



The following information comprises the minutes for a regular 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**

6/28/2022

REGULAR MEETING

COUNCIL MEMBERS PRESENT:

Council Member Mary Hamlin
Council Member Alberto Sanchez
Council Member David Happe
Mayor Pro Tem Colleen Wallace

COUNCIL MEMBERS ABSENT:

Mayor Kyle Pingree

OTHERS PRESENT:

Doug Schulze, City Manager
Serita Young, Assistant City Attorney
Marie Calderon, City Clerk
Caroline Patton, Deputy City Clerk
Art Vela, Director of Public Works
Suzanne Cook, Finance Director (Outgoing)
Lincoln Bogard, Finance Director (Incoming)
Adam Rush, Community Development Director
Ralph Wright, Parks and Recreation Director
Carla Young, Electric Business Support Manager
Laurie Sampson, Executive Assistant
John Garside, Multimedia Specialist

*Participated via Zoom.

1. CALL TO ORDER

Mayor Pingree called the regular meeting to order at 5:16 p.m.

- 1.1. Invocation – Reverend Jerry Liversage performed the invocation.
- 1.2. Pledge of Allegiance – Council Member Happe led the Pledge of Allegiance.
- 1.3. Roll Call

COUNCIL MEMBER	PRESENT	ABSENT
Hamlin, Mary		×
Happe, David	×	
Pingree, Kyle	×	
Sanchez, Alberto		×
Wallace, Colleen	×	

2. AGENDA APPROVAL

2.1. Approve Agenda

Motion to approve the agenda.

Motion by Council Member Sanchez
Seconded by Council Member Hamlin

COUNCIL MEMBER	YES	NO	ABSTAIN	RECUSE	ABSENT
Hamlin, Mary	✗				
Happe, David	✗				
Pingree, Kyle					✗
Sanchez, Alberto	✗				
Wallace, Colleen	✗				

Motion approved by a vote of 4-0, with 1 absence.

3. PRESENTATION(S)

- 3.1. Proclamation – Proclaiming July 2022 as Parks and Recreation Month in the City of Banning
- 3.2. Acrisure Arena Presentation by Arturo Aviles, Community Engagement Manager

4. REPORT ON CLOSED SESSION

Assistant City Attorney Young reported on closed session agenda items. There was no final or reportable action on 3.1, 3.2 or 3.3. Council Member Happe recused himself for Closed Session agenda item 3.2 regarding property located at 33 S. San Gorgonio Ave.

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

5.1. PUBLIC COMMENTS

Lynnea Hagen asked for a phone number to contact for large explosive fireworks. She thanked Director of Public Works Art Vela for prompting the removal of dumped couches near her home.

John Hagen commented on residential setbacks for cannabis facilities, asking Council to reconsider a previous decision. He mentioned state legislators

Inge Schuler asked for changes to the regular agenda regarding the City Treasurer. She also mentioned rezoning and warehousing in the City.

Bill Hobbs encouraged the City Council to reconsider the Banning Point project.

Harry Sullivan asked about a previous report he provided to City Council and ongoing maintenance issues at the Municipal Airport.

Chris McCallum discussed the recent public meeting to discuss development of the Local Road Safety Plan. He said he was the only member of the public who attended, and he said people should not complain after the fact when they chose not to participate in the process.

5.2. CORRESPONDENCE

None

5.3. APPOINTMENTS

None

5.4. CITY COUNCIL COMMITTEE REPORTS

Mayor Pro Tem Wallace reported that she and Council Member Hamlin attended the Western Riverside County Council of Governments (WRCOG) general assembly leadership address. She also reported on a CalCities meeting she attended where they discussed warehouses in California.

5.5. CITY MANAGER REPORT

City Manager Doug Schulze reported on the rededication of Ramsey Street and Hathaway Streets intersection on Thursday, June 30th beginning at 8:30 a.m. He followed up on several items raised during public comment at previous meetings, including several upgrades to the Municipal Airport that were completed in 2021.

5.6. CITY ATTORNEY REPORT

None

6. CONSENT ITEMS

- 6.1. Approval of Minutes of the June 14, 2022 City Council Meetings
- 6.2. Approval and Ratification of Accounts Payable and Payroll Warrants Issued in the Month of May 2022
- 6.3. Receive and File Cash, Investments and Reserve Report for the Month of May 2022
- 6.4. Receive and File Police Department Statistics for the Month of May 2022
- 6.5. Receive and File Fire Department Statistics for the Month of May 2022
- 6.6. Public Works Capital Improvement Project Tracking List
- 6.7. Bulky Item Collection Events Update

- 6.8. Approving Amendment No. 2 to the Agreement (C00657) for Billing and Cost Recovery Services for First Responder (EMS/Fire) Medical Billing Fees by and Between City of Banning and Wittman Enterprises LLC
- 6.9. Cost Allocation Plan from FY 2022-21 Actuals as prepared by MGT Consulting Group
- 6.10. Consideration of Resolution 2022-90, Approving a Surplus Lands Act Declaration for City-Owned Property located at 33 South San Gorgonio Avenue (APN 540-204-009)
- 6.11. Amendment to the Statement of Investment Policy
- 6.12. Consideration of City Council Resolution 2022-87 and Successor Agency Board Resolution 2022-04 SA, Appointing Authorized City Officials to Deposit and Withdraw Funds in the Local Agency Investment Fund (LAIF)
- 6.13. Consideration of Resolution 2022-86, Awarding the Landscape Maintenance Services Agreement for City Properties to Mariposa Landscapes, Inc. in the amount of \$140,807 and Rejecting All Other Bids
- 6.14. Accept Lot Dedication and Easements from Tri Pointe Homes for Water and Public Utility Purposes for Tract Map Nos. 37298-1 and 35967 within the Atwell Development
- 6.15. Consideration of Resolution 2022-76, Approving a Professional Services Agreement with Brightly Software, Inc. to Provide Permit Streamlining and Management Software
- 6.16. Consideration of Resolution 2022-91, Approving Amendment No. 4 to the Agreement with Nobel Systems, Inc. for Geographic Information Services (GIS) for Fiscal Year 2022/2023 in the Amount of \$20,000 for a Total Contract Amount of \$63,000
- 6.17. Consideration of Resolution 2022-89, Adopting Regulations for Candidates for Elective Office Pertaining to the Electorate and the Costs Thereof for the General Municipal Election to be Held in the City on Tuesday, November 8, 2022
- 6.18. COVID-19 Utility Payment Assistance Programs Funding Report
- 6.19. Consideration of Resolution 2022-92, Authorizing the Fund Appropriation for an Emergency Agreement for Services with Western Construction Specialists for the Emergency Underground Boring and Electrical Substructure Reconductoring at Hillside Drive for a Not-To-Exceed Amount of \$262,865 Including Contingency

