



The following information comprises the minutes for a special meeting of the City Council, a joint meeting of the Banning City Council and Banning Utility Authority and a joint meeting of the Banning City Council and the Banning City Council sitting in its capacity as the Successor Agency Board.

**MINUTES
CITY COUNCIL**

**06/22/2021
SPECIAL MEETING**

COUNCIL MEMBERS PRESENT: Mayor Colleen Wallace
Mayor Pro Tem David Happe*
Council Member Mary Hamlin
Council Member Kyle Pingree
Council Member Alberto Sanchez

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT: Douglas Schulze, City Manager
Marie Calderon, City Clerk
Caroline Patton, Deputy City Clerk
Suzanne Cook, Deputy Finance Director
A'ja Wallace, Budget and Financial Analyst*
Art Vela, Public Works Director
Ralph Wright, Parks and Recreation Director
Alejandro Geronimo, City Treasurer*
Carla Young, Management Analyst

*Via Zoom.

1. CALL TO ORDER

Mayor Wallace called the special meeting to order at 4:00 p.m.

Roll Call – *Council Members Hamlin, Happe, Pingree, Sanchez, and Mayor Wallace*

2. DISCUSSION ITEMS

2.1. Mid-Cycle Budget Adjustments and Third Quarter Financial Report

Suzanne Cook, Deputy Finance Director provided the staff report for the Third Quarter Financial Report.

PUBLIC COMMENTS

Frank Connolly said he felt the Council should cut the City's deficits now. He added that the City Council has been doing the same thing since 1990.

Deputy Finance Director Cook provided the staff report for the Mid-Cycle Budget Adjustments.

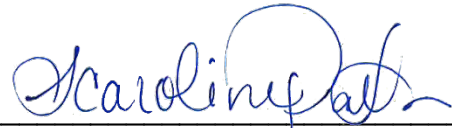
PUBLIC COMMENTS

Frank Connolly said that the revenue projections are overstated.

3. ADJOURNMENT

Mayor Wallace adjourned the special meeting at 4:57 p.m.

Minutes Prepared by:

A handwritten signature in blue ink, appearing to read "Caroline Patton", is written over a horizontal line.

Caroline Patton, Deputy City Clerk


This entire meeting may be viewed here:

<https://banninglive.viebit.com/player.php?hash=mNsxgVubEnj9>


**A CD or DVD may be purchased for \$7.00 each at Banning City Hall,
located at 99 E. Ramsey Street, Banning, CA 92220.**

All documents related to this meeting are available here:

<http://banning.ca.us/ArchiveCenter/ViewFile/Item/2495>



City of Banning 3rd Quarter FY 20-21 Report and FY 21-22 Mid-Cycle Adjustments Presentation



Fiscal Services Department
Finance Division

1

3rd Quarter Budget Update and Financial Status Report

The 3rd quarter budget and financial status update provides a review of the City's financial position as it relates to the FY20-21 adjusted budget through March 31, 2021.

Brief overview of the following Funds will be discussed:

- ▶ General Fund
- ▶ Special Revenue Funds
- ▶ Enterprise Funds
 - ❑ Electric
 - ❑ Airport
 - ❑ Transit
 - ❑ Water
 - ❑ Wastewater
 - ❑ Refuse

2

General Fund

► As of March 31, 2021 - the General Fund shows an operating deficit of \$2.6 million dollars whereas, the projected year-end deficit was \$4.3 million dollars.

► Property taxes are slightly below the 75% mark at 60%. This is due to a timing issue of property tax payments.

► Sales taxes are a bit shy of the 75% mark at 72%.

► Permit revenue is performing much higher at 95% due development

► Labor costs are slightly below at 72%

► Other costs are performing below the mark as well which is helping to contribute to the lower deficit at 3rd Quarter

