prior to the planned retirement date of the existing employee.

The current position allocation approved by City Council as part of the budget process provides for one Police Captain position. In order to complete the hiring with an effective date of December 2, 2019, the approval of an additional Police Captain position is needed.

JUSTIFICATION:

The approval of a temporary, unfunded Police Captain position will promote the city's recruitment and retention efforts for this critical position while also ensuring public safety has the resources necessary to deliver critical safety services to the public.

FISCAL IMPACT:

No fiscal impact. The cost of the additional position during the overlapping period of three weeks will be covered by salary savings within the Police Department.

November 12, 2019

Page 2 of 2

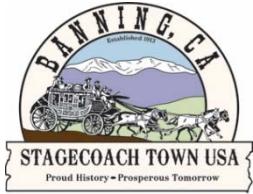
OPTIONS:

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

Approved by:

A handwritten signature in blue ink, appearing to read "DS" followed by "SF".

Douglas Schulze
City Manager



CITY OF BANNING CITY COUNCIL REPORT

TO: **CITY COUNCIL**

FROM: **Douglas Schulze, City Manager**

PREPARED BY: **Ted Shove, Economic Development Manager**

MEETING DATE: **November 12, 2019**

SUBJECT: **Resolution 2019-137, Approving Fiscal Year 2020-21 Community Development Block Grant Program Applications**

RECOMMENDED ACTION:

Staff recommends the City Council adopt Resolution 2019-137, approving Fiscal Year 2019-2020 Community Development Block Grant Program Project, and authorize staff to submit application to the Riverside County Economic Development Agency.

COMMITTEE RECOMMENDATION:

On August 27, 2019, the City Council appointed an Ad-hoc Committee comprised of two Council members to review and recommend approval of Community Development Block Grant ("CDBG") Funding Cycle 2020-2021. The committee met on October 28th and recommended the City's full CDBG entitlement be allocated to all received applications (four) which are summarized in Attachment 3 (Exhibit A).

BACKGROUND:

The City of Banning, through the Riverside County Economic Development Agency (EDA), has submitted various projects annually for funding under the CDBG program. Notifications of application availability were mailed directly to non-profit organizations by the Community Development Department and notification of the application period was published on the City's website and press releases were transmitted to the Record Gazette, Banning Patch, and Press Enterprise (ATTACHMENT 2).

As part of the CDBG guidelines, the proposed projects/activities must meet the following criteria:

1. The project or activity must primarily benefit the low and moderate-income community.
2. The project or activity must aid in the prevention or elimination of slums and blight areas.
3. The project or activity must be designed to meet the Community's development needs and have a particular urgency.

Applications were due to the City for consideration on or before October 7, 2019. The City received and the Ad-hoc Committee reviewed four applications and recommended funding for all projects (Attachment 3).

JUSTIFICATION:

In response to the 2020-2021 grant cycle, one application for a service-related project was submitted by a non-profit organization and three applications from the City were received. The applications are summarized in Exhibit A (Attachment 3). As set forth in the guidelines for utilization of the CDBG funding, the City Council may designate up to 14% of the City's allocation, to service oriented non-profit agencies for public services projects, but is not required.

The City 2020-2021 applications represent requests for funding to fund community youth-related programming and physical improvements to Repplier and Richard Sanchez Parks. For the projects involving physical improvements, CDBG funding will be utilized for the construction phase of the project.

FISCAL IMPACT:

The estimated funding under the CDBG Fiscal Year 2020-2021 program is approximately \$184,000. Upon approval of the City Council, the City approved projects will be submitted to the EDA for review and consideration. It is anticipated that final funding approval will be provided to the City by September of 2020.

OPTIONS:

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

ATTACHMENTS:

1. Resolution 2019-137
<https://banningca.gov/DocumentCenter/View/6614/Attachment-1-Resolution-2019-137>
2. Outreach Materials
<https://banningca.gov/DocumentCenter/View/6615/Attachment-2-Outreach-Materials>

Approved by:



Douglas Schulze
City Manager

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CITY OF BANNING CITY COUNCIL REPORT

TO: **CITY COUNCIL**

FROM: **Douglas Schulze, City Manager**

MEETING DATE: **November 12, 2019**

SUBJECT: **Resolution 2019-135, Authorizing Waiver of Fees for Healing Waters Mobile Shower for Water and Wastewater Use**

RECOMMENDED ACTION:

Staff recommends the City Council adopt Resolution 2019-135, authorizing waiver of fees for Healing Waters Mobile Shower water and wastewater use.

