



AGENDA

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

April 13, 2021

5:00 P.M.

In Chamber and Video/Teleconference

The following information comprises the agenda for the regular meeting of the Banning City Council, the Banning City Council sitting in its capacity of the Banning Utility Authority, and the Banning City Council sitting in its capacity of the Successor Agency Board.

Due to the COVID-19 pandemic emergency, and to protect the health and safety of all participants, this meeting is being held in Chamber and via video/teleconference. Pursuant to Governor Newsom's Executive Orders, members of the Banning City Council, staff and public may observe and participate in this meeting electronically or telephonically as outlined below:

To observe and participate in the on-line video portion of the meeting through your personal computer or device enter the following or click on the link:

<https://us02web.zoom.us/j/87415277765?pwd=dFVSOFBuMGpSeTBSREtPNytXYnhSQT09>

Meeting ID: 874 1527 7765

Password: 870511

One tap mobile: +16699009128,, 87415277765#

Dial in: +1 669 900 9128 US

Meeting ID: 874 1527 7765

Find your local number: <https://us02web.zoom.us/u/kb6rMlvB4i>

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.

1. CALL TO ORDER

- 1.1 Invocation – Elder Eric Biggers, Mission Church of God in Christ
- 1.2 Pledge of Allegiance
- 1.3 Roll Call - *Council Members Hamlin, Happe, Pingree, Sanchez and Mayor Wallace*

2. AGENDA APPROVAL

2.1 Approve Agenda

3. PRESENTATIONS

- 3.1 Proclamation- National Telecommunications Week
- 3.2 Proclamation- Donate Life
- 3.3 Proclamation- Earthquake Preparedness Month
- 3.4 Proclamation- Mike Steen, Retiring City Employee

4. REPORT ON CLOSED SESSION

Moved to Item 12

5. PUBLIC COMMENTS, CORRESPONDENCE, APPOINTMENTS, CITY COUNCIL COMMITTEE REPORTS, CITY MANAGER REPORT, AND CITY ATTORNEY REPORT

PUBLIC COMMENTS –Items Not on the Agenda

A three (3) 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 three 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 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

CITY MANAGER REPORT

Doug Schulze, City Manager

CITY ATTORNEY REPORT

Kevin Ennis, City Attorney

CITY COUNCIL COMMITTEE REPORTS

Mayor and City Council

6. CONSENT ITEMS

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

Recommendation: Approve Consent Items 6.1 – 6.11

6.1	Minutes of the March 23, 2021 City Council Meetings.....	5
6.2	Resolution 2021-15, Amending the Contract for Professional Tree Trimming Services with Utility Tree Service, Inc., to Include One Additional Year and Increasing the Spend for an Additional \$150,000.....	6
6.3	Resolution 2021-16, Approving the Second Amendment to Contract Services Agreement C00229 with Electric Power Systems International, Inc.	8
6.4	Resolution 2021-21, Declaring the Intention to Levy and Collect Assessments for Fiscal Year 2021/2022, Approving the Engineer's Report and Setting the Date for the Public Hearing for Landscape Maintenance District No. 1.....	11
6.5	Resolution 2021-23, Authorizing the Acceptance of an Allocation of Funds and Execution of an Airport Coronavirus Relief Grant Agreement with the Federal Aviation Administration	15
6.6	Resolution 2021-24, Approving the City of Banning Electric Utility Power Source Disclosure Annual Report and Power Content Label for Calendar Year 2019.	18
6.7	Resolution 2021-25, Authorizing the City of Banning to Accept a Grant in the Amount of \$50,000.00 (EDA Award # ED21SEA3030002) from the U.S. Department of Commerce Economic Development Agency for the Completion of a Comprehensive Economic Development Strategy (CEDS) and Approval of the Attached Specific Award Conditions (Exhibit A)	20
6.8	Award Professional Service Agreement to The Kosmont Companies of Manhattan Beach, CA, as Consultant Vendor for 2021-2026 Comprehensive Economic Development Strategy Per Competitive Bid # 20-022	22
6.9	Resolution 2021-26 Approving Temporary Use Permit # 21-8102 and Lease Agreement between Hot Line Construction Inc. a California Corporation and the City of Banning for Rental of Approximately 340'x 240' (81,600 square feet) at 150 E. Ramsey St.	25

6.10	Approve Amendment No. 1 to the Professional Services Agreement with MGT of America Consulting, LLC. (MGT) to add additional scope of services, extend the Agreement to June 11, 2024, and increase the compensation by \$68,100.00 for the Enterprise Fund and Internal Service Fund Cost Allocation Study.	27
6.11	Fiscal Year 2019-20 Comprehensive Annual Financial Report (CAFR) for City of Banning, and Audited Financial Statements for Banning Utility Authority and Banning Housing Authority	30

7. PUBLIC HEARINGS

None

8. REPORTS OF OFFICERS

8.1	Animal Care and Shelter Services Agreement	34
	<i>(Staff Report: Douglas Schulze, City Manager)</i>	
	Recommendation: Authorize the City Manager to execute the Animal Care and Shelter Services Agreement with ARE Animal Rescue.	
8.2	Resolution 2021-20, Approving an Agreement with Pyro Spectaculars, Inc., for Production of the Fourth of July Aerial Fireworks Display	36
	<i>(Staff Report: Ralph Wright, Parks & Recreation)</i>	
	Recommendation: 1. Approve Agreement with Pyro Spectaculars, Inc. of Rialto, CA in the amount of \$27,000 for the aerial fireworks show. 2. Authorize the City Manager to execute the agreement.	

9. DISCUSSION ITEMS

None

10. ITEMS FOR FUTURE AGENDAS

New Items:

Pending Items:

1. Permanent Homeless Solution
2. Shopping Cart Ordinance Update
3. Cannabis Microbusiness Workshop

11. CLOSED SESSION:

11.1	CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION
	Pursuant to paragraph (1) subdivision (d) of Government Code Section 54956.9. Name of Case: Fisher v. City of Banning Case No. RIC 1905878

12. REPORT ON CLOSED SESSION

City Attorney

13. ADJOURNMENT

Next Meeting: Tuesday, April 27, 2021 at 5:00 P.M.

IT IS HEREBY CERTIFIED under the laws of the State of California that the above Agenda was posted on the Banning City Hall Bulletin Board and the City's Website by 5:00 P.M. on the 8th day of April 2021.



Laurie Sampson, Executive Assistant/ Acting Deputy City Clerk

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 regular meeting agenda but is of interest to the general public and is an item upon which the Mayor and Council may act. A three-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 three 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. Since City Hall is currently closed to the public due to COVID, please call (951) 922-3102 or email lsampson@banningca.gov to request information be mailed.



**CITY OF BANNING
OFFICE OF THE
MAYOR**



proclamation

WHEREAS, every year during the second week of April, the telecommunications personnel in the public safety community, are honored. This week-long event, initially set up in 1981 by Patricia Anderson of the Contra Costa County Sheriff's Office, is a time to celebrate and thank those who dedicate their lives to serving the public. It is a week that should be set aside so everyone can be made aware of their hard work and dedication.