Q3 FY2020/21 SUMMARY

	Budget	Jul-Mar	% of	Variance	
				Remaining Budget	
	2020/21	Q3 FY2020	Budget Used	\$	%
Operating Revenues	22,313,414	13,970,004	63%	8,343,410	37%
Taxes	10,595,056	6,678,419	63%	3,916,637	37%
Property Taxes	2,712,021	1,640,586	60%	1,071,435	40%
In Lieu Property Tax (VLF)	2,538,637	1,354,992	53%	1,183,645	47%
Sales Tax	3,023,038	2,180,027	72%	843,011	28%
Other Taxes	2,321,360	1,502,814	65%	818,546	35%
Other Operating Revenues	11,718,358	7,291,585	62%	4,426,773	38%
Building Permits Total	460,000	236,044	51%	223,956	49%
Other Permits Total	1,496,601	1,415,175	95%	81,426	5%
Intergovernmental Revenues	1,015,236	822,600	81%		81%
Charges for Services	375,279	121,836	32%	253,443	68%
Use of Money and Property	79,620	67,355	85%	12,265	15%
Fines and Forfeitures	121,389	102,988	85%	18,401	15%
Contributions	5,400	4,050	75%	1,350	25%
Miscellaneous Revenue	4,946,982	2,214,514	45%	2,732,468	55%
Transfers/Recoveries	3,217,851	2,307,023	72%	910,828	28%
Operating Expenditures	24,398,427	16,637,630	68%	7,760,797	32%
Personnel	13,526,830	9,918,941	73%	3,607,889	27%
Services and Supplies	7,982,706	4,976,713	62%	3,005,993	38%
Repairs and Maintenance	410,545	211,965	52%	198,580	48%
Capital	832,632	494,248	59%	338,384	41%
Transfers Out	1,645,714	1,035,763	63%	609,951	37%
Operating Surplus/(Deficit)	(2,085,013)	(2,667,626)		582,613	

3

Special Revenue Funds

► Special revenue funds are those for specific or designated purposes.

► Chart indicates revenues received for Fiscal Year 20-21

► Most of the funds are underperforming through 3rd Quarter based on budgeted revenue, with the exception of Measure A tax fund, which is at 78%

► Gas tax is at 36% of the fiscal year budget for revenue received. More revenue is expected in fourth quarter and will be monitored.

Q3 - SPECIAL REVENUE FUNDS	January 2020-21 Actual	February 2020-21 Actual	March 2020-21 Actual	2020-21 Budget	% of Budget Received
002) DEVELOPER DEPOSIT FUND	194,535	222,804	250,447	99,199	252%
003) RIVERSIDE COUNTY MOU FUND	0	0	0	0	0%
005) ADMIN ALLOWANCE FUND	250,000	250,000	250,000	250,000	100%
100) GAS TAX STREET FUND	541,764	591,596	758,517	2,104,385	36%
101) MEASURE A STREET FUND	292,804	292,804	421,945	540,716	78%
102) RMRA (SB1) GAS TAX FUND	246,610	289,208	330,911	714,298	46%
103) SB 300 STREET FUND	0	0	0	0	0%
104) ARTICLE 3 SIDEWALK FUND	0	0	0	0	0%
110) CDBG FUND	64,018	64,018	251,818	544,113	46%
111) LANDSCAPE MAINTENANCE FUND	72,429	72,429	72,543	208,438	35%
132) AIR QUALITY IMPROVEMENT FUND	11,007	11,007	20,602	41,679	49%
140) ASSET FORFEIT-POLICE FUND	6,071	6,071	6,153	148,077	4%
148) SUPPLEMENTAL LAW ENFORCEMENT FUND	599	599	231,872	101,321	229%
150) STATE PARK BOND ACT FUND	0	0	0	0	0%
190) BANNING HOUSING AUTHORITY	0	0	0	0	0%
200) SPECIAL DONATION FUND	800	800	1,000	9,983	10%
202) ANIMAL CONTROL RESERVE FUND	0	0	0	0	0%
203) POLICE VOLUNTEER FUND	758	758	1,134	1,502	75%
300) CITY ADMINISTRATION DEBT SVC FUND	216,253	216,253	216,256	216,860	100%
Total	1,897,647	2,018,346	2,813,199	4,980,571	56%

4

Enterprise Funds - Electric

- Revenue is at 50% of total revenue projections, however, miscellaneous revenue contains reserve cancellations.
- Revenue from Sales and Services Charges is at 78% of budgeted revenue, which is above projections.
- Expenditures for the Electric department are at 42% mainly due to capital expenditures at 21% of budget.
- Salaries and benefits are at 66% of budget, under the 75% target

