



AGENDA

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

February 28, 2023

5:00 p.m.

In Chambers and via Zoom

Council Chambers
99 E. Ramsey Street
Banning, CA 92220

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

This meeting is being held via Zoom so that members of the public may observe and participate in this meeting electronically. If you participate in this meeting via Zoom, you are agreeing to abide by the City's Zoom Community Standards for Public Meetings (provided in full on the last page of the agenda). Esta reunión se lleva a cabo en la Cámara y a través de Video/Teleconferencia en Zoom para que los miembros del público puedan observar y participar en esta reunión de manera electrónica. Si elige participar en esta reunión a través de Zoom, acepta cumplir con los Estándares comunitarios de Zoom para reuniones públicas de la ciudad (que se proporcionan en su totalidad en la última página de la agenda).

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<https://us02web.zoom.us/j/81007280759?pwd=d0JCK0yeGhOQk5Cek1kd3FJUmlsQT09>

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Password: 092220**

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Per City Council Resolution 2016-44, matters taken up by the Council before 10 p.m. may be concluded, but no new matters shall be taken up except upon a unanimous vote of the council members present and voting. Such an 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 – Reverend Jerry Liversage of the Banning Church of the Nazarene
- 1.2. Pledge of Allegiance
- 1.3. Roll Call

2. AGENDA APPROVAL

- 2.1. Approve Agenda

3. PRESENTATION(S)

None

4. REPORT ON CLOSED SESSION

4.1. City Attorney

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

5.1. PUBLIC COMMENTS – Non-Agenda Items Only

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 their time 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 Item 10). PLEASE STATE YOUR NAME FOR THE RECORD. ~ Se aplicará una limitación de tres (3) minutos a cada miembro del público que desee dirigirse al Alcalde y al Concejo sobre un asunto que no esté en la agenda. A ningún miembro del público se le permitirá compartir su tiempo con ningún otro miembro del público. Por lo general, cualquier artículo recibido bajo este encabezado se envía al personal para su estudio, investigación, finalización y / o acción futura del Consejo en el futuro (consulte el artículo 10). POR FAVOR INDIQUE SU NOMBRE PARA EL REGISTRO.

5.2. CORRESPONDENCE

Items received under this category may be received and filed or referred to staff for future research or a future agenda.

5.3. APPOINTMENTS

5.3.1. Appoint a Replacement Representative from the City Council to the Western Riverside County Council of Governments (WRCOG) Executive Committee.....**7**

5.4. CITY COUNCIL COMMITTEE REPORTS

5.5. CITY MANAGER REPORT

5.6. CITY ATTORNEY REPORT

5.7. CITY TREASURER REPORT

6. CONSENT ITEMS

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

Mayor to Open Consent Items for Public Comments

Motion: Approve consent items 6.1 to 6.18.

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

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7. PUBLIC HEARING(S)

None

8. REPORTS OF OFFICERS

8.1. Innovative Clean Transit (ICT) Regulations and Zero-Emission Bus (ZEB) Rollout and Implementation Plan.....	45
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Recommendation: Staff recommends that City Council receive and file this information regarding the Innovative Clean Transit (ICT) regulation in preparation for future discussions and actions related to the City's Zero-Emission Bus (ZEB) Rollout and Implementation Plan.

8.2. Presentation of the Fiscal Year 2021-22 Annual Comprehensive Financial Report.....	48
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(Staff Report: Lincoln Bogard, Administrative Services Director)

Recommendation: Receive and file.

8.3. Consideration of City Council Resolutions 2023-38 and 2023-39, Recommended Adoption of Fiscal Year 2022-23 Mid-Year Budget Adjustments and Quarter 2 Budget-To-Actuals.....	50
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(Staff Report: Lincoln Bogard, Administrative Services Director)

Recommendation: Adopt Resolutions 2023-38 and 2023-39: (1) Adopt Resolution No. 2023-38 approving the Mid-Year Budget Adjustments for Fiscal Year 2022-23 for the City of Banning; (2) Adopt Resolution No. 2023-39 Updated Classification and Compensation plan; (3) Authorizing the City Manager or his designee to make necessary budget adjustments, appropriations, and transfers.

9. DISCUSSION ITEM(S)

None

10. ITEMS FOR FUTURE AGENDAS

- 10.1. New Items

10.2. Pending Items:

1. Grow Banning (Sanchez)
2. Rent Control (Sanchez)
3. Potential Grants to Fund Playhouse Bowl Improvements (Sanchez)
4. Food Desert Zoning Overlay (Minjares)
5. Historic Site Preservation Board/Mills Act? (Minjares)
6. Roadside Services (Minjares)
7. Beautification of San Gorgonio Overpass Funding (Gonzales)
8. Update to Elected Official Reimbursement Policy Section D (Wallace)

11. ADJOURNMENT

Next Regular Meeting – March 14, 2023 at 5:00 p.m.

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- Your microphone must remain on mute, and you may only unmute your microphone when/if you are recognized by the Mayor.
- Your camera must be turned off unless/until you are recognized by the Mayor.
- To indicate a desire to make Public Comment, you must use the Raise Hand function. The Mayor will not recognize those who have not used the Raise Hand function.
- Public Comment from Zoom attendees will immediately follow in person comment from members of the public in Council Chambers.
- If you fail to adhere to these community guidelines, **you may be removed** for disrupting the meeting occurring in Council Chambers. You may rejoin the meeting but may be removed for each violation of these community standards.

The chat function will be disabled for all City Council meetings on Zoom.

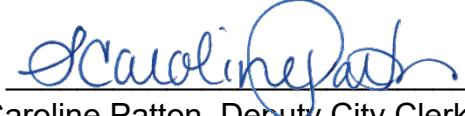
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- Su cámara debe estar apagada a menos que sea reconocido por el alcalde.
- Para indicar el deseo de hacer un Comentario Público, debe utilizar la función Levantar la mano. El alcalde no reconocerá a quienes no hayan utilizado la función Levantar la mano.
- Los comentarios públicos de lo que atienden por Zoom seguirán inmediatamente los comentarios en persona de los miembros del público en las Cámaras del Consejo.
- Si no cumple con estas pautas de la comunidad, es posible que lo destituyan por interrumpir la reunión que tiene lugar en las Cámaras del Consejo. Puede volver a unirse a la reunión, pero es posible que lo eliminen por cada violación de estos estándares de la comunidad.
- La función de chat estará deshabilitada para todas las Reuniones del Ayuntamiento en Zoom.