WHEREAS, 9-1-1 is nationally recognized as the number to call in an emergency to receive immediate help from police, fire, emergency medical services, or other appropriate emergency response entities; and

WHEREAS, 9-1-1 was designated by Congress as the national emergency call number under the Wireless Communications and Public Safety Act of 1999 (Public Law 106-81); and

WHEREAS, the ENHANCE 911 Act of 2004 (Public Law 108-494) established enhanced 9-1-1 as a high national priority as part of our Nation's homeland security and public safety; and

WHEREAS, people of all ages use 9-1-1, and it is critical to educate the public of all ages on the proper use of 9-1-1; and

WHEREAS, a growing segment of the population, including the deaf, hard of hearing, deaf-blind, and individuals with speech disabilities increasingly communicate with nontraditional text, video and instant messaging communications services and anticipate that these services will be able to connect directly to 9-1-1; and

WHEREAS, thousands of 9-1-1 calls are made every year by children properly trained on the use of 9-1-1, resulting in lives saved which underscores the critical importance of training children early in life about 9-1-1; and

WHEREAS, there is widespread misuse of the 9-1-1 system, including prank and non-emergency calls, which can result in costly and inefficient use of 9-1-1 and emergency response resources.

NOW, therefore, I, Colleen Wallace, Mayor of the City of Banning, do hereby proclaim the second full week of April 2021 as National 9-1-1 Telecommunicator Week. I call upon all government officials, parents, teachers, school administrators, caregivers, businesses leaders, non-profit organizations, and the people of the United States to observe this month with training, events, and activities to educate the public on 9-1-1 and its services.

FURTHER, we encourage all residents to join us in this special observance.

Dated this 13th Day of April 2021.

ATTEST:

Laurie Sampson, Acting Deputy City Clerk

Colleen Wallace, Mayor

CITY OF BANNING
OFFICE OF THE
MAYOR



3P

proclamation

WHEREAS organ, tissue, marrow, and blood donation are life-giving acts recognized worldwide as expressions of compassion to those in need; and

WHEREAS more than 118,000 individuals nationwide and almost 21,000 in California are currently on the national organ transplant waiting list, and on average, 20 people die each day while waiting due to the shortage of donated organs; and

WHEREAS the need for donated organs is especially urgent in Hispanic and African American communities; and

WHEREAS more than 600,000 units of blood per year are needed to meet the need in California and at any given time, 6,000 patients are in need of volunteer marrow donors; and

WHEREAS a single individual's donation of the heart, lungs, liver, kidneys, pancreas, and small intestine can save up to eight lives; donation of tissue can save and heal the lives of up to 50 others; and a single blood donation can help three people in need; and

WHEREAS millions of lives each year are saved and healed by donors of organs, tissues, marrow and blood and the spirit of giving and decision to donate are not restricted by age or medical condition; and

WHEREAS over twelve million Californians have signed up with the state-authorized Donate Life California Donor Registry to ensure their wishes to be organ, eye and tissue donors are honored; and

WHEREAS California residents can sign up with the Donate Life California Donor Registry when applying for or renewing their driver's licenses or ID cards at the California Department of Motor Vehicles.

NOW, THEREFORE, BE IT RESOLVED, that I, Colleen Wallace, Mayor of the City of Banning along with the City Council in recognition of National Donate Life Month, hereby proclaim the month of April 2021 as "**DMV/Donate Life California Month**" in the city of Banning, and in doing so we encourage all Californians to check "YES!" when applying for or renewing their driver's license or I.D. card, or by signing up at www.donateLIFEcalifornia.org or www.doneVIDAcalifornia.org

IN WITNESS WHEREOF, I have set my hand and caused the seal of the City of Banning, California to be affixed this 13th day of April 2021.

ATTEST:

The signature of Laurie Sampson, Acting Deputy City Clerk.

Laurie Sampson, Acting Deputy City Clerk

The signature of Colleen Wallace, Mayor.

Colleen Wallace, Mayor



**CITY OF BANNING
OFFICE OF THE
MAYOR**



proclamation

A PROCLAMATION/RESOLUTION DECLARING THE MONTH OF APRIL AS EARTHQUAKE PREPAREDNESS MONTH

WHEREAS, Californians have witnessed and experienced earthquakes that have resulted in significant property damage, injuries and loss of life, and indirect costs; and

WHEREAS, as many as 10,000 earthquakes occur each year in California and mitigation measures can save lives, reduce property damage, and alleviate economic dislocation caused by earthquakes; and

WHEREAS, California is the first state in the nation to offer free, cutting-edge technology designed to alert Californians before shaking begins through the Earthquake Warning California system, including the MyShake App, Android Earthquake Alerts, and Wireless Emergency Alerts;

WHEREAS, every community member of City of Banning can take proactive steps by learning about the latest technology and innovations available at no-cost to protect their families, employees, and neighbors from earthquakes; and

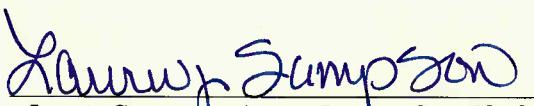
WHEREAS, incorporating earthquake warning technology into emergency planning efforts can help mitigate risk of injury and death by providing a few moments warning to take protective actions.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BANNING AS FOLLOWS:

April shall be recognized annually as Earthquake Preparedness Month, and The City of Banning shall join communities across California to encourage its residents to learn more about Earthquake Warning California, including downloading the MyShake App, using earthquake warning technology, and sharing earthquake warning resources with friends, family, and colleagues, to help build a resilient community and strengthen the State of California in its earthquake preparedness efforts.

NOW THEREFORE, the City Council of the City of Banning do hereby proclaim and designate the Month of April 2021, as EARTHQUAKE PREPAREDNESS MONTH.

Dated this 13th day of April 2021.


Laurie Sampson, Acting Deputy City Clerk


Colleen Wallace, Mayor

City of Banning



CERTIFICATE OF RECOGNITION

PRESENTED TO

**MIKE STEEN
CITY OF BANNING**

The Mayor and City Council of the City of Banning recognize and appreciate your 32 years of loyal service to the City of Banning and The Banning Electric Utility. Your knowledge and expertise have been invaluable to the City and will be missed.

Congratulations on your retirement!



Presented on this 13th day of April 2021

Colleen M. Wallace

Colleen Wallace, Mayor



**CITY OF BANNING
CITY COUNCIL REPORT**

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Laurie Sampson, Acting Deputy City Clerk

MEETING DATE: April 13, 2021

SUBJECT: Minutes of the March 23, 2021 City Council Meetings

RECOMMENDED ACTION:

Approve the Minutes of the March 23, 2021 City Council Meetings.

OPTIONS:

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

ATTACHMENTS:

1. Minutes of the March 23, 2021 Regular City Council Meeting
<https://banningca.gov/DocumentCenter/View/8513/Regular-Meeting-Minute-03-23-2021>
2. Minutes of the March 23, 2021 Workshop Meeting
<https://banningca.gov/DocumentCenter/View/8514/Workshop-Minutes-03-23-2021>
3. Minutes of the March 23, 2021 Closed Session Meeting
<https://banningca.gov/DocumentCenter/View/8515/Special-Meeting-Minutes-Closed-Session-03-23-2021>

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
Carla Young, Business Support Manager

MEETING DATE: April 13, 2021

SUBJECT: Resolution 2021-15, Amending the Contract for Professional Tree Trimming Services with Utility Tree Service, Inc., to Include One Additional Year and Increasing the Spend for an Additional \$150,000.