REVENUES/EXPENSES	CATEGORY	January 2020-21 Actual	February 2020-21 Actual	March 2020-21 Actual	2020-21 Budget
Revenues	Revenues Totals	20,402,019	22,333,830	24,686,370	49,466,857
Revenues	SALES AND SERVICE CHARGES	19,192,416	21,100,268	23,409,094	29,710,212
Revenues	INTERGOVERNMENTAL	6,625	8,480	10,070	13,515
Revenues	USE OF MONEY AND PROPERTY	61,132	61,154	71,230	92,609
Revenues	MISCELLANEOUS INCOME	529,849	551,930	583,978	11,083,706
Revenues	TRANSFERS IN	611,997	611,997	611,997	8,566,816
Expenses	Expenses Totals	20,144,790	22,664,429	25,403,490	61,110,301
Expenses	SALARIES & BENEFITS	2,620,383	3,082,882	3,342,629	5,053,493
Expenses	SUPPLIES & SERVICES	1,237,288	1,365,472	1,527,022	2,783,261
Expenses	REPAIRS & MAINTENANCE	72,578	81,937	115,012	470,667
Expenses	STREET LIGHTING	84,167	96,191	108,215	144,287
Expenses	PUCHASED POWER	10,275,107	11,578,965	12,786,671	17,771,893
Expenses	CAPITAL EXPENDITURES	3,274,319	3,878,035	4,510,213	21,275,482
Expenses	DEPRECIATION	0	0	0	0
Expenses	BAD DEBT	0	0	0	0
Expenses	DEBT SERVICE	508,327	508,327	508,327	2,426,519
Expenses	TRANSFERS OUT	2,072,621	2,072,621	2,505,402	10,889,224
Expenses	CONTRA EXPENDITURE	0	0	0	297,475
Revenues Less Expenses		257,229	-330,599	-717,121	-11,643,444

5

Enterprise Funds - Airport

- Revenue is at 50% of total revenue projections, and at 68% without including reserve cancellations. Majority of the revenue is realized in 4th quarter.
- Total expenditures are at 42% of budget.
- Salaries & Benefits are at 64% and Capital Expenditures are at 46%

REVENUES/EXPENSES	CATEGORY	January 2020-21 Actual	February 2020-21 Actual	March 2020-21 Actual	2020-21 Budget
Revenues	Revenues Totals	130,071	169,388	181,531	311,242
Revenues	SALES AND SERVICE CHARGES	129,995	148,433	160,573	204,469
Revenues	INTERGOVERNMENTAL	0	20,876	20,876	42,525
Revenues	USE OF MONEY AND PROPERTY	18	21	24	46
Revenues	MISCELLANEOUS INCOME	58	59	59	64,202
Revenues	TRANSFERS IN	0	0	0	0
Expenses	Expenses Totals	166,630	173,763	190,019	299,882
Expenses	SALARIES & BENEFITS	35,387	40,614	44,800	69,471
Expenses	SUPPLIES & SERVICES	59,089	60,994	76,579	108,387
Expenses	REPAIRS & MAINTENANCE	14,749	14,749	15,274	18,430
Expenses	CAPITAL EXPENDITURES	26,466	26,466	26,466	57,500
Expenses	DEPRECIATION	0	0	0	6,553
Expenses	TRANSFERS OUT	30,940	30,940	26,900	39,541
Revenues Less Expenses		-36,559	-4,375	-8,488	11,360

6

Enterprise Funds - Transit

- Revenue is at 37% of total revenue projections. Mainly due to funds due from STA for a capital project that has not been realized yet.
- Total expenditures are at 40% of budget. The variance is mainly due to the capital projects and expenditures not materializing yet for the fiscal year.

REVENUES/EXPENSES	CATEGORY	January 2020-21 Actual	February 2020-21 Actual	March 2020-21 Actual	2020-21 Budget
Revenues	Revenues Totals	1,080,563	1,208,223	1,367,826	3,681,810
Revenues	SALES AND SERVICE CHARGES	1,250	1,405	1,522	127,550
Revenues	INTERGOVERNMENTAL	1,045,538	1,173,043	1,300,547	3,075,284
Revenues	USE OF MONEY AND PROPERTY	-144	-144	-152	213
Revenues	MISCELLANEOUS INCOME	3,919	3,919	20,909	1,026
Revenues	OTHER INCOME	0	0	0	12,291
Revenues	TRANSFERS IN	30,000	30,000	45,000	465,446
Expenses	Expenses Totals	1,107,755	1,209,022	1,481,487	3,688,279
Expenses	SALARIES & BENEFITS	662,052	753,526	841,517	1,197,494
Expenses	SUPPLIES & SERVICES	97,670	102,576	103,932	361,571
Expenses	REPAIRS & MAINTENANCE	5,169	5,169	5,169	18,449
Expenses	CAPITAL EXPENDITURES	0	4,888	4,888	1,444,993
Expenses	DEPRECIATION	0	0	0	2,049
Expenses	TRANSFERS OUT	342,864	342,864	525,983	663,723
Revenues Less Expenses		-27,191	-799	-113,661	-6,469

7

Enterprise Funds - Water

- Revenue is at 72% of total revenue projections, which is slightly below projections
- Total expenditures are at 44% of budget.
- Salaries & Benefits are at 71% and Capital Expenditures are at 15%