AFFIDAVIT • DECLARACIÓN JURADA

IT IS HEREBY CERTIFIED under the laws of the State of California that the above agenda was posted on the City's website (www.banningca.gov) as well as the Bulletin Board at Banning City Hall, located at 99 E Ramsey Street, Banning, CA 92220 by 5:00 P.M. on the 23rd day of February 2023.



Caroline Patton, Deputy City Clerk
Secretario adjunto de la ciudad

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Meeting Agendas and Notices

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Public Comment

Agenda Items

Any member of the public may address this meeting of the City Council on any item appearing on the agenda. A five-minute limitation shall apply to each member of the public and no member of the public shall be permitted to share their time with any other person.

Non-Agenda Items

Any member of the public may address this meeting of the 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 Council may act. A three-minute limitation shall apply to each member of the public and no member shall be permitted to share their time with any other person. No action shall be taken, nor discussion held by the 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 §54954.2 of the Government Code.

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CONTACT • CONTACTO

Office of the City Clerk • 951-922-3102 • CityClerks@banningca.gov
99 East Ramsey Street, Banning, California 92220



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

MEETING DATE: February 28, 2023

SUBJECT: Appoint a Replacement Representative from the City Council to the Western Riverside County Council of Governments (WRCOG) Executive Committee

RECOMMENDATION:

Staff recommend City Council appoint a replacement representative for the Western Riverside County Council of Governments (WRCOG) Executive Committee.

BACKGROUND:

On January 10, 2023, the City Council made annual committee assignments. At that time, Council Member Minjares was appointed the City Council representative to the WRCOG Executive Committee. Council Member Gonzales is currently the alternate.

JUSTIFICATION:

Since that time, it has come to staff's attention that WRCOG's Executive Committee meetings will again be requiring in-person attendance. Given the standing date and time of the meetings, Council Member Minjares has expressed concern about his being able to attend. Per his request, staff have added this to the agenda to discuss appointing a replacement representative who may be able to attend the WRCOG meetings at their standing date and time.

ATTACHMENT:

1. City Council Committee Assignments 2023
https://banningca.gov/DocumentCenter/View/12338/Att-1-Council-Assignments_2023

Approved by:

A handwritten signature of Douglas Schulze in black ink.

Douglas Schulze
City Manager



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Caroline Patton, Deputy City Clerk *CP*

MEETING DATE: February 28, 2023

SUBJECT: Minutes of the February 14, 2023 City Council Meetings

RECOMMENDATION:

Approve the minutes of the February 14, 2023 City Council Meetings.

ALTERNATIVES:

1. Approve as recommended.
2. Approve with modifications.

ATTACHMENTS:

1. Minutes of the February 14, 2023 Special City Council Meeting – Closed Session
https://banningca.gov/DocumentCenter/View/12295/2023-02-14_Minutes_Special-Meeting---Closed-Session
2. Minutes of the February 14, 2023 Regular City Council Meeting – Workshop
https://banningca.gov/DocumentCenter/View/12296/2023-02-14_Minutes_Special-Meeting---Workshop
3. Minutes of the February 14, 2023 Regular City Council Meeting
https://banningca.gov/DocumentCenter/View/12297/2023-02-14_Minutes-Regular-Meeting

Approved by:

A handwritten signature of Douglas Schulze.

Douglas Schulze
City Manager



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager
Alejandro Geronimo, City Treasurer

PREPARED BY: Lincoln Bogard, Administrative Services Director
A'ja Wallace, Deputy Finance Director

MEETING DATE: February 28, 2023

SUBJECT: Approval and Ratification of Accounts Payable and Payroll Warrants Issued in the Month of January 2023

RECOMMENDATION:

That City Council review and ratify the warrants for period ending **January 31, 2023**, per California Government Code Section 37208.

WARRANT SUMMARY:

Description	Payment #	Amount	Total Amount
Checks:			
Checks Issued during Month	185280-185680	\$ 2,694,788.64	
Voided / Reissue Check		\$ 6,028.12	
Check Total			\$ 2,688,760.52
Wires Total	1104		\$ 1,401,326.90
ACH payments:	9007456-9007480		
Payroll Direct Deposit	1/8/2023	\$ 514,937.04	
Payroll Direct Deposit	1/22/2023	\$ 539,649.96	
Other Payments		\$ 1,111,747.75	
ACH Total			\$ 2,166,334.75
Payroll Checks:	12883-12915		
Payroll - Regular	1/13/2023	\$ 3,345.64	
Payroll - Regular	1/27/2023	\$ 5,595.51	
Payroll Check Total			\$ 8,941.15
Total Warrants Issued for January 2023			\$ 6,265,363.32

February 28, 2023

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ATTACHMENTS:

1. Fund List
<https://banningca.gov/DocumentCenter/View/12300/Att-1-Fund-List>
2. Warrant Report January 2023
<https://banningca.gov/DocumentCenter/View/12301/Att-2-Warrant-Report-January-2023>
3. Warrant Report Detail January 2023
<https://banningca.gov/DocumentCenter/View/12298/Att-3-Warrant-Report-Detail-January-2023>
4. Voided Check Log, Payroll Log & Registers – January 2023
<https://banningca.gov/DocumentCenter/View/12299/Att-4-Voided-Check-Log-Payroll-Log-Payroll-Registers>

Approved by:



Douglas Schulze
City Manager



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager
Alejandro Geronimo, City Treasurer

PREPARED BY: Lincoln Bogard, Administrative Services Director
A'ja Wallace, Deputy Finance Director

MEETING DATE: February 28, 2023

SUBJECT: Receive and File Cash, Investments and Reserve Report for the Month of January 2023

RECOMMENDATION:

That City Council receive and file Cash, Investment and Reserve Report for **January 31, 2023** in accordance with California Government Code 53646.