BACKGROUND:

Healing Waters is an organization under the City of God 501 (c) (3) providing showers to the homeless and those in need, as well as, other attendant services to provide hope and healing. The portable showers are currently provided once per week in Banning and once per week in Beaumont. Trained volunteers clean, maintain, provide usage oversight of the showers, and dispense linens and clothing to shower users.

Currently, the portable shower unit is using approximately 1,000 gallons of water per week in Banning.

JUSTIFICATION:

Under the umbrella of City of God, Healing Waters Portable Showers, is a non-profit organization. Providing services to homeless individuals is a qualified use of public funds. Portable showers have been an effective option for reaching out to homeless individuals and connecting them with needed services.

FISCAL IMPACT:

The cost of providing water and accepting the wastewater from the portable shower unit will be less than \$5,000 annually.

OPTIONS:

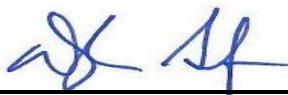
1. Approve as recommended.
2. Do not approve and provide alternative direction.

ATTACHMENT:

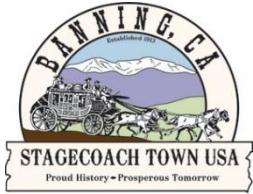
1. Resolution 2019-135

<https://banningca.gov/DocumentCenter/View/6613/Resolution-2019-135>

Approved by:



Douglas Schulze
City Manager



CITY OF BANNING CITY COUNCIL REPORT

TO: **CITY COUNCIL**

FROM: **Douglas Schulze, City Manager**

PREPARED BY: **Tom Miller, Electric Utility Director**
Electric Cost of Service Analysis Ad-hoc Committee

MEETING DATE: **November 12, 2019**

SUBJECT: **Resolution 2019-139, Establishing Financial Targets and Revenue Requirements for the 2020 Electric Cost of Service Study**

RECOMMENDED ACTION:

The Electric Cost of Service Analysis Ad-hoc Committee and electric staff recommend the City Council adopt Resolution 2019-139 establishing financial targets for the electric utility, which affect the revenue requirements needed to be recovered by electric rates. The revenue requirement generated by the financial targets will be used to produce the Electric Cost of Service Analysis being completed by our consultant Boris Prokop, BorisMetrics, Los Angeles, CA.

Action: Adoption of Resolution 2019-139 Establishing Financial Targets and Revenue Requirements for the 2020 Electric Cost of Service Study.

BACKGROUND:

It is the electric utility's goal to provide safe, affordable, resilient, and environmentally sustainable electric service at the lowest possible cost consistent with sound business practices.

In order to meet the electric utility's goals, it is important to maintain a strong financial credit rating. Currently, Standard and Poor's has rated the City of Banning Electric Utility with an "**A-, Stable**" credit rating, meaning there is a strong capacity for the electric utility to repay its debt. The electric utility's bond debt is investment graded. In 2015, the electric utility refinanced a previous bond issuance in the amount of \$31.8 million. Since these are revenue bonds, the city council promises to maintain electric utility rates, operate and maintain the distribution facilities with good utility practices, and achieve a positive cashflow at a minimum level of 1.2 times the debt service payments.

Establishing financial targets is sound business policy for the city council. By setting specific, measurable, achievable, relevant and timely financial targets, the City demonstrates to the Citizens of Banning and the financial markets the City's character and creditworthiness.

JUSTIFICATION:

On September 23rd, and October 21st, the Electric Cost of Service Analysis Ad-hoc Committee met to discuss the steps desired to complete a cost of service analysis. The group has discussed Proposition 26 and the general fund cost allocation study, reviewed the feasibility of refinancing or defeasing our bond issuance, deliberated a 5-year financial forecast, and agreed to recommend financial management targets.

Staff recommended the Committee to consider three financial targets: debt service coverage (a positive cash flow), operating times interest earned ratio (TIER) (the Utility's ability to pay the annual interest expense), and minimum reserves in order to establish a sound policy for determining revenue requirements. Of these three targets, the operating TIER is the primary driver of the revenue requirement.

Description	Minimum	Range	Results	Target
Debt Service Coverage	1.2 of \$2,428,544	1.4 to 2.0	\$3,399,961 to \$4,857,088	\$3.4 Million
Operating TIER	1.0 of \$1,418,744	1.5 to 1.8	\$2,128,116 to \$2,553,739	\$2.4 Million
Minimum Reserve	\$11 Million			

Based upon these recommended financial targets, staff completed a 5-year financial forecast to study the impact on rates. The most notable finding is the impact of Cap and Trade on revenues. What is not obvious, is the impact Southern California Edison's Wholesale Distribution Access Tariff has had on transmission delivery costs. Essentially, the Cap and Trade revenue has offset the increased transmission expense. As Cap and Trade revenue diminishes there becomes significant upward pressure on retail rates. The Electric Utility is unable to meet both the debt service coverage and operating TIER targets by the end of fiscal year 2021. Also, as the Electric Utility continues upgrading substations and converting system voltages, staff has budgeted an aggressive use of reserves. The operating losses coupled with the capital improvement spend rate quickly effects reserves and moves the Electric Utility toward the minimum reserve target. These findings are demonstrated in the table below.