REVENUES/EXPENSES	CATEGORY	January 2020-21 Actual	February 2020-21 Actual	March 2020-21 Actual	2020-21 Budget
Revenues	Revenues Totals	9,799,997	10,566,795	13,907,727	19,386,022
Revenues	SALES AND SERVICE CHARGES	7,282,598	8,024,747	11,208,856	10,092,868
Revenues	INTERGOVERNMENTAL	479,601	494,505	520,740	329,134
Revenues	USE OF MONEY AND PROPERTY	69,394	69,394	81,549	55,636
Revenues	MISCELLANEOUS INCOME	461,668	471,412	589,845	6,916,746
Revenues	TRANSFERS IN	1,506,737	1,506,737	1,506,737	1,991,638
Expenses	Expenses Totals	7,523,231	8,020,682	8,862,929	20,191,160
Expenses	SALARIES & BENEFITS	1,151,952	1,315,461	1,427,657	2,009,512
Expenses	SUPPLIES & SERVICES	1,342,898	1,489,609	1,639,242	2,520,961
Expenses	REPAIRS & MAINTENANCE	40,462	40,699	42,802	75,090
Expenses	PURCHASED POWER	15,285	15,285	15,285	50,000
Expenses	CAPITAL EXPENDITURES	1,147,508	1,334,502	1,436,920	9,237,484
Expenses	DEPRECIATION	0	0	0	328,957
Expenses	BAD DEBT	0	0	0	0
Expenses	DEBT SERVICE	1,343,996	1,343,996	1,343,996	1,990,303
Expenses	TRANSFERS OUT	2,481,130	2,481,130	2,957,027	3,978,853
Revenues Less Expenses		2,276,766	2,546,113	5,044,798	-805,138

8

Enterprise Funds - Wastewater

- Total Revenue is at 45% of total revenue projections. With Sales & Service charges at 61%.
- Total expenditures are at 42% of budget.
- Salaries & Benefits are at 68% and Capital Expenditures are at 17%

REVENUES/EXPENSES	CATEGORY	January 2020-21 Actual	February 2020-21 Actual	March 2020-21 Actual	2020-21 Budget
Revenues	Revenues Totals	2,482,375	2,784,807	3,097,428	6,959,134
Revenues	SALES AND SERVICE CHARGES	2,264,710	2,562,081	2,859,718	4,644,470
Revenues	USE OF MONEY AND PROPERTY	61,387	61,387	72,022	47,729
Revenues	MISCELLANEOUS INCOME	10,122	15,183	19,533	905,407
Revenues	TRANSFERS IN	146,156	146,156	146,156	1,361,528
Expenses	Expenses Totals	2,642,764	2,808,191	3,085,106	7,388,678
Expenses	SALARIES & BENEFITS	417,907	479,254	526,740	767,446
Expenses	SUPPLIES & SERVICES	634,253	712,078	802,672	1,424,803
Expenses	REPAIRS & MAINTENANCE	37,268	37,268	37,672	82,815
Expenses	CAPITAL EXPENDITURES	349,452	375,707	387,644	2,174,093
Expenses	DEPRECIATION	0	0	0	124,259
Expenses	BAD DEBT	0	0	0	0
Expenses	DEBT SERVICE	545,768	545,768	545,768	598,927
Expenses	TRANSFERS OUT	658,117	658,117	784,610	2,216,335
Revenues Less Expenses		-160,389	-23,384	12,323	-429,544

9

Enterprise Funds - Refuse

- Revenue is at 74% of total revenue projections.
- Total expenditures are at 72% of budget.

REVENUES/EXPENSES	CATEGORY	January 2020-21 Actual	February 2020-21 Actual	March 2020-21 Actual	2020-21 Budget
Revenues	Revenues Totals	2,808,130	3,207,897	3,613,908	4,861,838
Revenues	SALES AND SERVICE CHARGES	2,772,369	3,159,542	3,558,355	4,696,793
Revenues	TAXES	32,048	44,642	51,229	50,353
Revenues	USE OF MONEY AND PROPERTY	3,713	3,713	4,323	2,315
Revenues	MISCELLANEOUS INCOME	0	0	0	112,377
Revenues	TRANSFERS IN	0	0	0	0
Expenses	Expenses Totals	2,700,506	3,045,363	3,525,118	4,886,467
Expenses	SALARIES & BENEFITS	125,370	143,273	160,986	212,019
Expenses	SUPPLIES & SERVICES	2,403,597	2,730,551	3,126,562	4,278,263
Expenses	CAPITAL EXPENDITURES	0	0	0	88,839
Expenses	DEPRECIATION	0	0	0	0
Expenses	BAD DEBT	0	0	0	0
Expenses	TRANSFERS OUT	171,539	171,539	237,570	307,346
Revenues Less Expenses		107,624	162,534	88,790	-24,629

10

3rd Quarter Report - Next Steps

This is a receive and file report that is under the Consent items on the regular meeting agenda.