RECOMMENDED ACTION:

The City Council consider adopting Resolution 2021-15:

1. Approving the Second Amendment to Professional Service Agreement C00158 with Utility Tree Services, Inc. to include one additional year and increasing the spend for an additional \$150,000.
2. Authorizing the City Manager or Electric Utility Director to execute the Second Amendment to the Professional Services Agreement with Utility Tree Services, Inc. to include one additional year and increasing the spend for an additional \$150,000.

BACKGROUND:

Tree clearance is a requirement mandated by the Public Utilities Commission, General Order 95 of the State of California's Electrical General Orders. It is also a good practice of the utility operations to ensure the reliability of the City's electrical system. The tree trimming will provide the necessary clearance to the City of Banning's electrical distribution system that covers 34kV/12kV/4kV three-phase circuits, and the 7.2 kV and 2.4 kV single-phase circuits.

Per American National Standards Institute (ANSI) Z133.1, an electrical hazard exists when a worker, a tool, or any conductive object is closer than 10 feet (3 meters) from an energized conductor rated 50 kV or less. When an electrical hazard exists, minimum

clearances shall be maintained, and only qualified line clearance tree trimmers or qualified line clearance tree trimmer trainees shall perform the work.

Utility Tree is the world's largest provider of line clearance tree trimming and has been in business for 86 years. Utility Tree has provided commendable tree trimming line clearance services to City of Banning previously, and their tree trimmers have the required line clearance certifications. All equipment such as trim lifts, aerial buckets, dump trucks, stump grinders, log splitters, chippers and other essential equipment necessary for tree trimming shall be provided by the contractor.

ISSUES/ANALYSIS:

The City of Banning Electric Utility must maintain the right-of-way tree trimming necessary to maintain reliability of the electrical system. Amending the contract to include an additional year will provide continuity for service, meet State of California Wildfire Mitigation expectations and provide continued reliable service to our customers.

FISCAL IMPACT:

The City of Banning Electric Utility budget was approved for FY 2020-2021 and included \$150,000.00 annually for tree trimming services. Funds are available to cover this expense.

ALTERNATIVE:

1. Reject Resolution 2021-15 and provide direction.

ATTACHMENTS:

1. Resolution No. 2021-15
https://banningca.gov/DocumentCenter/View/8529/2021-15 -Resolution_Utility-Tree-Trimming
2. Amendment to Professional Agreement C00158
<https://banningca.gov/DocumentCenter/View/8530/C00158-UTILITY-TREE-SERVICE-LLC-AMENDMENT-2-002>
3. Professional Services Agreement C00158
<https://banningca.gov/DocumentCenter/View/8531/C00158-Utility-Tree-Service--Executed-Contract>

Approved by:



Douglas Schulze
City Manager



CITY OF BANNING CITY COUNCIL REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Thomas Miller, Electric Utility Director
Brandon Robinson, Electrical Engineering Supervisor

MEETING DATE: April 13, 2021

SUBJECT: Resolution No. 2021-16, Approving the Second Amendment to Contract Services Agreement C00229 with Electric Power Systems International, Inc.

RECOMMENDED ACTION:

The City Council adopt Resolution:

1. Approving the Second Amendment to Contract Services Agreement C00229 with Electric Power System International, Inc. ("EPS") to include additional maintenance, testing, and modifications to Banning Electric Utility ("Utility") substations in an amount of \$300,000. The total contract amount will increase to \$1,280,517.07 for the Utility's Electric Substation Equipment Maintenance and Testing contract.
2. Authorizing the City Manager or Electric Utility Director to execute the Second Amendment to the Professional Services Agreement with EPS for Fiscal Year 2020/2021 for the Electric Substation Equipment Maintenance and Testing contract.

PROJECT DESCRIPTION:

The Utility owns and operates two (2) 4kV and four (4) 12kV distribution substations throughout the Banning electric service territory. The two 4kV substations, Alola and Airport Substations, are scheduled to be converted to 12kV substations which will include new and updated equipment. The Utility has a need to perform required preventative maintenance on the four remaining substations which include the San Gorgonio, Midway, 22nd Street, and Sunset Substations. These maintenance activities will increase the reliability of Banning's electric system.

BACKGROUND:

The City executed a contract with EPS in February of 2018 to complete several maintenance activities within the four 12kV substations. These activities include of testing substation breakers, transformers, switches, protective relays and other equipment by specialty technicians within the four 12kV stations; and in accordance with industry standards, specifications and maintenance schedules. All work is coordinated and inspected by Utility staff.

While performing maintenance for the Utility under this contract, EPS has identified and recommended that some of the equipment replaced or upgraded in order to better coordinate system protection, operations and future maintenance tasks. EPS has also identified specific maintenance tasks that could be completed by the Utility's powerline technician crews that would help deliver cost savings.

An amendment to the contract was approved by City Council in February of 2020 to incorporate many of these recommendations. Since then EPS has identified additional testing and modeling is necessary. Included in the recommendations from EPS are several equipment upgrades that are required to ensure that the Utility protects and enhances the reliability of the distribution circuits providing power to various residential, commercial and industrial customers. These modifications include maintenance activities described in Senate Bill 32 (2016) to reduce sulfur hexafluoride (SF6) emissions from gas-insulated equipment, repair and upgrade of the fiber optic network serving our 12.47kV substations, additional testing of substation equipment at our existing 12.47kV substation that are nearing the point of retirement, removal of substation equipment that are not considered to be in the long-term operation plan for our substations, and impact analysis of the 34.5kV system at all of our 12.47kV substation to ensure long-term operation success.

FISCAL IMPACT:

Funds are available in Account No. 673-7000-473.96-20. The consultant will invoice the City on a monthly basis, with an itemized list of work performed, along with delivery of the specific work products.

ALTERNATIVES:

1. Adopt the Resolution.
2. Reject the amendment, separate the additional maintenance tasks and request proposals through the formal bid process.

ATTACHMENTS:

1. Resolution 2021-16
<https://banningca.gov/DocumentCenter/View/8532/Resolution-2021-16---Amending-CSA-with-EPS>
2. Professional Services Agreement C00229
<https://banningca.gov/DocumentCenter/View/8533/C00229-Contract>
3. Contract Amendment for Recommended Maintenance Upgrades
<https://banningca.gov/DocumentCenter/View/8534/C00229-ELECTRIC-POWER-SYSTEMS-INTERNATIONAL-AMENDMENT-NO-2>

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

MEETING DATE: April 13, 2021

SUBJECT: Resolution No. 2021-21, Declaring the Intention to Levy and Collect Assessments for Fiscal Year 2021/2022, Approving the Engineer's Report and Setting the Date for the Public Hearing for Landscape Maintenance District No. 1

RECOMMENDED ACTION:

Staff recommends that the City Council adopt Resolution 2021-21:

Resolution No. 2021-21, Declaring the Intention to Levy and Collect Assessments, Approving the Engineer's Report and Setting the Date for the Public Hearing for Landscape Maintenance District No. 1.

BACKGROUND:

LMD No. 1 in the City of Banning was established through the adoption of Resolution 1990-59 on August 14, 1990 (9 tracts), with another, Tract No. 22913 being annexed into the District in 1992. An additional five tracts and three tentative tracts were annexed into LMD No. 1 (Annexation No. 1) when the City Council approved Resolution 2005-36 on May 10, 2005. There are currently ten (10) Zones and 1,015 assessment units (i.e. properties) in LMD No. 1. A map displaying the District is shown as Attachment 2. On February 23, 2021 the City Council approved Resolution No. 2021-06, initiating proceedings for the fiscal year update of LMD No.1.