Public Comments

None

Motion by Council Member Happe
Seconded by Council Member Sanchez

Motion to approve consent agenda items 6.1 through 6.9, and 6.11 through 6.18.

COUNCIL MEMBER	YES	NO	ABSTAIN	RECUSE	ABSENT
Hamlin, Mary	X				

Happe, David	X	
Pingree, Kyle		X
Sanchez, Alberto	X	
Wallace, Colleen	X	

Motion approved by a vote of 4-0 with 1 absence.

- 6.10. Consideration of Resolution 2022-90, Approving a Surplus Lands Act Declaration for City-Owned Property located at 33 South San Gorgonio Avenue (APN 540-204-009)

Council Member Happe recused himself for this agenda item.

Public Comments

None

Motion to approve consent agenda item 6.10.

Motion by Council Member Sanchez
Seconded by Council Member Hamlin

COUNCIL MEMBER	YES	NO	ABSTAIN	RECUSE	ABSENT
Hamlin, Mary	X				
Happe, David				X	
Pingree, Kyle					X
Sanchez, Alberto	X				
Wallace, Colleen	X				

Motion approved by a vote of 3-0, with 1 absence and 1 recusal.

- 6.19. Consideration of Resolution 2022-92, Authorizing the Fund Appropriation for an Emergency Agreement for Services with Western Construction Specialists for the Emergency Underground Boring and Electrical Substructure Reconductoring at Hillside Drive for a Not-To-Exceed Amount of \$262,865 Including Contingency

Public Comments

None

Motion to approve consent agenda item 6.19.

Motion by Council Member Sanchez
Seconded by Council Member Happe

COUNCIL MEMBER	YES	NO	ABSTAIN	RECUSE	ABSENT
Hamlin, Mary	X				
Happe, David	X				

Pingree, Kyle		X
Sanchez, Alberto	X	
Wallace, Colleen	X	

Motion approved by a vote of 4-0, with 1 absence.

7. PUBLIC HEARING(S)

None

8. REPORTS OF OFFICERS

8.3. Community Revitalization and Investment Authorities (CRIA) Feasibility Analysis

City Manager Schulze introduced Joseph Diegas from Kosmont Companies to report on the findings of the Community Revitalization and Investment Authority (CRIA) study.

Public Comments

Harry Sullivan asked if the representative from Kosmont was the same one who proposed the CRIA originally. He asked about their compensation and the participation of Riverside County.

Staff clarified that Kosmont Companies was hired to complete a Comprehensive Economic Development Strategy (CEDS) which was completed and approved by City Council. One recommendation from the CEDS was to investigate the possibility of a CRIA, which this report documents.

Chris McCallum asked about how the program would compare to the previous Community Redevelopment Agency (CRA). He said you can see the negative impacts of the CRA on the city still and would not want this program to be similar.

Mayor Pro Tem Wallace announced a recess at 6:55 p.m. The meeting was reconvened at 7:05 p.m.

8.1. Recommended Adoption of Biennial Budget Proposal for Fiscal Years 2023 and 2024

Suzanne Cook, Finance Director, presented the staff report.

Public Comments

Rita Chapparosa said that she objected to the classifications included in the budget and the qualifications for the position.

Alejandro Geronimo commented that although there was a budgeted surplus he still thought they should reconsider approval.

Motion to approve City Council Resolutions 2022-77, 78 and 79; Successor Agency Resolution 2022-03SA; and Utility Authority Resolution 2022-06UA.

Motion by Council Member Happe
Seconded by Council Member Sanchez

COUNCIL MEMBER	YES	NO	ABSTAIN	RECUSE	ABSENT
Hamlin, Mary	✗				
Happe, David	✗				
Pingree, Kyle					✗
Sanchez, Alberto	✗				
Wallace, Colleen	✗				

Motion approved by a vote of 4-0, with 1 absence.

Motion to approve Resolution 2022-77.

Motion by Council Member Happe
Seconded by Council Member Sanchez

COUNCIL MEMBER	YES	NO	ABSTAIN	RECUSE	ABSENT
Hamlin, Mary	✗				
Happe, David	✗				
Pingree, Kyle					✗
Sanchez, Alberto	✗				
Wallace, Colleen	✗				

Motion approved by a vote of 4-0, with 1 absence.

Motion to approve Resolution 2022-78.

Motion by Council Member Happe
Seconded by Council Member Sanchez

COUNCIL MEMBER	YES	NO	ABSTAIN	RECUSE	ABSENT
Hamlin, Mary	✗				
Happe, David	✗				
Pingree, Kyle					✗
Sanchez, Alberto	✗				
Wallace, Colleen		✗			

Motion approved by a vote of 4-1, with 1 absence.

Motion to approve Resolution 2022-79.

Motion by Council Member Happe
Seconded by Council Member Sanchez

COUNCIL MEMBER	YES	NO	ABSTAIN	RECUSE	ABSENT
Hamlin, Mary	×				
Happe, David	×				
Pingree, Kyle					×
Sanchez, Alberto	×				
Wallace, Colleen	×				

Motion approved by a vote of 4-1, with 1 absence.

Motion to approve Utility Authority Resolution 2022-06UA.