The Executive team will continue to monitor and report to Council the results on a quarterly basis.

Fourth quarter results will be reported with the preliminary unaudited final year figures to the Budget & Finance Committee in September and subsequently to Council

11



Mid-Cycle Budget Adjustments

Fiscal Year 2021-22

12

Budget Process

The budget is an evolving document throughout the fiscal year. Due to this reason, changes need to be made to the budget during the year to adjust the funds required to perform the necessary functions of the City - Mid-year and other budget adjustments.

Since we have a biennial budget process here at the City, any changes made to the first year of the budget cycle need to be adjusted to the second year.

The proposed adjustments are based on these changes and other adjustments deemed necessary to perform the functions of the City.

13

REVENUE

General Fund:

General Revenues	Amount
Increase Sales Tax Revenue based on projections for Sales Tax Company per HdL our Sales Tax Consultant	\$ 531,997
Increase Sales Tax Revenue from Cabazon Outlet also based on sales tax projections from HdL	\$ 323,087
Increase Property Tax and the admin fee (reduction in property tax revenue) based on projections from HdL Coren & Cone.	\$ 307,449
	\$ (10,324)
Increase revenue to include the balance of the Tri-Pointe Settlement, \$1.2 million.	\$ 1,200,000
Increase Federal Revenue from American Rescue Plan Act	\$ 3,734,000
Total Adjustments to General Revenues	\$ 6,086,209
General Fund Departmental Revenues:	
Parks & Recreation - Reduce Revenue for Contract Classes	\$ (13,490)
Building & Safety - Increase Permit Fees due to developments	\$ 530,000
Total Adjustments to General Fund Departmental Revenues	\$ 516,510
Total Adjustments to General Fund Revenue	\$ 6,602,719

14

REVENUE

Special Revenue and Capital Improvement Funds:

Fund 100 - Gas Tax Streets:		Amount
Increase in Gas Tax Revenue due to transfer from Refuse Fund to provide maintenance support due to wear and tear from Waste Management trucks		\$ 400,000
Fund 420 Traffic Control Facility		
Increase of \$515K for funding from WRCOG for Hargrave GS		\$ 515,000

Proprietary – Enterprise Funds

Proprietary – Enterprise Fund		Amount
Fund 690 Refuse Fund		
Decreased Direct Franchise Revenue to zero to reflect Waste Management performing billing and collection		\$ (51,611)
Added AB939 Support Fee revenue paid by Waste Management		\$ 300,000
Decreased Refuse Monthly Billing revenue to zero to reflect Waste Management performing billing and collection		\$ (4,407,500)
Decreased Turn-on Charges revenue to zero to reflect Waste Management performing billing and collection		\$ (15,465)
Increased Franchise Fee revenue to reflect the increase to 12.5% fee and CPI adjustments		\$ 200,000
Decreased Misc Receipts revenue to zero		\$ (8,000)
Total Adjustments to Refuse Fund Revenue		\$ (3,982,576)

15

EXPENDITURES

Salaries & Benefits:

Salaries & Benefits:		Amount
During Budget development to help the budget deficit furloughs were included but concessions were not made, adding back into salaries and benefits		\$ 488,075
Another concession that did not transpire is the leave balance payouts which need to be added back:		
	Vacation Payout	\$ 378,038
	Comp time Payout	\$ 261,760
	Management/Executive Leave Payout	\$ 138,922
	Sick Leave Payout	\$ 354,619
	Holiday Payout	\$ 244,514
Citywide total increase to Salaries and Benefits due to new hires, new positions, increases due to step changes		\$ 4,281,634
See Attachment 3 for the above increase broken out by Fund/Dept		

16

EXPENDITURES

Salaries & Benefits - Changes included in the increases:

- Parks & Recreation – additional hours
 - In the 4000 Recreation department:
 - add 860 hours of Rec Leader – This allows us to operate the Community Center after hours and without it, our revenue and program operations will be significantly reduced.
 - Add 1,000 hours of Senior Recreation Leader – This is to replace the 1,000 hours of Sports Coordinator that was not funded in the last budget cycle.
 - Previously approved Council Action:
 - Add Office Specialist – reclass Receptionist position to better reflect the duties performed by employee.
 - Receptionist – Un-fund - Vacant
 - In the 4010 Aquatics department:
 - Add 292 hours of cashier – allows us to operate pool and snack bar this summer and next June.
 - Add 500 hours of Pool Manager – allows us to operate pool and snack bar this summer and next June.
 - In the 4050 Sr. Center department:
 - Add 500 hours of Rec Leader – allows us to operate the front desk when we reopen the Senior Center this budget cycle.