LMD No. 1 provides a mechanism for the operation and maintenance of landscape medians and parkways, perimeter strips, landscaped hillsides with high visibility, side slopes adjacent to sidewalks and retention basins annexed into it. LMD No. 1 funds expenses (e.g. utility costs, landscape maintenance contractor, etc.) by revenues collected from the special benefit assessments paid for by each property owner within

LMD No. 1. The District, by special benefit assessments, provides funding for the operation and maintenance of certain landscape areas within the City of Banning, all of which were constructed as part of private development projects and all of which are located in the public right-of-way. The 1972 Act requires that assessments are to be levied according to benefit rather than according to assessed value.

Adoption of this Resolution 2021-21 will accomplish three goals for the fiscal year update and renewal of LMD No. 1. First, it provides the resolution of intention to levy and collect assessments; second, it permits the City Council to review and approve the Annual Engineer's Report; and third, it sets the date and time for a public hearing. Subsequent to the approval of this Resolution, the City Council will be requested to confirm the assessments for Fiscal Year 2021/22.

The Engineer's Report, which provides background on the proposed Assessments, is on file with the City Clerk and is shown as Attachment 3. Upon approval of this resolution, the public hearing will be held at the regularly scheduled City Council meeting on June 8, 2021, at 5:00 p.m., as shown in the attached schedule, Attachment 4. A detailed list of tracts in LMD No. 1 and their respective assessments is shown as Attachment 5.

For Fiscal Year 2021/2022, the Engineer's Report does reflect a Consumer Price Index (CPI) percentage increase of 2.25% on the assessments over the last fiscal year applied only to those tracts annexed into LMD No.1 (currently six built tracts) in 2005, at which time, those property owners authorized the CPI adjustment.

Due to the revenue shortfall and the lack of funding for replacement projects, the Public Works Department prepared a Request for Proposals in December of 2018 with the intention 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 and the basis of assessments; assist in holding a Prop 218 balloting proceeding and public hearing; determine the estimated budget for the next 20 years; prepare necessary reports; and perform community outreach. In essence, a complete overhaul of the LMD No. 1 was to be explored, including the potential restructuring of the Zones and assessments.

A professional services contract was awarded to Webb Municipal Finance, LLC at the April 9, 2019 City Council meeting. They analyzed the existing LMD No. 1 structure, prepared a financial analysis, determined the proper zones and assessment amounts for each tract in order to assure the LMD No.1 is operated with a balanced budget. On January 14, 2020, the City Council approved the Financial Analysis, Redevelopment, and Proposition 218 Report (Report) prepared by Webb Municipal Finance, LLC. The consultant prepared a detailed analysis and budget for all the existing tracts within the LMD and recommended that the LMD be rezoned in a manner that allows for each tract to pay only for benefits that it is receiving. Thus, ten (10) new Zones were developed to better reflect each tract's unique expenses and revenues and benefits

bestowed to its' property owners residing within the Zone, as shown in Attachment 2, the LMD No.1 map.

Additionally, the Report analyzed the LMD No. 1 budget and recommended changes including some increases to the Assessment Units to ensure the revenue keeps up with rising expenditures. A Prop 218 Vote was recommended in the Report to change the Assessments needed to balance the budget. Webb Municipal Finance, LLC prepared a "Proposition 218" Engineer's Report that presented the new escalated Assessment Unit rates for each Zone reflected on the Proposition 218 Vote Card for each Zone. A Public Hearing and Proposition 218 Vote was held in the Banning Council Chambers on December 8, 2020 with the results tabulated showing a "No" vote for each of the ten Zones. Thus, the Assessment Unit rate remains the same, equal to the rate in the Annual Engineer's Report recommended to be approved as part of this resolution, with no increases despite rising costs. The exception are Zones six through ten whose tracts were annexed into LMD No.1 in 2005, at which time, those property owners authorized the CPI adjustment.

The Annual Engineer's Report requested to be approved as part of Resolution 2021-21 lists the Assessment Unit (AU) rates and costs to be levied to the property owners within LMD No. 1 for FY 2021/2022.

JUSTIFICATION:

The City Council approved the formation of Landscape Maintenance District (LMD) No. 1 by adopting Resolution No. 1990-59 on August 14, 1990. The adoption of this Resolution will enable the assessments to be collected from the property owners located within LMD No. 1 to provide for the funding required to maintain landscape areas located within the public right-of-way directly benefiting said property owners.

FISCAL IMPACT:

Based on the proposed assessments in the Engineer's Report, the estimated revenues for Fiscal Year 2021/22 for LMD No. 1 will be approximately \$141,219.74, with the 2.25% CPI increase applied to the existing tracts annexed into the LMD in 2005: Tracts 28252, 30793, 31833, 31834, 31835 and 30906, Zones six through ten. If approved, the annual assessment for a single-family dwelling in these Zones would increase from the current rate of \$216.69, to \$221.57.

The estimated expenses are \$239,933.24, a shortfall of approximately \$98,713.50.

Attachment 6 identifies funding reserve balances in each zone. Many of the zones do not have sufficient reserves to cover the projected expenses, therefore, a reduction in maintenance services is imminent to reduce costs.

ALTERNATIVES:

Reject Resolution No. 2021-21, which would result in staff not continuing with the process of assessing the homeowners and properties within LMD No. 1 a fee to pay for operation and maintenance costs. Expenses funded by the fee currently include the landscape maintenance contractor, utility costs (water and electric), administrative costs, and miscellaneous costs. Without an assessment, other funding sources would have to be utilized to pay for the expenses related to the operation and maintenance of LMD No.1.

ATTACHMENTS:

1. Resolution No. 2021-21
<https://banningca.gov/DocumentCenter/View/8522/Attach-1-LMD-No-1-Resolution-No-2021-21>
2. LMD No. 1 Map for FY 2021/22
<https://banningca.gov/DocumentCenter/View/8523/Attach-2-LMD-No1-Map>
3. Engineer's Report
<https://banningca.gov/DocumentCenter/View/8524/Attach-3-LMD-No-1-Engineers-Report-FY-2021-2022>
4. Tentative Schedule for Updating LMD No. 1
<https://banningca.gov/DocumentCenter/View/8525/Attach-4-Tentative-Schedule-for-Updating-Landscape-Maintenance-District-No-1-FY-21-22>
5. LMD No. 1 Assessments
<https://banningca.gov/DocumentCenter/View/8526/Attach-5-Landscape-Maintenance-District-No-1-Tracts-and-Assessments-for-Fiscal-Year-2021-2022>
6. Zone Funding
<https://banningca.gov/DocumentCenter/View/8527/Attach-6-Zone-Funding>

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

MEETING DATE: April 13, 2021

SUBJECT: Resolution No. 2021-23, Authorizing the Acceptance of an Allocation of Funds and Execution of an Airport Coronavirus Relief Grant Agreement with the Federal Aviation Administration

RECOMMENDED ACTION:

City Council adopt the following:

1. Authorizing the Director of Public Works or his designee to accept and receive Airport Coronavirus Relief Grant (ACRG) funding and to prepare all necessary required Federal Aviation Administration (FAA) Forms and reports related to FAA Grant No. 3-06-0018-018-2021.
2. Authorizing the Director of Public Works or his designee to execute the FAA ACRG Agreement in the amount of \$13,000 as the City's sponsored authorized representative.