CASH AND INVESTMENT SUMMARY:

Description	Prior Month	Current Month
Funds Under Control of the City		
Cash		
Cash on Hand	\$ 4,055.00	\$ 4,055.00
Checking and Savings Accounts	\$ 5,803,757.65	\$ 5,734,772.40
Investments		
LAIF	\$ 40,020,022.02	\$ 40,189,554.08
Brokerage	\$ 18,000,012.04	\$ 18,018,858.40
Total Funds Under Control of the City	\$ 63,827,846.71	\$ 63,947,239.88
Funds Under Control of Fiscal Agents		
US Bank		
Restricted Bond Project Accounts	\$ 11,801,953.23	\$ 11,806,487.24
Restricted Bond Accounts	\$ 4,820,100.16	\$ 4,820,100.16
Union Bank & SCPPA		
Restricted Funds	\$ 4,112,962.31	\$ 3,491,971.34
Total Funds Under Control of Fiscal Agents	\$ 20,735,015.70	\$ 20,118,558.74
Total Funds	\$ 84,562,862.41	\$ 84,065,798.62

RESTRICTED, ASSIGNED, COMMITTED AND RESERVED SUMMARY:

Description	Prior Month	Current Month
Total Funds	\$ 84,562,862.41	\$ 84,065,798.62
Restricted Funds	\$ 38,919,868.99	\$ 38,308,520.84
Assigned Funds - Specific Purpose	\$ 4,751,497.77	\$ 4,751,497.77
Committed Funds - Specific Purpose	\$ 1,500,000.00	\$ 1,500,000.00
Fund Balance Reserves	\$ 13,469,579.75	\$ 13,469,579.75
Total Restricted, Assigned, Committed and Reserves	\$ 58,640,946.51	\$ 58,029,598.36
Operating Cash - Unrestricted Reserves	\$ 25,921,915.90	\$ 26,036,200.26
Less Accounts held in Investments	\$ 18,000,012.04	\$ 18,018,858.40
Liquid Cash	\$ 7,921,903.86	\$ 8,017,341.86

ATTACHMENTS:

1. Cash, Investment and Reserve Report January 2023
<https://banningca.gov/DocumentCenter/View/12305/Att-1-Cash-Investment-and-Reserves-January-2023>
2. Investment Report
<https://banningca.gov/DocumentCenter/View/12306/Att-2-Investment-Report-January-2023>
3. City of Banning Broker Investment Report
<https://banningca.gov/DocumentCenter/View/12302/Att-3-City-of-Banning-Broker-Report-January-2023>
4. LAIF Market Valuation Report
<https://banningca.gov/DocumentCenter/View/12303/Att-4-LAIF-Market-Valution-January-2023>
5. PMIA-LAIF Performance Reserves Report
<https://banningca.gov/DocumentCenter/View/12304/Att-5-PMIA-LAIF-Performance-Report-January-2023>

Approved by:



Douglas Schulze
City Manager



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Laurie Sampson, Assistant City Manager
Todd Hopkins, CALFIRE Division Chief

MEETING DATE: February 28, 2023

SUBJECT: Receive and File Fire Protection Services Statistics for the Month of January 2023

RECOMMENDATION:

Receive and file Fire Department statistics for the month of January 2023.

BACKGROUND:

CalFire's Riverside County Division, which provides fire protection services in the City of Banning, will provide specific reports to the public and City Council upon request.

FISCAL IMPACT:

None

ATTACHMENT:

1. Fire Statistics for January 2023
<https://banningca.gov/DocumentCenter/View/12307/Banning-January-2023-Fire-Report>

Approved by:

A handwritten signature in black ink, appearing to read "Douglas Schulze".

Douglas Schulze
City Manager



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Laurie Sampson, Assistant City Manager
Maria Vargas, Police Assistant II

MEETING DATE: February 28, 2023

SUBJECT: Receive and File Police Department Statistics for the Month of January 2023

RECOMMENDATION:

Receive and file.

BACKGROUND:

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

ATTACHMENT:

1. Police Statistics – January 2023
<https://banningca.gov/DocumentCenter/View/12341/Att-1-Police-Statistics---January-2023>

Approved by:

A handwritten signature of Douglas Schulze.

Douglas Schulze
City Manager



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL
FROM: Douglas Schulze, City Manager
PREPARED BY: Art Vela, Director of Public Works
MEETING DATE: February 28, 2023
SUBJECT: Capital Improvement Project (CIP) Update Report

RECOMMENDATION:

Receive and file.

BACKGROUND:

There are several planning, environmental, design and construction contracts that have been approved by City Council and/or the City Manager's Office that are being managed by the Public Works Department.

JUSTIFICATION:

In an effort to keep the City Council and the public informed of the progress made and current status of each project, staff has prepared and will continue to update the attached **CIP Projects Tracking Spreadsheet**. Staff plan to present the City Council with this tracking spreadsheet monthly basis.

FISCAL IMPACT:

None

ATTACHMENTS:

1. CIP Projects Tracking Spreadsheet
<https://banningca.gov/DocumentCenter/View/12308/Att-1-CIP-Update-February-2023>

Approved by:

A handwritten signature in black ink, appearing to read "Douglas Schulze".

Douglas Schulze
City Manager



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Art Vela, Director of Public Works
James Grunewald, Solid Waste Program Coordinator

MEETING DATE: February 28, 2023

SUBJECT: Public Works' Solid Waste Division Bulky Item Collection Event Report

RECOMMENDATION:

Receive and file report.

BACKGROUND:

The City of Banning has partnered with Waste Management as part of the solid waste franchise agreement to provide three free bulky item collection events for residential accounts per calendar year. The first of three bulky item collection events for this year was held on January 21, 2023, at Dysart Park offering residents the opportunity to dispose of unwanted items including, but not limited to, appliances, mattresses, green waste, e-waste and so forth. This event also offers residents paper shredding and the collection of household batteries.

JUSTIFICATION:

The latest event, held on Saturday, January 21, 2023, welcomed 482 vehicles. An accumulation of 41.83 tons of municipal solid waste, 1.66 tons of green waste, 15.91 tons of white goods/metal, 3.96 tons of E-Waste, 3.50 tons of paper shredding, and 7.31 tons of mattresses were collected over the duration of 5 hours. Waste Management collected a grand total of 74.17 tons of waste of which 33.34 tons were successfully diverted from the landfill. Furthermore, five barrels of household batteries were collected during the event.

In addition to the collection of bulky waste at Dysart Park, the City included a compost station, giving away free compost to the community. Any unused compost that was not given away was disbursed and utilized on City properties throughout the community. Incorporating the free compost giveaway supports the City's compliance goals in achieving targets identified by the State and SB 1383 requirements to purchase and utilize organic waste materials. In all, Waste Management provided 15 tons of compost for the giveaway.