Motion by Council Member Sanchez
Seconded by Council Member Happe

COUNCIL MEMBER	YES	NO	ABSTAIN	RECUSE	ABSENT
Hamlin, Mary	×				
Happe, David	×				
Pingree, Kyle					×
Sanchez, Alberto	×				
Wallace, Colleen		×			

Motion approved by a vote of 4-0, with 1 absence.

Motion to approve Successor Agency Resolution 2022-03SA.

Motion by Council Member Happe
Seconded by Council Member Sanchez

COUNCIL MEMBER	YES	NO	ABSTAIN	RECUSE	ABSENT
Hamlin, Mary	×				
Happe, David	×				
Pingree, Kyle					×
Sanchez, Alberto	×				
Wallace, Colleen	×				

Motion approved by a vote of 4-0, with 1 absence.

- 8.2. Consideration of Resolution 2022-88, Adopting the Legislative Platform & Advocacy Manual

City Manager Doug Schulze presented the staff report.

Public Comment

None

Motion to approve Resolution 2022-88.

Motion by Council Member Sanchez
Seconded by Council Member Hamlin

COUNCIL MEMBER	YES	NO	ABSTAIN	RECUSE	ABSENT
Hamlin, Mary	✗				
Happe, David	✗				
Pingree, Kyle					✗
Sanchez, Alberto	✗				
Wallace, Colleen	✗				

Motion approved by a vote of 4-0, with 1 absence.

9. DISCUSSION ITEM(S)

9.1. Discuss and Consider Existing Topics listed as Items for Future Agendas

Keep on list:

- Affordable Housing Solutions
- Internship Program

Remove from list

- Shopping cart ordinance update
- Airport Advisory Commission
- Business Friendly Zoning
- Community Garden Project

Public Comment

Frank Connolly reflected on collecting shopping carts for a business in Banning. He said penalizing the business owner for having their property stolen was not fair.

Chris McCallum agreed with Mr. Connolly regarding shopping carts and said he would like to be involved in the new Community Garden project.

Juanita Diaz spoke about shopping carts in Banning and said she also supported the Community Garden project.

10. ITEMS FOR FUTURE AGENDAS

10.1. New Items

- Presentation of Homeless Success Story
- Traffic Circles and Diverging Diamonds
- Cannabis Regulations
 - Residential setbacks
 - Microbusinesses in Highway Serving Community
 - Delivery services
- City Treasurer Report
 - Scope of City Treasurer's duties as defined under state law

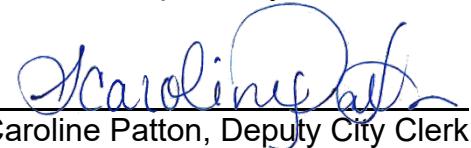
10.2. Pending Items:

1. Permanent Homeless Solution
2. Shopping Cart Ordinance Update
3. Golf Cart/EV Ordinance (On hold)
4. Airport Advisory Commission
5. Business-Friendly Zoning (Wallace)
6. Community Garden Project (Sanchez)
7. Internship Program (Hamlin)

11. ADJOURNMENT

Mayor Pro Tem Wallace adjourned the meeting at 8:20 p.m.

Minutes Prepared by:



Caroline Patton, Deputy City Clerk

This entire meeting may be viewed here:

<https://banninglive.viebit.com/index.php?folder=City+Council+Meetings>

All documents related to this meeting are available here:

<http://banning.ca.us/Archive.aspx?ADID=2669>

ATTACHMENTS:

Exhibit A – Public Comment

Exhibit B – Agenda Item 8.1. Budget Presentation

6/28/2022 5:45pm

Clerks Copy

RECEIVED

JUN 28 2022

City of Banning
City Clerk's Office

June 28, 2022 regular city council meeting / RE: 5.1 Item not on the agenda

At the June 14th city council meeting I had a question regarding the 15 Billion dollar Bill, Building Better Airports across America whereas the airport qualifies for \$159,000 in grant money. I was told that the city isn't accepting any FAA grand money because of a 2018 resolution forbidding taking grant money, as well as the city manager said taking grant money would complicate closing the airport.

I would like to remind the council that under Part 5 Assurances Airport Sponsors, the city is mandated to keep the airport open for at least 20 years and will operate the airport as prescribed in paragraph 19 Operation and Maintenance.

Example of closing an airport, Santa Monica, the city of Santa Monica has been working on this for almost 50 years and has spent over 30 million dollars, expected closure is 2028 per FAA, without other legal blocks.

Let me say, that the evidence "beyond a reasonable doubt" is, the Federal Government and the FAA are more interested in improving airports as opposed to closing airports.

I hope that the council will re-think this position and accept the grant money, because the alternative will be, maintaining the airport with other sources, such as the general fund, and I would request, that the city manager under "5.5 City Manager Report", would explain in complete detail just how taking the grant money would complicate closing the airport and what the city's plan is for the Farrell Cooper hangers.

Also note: that this 2022 grant is just the first amount allocated for distribution and that it's a 15 billion dollar bill and just 2.89 billion is allocated for the first year 2022.

Also maybe we can get the new credit card reader, that's been sitting in the terminal building for over a year, installed on the gas pump, which the existing is almost impossible to read.

Submitted: June 28, 2022

Harry Sullivan
316 N Sunset Ave.
Banning, CA. 92220



City of Banning Biennial Budget FY 22-23 & 23-24



Fiscal Services Department
Finance Division

FY 2022-23 & 2023-24 Budget Process Background

- ▶ Every two years, the City develops a budget while maintaining focus on:
 - Community priorities
 - State and federal mandates,
 - Legislative and regulatory changes
 - Building a strong future
- ▶ Some challenges are unique to the City of Banning, and some are common among most local government agencies.
- ▶ Again, with this budget cycle, the city faces certain fiscal challenges that are impacting the upcoming two fiscal years and beyond:
 - Public safety funding needs
 - Costs of contracting for fire services
 - Inflation impacting costs of goods and services
 - Deferred maintenance costs
 - Transit operation costs
 - Increase in pension and labor costs
 - Slow growth and timeliness of business coming on board to help increase revenue
 - Impacts of COVID-19