BACKGROUND:

The Coronavirus Response and Relief Supplemental Appropriation Act (CRRSAA) (Public Law 116-260), signed into law by the President on December 27, 2020, includes nearly \$2 billion in funds to be awarded as economic relief to eligible U.S. airports and eligible concessions at those airports to prevent, prepare for, and respond to the coronavirus disease (COVID-19) pandemic.

In an effort to expedite the grant processing, the FAA prepared the ACRG grant application No. SF-424 that the Director of Public Works submitted on February 17, 2021 for operational related funds.

The CRRSA Act provides funds to pay for the operation and maintenance of the Airport, thus it can be used to reimburse the City for expenditures related to salaries. If authorization is given by the City Council, the Director of Public Works and City Attorney must execute the Grant Agreement, shown as Attachment No. 2, by April 26, 2021.

JUSTIFICATION:

Under the CRRSA Act, the Office of Airports within the FAA has allocated funds to be used at eligible Airports within the United States and an amount of \$13,000 has been allocated to Banning Municipal Airport due to the COVID-19 pandemic. The ACRG funds are provided in accordance with the CRRSA Act, to provide to provide eligible Airport Sponsors with funding for costs related to operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments.

FISCAL IMPACT:

The grant offer does not require any matching funds and the funds will be used towards the operational costs associated with the Airport, such as salaries.

ALTERNATIVE:

The City Council may choose not to adopt Resolution No. 2021-23 at this time, which would result in the City not being eligible to receive 2021 ACRG funding for the operation of the Banning Municipal Airport.

ATTACHMENTS:

1. Resolution 2021-23
<https://banningca.gov/DocumentCenter/View/8520/Attach-1-Resolution-2021-23-Accept-FAA-Grant-for-Covid-Response>
2. FAA Grant Agreement No. 3-06-0018-018-2021
<https://banningca.gov/DocumentCenter/View/8521/Attach-2-BNG-WPG-3-06-0018-018-2021-Grant-Agreement---unsigned>

Staff Report: Accept FAA CRRSAA Grant

April 13, 2021

Page 3 of 3

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
Jim Steffens, Power Resources Manager

MEETING DATE: April 13, 2021

SUBJECT: Resolution 2021-24, "Approving the City of Banning Electric Utility Power Source Disclosure Annual Report and Power Content Label for Calendar Year 2019."

RECOMMENDED ACTION:

The City Council consider adopting Resolution 2021-24:

1. Approving the City of Banning Electric Utility ("Utility") Power Source Disclosure Annual Report and Power Content Label for Calendar Year 2019, attached herewith as Exhibit "A" and Exhibit "B" to Attachment 1.
2. Authorize the Electric Utility Director, or his or her designee, to disseminate the information included on the Power Content Label to the Utility's customers in compliance with the requirements of Senate Bill 1305 and Assembly Bill 162.

BACKGROUND:

On October 11, 2009 the Governor signed California State Assembly Bill 162 ("AB 162"), which amended the Power Content Label reporting requirements originally set forth in Senate Bill 1305. The amendments changed the reporting requirements from quarterly to annual, and require that utilities report actual power content information instead of projected.

The information must be provided to the utility's customers through either printed or electronic means, including posting it on the City's website. The Utility will provide it by posting an electronic copy of the Power Content Label on the City's website.

Staff Report: Resolution 2021-24 Power Source Disclosure

April 13, 2021

Page 2 of 2

The California Energy Commission (CEC), which has oversight authority for this requirement, has stated that the governing body of each locally owned public utility must approve the annual Power Content Label for the utility(s) under its jurisdiction. Beginning in calendar year 2019, the California Energy Commission amended the regulation requiring that the governing body of each locally owned public utility must also approve the Power Source Disclosure Annual Report, in addition to approving the Power Content Label. Staff was not aware of this amendment and had the City Council approve only the Power Content Label in Resolution 2020-140. Therefore, Staff is requesting that the City Council approve Resolution 2021-24, accepting **both** the Utility's Power Source Disclosure Annual Report, attached herewith as Exhibit "A" to attachment 1, and the Utility's Power Content Label, attached herewith as Exhibit "B" to Attachment 1.

JUSTIFICATION:

AB 162 requires that all load serving electric utilities develop and provide to its customers on an annual basis an approved Power Content Label. The Power Content Label shows the percentages of each type of energy resources that are used to serve an electric utility's customers. The regulation has been amended beginning in calendar year 2019, requiring the governing body of each locally owned public utility approve both the Power Source Disclosure Annual Report and the Power Content Label.

FISCAL IMPACT:

None.

OPTIONS:

1. Approve the Power Source Disclosure Annual Report and the Power Content Label as recommended.
2. Do not approve the Utility's Power Source Disclosure Annual Report and Power Content Label, which would put the Utility in violation of AB 162.

ATTACHMENTS:

1. Resolution 2021-24

<https://banningca.gov/DocumentCenter/View/8516/Att-1-Resolution-2021-24-Power-Source-Disclosure>

Approved by:



Douglas Schulze, City Manager



CITY OF BANNING CITY COUNCIL REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: James Wurtz, Economic Development Manager

MEETING DATE: April 13, 2021

SUBJECT: Resolution 2021-25, Authorizing the City of Banning to Accept a Grant in the Amount of \$50,000.00 (EDA Award # ED21SEA3030002) from the U.S. Department of Commerce Economic Development Agency for the Completion of a Comprehensive Economic Development Strategy (CEDS) and Approval of the Attached Specific Award Conditions (Exhibit A)

RECOMMENDED ACTION:

Approve Resolution 2021-25 authorizing the City of Banning to accept a grant award from the U.S. Department of Commerce Economic Development Agency in the amount of \$50,000 for the completion of a Comprehensive Economic Development Strategy.

BACKGROUND:

The City of Banning Economic Development Department undertook the process of applying for a Technical Assistance Grant with the U.S. Department of Commerce Economic Development Agency in July of 2020. The purpose of this grant is specifically for the completion of a Comprehensive Economic Development Strategy (CEDS) for the City of Banning. A CEDS is a strategy-driven plan for regional economic development and part of a regionally owned planning process designed to build capacity and guide the economic prosperity and resiliency of an area or region. The CEDS provides a vehicle for Individuals, Private Industry, Organizations, Local Governments and Institutions of Higher Learning to engage in a meaningful conversation and debate about what capacity building efforts would best serve the community. Regions must update or perform a CEDS at least every five years to qualify for EDA assistance under its Public Works and Economic Adjustment Assistance program. The City of Banning Economic Development Department was notified on March 17th of 2021 that the application was accepted, approved and funded. Kosmont Companies of Manhattan Beach California has been selected through the competitive bidding process to provide consulting services to the City of Banning to complete this project for \$68,000.

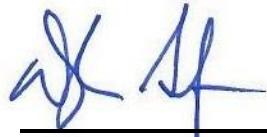
FISCAL IMPACT:

The City of Banning has been approved to receive up to \$50,000.00 in grant funding to complete the CEDS. By acceptance of this grant the city is required to match an amount up to 20% of the grant award. Both Banning Electric Utilities and the City Manager's Department have provided letters of financial commitment in the amounts of \$9,000 each to the Economic Development Agency to cover the required match.