February 28, 2023

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The City's Bulky Item collection events continue to be a success and provide a great service to our community. The events also aid in keeping the community clean through reducing the amount of waste that may otherwise be illegally dumped throughout our city and its rights-of-ways. **The next Bulky Waste Item Collection Event will be held on Saturday June 3, 2023.**

FISCAL IMPACT:

The event was staffed by the Public Works Department, and Finance Department with staff time and material costs being funded by the Refuse fund.

ATTACHMENT:

1. Bulky Waste Item Collection Event Photos

<https://banningca.gov/DocumentCenter/View/12309/Att-1-Bulky-Item-Collection-Event-Photos>

Approved by:



Douglas Schulze
City Manager



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Art Vela, Director of Public Works
Angela Shelton, Management Analyst

MEETING DATE: February 28, 2023

SUBJECT: Authorize the City Manager to Sign the Notice of Completion for Project No. 2020-05W, "Well Redevelopment and Repairs Project" as Complete and Direct the City Clerk to Record the Notice of Completion

RECOMMENDATION:

City Council accept Project No. 2020-05W, "Well Redevelopment and Repairs Project" as complete, authorize the City Manager or his designee to sign the Notice of Completion and direct the City Clerk to record the Notice of Completion.

BACKGROUND:

On May 26, 2020, City Council approved the awarding of a Contract with L.O. Lynch Quality Wells and Pumps Inc. for Project No. 2020-05W, "Well Redevelopment and Repairs Project". The project was approved in the amount of \$519,568 with a 10% contingency for a total project budget of \$571,525.

The principal items of work included the inspection, rehabilitation, and repair of pumps and motors for: Well C-3, Well C-6, Well M-10, and Well M-12 in order to bring them back into service at optimum capacity.

The actual final amount paid to the contractor is \$519,567.31 which is \$51,957.69 under the awarded contract amount.

JUSTIFICATION:

The lowest qualified bidder, L.O. Lynch Quality Wells and Pumps, Inc. was awarded the contract, and work was completed on November 22, 2022. Public Works staff verified through inspections that the workmanship, materials, and procedures were satisfactory and that the contractor had met the required contract obligations.

February 28, 2023

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FISCAL IMPACT:

The original contract was awarded in the amount of \$571,525 and the final contract amount for this project is \$519,567.31 which is under the allocated project budget approved by City Council on May 26, 2020.

ALTERNATIVE:

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

ATTACHMENT:

1. Notice of Completion

<https://banningca.gov/DocumentCenter/View/12310/Att-1-NOC-2020-05W-LO-Lynch>

Approved by:



Douglas Schulze
City Manager



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Doug Schulze, City Manager

PREPARED BY: Ralph Wright, Parks and Recreation Director

MEETING DATE: February 28, 2023

SUBJECT: Consideration of Resolution 2023-36, Approving a Production Agreement with Pyro Spectaculars, Inc. for Production of the City of Banning's Annual Fourth-of-July Aerial Fireworks Display

RECOMMENDATION:

That the City Council adopt Resolution 2023-36:

1. Approving the Production Agreement with Pyro Spectaculars, Inc. of Rialto, CA in the amount of \$30,000 for the aerial fireworks show.
2. Authorizing the City Manager to execute the agreement.

BACKGROUND:

For over ten years, the City of Banning has offered an annual July 4th Celebration including vendors, music, kids and family activities as well as stunning aerial fireworks display and it has become a well-known, and community supported event.

Due to the gathering restrictions associated with the Coronavirus Pandemic, the 2020 July 4th event and aerial firework show was canceled. However, with the easing of the gathering restrictions the aerial fireworks show, and the event has returned in both 2021 and 2022. Last year's event had an estimated 1,500 people in attendance at Nicolet Middle School and thousands of other community members watching the fireworks show from their home, local parks, and adjacent neighborhoods. The feedback from the community was that the event was a beneficial and well-liked event that brought the community together.

Pyro Spectaculars, Inc. is the single source providing most of the aerial fireworks shows on July 4th in California and throughout the United States. Staff has inquired and negotiated with Pyro Spectaculars, Inc. as to the secure the best pricing for aerial fireworks show and received a quote of \$30,000. Although this fee includes a \$2,000 increase over last year's show price, a 7% increase is less than the 2022 Consumer price index level of over 8%. This higher price has come about due to many increases that can be seen throughout the supply chain. Pyro Spectacular released data showing significant

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increases in insurance costs, shipping costs as well as increases in the labor costs. Pyro Spectacular continues to provide a significant discount to the City of Banning as a returning customer for multiple years. New customers that request a July 4th show for 2022 will pay a minimum of \$36,000. Customers that cancel annual shows and choose to return in subsequent years will no longer be offered the returning customer discount.

If the production agreement is approved and executed, the City of Banning will pay 50% or \$15,000 on April 1st and the remaining 50%, or \$15,000 after the show occurs.

JUSTIFICATION:

Staff feels providing a July 4th event and including the aerial fireworks display provides a tremendous community benefit. Pyro Spectaculars, Inc. has performed over a dozen July 4th shows in Banning and proven themselves to deliver an exciting and safe show for the community. Funding is currently allocated in the FY 2022-23 budget (Account 001-5400-446-41.58) to support the annual July 4th event including the Aerial Fireworks Display. Additionally, Pyro Spectaculars, Inc. will provide liability insurance naming the City of Banning as additional insured and works closely with our fire marshal each year to mitigate the risk associated with fireworks show.

FISCAL IMPACT:

Sufficient funds are available and were budgeted in the July 4th Celebration account 001-5400-446-41.58. A 50% payment for the aerial fireworks display will take place on April 1st and the balance will be paid after the show takes place on July 4th.

ALTERNATIVES:

1. Adopt Resolution 2023-36, Approving the Agreement with Pyro Spectaculars, Inc. for production of the fireworks display at the July 4th, Celebration.
2. Provide alternate direction.