FY 2022-23 & 2023-24 Budget Process Background

- ▶ For budget development, the City continued the use of OpenGov as a platform to provide for greater Citywide participation with departments
- ▶ The draft operating budget was presented to the Budget and Finance Committee meeting on May 17, 2022.
- ▶ Recommendations from the Committee:
 - ▶ Review revenue projections and make necessary adjustments
 - ▶ Staff performed this review and are confident, at this time, with the revenues presented in the draft budget
- ▶ On May 24th, 2022, presented draft operating budget to Council during a budget workshop for any additional direction and comments to help finalize the budget for Council adoption
- ▶ June 14th, item on agenda, but postponed to June 28th, Public comments were made on the item.
- ▶ Today, June 28th Biennial budget presented for approval and adoption

FY 2022-23 & 2023-24 Fiscal Impact

Where we have come in the budgeting process:

- ▶ Initially after all departments entered their requests into OpenGov, the projected deficit for the General Fund was \$7 million
- ▶ After Finance met with departments, reviewing revenues and expenditures, the deficit was reduced to \$2.5 million, which was presented initially on the Budget and Finance Committee documents.
- ▶ After subsequent meetings with the City Manager, Public Works, Parks and Recreation and the Police Department, we were able to reduce the deficit to \$1.39 million as presented tonight.
- ▶ With the approval of the ENA with Grandave and First Industrial, we were able to reduce deficit completely and show a surplus for FY22-23

FY 2022-23 & 2023-24 Fiscal Impact

Key revenue projections for the next two fiscal years are as follows:

- ❖ Increase in tax revenue by 10.85% from FY21-22 budgeted \$13,771,816 to \$15,266,621 budgeted in FY 22-23, with a 2% increase for FY23-24.
 - Property taxes show the significant increase due to home sales with a 13.70% increase from budgeted FY21-22 to FY22-23
 - Sales taxes show an increase of 8.43%.
 - Added an additional \$35,000 for Sales tax revenue for new businesses coming on board in June that were not a part of the original Sales tax estimate.
 - Estimates for Property and Sales tax are provided by our consultant HdL who analyzes the market for these figures.
 - Increase in TOT from hotels due to increases in hotel stays with developments, lifts of restrictions and music festivals

FY 2022-23 & 2023-24 Fiscal Impact

Key revenue projections continued:

- ❖ Continued to reflect the decrease in administration revenue from enterprise funds with new cost allocation plan and elimination of general fund transfer, which has attributed to continued general fund deficit over the last few years.
- ❖ Cannabis tax revenue of \$950,000 maintained for both fiscal years of the budget after conversations with current businesses and until more analysis can be done on actuals. This should be an area of increased revenue over the next year(s).
- ❖ Decrease in first responder medical billing revenue in first year to \$250,000 and increased back to \$400,000 second year.
- ❖ Increased police revenue for reimbursable services to a total of \$632,400 for RAID, PACT and School Resources Officer (SRO)
- ❖ An additional \$2,000,000 in revenue was included in fiscal year 2022-23 based on approval of the ENA agreement with Grandave, First Industrial and the City

FY 2022-23 & 2023-24 Fiscal Impact

Proposed Reductions to Expenditures

- ❖ Reduction made to salaries of police department of \$1 million to reflect the continued nature of salary savings with vacancies and officers' injuries, this was offset to the increased overtime budget of \$1 million for officers picking up additional shifts to accommodate the vacancies.
- ❖ Fire contract was presented with a total \$3.7 million estimate, but due to actuals being much lower than the estimate, the budget is based on estimated actuals and reduction of \$400,000.
- ❖ Reduction of Engineering Services of On-Call Plan Reviewers/Inspections by \$1,000,000, from initial request of \$1.3 million to 300,000, reducing requested amount for all Engineering Services to a total of \$612,000.

CLASS AND COMP PLAN UPDATES SALARIES & BENEFITS

There were several requests for additional positions, however, due to the large general fund deficit, no additional position requests were allowed unless there is an offsetting reduction or reclassification. The following are changes requested to the class and compensation plan:

- ▶ The addition of an Assistant City Manager position reclassifying and un-funding the Executive Assistant position – difference of \$67,937
- ▶ The re-funding of the Deputy Finance Director position with offsetting proposed promotions and un-funding of another finance department position – difference of \$44,971.
- ▶ The re-funding and authorization of an Associate Planner and un-funding of the Building Inspector position, which is currently handled by contracted services – difference of (\$61).

The total impact of the budget for the above is \$112,847

**General Fund and All Funds: Revenues,
Expenditures and Use of Fund Balance
Fiscal Year 2022-23**

Fund	Proposed Revenues	Proposed Expenditures	Proposed Surplus/(Deficit)
General Fund	26,071,859	25,708,431	363,428
Airport Fund	478,327	306,608	171,719
Transit Fund	2,008,030	2,358,499	(350,469)
Refuse Fund	985,601	1,041,957	(56,356)
BUA Water Funds	16,044,908	13,270,482	2,774,426
BUA Wastewater Funds	6,144,201	4,181,901	1,962,300
Electric Funds	35,566,473	38,669,520	(3,103,047)
Internal Service Funds	6,906,275	9,886,126	(2,979,851)
Special Revenue & Capital Funds	4,857,638	2,540,279	2,317,359
Agency/Fiduciary Funds	5,096,436	5,099,660	(3,224)
Total City Wide	104,159,748	103,063,463	1,096,285

The above chart reflects the proposed revenues and expenditures with the projected surplus or deficit. Those with a projected deficit will need to use reserves to balance the budget.