17

EXPENDITURES

Salaries & Benefits - Changes included in the increases:

- Police Department (001-2200)
 - Add the five (5) new authorized officer positions from previously approved Council action.
 - Change Steps on all officers to Step 13.
- Animal Control (001-2300)
 - Add 2 Animal Control Officers previously approved Council action.
- Fiscal Services
 - Finance (001-1900)
 - Administrative Services Director Position – Un-fund - Vacant
 - Add Finance Director Position – Reclass Deputy Finance Director
 - Deputy Finance Director – Un-fund - Vacant
 - Utility Billing (761-3100)
 - Previously approved Council Action:
 - Customer Service Lead – Un-fund
 - Add - Utility Financial Analyst
- City Manager Dept (001-1200)
 - Add Grant Coordinator position from previously approved Council action.
 - Add Site Coordinator – New Position

18

EXPENDITURES

Salaries & Benefits - Changes included in the increases:

- Public Works (various Funds/Dept)
 - Add Deputy Public Works Director – New Position
 - Management Analyst Positions (2) – Un-fund – vacant
 - Add Public Works Program Manager – Reclass the remaining Management Analyst position
 - Add Solid Waste Coordinator (Fund 690) previously approved Council action.
 - Changes to distribution %'s
 - Add Associate Engineer (CIP) – previously approved Council action that unfunded the other Management Analyst position.
- Electric (670)
 - Presented several changes that will need a comprehensive salary survey to complete, however, budget money was included to accommodate the changes.
 - Add Service Planning Supervisor – New Position
 - Sr. Service Planner – Un-fund – Vacant
 - Add Electrical Energy Influencer New Position Reclass Public Benefits Coordinator position
 - Public Benefits Coordinator – Un-fund – Vacant
 - Add Warehouse Services – additional position, currently there is one (1).
 - Add Powerline Superintendent – New position
 - Recommending changes to Operations Manager position but unable to include in budget currently.
 - Add Meter Test Tech Apprentice – previously approved Council action.
- Information Systems (703):
 - Promote Information Tech Analyst to Information Tech Analyst II -budgeted and approved position vacated during the year. Reduction in salaries and benefits due to employee who left was at a higher step.

19

EXPENDITURES - Other Adjustments

General Fund:

City Council (001-1000) - Reduction in expenses related to food/meals costs and telephone services	\$ (3,081)
City Manager (001-1200) -reduction in telephone services offset by increases in advertising/publishing and printing	\$ (1,068)
Economic Development (001-1210) -decreases in Postage, telephone service and office furniture/fixtures	\$ (1,320)
City Clerk (001-1400) -decrease in vision allowance and computer software offset by an increase in telephone service and advertising	\$ (4,517)
Human Resources (001-1300) add funds for a comprehensive salary survey	\$ 175,000
Finance (001-1900) add previously approved Council actions for contracts with ResourceX (Priority Based Budgeting) MGT (Cost Allocation Plan)	\$ 116,600
Audit Services increase in previously budgeted costs.	\$ 6,122
Reduction in Contract Employment Services	\$ (25,000)
Increase in Overtime to \$7,500	\$ 2,500
TV Government Access/Media (001-2060) -increase in Computer Hardware and equipment maintenance	\$ 4,000

20

EXPENDITURES - Other Adjustments

General Fund:

Police department (001-2200)	
Increase in Overtime to \$650,000	\$ 392,500
Increase to staff training	\$ 13,750
Reduction in Advertising, Printing and Dues/Subscriptions \$1,000 each	\$ (3,000)
Increase to travel & conferences	\$ 425
Reduction in mailing and misc contract services	\$ (560)
Increase Computer Services	\$ 1,000
Increase to vision allowance for new employees	\$ 1,000
Increase to telephone services	\$ 6,658
Increase to Radio Transmission Services	\$ 37,000
Reduction in Satellite television	\$ (1,503)
Increase to Vehicle Maintenance	\$ 3,208
Reduction to Repair & Maintenance Equipment	\$ (3,532)
Increase Software Maintenance	\$ 2,500
Increase to Lease purchases for leased vehicles	\$ 4,500
Increase in custodian services	\$ 518
Increase in Medical/Hospital for officer activity	\$ 8,800
Increase in departmental supplies	\$ 11,714
Increase in Ordinance	\$ 9,612
Increase in Food/Meal costs	\$ 337
Increase in K9 Program	\$ 1,000
Increase in Area Police Computer (city's portion of JPA)	\$ 10,000