ATTACHMENTS:

1. Resolution 2023-36
<https://banningca.gov/DocumentCenter/View/12311/Att-1-Resolution-2023-36---Production-Agreement-with-Pyro-Spectaculars-Inc>
2. Proposal and Production agreement with Pyro Spectaculars, Inc.
<https://banningca.gov/DocumentCenter/View/12312/Att-2-PyroSpectacularsInc-Banning-2023-Proposal>

Approved by:



Douglas Schulze
City Manager



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

MEETING DATE: February 28, 2023

SUBJECT: Consideration of Resolution 2023-37, Opposing Initiative 21-0042A1, the Taxpayer Protection and Government Accountability Act

RECOMMENDATION:

Adopt Resolution 2023-37, opposing Initiative No. 21-0042A1, the Taxpayer Protection and Government Accountability Act

BACKGROUND:

The Taxpayer Protection and Government Accountability Act would amend the California Constitution with provisions that limit voters' authority and input, adopt new and stricter rules for raising taxes and fees, and may make it more difficult to impose fines and penalties for violation of state and local laws.

The measure puts billions of local government tax and fee revenues at risk statewide with related core public service impacts. The proposed constitutional initiative is sponsored by the California Business Roundtable and would have significant negative impacts on the City of Banning's operations and core service delivery.

JUSTIFICATION:

On Jan. 4, 2022, the California Business Roundtable filed the "Taxpayer Protection and Government Accountability Act" or AG# 21-0042A1. On Feb. 1, 2023, the measure qualified for the November 2024 ballot.

The League of California Cities, along with a broad coalition of local governments, labor and public safety leaders, infrastructure advocates, and businesses, strongly opposes this initiative.

Local government revenue-raising authority is currently substantially restricted by state statute and constitutional provisions, including the voter approved provisions of Proposition 13 of 1978, Proposition 218 of 1996, and Proposition 26 of 2010. The Taxpayer Protection and Government Accountability Act adds and expands restrictions on voters and local government tax and fee authority.

MAJOR PROVISIONS OF THE ACT

Fees and Charges

- Except for licensing and other regulatory fees, fees and charges may not exceed the “actual cost” of providing the product or service for which the fee is charged. “Actual cost” is the “minimum amount necessary.” The burden to prove the fee or charge does not exceed “actual cost” is changed to “clear and convincing” evidence.
- Requires fees and charges paid for the use of local and state government property and the amount paid to purchase or rent government property to be “reasonable.” These fees and charges are currently allowed to be market-based. Whether the amount is “reasonable” (introducing a new legal standard aiming to force below market fee and charge amounts) must be proved by “clear and convincing evidence.” The standard may significantly reduce the amount large companies (e.g., oil, utilities, gas, railroads, garbage/refuse, cable, and other corporations) will pay for the use of local public property.
- Prohibits fees on new development based on vehicle miles traveled.

Taxes

- Taxes and fees adopted after Jan. 1, 2022, that do not comply with the new rules, are void unless reenacted.
- Invalidates *Upland* decision that allows a majority of local voters to pass special taxes. The measure specifies that taxes proposed by the initiative are subject to the same rules as taxes placed on the ballot by a city council.
- Expressly prohibits local advisory measures which allow local voters to express a preference for how local general tax dollars should be spent.
- Requires voter approval to expand existing taxes (e.g., Utility, Transient Occupancy) to new territory (e.g., annexations) or to expand the tax base (e.g., new utility service)
- New taxes can only be imposed for a specific time period.
- City charters may not be amended to include a tax or fee.
- All state taxes require majority voter approval.

Fines and Penalties

- May require voter approval of fines, penalties, and levies for corporations and property owners that violate state and local laws unless a new, undefined adjudicatory process is used to impose the fines and penalties.

FISCAL IMPACT:

The Taxpayer Protection and Government Accountability Act will take billions of dollars away from local government services statewide.

ALTERNATIVES:

1. Adopt Resolution 2023-37 as recommended.
2. Adopt Resolution 2023-37 with modifications.

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3. Do not approve Resolution 2023-37 and provide alternative direction to staff.

ATTACHMENTS:

1. Resolution 2023-37
<https://banningca.gov/DocumentCenter/View/12315/Att-1-CC-RESOLUTION-2023-37-Opposition-Letter>
2. Initiative No. 21-0042A1, The Taxpayer Protection and Government Accountability Act
<https://banningca.gov/DocumentCenter/View/12313/Att-2-Full-Text-of-Initiative-21-0042A1>
3. Fiscal and Program Effects of Initiative 21-0042A1 on Local Governments
https://banningca.gov/DocumentCenter/View/12314/Att-3-CBRT-Fiscal-Analysis_01-14-2023

Approved by:



Douglas Schulze
City Manager



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Laurie Sampson, Assistant City Manager

MEETING DATE: February 28, 2023

SUBJECT: Consider Contract Amendment No. 1 with Joe A. Gonsalves & Son to Provide Services in Legislative Advocacy and Governmental Affairs

RECOMMENDATION:

A motion authorizing the City Manager to authorize a contract amendment with Joe A. Gonsalves & Son to provide services in legislative advocacy and governmental affairs in matters affecting cities in the State of California.

BACKGROUND:

Joe A. Gonsalves & Son have been providing legislative advocacy and governmental affairs services to the City of Banning since 2007. In 2015, due to the City's financial challenges, Gonsalves & Son offered to continue providing services at no cost to the City.

On February 8, 2022, Council approved an agreement for services with Joe A. Gonsalves & Son for \$3,000.00 per month. As the city staff has been satisfied with the services provided it is the wish to amend the original agreement to continue these services with an option to renew for an additional three years, for a total of five years, with the opportunity for a not to exceed 10% increase for each additional years.

JUSTIFICATION:

The City of Banning has unique challenges that will benefit from legislative advocacy in Sacramento. As a rapidly growing small city, funding for infrastructure is critical. While the City has an active grant writing program, it is beneficial to have a voice in Sacramento to communicate the City's needs. Furthermore, governmental affairs services are also important as has recently been reported regarding challenges experienced with California Department of Fish and Wildlife, which is not only adversely impacting housing development, but also public improvement projects.

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FISCAL IMPACT:

The monthly fee for contract services is \$3,500.00, which will be allocated to the General Fund and Enterprise Funds based on the current Cost Allocation Plan. Annual cost is \$42,000.00.