**General Fund and All Funds: Revenues,
Expenditures and Use of Fund Balance
Fiscal Year 2023-24**

Fund	Proposed Revenues	Proposed Expenditures	Proposed Surplus/(Deficit)
General Fund	23,956,864	26,489,474	(2,532,610)
Airport Fund	221,132	308,954	(87,822)
Transit Fund	1,770,063	2,312,991	(542,928)
Refuse Fund	957,649	1,065,977	(108,328)
BUA Water Funds	16,301,166	13,595,405	2,705,761
BUA Wastewater Funds	5,345,106	4,909,517	435,589
Electric Funds	36,637,502	38,683,709	(2,046,207)
Internal Service Funds	7,024,264	9,682,906	(2,658,642)
Special Revenue & Capital Funds	5,011,473	2,624,968	2,386,505
Agency/Fiduciary Funds	5,093,240	5,096,462	(3,222)
Total City Wide	102,318,459	104,770,363	(2,451,904)

The above chart reflects the proposed revenues and expenditures with the projected surplus or deficit. Those with a projected deficit will need to use reserves to balance the budget.

Fund Balance Summary

Fiscal Year 2022-23

	FYE June 2022 Projected	Fiscal Year 2022-23 Operating Budget					
	Fund Equity Balance	Projected Revenues	Projected Expenditures	Projected Surplus/(Deficit)	Projected Ending Equity Fund Balance	Total Non-Spendable, Restricted, Committed & Assigned	Projected Ending Available Fund Balance
Governmental Funds							
General Fund (001)	7,546,666	26,071,859	25,708,431	363,428	7,910,094	5,725,065	2,185,029
Other Governmental Funds:							
002 – Developer Deposit Fund	(33,600)	101,633	101,633	-	(33,600)	-	(33,600)
005 – Successor Agency Admin Fund	1,523,445	250,000	9,323	240,677	1,764,122	-	1,764,122
100 – Gas Tax Street Fund	(16,597)	2,239,988	1,984,541	255,447	238,850	-	238,850
101 – Measure A Street Fund	1,165,460	858,200	41,924	816,276	1,981,736	-	1,981,736
102 – RMRA (S81) Gas Tax Fund	816,792	734,740	17,482	717,258	1,534,050	-	1,534,050
110 – CDBG Fund	(47,558)	45,031	6,917	38,114	(9,444)	-	(9,444)
111 – Landscape Maintenance	232,737	220,304	219,376	928	233,665	-	233,665
132 – Air Quality Improvement Fund	294,958	44,617	3,201	41,416	336,374	-	336,374
140 – Asset Forfeiture/Police Fund	7,847	565	-	565	8,412	-	8,412
148 – Supplemental Law Enforcement	88,623	100,000	100,000	-	88,623	-	88,623
150 – State Park Bond Fund	196,926	-	-	-	196,926	-	196,926
200 – Special Donation Fund	38,739	12,983	10,582	2,401	41,140	24,213	16,927
201 – Sr. Center Activities Fund	49,098	11,684	9,118	2,566	51,664	-	51,664
202 – Animal Control Reserve Fund	-	-	-	-	-	-	-
203 – Police Volunteer Fund	3,270	1,502	1,078	424	3,694	-	3,694
221 - CSCDA-CFD 2020-02 ATWELL	29,981	-	-	-	29,981	29,981	0
222 - ARPA Funds	-	-	-	-	-	-	-
300 – City Administration COP Debt Service	205	-	-	-	205	-	205
400 – Police Facilities Development	223,300	2,516	150	2,366	225,666	-	225,666
410 – Fire Facilities Development	1,302,041	5,999	150	5,849	1,307,890	-	1,307,890
420 – Traffic Control Facility Fund	2,248,409	133,298	8,104	125,194	2,373,603	-	2,373,603
430 – General Facilities Fund	525,675	31,744	184	31,560	557,235	-	557,235
444 – Wilson Median Fund	400,746	775	127	648	401,394	-	401,394
451 – Park Development Fund	170,143	61,551	25,881	35,670	205,813	-	205,813
470 – Capital Improvement Fund	690,470	508	508	-	690,470	690,470	0
475 – Fair Oaks #2004-01 Assessment District	-	-	-	-	-	-	-
Total Other Governmental Funds	9,911,109	4,857,638	2,540,279	2,317,359	12,228,468	744,664	11,483,804
Total Governmental Funds	17,457,775	30,929,497	28,248,710	2,680,787	20,138,562	6,469,729	13,668,833