ATTACHMENTS:

1. Resolution 2021-25
<https://banningca.gov/DocumentCenter/View/8503/Att-1-Resolution-2021-25-Accept-CEDS-Grant>
2. Specific Award Conditions
<https://banningca.gov/DocumentCenter/View/8504/Att-2-SAC---City-of-BanningCEDS>
3. Financial Assistance Award
<https://banningca.gov/DocumentCenter/View/8505/Att-3-ED21SEA3030002-Official-Accepted-CD-450>

Approved by:



Douglas Schulze
City Manager



CITY OF BANNING CITY COUNCIL REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: James Wurtz, Economic Development Manager

MEETING DATE: April 13, 2021

SUBJECT: Award Professional Service Agreement to The Kosmont Companies of Manhattan Beach, CA, as Consultant Vendor for 2021-2026 Comprehensive Economic Development Strategy Per Competitive Bid # 20-022

RECOMMENDED ACTION:

Staff recommends approving a Professional Services Agreement between the City of Banning & The Kosmont Company of Manhattan Beach California as Consultant Vendor for the City of Banning's 2021-2026 Comprehensive Economic Development Strategy (CEDS) plan.

BACKGROUND:

The Comprehensive Economic Development Strategy (CEDS) is a strategy driven plan for regional economic development. A CEDS is the result of a regionally owned planning process designed to build capacity and guide the economic prosperity and resiliency of an area or region. The CEDS provides a vehicle for individuals, organizations, local governments, institutes of higher learning and private industry to engage in a meaningful conversation and debate about what capacity building efforts would best serve economic development in the region. Regions must update their CEDS at least every five years to qualify for EDA assistance under its Public Works and Economic Adjustment Assistance Programs. In addition, a CEDS is a prerequisite for a designation by EDA as an Economic Development District (EDD).

The CEDS document contains:

- An Analysis of Economic and community development challenges and opportunities.

- An economic development background of the City of Banning, with a discussion of the economy, including geography, population, labor force, resources and the environment.
- A section setting forth goals and objectives for taking advantage of the opportunities and solving the economic development challenges based on the SWOT analysis with the participation of the community and private sector business leaders.
- A plan of action, including suggested projects to implement objectives and goals set forth in the strategy.

In 2008 the City of Banning participated in its last Comprehensive Economic Development Strategy which outlined several goals. Since that time the City, Region and State have undergone a dynamic economic shift which underscores the need to update this document. In June of 2020 a competitive Request for Proposal was made public through the City's purchasing platform with five companies completing the process. All five companies were then scored independently by three members of City staff and the top two candidates were invited to in-person interviews to allow staff the chance to ask questions and get a better understanding of each vendors capabilities.

The result of the RFP process The Kosmont Companies was selected based on a number of factors including a strong knowledge of our community, understanding of factors affecting local, state and national issues with respect to COVID-19 & complimentary services available to municipal governments. Kosmont is a certified Minority Business Enterprise and is a full-service local government, economic and real estate advisory firm with a 34+ year track record of working with cities and public agencies on economic development, downtown retail market analyses, and evaluating real estate projects as well as the negotiation and execution of real estate and public finance transactions.

The CEDS provides the qualifying foundation for all funding applications submitted by City of Banning to the EDA. The CEDS plan must be updated every five years, with an option to update annually and can add new projects during possible annual updates. Additionally, throughout the year the key stakeholders, or the strategic committee for the CEDS, is recommended to meet with staff and be involved in key strategy developments in the City, and overall CEDS updates in order to be in compliance with the Federal EDA CEDS requirements for further grant opportunities that would be open to the City, based on the overall CEDS plan. The City of Banning's final CEDS plan is required to hold a 30-day public comment period and be submitted and approved by the USEDA in order to meet grant qualifications requirements.

FISCAL IMPACT:

After completing the competitive grant process the City of Banning Economic Development Department was awarded a matching grant from the U.S. Economic Development Administration (USED) for the Planning Program and Local Technical Assistance Grant for up to an amount of \$50,000.00 with a 20 % required match by the City of Banning. The source of the match will come equally from the Banning Electrical Utilities Economic Development Fund & The City of Banning City Manager's Budget for a total cumulative project amount up to \$70,000.00. Should Additional funds become available, the city would engage Kosmont to provide additional services such as a Retail Implementation Plan. The total compensation for services shall not exceed \$89,970 as stated in section 2.1 of the agreement.

OPTIONS:

1. Approve as recommended to accept a Professional Services Agreement between the City of Banning and The Kosmont Company Inc. of Manhattan Beach CA.
2. Do not approve as recommended and provide alternative direction to staff.

ATTACHMENTS:

1. Request for Proposals
<https://banningca.gov/DocumentCenter/View/8507/Att-1-RFP>
2. Kosmont Companies Proposal
<https://banningca.gov/DocumentCenter/View/8508/Att-2-Kosmont-Proposal>
3. Draft Professional Services Agreement
<https://banningca.gov/DocumentCenter/View/8509/Att-3-Draft-Agreement>

Approved by:



Douglas Schulze
City Manager



**CITY OF BANNING
CITY COUNCIL REPORT**

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: James Wurtz, Economic Development Manager

MEETING DATE: April 13, 2021

SUBJECT: Resolution No. 2021-26 Approving Temporary Use Permit # 21-8102 and Lease Agreement between Hot Line Construction Inc. a California Corporation and the City of Banning for Rental of Approximately 340'x 240' (81,600 square feet) at 150 E. Ramsey St.

RECOMMENDED ACTION:

Staff recommends approving Temporary Use Permit (TUP) and Lease Agreement between Hotline Construction Incorporated a California corporation and the City of Banning for 81,600 square feet located at 150 E. Ramsey as a Temporary Equipment Storage & Staging Yard

BACKGROUND:

The Economic Development Department was contacted March 5th 2021 by Hot Line Construction Inc. regarding the use of the property located at 150 E. Ramsey as a temporary storage & staging yard. Hot Line Construction has been contracted by Southern California Edison to complete a covered conductor project on various circuits in the City of Banning to reduce fire risks associated with power lines in the area. If granted, Hot Line would plan to use the lot immediately for the staging and storage of equipment associated with project. Throughout the anticipated project time of 90-120 days Hot Line will have 24 to 30 employees on-site in the mornings and afternoons. Crews will arrive at 7:00 am to load equipment and return at 4:30 pm to unload and stage equipment for next day. Hours of operation will be 7 am- 5 pm Monday -Saturday. Hot Line will install a temporary chain link fence with green screening and maintain all water pollution management practices. The parking lot is accessible through a 24" entry gate on the west end of the fenced area and one on the east end for egress. Signage with company information and 24-hour emergency contact information will be placed on the center of the southern fence. Hot Line will have one portable toilet and hand washing station onsite as well a various amount of the following materials: Cables Reels, Nuts, Bolts, & Traffic

April 13, 2021

Page 2 of 2

Control Equipment. Equipment to be stored at location includes Bucket trucks, Pick-up trucks, Forklift, Equipment Trailers and Digger Derricks.

FISCAL IMPACT:

The terms of the lease are for 3 months with 2 one-month extensions. Tenant shall pay \$8,432 per month for a total not less than \$25,296.00 Rental payments for any optional extension shall be paid in advance of that extension period.