21

EXPENDITURES - Other Adjustments

General Fund:

Dispatch (001-2210)	
Increase in Overtime	\$ 75,000
Increase in overtime meals, telephone service, lease purchase payments vehicles and departmental supplies	\$ 3,511
Animal Control (001-2300) savings between contract with Riverside County and expenses needed to operate in-house	\$ (91,500)
Fire (001-2400)	
Professional Services increase - Medical Response (Wittman)	\$ 60,000
Personnel Services increase - EMD/Emergency Response Coordinator	\$ 45,000
Code Enforcement (001-2740) Increase in lease payments for vehicles, fleet maintenance, telephone service, weed abatement services, misc contract services, travel/conference, dues & subscriptions, printing offset by decrease in mailing	\$ 30,689
Engineering (001-3000) Increase in professional services for grant writing services	\$ 10,000
Parks (001-3600) Increase in Overtime & Standby pay, landscape maintenance, telephone service, irrigation maintenance, lease payments for vehicles and professional services grant writing support	\$ 57,400
Recreation (001-4000) Increase in dues/subscriptions and repair and maintenance buildings	\$ 1,450
Senior Center (001-4050) increase in training and departmental supplies	\$ 950
Central Services (001-4500) increase to professional services for Iron Mtn, Superior, OpenGov GovInvest	\$ 53,757
Community Enhancement (001-5400) increase to add contributions for Stagecoach Days and Playhouse Bowl events	\$ 50,000
Total General Fund Expenditure Adjustments	\$ 1,061,420

22

EXPENDITURES - Other Adjustments

Proprietary - Enterprise Funds:

Fund 600 - Airport Fund	
Increase for Audit services	\$ 2,500
Fund 660 - Water	
Increase to NPDES Storm Water expenses due to increase in permit and inspection fees	\$ 25,000
UWMP update, increasing use of consultants to pursue grant funding opportunities, comply with new regulations, and support water conservation and water loss reduction programs PBB & GovInvest	\$ 10,300
Total Fund 660 - Water adjustments	\$ 35,300
Fund 670 - Electric	
Professional Services - PBB & GovInvest & MGT (CAP)	\$ 17,695
Fund 680 - Wastewater	
Professional Services - PBB & GovInvest & MGT (CAP)	\$ 4,520
Fund 690 - Refuse	
Increase printing/binding additional outreach	\$ 2,000
Increase dues/subscriptions	\$ 4,000
Increase in mailing costs additional outreach	\$ 2,000
Remove contracted refuse service	\$ (4,212,750)
Increase planning services	\$ 30,000
Increase in community programs	\$ 12,500
Decrease in customer service/utility billing	\$ (195,049)
Increase transfer to Fund 100 Gas Tax fund.	\$ 400,000
Total Fund 690 Refuse Adjustments	\$ (3,957,299)

23

EXPENDITURES - Other Adjustments

Proprietary - Internal Service Funds:

Fund 700 - Risk Management	
Dept - 5020 Workers Comp increase in premiums	\$ 51,218
Dept - 5040 Liability Insurance	
Increase in Property Insurance premiums	\$ 125,683
Increase in General Liability Insurance premiums	\$ 207,251
Increase in Earthquake Insurance premiums	\$ 20,770
Increase in professional services	\$ 142,034
Total Fund 700 - Risk Management Adjustments	\$ 495,738
Fund 703 - Information Systems	
Increase in telephone services	\$ 2,100
Increase in software maintenance	\$ 190,000
Increase in departmental supplies	\$ 2,500
Total Fund 703 Information Systems Adjustments	\$ 194,600
Fund 761 Utility Billing Administration	
Dept 3100 - Utility Billing increase for additional computer hardware and credit card fees, othe increases for mailing costs, courier services printing and audit services	\$ 76,439
Dept 3110 Meter Reading -minor increases for uniforms and mailing costs	\$ 1,377
Total Fund 761 Utility Billing Administration Adjustments	\$ 77,816

24

FISCAL IMPACT

City Wide:

Fund	Description	Total Revenue Adjustments	Expenditure Adjustments	Salary & Benefit Adjustments	Total Expenditure Adjustments	Fiscal Impact
General Fund						
001	General Fund	\$ 6,602,719	\$ 1,061,420	\$ 2,280,862	\$ 3,342,282	\$ 3,260,437
Special Revenue & Capital Improvement Funds:						
005	SA Admin Allowance		\$ 500		\$ 500	\$ (500)
100	Gas Tax	\$ 400,000	\$ 30,000	\$ (49,653)	\$ (19,653)	\$ 419,653
111	Landscape Maintenance			\$ (23,315)	\$ (23,315)	\$ 23,315
420	Traffic Control	\$ 515,000	\$ 525,000		\$ 525,000	\$ (10,000)
Proprietary Funds - Enterprise & Internal Service Funds						
600	Airport		\$ 2,500	\$ 44,254	\$ 46,754	\$ (46,754)
610	Transit		\$ 15,096	\$ 102,438	\$ 117,534	\$ (117,534)
660	Water		\$ 35,300	\$ 198,673	\$ 233,973	\$ (233,973)
670	Electric		\$ 17,695	\$ 1,101,306	\$ 1,119,001	\$ (1,119,001)
680	Wastewater		\$ 4,520	\$ 122,954	\$ 127,474	\$ (127,474)
690	Refuse	\$ (3,982,576)	\$ (3,957,299)	\$ 43,153	\$ (3,914,146)	\$ (68,430)
700	Risk Management		\$ 546,956	\$ 4,180	\$ 551,136	\$ (551,136)
702	Fleet Management			\$ 190,027	\$ 190,027	\$ (190,027)
703	Information Tech		\$ 194,600	\$ 144,680	\$ 339,280	\$ (339,280)
761	Utility Billing		\$ 77,816	\$ 122,074	\$ 199,890	\$ (199,890)
Successor Agency						
810	Successor Agency Low/Mod	\$ 500	\$ 500		\$ 500	\$ -
City Wide		\$ 3,535,643	\$ (1,445,396)	\$ 4,281,634	\$ 2,836,238	\$ 699,405

25

FISCAL IMPACT

General Fund:

	Amount
Adjusted FY 21-22 Operating Revenue	\$ 25,371,069
Adjusted FY 21-22 Operating Expenditures	<u>\$ 25,555,926</u>
Operating Surplus (Deficit)	\$ (184,857)
Use of Reserves for Operations to Balance Budget	184,857
Note: As Originally Adopted Budget Use of Reserves	\$ 3,528,135
Current Emergency Reserve Balance	\$ 3,525,828
Less Reserve required to balance budget	<u>184,857</u>
Emergency Reserve Balance	\$ 3,341,001
Emergency Reserve % (Reserve balance/Operating Budget (Expenditures))	13%

26

Reserve Policy:

Commitment for emergency contingencies is established at a minimum of \$1.5 million or up to 25% of operating appropriations. The Emergency contingency is reserved for economic uncertainties, local disasters, recession or other financial hardships, to subsidize unforeseen operating or capital needs, and for cash flow requirements

27

GANN Limit

- ▶ Article XIII B of the California State Constitution was adopted by voters in November 1979 (Prop 4) and is more commonly referred to as the GANN Limit. It puts limits on the amount of revenue which can be spent each year and only revenues which are considered proceeds of taxes are subject to the limit.
- ▶ The limit is different for each agency and changes each year, modified for changes in inflation and population since 1979.
- ▶ City of Banning's GANN Limit has been calculated to be **\$52,022,081** for Fiscal Year 2021-22 using last year's limitation of \$48,875,298 multiplied by the 5.73% increase in per capita income and the .67% increased population grown in Riverside County.
- ▶ The City's revenues subject to the limit equate to \$11,802,450, which is well below the limit. If the revenues exceeded \$52,022,081, then the City would have to return the surplus to the taxpayers within 2 years.

28

Class & Comp Amendments:

Add

Site Coordinator	1
Warehouse Services Specialist	1
Deputy Public Works Director/City Engineer	1

Re-Class

Administrative Services Director	(1)
Deputy Finance Director	(1)
Finance Director	1
Management Analyst (PW)	(1)
Public Works Program Manager	1

29



Any Comments or
Questions?



30

Next Steps:

- ▶ In the consent items for tonight's regular meeting are the
 - ▶ Resolutions to adopt and approve the Mid-Cycle Budget Adjustments for FY 2021-22 (Reso 2021-52, 2021-05 US & 2021-02 SA)
 - ▶ Resolution 2021-53 Approving the GANN limit for FY 2021-22
 - ▶ Resolution 2021-54 Amending the Classification and Compensation Plan
- ▶ Provide alternative direction to staff