Fund Balance Summary

Fiscal Year 2022-23

	FYE June 2022 Projected	Fiscal Year 2022-23 Operating Budget					
	Fund Equity Balance	Projected Revenues	Projected Expenditures	Projected Surplus/(Deficit)	Projected Ending Equity Fund Balance	Total Non-Spendable, Restricted, Committed & Assigned	Projected Ending Available Fund Balance
Governmental Funds							
Proprietary Funds							
600 – Airport Fund	2,297,041	478,327	306,608	171,719	2,468,760	2,180,807	287,953
610 – Transit Fund	(538,178)	2,008,030	2,358,499	(350,469)	(888,647)	347,328	(1,235,795)
690 – Refuse Fund	4,871,352	985,601	1,041,957	(56,356)	4,814,996	18,927	4,796,069
Total Other Enterprise Funds	6,630,215	3,471,958	3,707,064	(235,106)	6,395,109	2,547,062	3,848,047
670 – Electric Fund	71,821,002	32,340,312	35,063,639	(2,723,327)	69,097,675	60,769,434	8,328,241
672 – Rate Stability/Debt Service Reserve Fund	6,610,590	5,000	-	5,000	6,615,590	2,428,369	4,187,221
673 – Electric Improvement Fund	1,002,582	6,780	190,000	(183,220)	819,362	136,703	682,659
674 – Electric Revenue Bond Project Fund	382,288	-	-	-	382,288	382,288	-
675 – Public Benefit Fund	973,585	786,012	987,512	(201,500)	772,085	-	772,085
678 – Electric Revenue Bond Debt Service Fund	(25,451,404)	2,428,369	2,428,369	-	(25,451,404)	(25,451,404)	-
Total Electric Funds	55,338,642	35,566,473	38,669,520	(3,103,047)	52,235,595	38,265,389	13,970,205
660 – Water Fund	67,602,393	13,035,667	11,276,344	1,759,323	69,361,716	53,753,371	15,608,345
661 – Water Capital Facilities	5,908,085	996,464	-	996,464	6,904,549	-	6,904,549
662 – Irrigation Water Fund	1,355,956	2,700	-	2,700	1,358,656	-	1,358,656
663 – BUA Water Capital Project Fund	1,616,917	15,939	-	15,939	1,632,856	120,346	1,512,510
669 – BUA Water Debt Service Fund	(21,607,525)	1,994,138	1,994,138	-	(21,607,525)	(21,607,525)	(0)
Total Water Funds	54,875,826	16,044,908	13,270,482	2,774,426	57,650,252	32,266,192	25,384,060
680 – Wastewater Fund	13,447,823	5,225,046	3,891,886	1,333,160	14,780,983	14,142,006	638,977
681 – Wastewater Capital Facility Fund	11,074,030	257,222	-	257,222	11,331,252	-	11,331,252
682 – Wastewater Tertiary	7,110,947	360,637	-	360,637	7,471,584	-	7,471,584
683 – BUA Wastewater Capital Project Fund	2,240,904	9,666	-	9,666	2,250,570	2,178,114	72,456
685 – State Revolving Loan Fund	-	1,615	-	1,615	1,615	-	1,615
689 – BUA Wastewater Debt Service Fund	(3,788,409)	290,015	290,015	-	(3,788,409)	(3,788,409)	-
Total Wastewater Funds	30,085,296	6,144,201	4,181,901	1,962,300	32,047,596	12,531,711	19,515,885
700 – Risk Management Fund	(2,115,552)	2,377,267	4,704,753	(2,327,486)	(4,443,038)	4,011	(4,447,049)
702 – Fleet Maintenance	357,487	1,694,511	1,764,477	(69,966)	287,521	374,337	(86,815)
703 – Information Systems Services	(1,185,882)	486,425	1,068,824	(582,399)	(1,768,281)	16,314	(1,784,594)
761 – Utility Billing Administration	(2,866,576)	2,348,072	2,348,072	-	(2,866,576)	70,949	(2,937,525)
Total Internal Service Funds	(5,810,522)	6,906,275	9,886,126	(2,979,851)	(8,790,373)	465,610	(9,255,983)
Total Proprietary Funds	141,119,456	68,133,815	69,715,093	(1,581,278)	139,538,178	86,075,965	53,462,213

Fund Balance Summary

Fiscal Year 2022-23

		FYE June 2022 Projected	Fiscal Year 2022-23 Operating Budget					
		Fund Equity Balance	Projected Revenues	Projected Expenditures	Projected Surplus/(Deficit)	Projected Ending Equity Fund Balance	Total Non-Spendable, Restricted, Committed & Assigned	Projected Ending Available Fund Balance
Governmental Funds								
Fiduciary Funds								
805 – Redevelopment Obligation Retirement Fund		1,815,370	2,546,952	2,546,952	-	1,815,370	-	1,815,370
810 – Successor Housing Agency		2,679,388	19,765	15,441	4,324	2,683,712	2,493,195	190,517
830 – Debt Service Fund		(25,671,325)	2,296,900	2,296,900	-	(25,671,325)	(25,671,325)	-
840 - Bond Expenditure Agreement (BEA) Project Fund		4,631,515	33,286	40,718	(7,432)	4,624,083	2,631,802	1,992,281
841 - Bond Expenditure Agreement (BEA) Low/Mod Fund		545,943	128	109	19	545,962	545,847	115
850 – Successor Agency		9,849,989	117	251	(134)	9,849,855	8,987,313	862,542
Total Successor Agency Funds		(6,149,121)	4,897,148	4,900,371	(3,223)	(6,152,344)	(11,013,169)	4,860,825
360 – Sun Lakes CFD #86-1		37,134	-	-	-	37,134	37,134	(0)
365 – Wilson Street #91-1 Assessment Debt		56,824	-	-	-	56,824	56,825	(0)
370 – Area Police Computer Fund		65,444	-	-	-	65,444	-	65,444
375 – Fair Oaks #2004-01 Assessment Debt		375,397	199,288	199,289	(1)	375,396	375,172	224
376 – Cameo Homes		8,544	-	-	-	8,544	8,544	(0)
Total Agency Funds		543,344	199,288	199,289	(1)	543,343	477,675	65,668
Total Fiduciary Funds		(5,605,778)	5,096,436	5,099,660	(3,224)	(5,609,002)	(10,535,994)	4,926,492
Total City Wide		152,971,453	104,159,748	103,063,463	1,096,285	154,067,738	82,010,199	72,057,539