Staff Report: Resolution 2019-139

November 12, 2019

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Revised 10/31/219	2019	2020	2021	2022	2023	2024
Metered Sales	\$ 26,734,175	\$ 26,500,000	\$ 26,500,000	\$ 26,500,000	\$ 26,500,000	\$ 26,500,000
Power and Delivery Offsets	\$ 1,568,413	\$ 1,350,000	\$ 1,350,000	\$ 1,350,000	\$ 1,350,000	\$ 1,350,000
Aid-in-Construction	\$ 117,578	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000
Miscellaneous	\$ 850,532	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000
Cap & Trade	\$ 2,341,489	\$ 1,821,366	\$ 974,431	\$ 500,000	\$ 535,000	\$ 572,450
Public Benefits	\$ 747,666	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000
	\$ 32,359,853	\$ 31,336,366	\$ 30,489,431	\$ 30,015,000	\$ 30,050,000	\$ 30,087,450
O&M	\$ 5,133,750	\$ 5,236,425	\$ 5,341,154	\$ 5,447,977	\$ 5,556,936	\$ 5,668,075
Labor	\$ 4,935,337	\$ 5,083,397	\$ 5,235,899	\$ 5,392,975	\$ 5,554,765	\$ 5,721,408
Power	\$ 13,858,445	\$ 12,846,580	\$ 12,626,500	\$ 12,188,387	\$ 12,737,454	\$ 12,610,476
Delivery (Transmision)	\$ 4,705,218	\$ 5,133,676	\$ 5,392,476	\$ 5,652,036	\$ 5,917,891	\$ 6,179,017
Public Benefit	\$ 622,170	\$ 725,000	\$ 725,000	\$ 725,000	\$ 725,000	\$ 725,000
	\$ 29,254,920	\$ 29,025,078	\$ 29,321,028	\$ 29,406,375	\$ 30,492,046	\$ 30,903,976
Operating Margin	\$ 3,104,933	\$ 2,311,288	\$ 1,168,403	\$ 608,625	\$ (442,046)	\$ (816,526)
Debt Payment Interest	\$ 1,290,117	\$ 1,271,544	\$ 1,214,044	\$ 1,153,544	\$ 1,089,794	\$ 1,023,044
Margin	\$ 1,814,816	\$ 1,039,744	\$ (45,641)	\$ (544,919)	\$ (1,531,840)	\$ (1,839,570)
Debt Payment Principal	\$ 1,095,000	\$ 1,150,000	\$ 1,210,000	\$ 1,275,000	\$ 1,335,000	\$ 1,400,000
CIP	\$ 1,322,977	\$ 2,325,000	\$ 2,325,000	\$ 2,325,000	\$ 2,325,000	\$ 2,325,000
Water Refund	\$ 1,276,936	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 3,694,913	\$ 3,475,000	\$ 3,535,000	\$ 3,600,000	\$ 3,660,000	\$ 3,725,000
Reserves						
\$ 27,227,704	\$ 25,347,608	\$ 22,912,352	\$ 19,331,711	\$ 15,186,792	\$ 9,994,952	\$ 4,430,382
6/30/2018						
Miss the DSC target						
Miss the OP TIER target						
Encroach on Minimum Reserves						

A note of importance, this forecast includes \$4 million in the O&M Expenses which was the services provided by the City's General Fund. This expense will be updated upon completion of MGT's Cost Allocation Study of the General Fund.

One could argue that reducing the targets may postpone a rate increase. Unfortunately, the reduction rate of the Cap and Trade revenue far outweighs any finetuning of the financial targets.

FISCAL IMPACT:

There is a potential impact to electric rates, including rate adjustments, resulting in a need to recover additional revenue for the electric utility.