ALTERNATIVES:

1. Authorize consulting contract.
2. Provide alternate direction to staff.

ATTACHMENTS:

1. Cost Proposal 1/23/2023
<https://banningca.gov/DocumentCenter/View/12336/Att-2-Banning-Cost-Proposal>
2. 2022 Contract
https://banningca.gov/DocumentCenter/View/12337/Att-3-Gonsalves-Contract_02_08_2022
3. Introductory Letter
<https://banningca.gov/DocumentCenter/View/12333/Att-4-Banning-Reintroductory-Letter>
4. Lobbying Activities Report
<https://banningca.gov/DocumentCenter/View/12334/Att-5-Lobbying-Activites-Report>
5. JAGS Client List
<https://banningca.gov/DocumentCenter/View/12335/Att-6-Gonsalves-Client-List>

Approved by:



Douglas Schulze
City Manager



CITY OF BANNING STAFF REPORT

TO: BANNING UTILITY AUTHORITY

FROM: Douglas Schulze, City Manager

PREPARED BY: Art Vela, Director of Public Works
Angela Shelton, Management Analyst

MEETING DATE: February 28, 2023

SUBJECT: Consideration of Resolution 2023-05 UA, Awarding a Professional Services Agreement to Albert A. Webb Associates for the Preparation of California Environmental Quality Act (CEQA) and Environmental Clearance Documents for Two Non-Potable Water Infrastructure Projects

RECOMMENDATION:

Staff recommends the adoption of Resolution 2023-05 UA:

1. Awarding a Professional Services Agreement to Albert A. Webb Associates for the Preparation of California Environmental Quality Act (CEQA) Plus and Environmental Clearance Documents required to secure American Rescue Plan Act (ARPA) funds for two Non-Potable Water Infrastructure Projects.
2. Authorizing the City Manager or designee to make necessary budget adjustments, appropriations, and transfers related to the Professional Services Agreement.
3. Authorizing the City Manager or his designee to execute a Professional Services Agreement with Albert A. Webb Associates in the amount of \$147,200.

BACKGROUND:

The American Rescue Plan Act (ARPA) economic stimulus bill was signed into law in an effort to accelerate recovery from the economic and health impacts created by the COVID-19 pandemic. The ARPA stimulus bill made \$362 billion in funds available to eligible state, local, territorial, and tribal governments. Riverside County's share of the ARPA funding is estimated to be \$479 million which must be obligated by December 31, 2024, and expended by December 31, 2026.

On September 13, 2022, City Council approved a funding agreement between the County of Riverside and the City of Banning allocating \$5,049,202 for two non-potable water infrastructure projects funded by ARPA.

1. Non-Potable Booster Pump Station 1 and Reservoir Project

The NP-1 Booster Pump Station will be located on Charles Street in Banning, Ca. adjacent to the existing City of Banning Wastewater Treatment Plant. The NP-1 Booster Pump Station is being designed to pump a maximum of 1,000 gpm from Well NP-1 to the NP-2 Booster Pump Station on Lincoln Street. The estimated project cost is \$2,669,725.

2. Non-Potable Booster Pump Station 2 Project

The NP-2 Booster Pump Station will be located on Lincoln Street in the City of Banning future that will pump to the Sun Lakes Country Club irrigation lakes. The NP-2 Booster Pump Station is being designed to pump a maximum of 1,000 gpm with two (2) vertical turbine can mounted pumps, one (1) duty and one (1) standby and pump can for a future pump. The estimated project cost is \$2,379,477.

ARPA rules align environmental requirements with Clean Water State Revolving Fund (CSWRF) requirements, therefore both projects will have to meet CEQA Plus requirements. CEQA Plus is federal cross-cutting documentation in place of a National Environmental Policy Act (NEPA) document in what is termed “CEQA-Plus” documentation.

As a result, on January 30, 2023, staff released a Request for Proposals to vendors on the City's approved list for On-Call Environmental and Engineering Consultant Services. In response, proposals were received by Albert A. Webb Associates and CASC Engineering & Consulting. After evaluation of both proposals, staff recommends the award of a Professional Services Agreement to Albert A. Webb Associates in the amount of \$147,200. If approved the project is expected to begin on March 13, 2023, with an estimated completion date of March 20, 2024.

JUSTIFICATION:

In order to receive ARPA funding and also to meet the City's obligations set forth in the agreement between the City and the County of Riverside, CEQA Plus compliance must be achieved for the City's two non-potable water projects.

Professional services are necessary to prepare the required CEQA environmental clearance documents for the two non-potable water infrastructure projects. Albert A. Webb Associates is the selected firm to provided the needed services.

FISCAL IMPACT:

An appropriation from the Water Capital Facilities Fund 661 to Account No. 661-6300-471.33-11 (Professional Services) in the amount of \$147,200 is necessary to fund the Professional Services Agreement with Albert A. Webb Associates.

ALTERNATIVES:

1. Adopt Resolution 2023-05 UA as recommended.

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2. Adopt Resolution 2023-05 UA with modifications.
3. Do not approve Resolution 2023-05 UA and provide alternative direction to staff.

ATTACHMENTS:

1. Resolution 2023-05 UA

<https://banningca.gov/DocumentCenter/View/12353/Att-1-Resolution-2023-05UA-ARPA-Funds-CEQA-Work>

2. Albert A. Webb Associates Quote

<https://banningca.gov/DocumentCenter/View/12352/Att-2-CEQA-Proposal---Banning-ARPA-Projects>

Approved by:



Douglas Schulze
City Manager



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Adam Rush, Community Development Director

MEETING DATE: February 28, 2023

SUBJECT: Consideration of Resolution 2023-40, for Amendment No. 2 to the Professional Services Agreement with Brightly Software, Inc. for SmartGov Permitting Software through Fiscal Year 2024-2025

RECOMMENDATION:

Staff recommends the approval of Resolution 2023-40:

1. Authorizing the City Manager or designee to increase the Contract Sum by \$8,050 with Brightly Software, Inc. for consulting services to support the City's permit streamlining and management software.
2. Authorizing the City Manager or designee to make necessary budget adjustments, appropriations and transfers related to Amendment No. 2 to the Agreement with Brightly Software, Inc.
3. Authorizing the City Manager or designee to execute Amendment No. 2, to the Professional Services Agreement with Brightly Software, Inc. in an amount not to exceed \$368,320.56.

BACKGROUND:

The City's Community Development Department has previously contracted with Dude Solutions, Inc. to provide the City's permit software. Recently, Dude Solutions acquired several new companies that operate internationally and rebranded as Brightly Software, Inc. The change in company name and extension of the contract term and amount require the City to enter into a new professional services agreement for long-term use of the SMARTGov software.