ATTACHMENTS:

1. Resolution 2021-26
<https://banningca.gov/DocumentCenter/View/8510/Att-1-Resolution-2021-26-Hot-Line-Lease-Agreement>
2. Temporary Use Permit # 21-8102
https://banningca.gov/DocumentCenter/View/8511/Att-2-TUP-21-8102_150-E-Ramsey-St -Approval
3. Draft Agreement
<https://banningca.gov/DocumentCenter/View/8512/Att-3-Draft-Agreement>

Approved by:



Douglas Schulze
City Manager



CITY OF BANNING CITY COUNCIL REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Suzanne Cook, Deputy Finance Director

MEETING DATE: April 13, 2021

SUBJECT: Approve Amendment No. 1 to the Professional Services Agreement with MGT of America Consulting, LLC. (MGT) to add additional scope of services, extend the Agreement to June 11, 2024, and increase the compensation by \$68,100.00 for the Enterprise Fund and Internal Service Fund Cost Allocation Study.

RECOMMENDATION:

1. Approve Amendment No. 1 to the Professional Services Agreement with MGT to add additional scope of services, extend the Agreement to June 11, 2024, and increase the compensation by \$68,100.00 for the Enterprise Fund and Internal Service Fund Cost Allocation Study, for a new contract total amount not to exceed \$88,150.00 for a 3-year period.
2. Authorize the City Manager to execute Amendment No. 1 to the Professional Services Agreement with MGT for the Enterprise Fund and Internal Service Fund Cost Allocation Study.
3. Authorizing the City Manager or designee to make necessary budget adjustments, appropriations and transfers related to the Agreement for the Enterprise Fund and Internal Service Fund Cost Allocation Study.

BACKGROUND:

On February 12, 2019, staff released RFP No. 19-031 for the Enterprise Fund & Internal Service Fund Cost Allocations Study through the centralized purchasing system notifying qualified firms of the opportunity to provide proposals. An evaluation committee consisting of three (3) City staff members, evaluated the six (6) proposals that were received based on qualifications of key personnel, experience in preparing a

cost allocation plan, approach and methodology, professional references and price. MGT Consulting Group was determined to be the most qualified firm based on the proposal evaluations and interviews combined.

On May 28, 2019, under Resolution No. 2019-60, the City Council approved and awarded the Professional Services Agreement to MGT for the Enterprise Fund and Internal Service Fund Cost Allocation Study in the amount of **\$20,050.00** for the first year.

MGT has performed satisfactory services for the Enterprise Fund and Internal Service Fund Cost Allocation Study.

The Professional Services Agreement allows the term to be extended for up to five (5) years.

Staff recommends extending the term for the remaining time allowed by the original Agreement, ending June 11, 2024.

MGT offers a discounted annual price for extending the Agreement term for multiple years. The annual rate for the Cost Allocation Plan will be reduced to **\$18,900.00**.

In addition to the annual services offered by MGT, staff also recommend adding the additional scope of services to the Agreement to include the Internal Service Fund Review in the amount of **\$3,800.00** annually for compliance purposes.

This table displays the breakdown of annual fees, which totals to **\$68,100.00**. With the additional amount of **\$68,100.00** added to the original contract amount of **\$20,050.00**, the new total contract amount shall not exceed **\$88,150.00**:

F I S C A L Y E A R S			
	2021-2022	2022-2023	2023-2024
Cost Allocation Plan	\$18,900	\$18,900	\$18,900
Internal Service Fund Review & Template	\$3,800	\$3,800	\$3,800
<i>fixed fee, billable monthly</i>			

JUSTIFICATION:

This extension is necessary to prepare an annual Cost Allocation Plan to justify the amount allowable to support the services provided by the General Fund to the Enterprise Funds as well as the Internal Service Funds.

FISCAL IMPACT:

An appropriation in the amount of \$68,100.00 over a 3-year period for Professional Services to be allocated between the General Fund and Enterprise Funds is needed to fund Amendment No. 1 to the Professional Services Agreement.

ALTERNATIVE:

The City Council may choose to reject this action and provide alternative options.

ATTACHMENTS:

1. Resolution 2019-60 Awarding Agreement to MGT
<https://banningca.gov/DocumentCenter/View/8535/Attachment-1---Resolution-2019-60-Awarding-Agreement-to-MGT>
2. Executed Professional Services Agreement with MGT
<https://banningca.gov/DocumentCenter/View/8536/Attachment-2---Executed-Professional-Services-Agreement-with-MGT>
3. Draft Amendment No. 1 to Professional Services Agreement with MGT
<https://banningca.gov/DocumentCenter/View/8537/Attachment-3---Draft-Amendment-No-1-to-Professional-Services-Agreement-with-MGT>

Approved by:



Douglas Schulze
City Manager



**CITY OF BANNING
JOINT CITY COUNCIL, BANNING UTILITY AUTHORITY
and BANNING HOUSING AUTHORITY REPORT**

TO: CITY COUNCIL, BANNING UTILITY AUTHORITY and BANNING HOUSING AUTHORITY

FROM: Douglas Schulze, City Manager

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

MEETING DATE: April 13, 2021

SUBJECT: **Fiscal Year 2019-20 Comprehensive Annual Financial Report (CAFR) for City of Banning, and Audited Financial Statements for Banning Utility Authority and Banning Housing Authority**

RECOMMENDATION:

Receive and File: Fiscal Year 2019-20 Audited Financial Reports and Independent Auditor's Reports for the City, Banning Utility Authority, and the Housing Authority which were audited by Lance, Soll & Lunghard, LLP ("LSL").

BACKGROUND:

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

LSL gave an opinion that the financial statements were presented fairly, in all material respects, and the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Banning, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof, were in accordance with accounting principles generally accepted in the United States of America.

For the first time this year, the City has created a Comprehensive Annual Financial Report for its City's Financial Statements. What makes this different than the standard financial statements that have been presented to Council in the past are the following items:

- **Cover Page** specifying it is a Comprehensive Annual Financial Report (CAFR)
- **Title Page**, which also states the same and who is responsible for the preparation of the CAFR.
- **Introductory Section**
 - The Letter of Transmittal which has information about the City, its local economy, financial planning, policies and acknowledgements.
 - List of Municipal Officers (those in office at the time of the end of the fiscal year being audited)
 - List of the Executive Staff
 - Organization Chart
- **Statistical Section** – this was a huge undertaking in creating the CAFR, which contains 31 tables related to the following and most of these tables provide 10 years' worth of data:
 - Financial trends – these schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.
 - Revenue Capacity – these schedules contain information to help the reader assess the factors affecting the City's ability to generate its key revenues.
 - Debt Capacity – these schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.
 - Demographic and Economic Information – these schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.
 - Operating Information – these schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

The Government Finance Officers Association (GFOA) of the United States and Canada has an award for the Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report (CAFR). In order to achieve this Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements. For its CAFR for the fiscal year ending June 30, 2020 the City of Banning submitted its CAFR for the first time to determine its eligibility to receive this

distinguished award of excellence and achievement. The CAFR has been accepted for review by GFOA and at this time, we are still pending the outcome of that review.