OPTIONS:

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

ATTACHMENTS:

1. Resolution 2019-139
<https://banningca.gov/DocumentCenter/View/6650/Attachment-1-Reso-ECOSA-2019-139>
2. September 23, 2019 Committee Meeting Notes
<https://banningca.gov/DocumentCenter/View/6651/Attachment-2-09-25-2019-COSA-Ad-hoc-Committee-Minutes>
3. October 21, 2019, Committee Meeting Notes
https://banningca.gov/DocumentCenter/View/6652/Attachment-3-10-21-2019-COSA-Ad-hoc-Committee-Minutes_final
4. October 21, 2019 PowerPoint Presentation
<https://banningca.gov/DocumentCenter/View/6653/Attachment-4-Electric-Ad-hoc-Committee-10-21-2019>

Approved by:



Douglas Schulze
City Manager



CITY OF BANNING CITY COUNCIL REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Art Vela, Director of Public Works/City Engineer

MEETING DATE: November 12, 2019

SUBJECT: Update and Discussion on the Draft Financial Analysis, Redevelopment and Proposition 218 of Landscape Maintenance District No. 1 (LMD) Report and Applicable Utility Rates

RECOMMENDED ACTION:

Discuss the Draft Financial Analysis, Redevelopment and Proposition 218 of Landscape Maintenance District No.1 Report and provide direction to staff regarding whether to apply municipal utility rates or retail utility rates to LMD No. 1.

BACKGROUND:

LMD No. 1 in the City of Banning was established through the adoption of Resolution No. 1990-59 on August 14, 1990 (9 tracts), with another, Tract No. 22913 being annexed into the District in 1992. There are currently Four (4) Zones and 1,015 assessment units. An additional five tracts and three tentative tracts were annexed (Annexation No. 1) into LMD No. 1 when the City Council approved Resolution No. 2005-36 on May 10, 2005. A map displaying the current District is attached as Attachment 3.

Based on the current assessments, the estimated revenues for Fiscal Year 2019/20 for LMD No. 1 will be approximately \$139,226, and the estimated expenses are \$151,000, a shortfall of approximately \$12,000 which will be covered by the fund balance, at \$298,094. The Assessment Unit annual costs vary from \$98.91 to \$210.38/home per year, depending on the zone. The current assessment provides funding for minimal repairs/replanting and do not fund capital replacement of the landscaping and irrigation in LMD No.1.

For the reasons listed above, the Public Works Department prepared a Request for Proposals (RFP) to hire a consultant with expertise in the Proposition (Prop) 218 process and assessment districts to determine the proper zones and assessment amounts for each tract; the basis of assessments; hold a Prop 218 Public Hearing; determine the estimated budget for the next 15 and 20 years; prepare necessary reports; and community outreach; in essence, a complete overhaul of the LMD No. 1 including the restructuring of the district zones and assessments.

The most significant task involves the financial analysis. Webb Municipal Financial prepared a detailed analysis and Draft Financial Budget Report for all the existing tracts within the LMD. Key goals in this process included:

- Reviewing the existing budgets and assisting with cost recovery accounting to achieve maximum cost to benefit equity and long-term financial stability.
- Ensuring the existing zones and assessment amounts for each tract are appropriate; if not justify and recommend changes.
- Ensuring that the developed budget has adequate funding. Budget estimates will be determined and projected each year over the next 20 to 30 years and shall include City staff time, water, electric, operation and maintenance, plant replacement, irrigation repair, etc., incidentals, and capital improvement projects.
- Ensuring the LMD can run itself without deficits and have a balanced budget.
- Determine and recommend new assessment units amounts, new zones, or restructuring of existing zones.
- Ensuring that the current method of apportionment and allocation of the net costs provide a reasonable special benefit nexus to all the properties within the affected zones.

The Draft Financial Analysis Report (shown as Attachment 1) was presented to the Budget and Finance Committee ("Committee") on October 15, 2019. The Committee requested that community outreach meetings be held prior to bringing the Final Draft Report to the City Council for approval and consideration, and to report the findings of the meetings and feedback from the community to the Council. There are a number of options/scenarios the property owners may choose from, from minimal landscape maintenance to a landscape redesign over 30 years. The three options that will be presented to the community are as follows:

- Escalated costs with a reserve collection and maintenance program collection (\$0.29/SQFT)
- Escalated costs with a reserve collection and an escalated maintenance program collection (\$0.44/SQFT)
- Escalated costs with a reserve and maintenance program collection (\$0.29/SQFT) as well as a CIP collection over 30 years (\$13/SQFT)

Different options result in lower or more costly annual assessment unit costs, depending on the level of service.

Additionally, the Committee members requested that staff and the consultant calculate the assessment units to the property owners using a municipal utility rate instead of a retail utility rate. The municipal utility rate is typical used for areas that are owned by the City such as parks and city owned facilities. Over the last year, all of the meters within LMD No. 1 were converted to a retail utility rate. For calendar year 2018, using the retail rates for water and electric, utility costs for the LMD No. 1 were \$37,634.99 and if the municipal rates were used for the same period, it would be \$13,121.45. An analysis was performed by Webb Municipal Finance using municipal and retail rates and the effects on the annual assessment units, see Attachment 2.