The City Council has previously authorized \$360,270.56, of which \$138,564.21 has been expended on the configuration and testing of the software with existing City Information Technology infrastructure. City staff is requesting an additional \$8,050 to provide training for new and additional staff in order to facilitate the software going live in March 2023.

JUSTIFICATION:

Since the original agreement, City staff has grown and changed, necessitating the onboarding of new users to the system.

FISCAL IMPACT:

The Community Development operational budget will fund the requested increase, Account No. 001-2700-442.23-33 (Contract Computer Services) by \$8,050, for a total of \$368,320.56.

<u>Year</u>	<u>Estimated Amount</u>
2022/2023	\$105,012.82
2023/2024	\$41,137.65
2024/2025	\$43,605.88

ALTERNATIVES:

1. Adopt Resolution 2023-40 as recommended.
2. Adopt Resolution 2023-40 with modifications.
3. Do not approve Resolution 2023-40 and provide alternative direction to staff.

ATTACHMENTS:

1. Resolution 2022-40
<https://banningca.gov/DocumentCenter/View/12316/Att-1-Resolution-2023-40-Brightly-Software-Amendment-2>
2. Draft Professional Services Agreement
<https://banningca.gov/DocumentCenter/View/12317/Att-2-Draft-Professional-Services-Agreement---Brightly-Software-Inc-C007712>
3. Exhibit A to Draft Professional Services Agreement
<https://banningca.gov/DocumentCenter/View/12318/Att-3-EXHIBIT-A-to-Amendment-No-2-of-the-Brightly-Agreement>

Approved by:



Douglas Schulze
City Manager



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Adam Rush, Community Development Director

MEETING DATE: February 28, 2023

SUBJECT: Consideration of Resolution 2023-41, Approving Amendment No. 1 to the Professional Services Agreement (CC00658) with Romo Planning Group, Inc.

RECOMMENDATION:

Staff recommends the approval of Resolution 2023-41:

1. Authorizing the City Manager or designee to increase the Contract Sum (CC00658) by \$12,000 with Romo Planning Group Inc. for staff augmentation and consulting services to support the City's permit streamlining and management software.
2. Authorizing the City Manager or designee to make necessary budget adjustments, appropriations and transfers related to Amendment No. 1 to the Agreement (CC00658) with Romo Planning Group Inc.
3. Authorizing the City Manager or designee to execute Amendment No. 1 (CC00658), to the Professional Services Agreement with Romo Planning Group Inc. (RPG) in an amount not to exceed \$511,200.

BACKGROUND:

The City's Community Development Department has previously contracted with Romo Planning Group Inc. to provide augmentation to the City's Planning Division Staff. (RPG) has served the City since 2014 and was reauthorized a second agreement in June of 2020, after the City issued a second Request for Proposal (RFP), where RPG was successful as the most responsive and responsible candidate. The City Council has previously authorized a total contract amount of \$510,000 over a three-year contract period (2020–2023). The consultant has provided a discounted rate for the City, since 2014. With this contract amendment, the City will amend the agreement only to update the Rate Schedule to reflect recent increases in the Consumer Price Index (CPI) and other inflationary challenges.

JUSTIFICATION:

The consultant is requesting an increase of \$10 per hour to reflect recent inflationary challenges and to eliminate the discounted rate the City has paid since 2014.

FISCAL IMPACT:

The Community Development operational budget will fund the requested increase, Account No. 001-2800-33-41 (Planning Services) by \$12,000.

<u>Year</u>	<u>Estimated Amount</u>
2022/2023	\$6,000
2023/2024	\$6,000
2024/2025	N/A

ALTERNATIVES:

1. Adopt Resolution 2023-41 as recommended.
2. Adopt Resolution 2023-41 with modifications.
3. Do not approve Resolution 2023-41 and provide alternative direction to staff.

ATTACHMENTS:

1. Resolution 2022-41
<https://banningca.gov/DocumentCenter/View/12321/Att-1-Resolution-2023-41>
2. Draft Professional Services Agreement
<https://banningca.gov/DocumentCenter/View/12322/Att-2-Draft-Professional-Services-Agreement>
3. Exhibit A to Draft Professional Services Agreement
<https://banningca.gov/DocumentCenter/View/12320/Att-3-EXHIBIT-A-to-Draft-Professional-Services-Agreement>

Approved by:



Douglas Schulze
City Manager



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Adam Rush, Community Development Manager

MEETING DATE: February 28, 2023

SUBJECT: Consideration of Resolution 2023-42, Approving a Professional Services Agreement with Silver & Wright, LLP for Code Enforcement Legal Support Services

RECOMMENDATION:

Staff recommends the approval of Resolution 2023-42:

1. Authorizing the City Manager or designee to execute a Professional Services Agreement, with a Contract Sum in the amount of \$180,000, with Silver & Wright, LLP for legal services associated with Code Enforcement cases.
2. Authorizing the City Manager or designee to make necessary budget adjustments, appropriations and transfers related to the Professional Services Agreement with Silver & Wright, LLP.
3. Authorizing the City Manager or designee to execute the Professional Services Agreement, to the Professional Services Agreement with Silver & Wright, LLP in an amount not to exceed \$180,000.

BACKGROUND:

The City's Code Enforcement Division is currently staffed with a Senior and Junior Code Officer and one, half-time, Office Specialist. This staffing level has remained consistent for several years even when the City is undergoing a "boom" in residential and industrial development. However, several properties in the City have continued to remain vacant, allowing the former buildings and structures to wither away into a dilapidated state. These properties constitute a blight upon the surrounding properties and more importantly pose a clear and immediate danger to the health and safety of our residents, workforce, patrons, and businesses. Unfortunately, timeline to remediate and abate these obvious public nuisances is lengthy complex as the City is obligated to protect the property owner(s)' rights to Due Process and Equal Protection under the Law, as required by the U.S. Constitution and various other laws and statutes.

The City's current process is to coordinate with the City Attorney's Office in order to prepare a formal Notice to Abate a Public Nuisance, which can consume substantial time and resources to produce in a manner justifiable under law.