FISCAL IMPACT:

Report of City's financial data as of June 30, 2020. Highlights of the City as a whole:

- As of June 30, 2020, the City's Net Position, which is the difference between the City's assets and deferred outflows of resources versus its liabilities and deferred inflows of resources, is at \$196.68 million, a decrease of \$4.09 million over June 30, 2019.
- At the close of the fiscal year, the Unrestricted portion of the Net Position, that which may be used to meet on-going obligations due to creditors, is \$49.00 million, a decrease of \$1.74 million over the prior fiscal year.
- The Net Investment in Capital Assets, another component of Net Position, was \$123.70 an increase of \$1.59 million over June 30, 2019. The Restricted portion of the Net Position amounted to \$23.87 million, a decrease of \$4.04 million over the prior fiscal year.
- GASB Statement No. 68 (Accounting and Financial Reporting for Pensions) and Statement No. 71 (Pension Transition for Contributions Made Subsequent to the Measurement Date) require that the Net Pension Liability be presented on the face of the financial statements. At June 30, 2020, the total Net Pension Liability for the City of Banning, government-wide, was \$42.89 million, an increase of \$2.80 million over the prior fiscal year.

ATTACHMENTS:

1. Audit Communication Letter
<https://banningca.gov/DocumentCenter/View/8540/Attachment---1-Banning-Audit-Communication-Letter-Final>
2. City of Banning Comprehensive Annual Financial Report (CAFR) for Fiscal Year Ended June 30, 2020
<https://banningca.gov/DocumentCenter/View/8541/Attachment---2-City-of-Banning-CAFR-FY-2019-20>
3. Banning Utility Authority Audited Component Unit Financial Statements, June 30, 2020
<https://banningca.gov/DocumentCenter/View/8542/Attachment---3-Banning-Utility-Authority-Financial-Statemnet-Final-FYE-6-30-2020>

Staff Report: Financial Statements

April 13, 2021

Page 4 of 4

4. Banning Housing Authority Housing Successor of the City of Banning Audited Financial Statement for Fiscal Year Ended June 30, 2020
<https://banningca.gov/DocumentCenter/View/8543/Attachment---4-Banning-Housing-Successor-Financial-Statement-Final-FYE-6-30-2020>
5. City of Banning Report on Internal Controls
<https://banningca.gov/DocumentCenter/View/8544/Attachment---5-Banning-Report-on-Internal-Controls-Final>

Approved by:



Douglas Schulze, City Manager



CITY OF BANNING CITY COUNCIL REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

MEETING DATE: April 13, 2021

SUBJECT: Animal Care and Shelter Services Agreement

RECOMMENDED ACTION:

Authorize the City Manager to execute the Animal Shelter Service Agreement with ARE Animal Rescue.

BACKGROUND:

On March 26, 2021, the City Council approved a ground lease agreement with ARE Animal Rescue for the City-owned Animal Shelter property. ARE Animal Rescue has expressed interest in operating the animal shelter. In addition, ARE has several years' experience operating an animal rescue.

The Service Agreement is a five -year term and includes an additional one-time extension of five years. Compensation is based on the current rates/fees established by the City of Banning, plus annual compensation of \$60,000 to be paid on a quarterly basis.

ARE Animal Rescue will operate the shelter as the primary shelter for City of Banning Animal Control Services. Residents of Banning will be able to recover impounded animals locally and adopt pets from the shelter. Our goal is to improve animal control services in the community by increasing the level of service with more animal control hours and local animal sheltering.

JUSTIFICATION:

The City Council has authorized notification of intent to not renew the animal care services agreement with Riverside County, which is effective July 1, 2021.

FISCAL IMPACT:

The current contract with Riverside County costs the City of Banning \$325,000 annually and services are extremely limited. In addition, impounded animals are sheltered outside of Banning requiring pet owners to travel significant distances to recover impounded pets.

Staff Report: Animal Shelter Service Agreement

April 13, 2021

Page 2 of 2

During the first year of operation, annual savings is projected to be \$25,000 - \$50,000. Savings in years two through five are projected to be in excess of \$50,000.

OPTIONS:

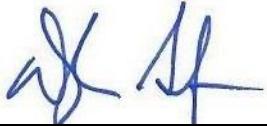
1. Approve as recommended.
2. Do not approve and provide alternative direction.

ATTACHMENTS:

1. Animal Care and Shelter Service Agreement

<https://banningca.gov/DocumentCenter/View/8545/Animal-Care-and-Shelter-Services-Agreement-RWG>

Approved by:



Douglas Schulze
City Manager



CITY OF BANNING CITY COUNCIL REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Ralph Wright

MEETING DATE: April 13, 2021

SUBJECT: Resolution 2021-20, Approving an Agreement with Pyro Spectaculars, Inc., for Production of the Fourth of July Aerial Fireworks Display

RECOMMENDATION:

That the City Council approves the following for the 2021 Fourth of July aerial fireworks display:

1. Production Agreement with Pyro Spectaculars, Inc. of Rialto, CA in the amount of \$27,000 for the aerial fireworks show.
2. Authorize the City Manager to execute the agreement.

BACKGROUND:

Until last year, the City of Banning annually has held a Fourth of July event, consisting of games and activities for kids, food vendors, music, culminating with an aerial firework show. Pyro Spectaculars has produced fireworks displays throughout the nation and has produced the fireworks display in Banning for the last three years. The provided shows were done very well and received favorable reviews from the community.

Due to the uncertainty and the gathering restrictions associated with the Coronavirus Pandemic, the 2020 July 4th event and aerial firework show was canceled. While the reasoning behind the cancellation was understood, the community let us know that they were very disappointed. With the easing of the gathering restrictions as expanded vaccinations and a trend of improving Covid-19 metrics, Riverside County is moving into less restrictive tiers, thereby loosening restrictions.

If the trend continues, and the expectation is that it will, it is expected that Riverside County, at a minimum, will be in the less restrictive Yellow tier by July allowing for

outdoor gatherings of at least 67% or more of capacity. Staff is working on operational plans for the event and feels comfortable that we would be able to put on an amazing event without capacity restrictions or if necessary. with established capacity constraints.

If the Covid metric trends do not go as expected and the County moves into a more restrictive tier by July, limiting the capacity levels or prohibiting outdoor gatherings, Staff feels it will still provide a great Community benefit to offer the aerial firework show without the ancillary activities in celebration of July 4th.

JUSTIFICATION:

In 2019, this project was formally/publicly bid out as "IFB No. 19-033," and no responses were received. Following the Procurement Policy, Pyro Spectacular submitted an informal bid and was awarded the project for the 2019 firework show for \$27,000. Pyro Spectaculars submitted pricing for the 2021 celebration for the identical amount of the 2019 award. Under the authority of the "Procurement Policy B-30 section 3, subsection 3-105 (6) – the Purchasing Officer may join into an existing written purchase contract obtained within the last 24 months through a competitive bidding process". Pyro Spectaculars has performed the last three July 4th shows in Banning and proven themselves to deliver an exciting and safe show for the community.

OPTIONS:

1. Adopt Resolution 2021-20, Approving the Agreement with Pyro Spectaculars, Inc. for production of the fireworks display at the July 4th, Celebration.
2. Reject Resolution 2021-20, resulting in no fireworks display for the July 4th, Celebration and provide alternate direction.

FISCAL IMPACT:

Sufficient funding is available and was budgeted in the July 4th Celebration account 001-5400-446.41-58

ATTACHMENTS:

1. Resolution 2021-20
<https://banningca.gov/DocumentCenter/View/8518/Att-1-Resolution-2021-20-Pyro-Spectacular>
2. Production Agreement with Pyro Spectaculars, Inc.
https://banningca.gov/DocumentCenter/View/8519/Pyro-Spectacular_Rev-Agreement_7-4-21

April 13, 2021

Page 3 of 3

Approved by:

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

Douglas Schulze
City Manager