Fund Balance Summary

Fiscal Year 2023-24

		FYE June 2023 Projected	Fiscal Year 2023-24 Operating Budget					
		Fund Equity Balance	Projected Revenues	Projected Expenditures	Projected Surplus/(Deficit)	Projected Ending Equity Fund Balance	Total Non-Spendable, Restricted, Committed & Assigned	Projected Ending Available Fund Balance
Governmental Funds								
General Fund (001)								
General Fund (001)		7,910,094	23,956,864	26,489,474	(2,532,610)	5,377,484	5,725,065	(347,581)
Other Governmental Funds:								
002 – Developer Deposit Fund		(33,600)	101,633	101,633	-	(33,600)	-	(33,600)
005 – Successor Agency Admin Fund		1,764,122	250,000	9,323	240,677	2,004,799	-	2,004,799
100 – Gas Tax Street Fund		238,850	2,270,540	2,057,181	213,359	452,209	-	452,209
101 – Measure A Street Fund		1,981,736	874,800	41,924	832,876	2,814,612	-	2,814,612
102 – RMRA (SB1) Gas Tax Fund		1,534,050	844,000	17,482	826,518	2,360,568	-	2,360,568
110 – CDBG Fund		(9,444)	45,031	6,917	38,114	28,670	-	28,670
111 – Landscape Maintenance		233,665	234,266	232,990	1,276	234,941	-	234,941
132 – Air Quality Improvement Fund		336,374	46,728	3,201	43,527	379,901	-	379,901
140 – Asset Forfeiture/Police Fund		8,412	565	-	565	8,977	-	8,977
148 – Supplemental Law Enforcement		88,623	100,000	100,000	-	88,623	-	88,623
150 – State Park Bond Fund		196,926	-	-	-	196,926	-	196,926
200 – Special Donation Fund		41,140	9,983	9,092	891	42,031	24,213	17,818
201 – Sr. Center Activities Fund		51,664	8,534	9,043	(509)	51,155	-	51,155
202 – Animal Control Reserve Fund		-	-	-	-	-	-	-
203 – Police Volunteer Fund		3,694	1,502	1,078	424	4,118	-	4,118
221 – CSCDA-CFD 2020-02 ATWELL		29,981	-	-	-	29,981	29,981	0
222 – ARPA Funds		-	-	-	-	-	-	-
300 – City Administration COP Debt Service		205	-	-	-	205	-	205
400 – Police Facilities Development		225,666	2,516	150	2,366	228,032	-	228,032
410 – Fire Facilities Development		1,307,890	5,999	150	5,849	1,313,739	-	1,313,739
420 – Traffic Control Facility Fund		2,373,603	133,298	8,104	125,194	2,498,797	-	2,498,797
430 – General Facilities Fund		557,235	54,244	184	54,060	611,295	-	611,295
444 – Wilson Median Fund		401,394	775	127	648	402,042	-	402,042
451 – Park Development Fund		205,813	26,551	25,881	670	206,483	-	206,483
470 – Capital Improvement Fund		690,470	508	508	-	690,470	690,470	0
475 – Fair Oaks #2004-01 Assessment District		-	-	-	-	-	-	-
Total Other Governmental Funds		12,228,468	5,011,473	2,624,968	2,386,505	14,614,973	744,664	13,870,309
Total Governmental Funds		20,138,562	28,968,337	29,114,442	(146,105)	19,992,457	6,469,729	13,522,728

Fund Balance Summary

Fiscal Year 2023-24

	FYE June 2023 Projected	Fiscal Year 2023-24 Operating Budget					
	Fund Equity Balance	Projected Revenues	Projected Expenditures	Projected Surplus/(Deficit)	Projected Ending Equity Fund Balance	Total Non-Spendable, Restricted, Committed & Assigned	Projected Ending Available Fund Balance
Governmental Funds							
Proprietary Funds							
600 – Airport Fund	2,468,760	221,132	308,954	(87,822)	2,380,938	2,180,807	200,131
610 – Transit Fund	(888,647)	1,770,063	2,312,991	(542,928)	(1,431,575)	347,328	(1,778,903)
690 – Refuse Fund	4,814,996	957,649	1,065,977	(108,328)	4,706,668	18,927	4,687,741
	Total Other Enterprise Funds	6,395,109	2,948,844	3,687,922	(739,078)	5,656,031	2,547,062
670 – Electric Fund	69,097,675	33,405,312	35,189,578	(1,784,266)	67,313,409	60,769,434	6,543,975
672 – Rate Stability/Debt Service Reserve Fund	6,615,590	12,779	-	12,779	6,628,369	2,428,369	4,200,000
673 – Electric Improvement Fund	819,362	6,780	190,000	(183,220)	636,142	136,703	499,439
674 – Electric Revenue Bond Project Fund	382,288	-	-	-	382,288	382,288	-
675 – Public Benefit Fund	772,085	786,012	877,512	(91,500)	680,585	-	680,585
678 – Electric Revenue Bond Debt Service Fund	(25,451,404)	2,426,619	2,426,619	-	(25,451,404)	(25,451,404)	-
	Total Electric Funds	52,235,595	36,637,502	38,683,709	(2,046,207)	50,189,388	38,265,389
660 – Water Fund	69,361,716	13,794,800	11,604,142	2,190,658	71,552,374	53,753,371	17,799,003
661 – Water Capital Facilities	6,904,549	496,464	-	496,464	7,401,013	-	7,401,013
662 – Irrigation Water Fund	1,358,656	2,700	-	2,700	1,361,356	-	1,361,356
663 – BUA Water Capital Project Fund	1,632,856	15,939	-	15,939	1,648,795	120,346	1,528,449
669 – BUA Water Debt Service Fund	(21,607,525)	1,991,263	1,991,263	-	(21,607,525)	(21,607,525)	(0)
	Total Water Funds	57,650,252	16,301,166	13,595,405	2,705,761	60,356,013	32,266,192
680 – Wastewater Fund	14,780,983	4,425,046	4,618,597	(193,551)	14,587,432	14,142,006	445,426
681 – Wastewater Capital Facility Fund	11,331,252	257,222	-	257,222	11,588,474	-	11,588,474
682 – Wastewater Tertiary	7,471,584	360,637	-	360,637	7,832,221	-	7,832,221
683 – BUA Wastewater Capital Project Fund	2,250,570	9,666	-	9,666	2,260,236	2,178,114	82,122
685 – State Revolving Loan Fund	1,615	1,615	-	1,615	3,230	-	3,230
689 – BUA Wastewater Debt Service Fund	(3,788,409)	290,920	290,920	-	(3,788,409)	(3,788,409)	-
	Total Wastewater Funds	32,047,596	5,345,106	4,909,517	435,589	32,483,185	12,531,711
700 – Risk Management Fund	(4,443,038)	2,377,267	4,624,040	(2,246,773)	(6,689,811)	4,011	(6,693,822)
702 – Fleet Maintenance	287,521	1,654,608	1,720,353	(65,745)	221,776	374,337	(152,560)
703 – Information Systems Services	(1,768,281)	486,425	832,549	(346,124)	(2,114,405)	16,314	(2,130,718)
761 – Utility Billing Administration	(2,866,576)	2,505,964	2,505,964	-	(2,866,576)	70,949	(2,937,525)
	Total Internal Service Funds	(8,790,373)	7,024,264	9,682,906	(2,658,642)	(11,449,015)	465,610
	Total Proprietary Funds	139,538,178	68,256,882	70,559,459	(2,302,577)	137,235,601	86,075,965
							51,159,636