FISCAL IMPACT:

If direction is given to utilize the municipal utility rates the utilities will realize a revenue decrease of \$24,513 per year.

RECOMMENDATION:

Staff is seeking direction from the City Council on the which utility rates to utilize in the LMD No. 1 and any comments that City Council or the public may have on the Draft "Financial Analysis, Redevelopment and Proposition 218 of Landscape Maintenance District No. 1" report.

ATTACHMENTS:

1. Draft Financial Analysis, Redevelopment and Proposition 218 of Landscape Maintenance District No. 1 Report
<https://banningca.gov/DocumentCenter/View/6644/Attach-1-Draft-LMD-No-1-Financial-Analysis-Report-by-Webb-Municipal-Finance-10919>
2. Tables and Graphs using municipal and retail utility rates
<https://banningca.gov/DocumentCenter/View/6645/Attach-2-Municipal-vs-Retail-Rate-Tables>
3. LMD No. 1 Map
<https://banningca.gov/DocumentCenter/View/6646/Attach-3-LMD-No-1-Map-FY-2019-20>

Approved by:



Douglas Schulze

Staff Report: Landscape Maintenance District No. 1 Update

November 12, 2019

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City Manager



CITY OF BANNING CITY COUNCIL REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Adam Rush, Community Development Director

MEETING DATE: November 12, 2019

SUBJECT: Introduction of Ordinance 1555, an Ordinance amending Chapters 15.08 and 8.16 of the Banning Municipal Code by adopting by reference the entirety of the 2019 Editions of the California Building Code, Residential Code, Green Building Standards Code, Plumbing Code, Mechanical Code, Electrical Code, and Fire Code, the 2018 Edition of the International Property Maintenance Code, and the 1997 Edition of the Uniform Code for the Abatement of Dangerous Buildings, together with certain amendments, deletions and additions, including findings, fees and penalties; deleting Chapter 15.20 of the Banning Municipal Code concerning wind speed requirements; amending Chapter 15.40 of the Banning Municipal Code concerning pool fencing and enclosure standards; and making certain clarifying revisions to the building and construction provisions within Title 15 of the Banning Municipal Code

RECOMMENDED ACTION:

That the City Council:

Waive full reading and introduce, as read by title only, Ordinance 1555, and schedule a public hearing on and second reading of Ordinance 1555 for December 10, 2019.

BACKGROUND:

The Health and Safety Code requires cities to adopt specified codes contained in the California Building Standards Code (CBSC) by reference (e.g., building, residential, electrical, mechanical, plumbing, fire, etc.) by Jan 1, 2020, for any local modifications to be effective when the new codes go into effect. If the City of Banning does not adopt and amend the codes comprising the CBSC, the City will be subject to all building standards

(but not administrative provisions) contained in the 2019 CBSC, unless and until such codes with amendments are adopted by the cities. The City's Building Official has reviewed the updated 2019 codes and is recommending a few amendments to the model codes, with the exception of the Fire Code.

In regard to the 2019 Fire Code, the City of Banning contracts with the Riverside County Office of the Fire Marshall for code compliance and fire prevention services, plan check review, business inspection, and customer service. Riverside County Fire has provided the outline of the County's proposed amendments along with their justification of the amendments as is required by law.

If approved, Ordinance 1555 would amend Title 8 and 15 by repealing references to the prior editions of the model codes. The list below identifies the model codes upon which the 2019 Title 24 is based.

The Construction Codes proposed for adoption by reference include the following:

- 2019 California Building Code
- 2019 California Residential Code
- 2019 California Green Building Standards Code
- 2019 California Plumbing Code
- 2019 California Mechanical Code
- 2019 California Electrical Code
- 2019 California Fire Code
- 2018 International Property Maintenance Code
- 1997 Uniform Code for the Abatement of Dangerous Buildings

The City's Building Official and Fire Marshall are recommending certain changes and amendments to the 2019 California Building and Fire Codes, respectfully; which have been itemized and attached herein.

OPTIONS:

1. Introduce the First Reading of Ordinance 1555 and set the Public Hearing for December 10, 2019.
2. Continue the First Reading requesting clarification.

ATTACHMENTS:

1. Ordinance 1555 – Ordinance Amendment adopting the codes by reference and amendments thereto
https://banningca.gov/DocumentCenter/View/6647/Ordinance-1555-Building-Standards-Code-Adoption-Ordinance_abr-rev-1_20191106

Approved by:



Douglas Schulze
City Manager