Fund Balance Summary

Fiscal Year 2023-24

	FYE June 2023 Projected	Fiscal Year 2023-24 Operating Budget					
	Fund Equity Balance	Projected Revenues	Projected Expenditures	Projected Surplus/(Deficit)	Projected Ending Equity Fund Balance	Total Non-Spendable, Restricted, Committed & Assigned	Projected Ending Available Fund Balance
Governmental Funds							
Fiduciary Funds							
805 – Redevelopment Obligation Retirement Fund	1,815,370	2,545,291	2,545,291	-	1,815,370	-	1,815,370
810 – Successor Housing Agency	2,683,712	19,765	15,441	4,324	2,688,036	2,493,195	194,841
830 – Debt Service Fund	(25,671,325)	2,295,239	2,295,239	-	(25,671,325)	(25,671,325)	-
840 – Bond Expenditure Agreement (BEA) Project Fund	4,624,083	33,286	40,718	(7,432)	4,616,651	2,631,802	1,984,849
841 – Bond Expenditure Agreement (BEA) Low/Mod Fund	545,962	128	109	19	545,981	545,847	134
850 – Successor Agency	9,849,855	117	251	(134)	9,849,721	6,987,313	862,408
	Total Successor Agency Funds	(6,152,344)	4,893,826	4,897,049	(3,223)	(6,155,567)	(11,013,169)
360 – Sun Lakes CFD #86-1	37,134	-	-	-	37,134	37,134	(0)
365 – Wilson Street #91-1 Assessment Debt	56,824	-	-	-	56,824	56,825	(0)
370 – Area Police Computer Fund	65,444	-	-	-	65,444	-	65,444
375 – Fair Oaks #2004-01 Assessment Debt	375,396	199,414	199,413	1	375,397	375,172	225
376 – Cameo Homes	8,544	-	-	-	8,544	8,544	(0)
	Total Agency Funds	543,343	199,414	199,413	1	543,344	477,675
	Total Fiduciary Funds	(5,609,002)	5,093,240	5,096,462	(3,222)	(5,612,224)	(10,535,494)
	Total City Wide	154,067,738	102,318,459	104,770,363	(2,451,904)	151,615,834	82,010,199
							69,605,635

Proposed solutions to help with deficit:

- ▶ Reintroduce Measure P (or an alternative) on the ballot for an Enterprise fund transfer to the General Fund.
- ▶ Re-evaluate fees on Master Fee Schedule to incorporate CPI increases and cost recovery.

Capital Improvement Budget (CIP) Fiscal Year 2022-23

Fund	Proposed Revenues	Proposed Expenditures	Reserves Required to Fund
General Fund	661,700	1,480,592	(818,892)
Gas Tax Street Fund	555,220	647,220	(92,000)
Measure A Street Fund	1,350,000	1,350,000	-
RMRA (SB1) Gas Tax	730,000	730,000	-
CDBG	492,799	492,799	-
Air Quality Improvement	90,000	90,000	-
Traffic Control		125,000	(125,000)
Capital Facilities		125,000	(125,000)
Park Development	246,926	296,926	(50,000)
Airport Fund		250,000	(250,000)
Transit Fund	4,530,000	4,530,000	-
Refuse Fund	-	548,000	(548,000)
BUA Water Funds	3,100,000	9,505,000	(6,405,000)
BUA Wastewater Funds	1,575,000	4,981,000	(3,406,000)
Electric Funds	3,975,000	16,747,500	(12,772,500)
Internal Service Funds	1,448,500	1,578,500	(130,000)
Total City Wide	18,755,145	43,477,537	(24,722,392)

Capital Improvement Budget (CIP)

Fiscal Year 2023-24

Fund	Proposed Revenues	Proposed Expenditures	Reserves Required to Fund
General Fund	-	730,259	(730,259)
Gas Tax Street Fund	692,176	708,176	(16,000)
Measure A Street Fund	815,000	815,000	-
RMRA (SB1) Gas Tax	844,000	844,000	-
CDBG	80,000	80,000	-
Park Development	47,838	95,677	(47,839)
Airport Fund	-	-	-
Transit Fund	1,050,000	1,050,000	-
Refuse Fund	-	28,000	(28,000)
BUA Water Funds	1,050,000	4,010,000	(2,960,000)
BUA Wastewater Funds	625,000	2,201,000	(1,576,000)
Electric Funds	6,040,000	13,769,286	(7,729,286)
Internal Service Funds	-	335,000	(335,000)
Total City Wide	11,244,014	24,666,398	(13,422,384)

The 5-year CIP Budget can be found in the attachments. These are planned projects, but priorities, emergencies and available funding can change the plan.

GANN Limit Fiscal Year 2022-23

- ▶ In November 1979 voters passed Proposition 4, also known as the Gann Initiative. Proposition 4 Article XIII (B) of the California Constitution provides that the City's annual appropriations be subject to certain State limitations. This appropriation limit is referred to as the Gann Spending Limitation
- ▶ The calculation limits the increase in annual appropriations to a factor which is based on a combination of population growth, State per capita income change, and the change in assessment value for non-residential property.

Gross Appropriation Limit June 30, 2022	58,151,000
Proceeds of Taxes Subject to Appropriation	13,517,938
Amount Limit Exceeds Taxes Subject to Limit	44,633,062
CONCLUSION: The City Has Not Exceeded its Appropriation Limit for the 2022-23 Year.	

Recommended Action:

1. That the City Council:
 - a. Adopt Resolution No. 2022-77 approving the Two-Year Budget for Fiscal Years 2022-2023 and 2023-2024 for the City of Banning;
 - b. Adopt Resolution No. 2022-79 approving the Gann Limit for Fiscal Year 2022-2023; and
 - c. Adopt Resolution No. 2022-78 amending the Classification and Compensation Plan.
2. That the Board of the Utility Authority adopt Resolution No. 2022-06 UA approving the Two-Year Budget for Fiscal Years 2022-2023 and 2023-2024 for the Banning Utility Authority.
3. That the Board of the Successor Agency adopt Resolution No. 2022-03 SA approving the Two-Year Budget for Fiscal Years 2022-2023 and 2023-2024 for the Banning Successor Agency



Any Questions or Comments ?