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JUSTIFICATION:

The City has contracted with Silver & Wright for the abatement and remediation of the "Banning Business Center" (located at 649 W. Lincoln St.) and the City is currently working with the same firm in an effort to remediate the dilapidated OYO Hotel (1240 W. Ramsey St.). Silver & Wright works solely on Code Enforcement abatement cases as their main legal practice. Silver & Wright provides an aggressive approach to remediating dangerous properties. The Council has directed City staff to focus on eliminating blighted properties within the Ramsey Street corridor and to demolition unsafe and blighted buildings and structures. Given the complex and lengthy process of the litigation path, retaining a law firm that dedicates their practice to Code Enforcement Municipal Law provides the most efficient method to achieve our goals City beautification and enhanced economic development (i.e., grocery stores, shopping centers, job and tax generating businesses, etc.).

FISCAL IMPACT:

The financial impact of this new agreement is highly dependent upon the nuisance abatement, receivership, and post-litigation cost recovery process. Under state law and the Banning Municipal Code (BMC), the City is entitled to recovery 100% of litigation and staffing-related costs. Silver & Wright was successful in recovering costs on the previous abatement case, located for Banning Business Center.

<u>Year</u>	<u>Estimated Amount</u>
2022/2023	\$30,000
2023/2024	\$75,000
2024/2025	\$75,000

ALTERNATIVES:

1. Adopt Resolution 2023-42 as recommended.
2. Adopt Resolution 2023-42 with modifications.
3. Do not approve Resolution 2023-42 and provide alternative direction to staff.

ATTACHMENTS:

1. Resolution 2023-42
<https://banningca.gov/DocumentCenter/View/12328/Att-1-Resolution-2023-42-Silver-and-Wright-LLP>
2. Draft Professional Services Agreement
<https://banningca.gov/DocumentCenter/View/12329/Att-2-Professional-Services-Agreement-Template>

Approved by:



Douglas Schulze
City Manager



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Art Vela, Director of Public Works
Stephanie Sirls, Transit Manager

MEETING DATE: February 28, 2023

SUBJECT: Consideration of Resolution 2023-43, Authorizing the Purchase of Five Transit Vehicles for a Not-to-Exceed Purchase Amount of \$2,250,000 Funded by State Transit Assistance Funds

RECOMMENDATION:

Staff recommends that City Council adopt Resolution 2023-43:

1. Authorizing the purchase of one Class C Dial-a-Ride bus and one fully electric transit van to be used on Dial-a-Ride for an estimated purchase price of \$351,456.44.
2. Reauthorizing the purchase of three Transit Fixed Route buses with a revised estimated total purchase price of \$1,812,445.77.
3. Authorizing a contingency in the amount of \$86,097.79.
4. Authorize the City Manager or designee to make necessary budget adjustments, appropriations and transfers related this purchase.

BACKGROUND:

The City of Banning, under the management of the Department of Public Works, owns and operates the Banning Connect Transit System which includes the operation of Fixed-Route services that serve between Banning and Cabazon. Additionally, the Dial-A-Ride division offers curb-to-curb transit services to elderly and disabled citizens residing within the City of Banning.

In support of the transit operations, and to maintain safe and reliable services, staff previously brought two separate resolutions 2022-140 (Attachment 1) and 2021-86 (Attachment 2) to City Council seeking authority to purchase five buses. Both resolutions were unanimously approved.

Unfortunately, due to the volatility of the market and manufacturer constraints, bus dealers could not deliver the vehicles on time nor on the quoted prices and as result have requested price adjustments. Consequently, the City's bus orders for FY 2020/2021 and FY 2021/2022 cannot be fulfilled. Therefore, staff is seeking authority to reprogram \$148,543.56 of unused

STA Funds that had been reserved for the purchase of two transit relief vehicles per Resolution 2022-140 to offset the increase in cost and proceed with the purchase of the five transit vehicles.

Staff will come back to City Council with a recommendation associated to the purchase of transit relief vehicles once availability vehicles has been established.

In order to establish costs, revised estimates were obtained, attached hereto. It is anticipated that a 2022 Starcraft Allstar Dial-A-Ride bus purchase will amount to approximately \$173,947.93. Additionally, it is anticipated that one Ford Transit Zero Emissions Van will cost approximately \$177,508.51 and three Class H EZ Riders will cost approximately \$1,812,445.77 for a total amount of \$2,163,902.21. The prior approval of Resolutions 2021-86 and 2022-140 granted authority to spend \$2,159,371.00, in aggregate, on transit vehicle purchases.

Due to the fluidity of the market, staff also recommends including a contingency in the amount of \$86,097.79 to cover any additional costs associated to the purchases.

Once approval is obtained and staff is alerted of order availability, staff will establish final costs, and purchases will be executed through utilizing California Association for Coordinated Transportation (CALACT). CALACT is a statewide, non-profit organization that has represented the interests of small, rural, and specialized transportation providers since 1984. Their membership is comprised of individuals and agencies from diverse facets of transportation, including operators of small and large systems, planning and government agencies, social service agencies, suppliers and consultants.

CALACT administers competitive processes for various types and sizes of transit vehicles to assist its members with procuring equipment. This provides a compliant purchasing solution that allows, as a member, the City to select vehicles that best meet its transit needs.

CALACT shall be utilized for the purchase of Dial-a-Ride and Fixed Route buses.

JUSTIFICATION:

The purchase of two Dial-A-Ride vehicles and three Fixed Route CNG buses are necessary in order to provide essential transportation services in a reliable and safe manner.

Due to the volatility of the market and manufacturer constraints, dealers, wholesalers and leasing companies are unable to fill purchase orders or accept pre-payment for wait list items. As a result, when vehicle ordering slots become available, orders are fulfilled on a "first come, first served" bases. Consequently, in order to compete for availability, City Council pre-approval is required.

The Purchasing Policy identifies that cooperative bids prepared by and processed through local, state or federal government agencies, may be utilized by the City; therefore, as soon

as staff is alerted of availability, these purchases will be executed through utilizing California Association for Coordinated Transportation (CALACT).

All vehicles purchases described in this report will be in unison with purchasing staff and consistent with the City's purchasing policies.

FISCAL IMPACT:

The total cost to purchase the transit vehicles is estimated to cost \$2,163,902.21. A contingency in the amount of \$86,097.79 is requested for a total purchasing budget of "not-to-exceed" \$2,250,000. Funding will be available Transit Fund 610, Account No. 610-5800-434.90-51 once continuing appropriations are finalized.

The expense is included as part of the City's Short Range Transit Plan and State Transit Assistance (STA) funding will be made available, as a reimbursement, by the Riverside County Transportation Commission to cover the full amount of the purchases.

ALTERNATIVES:

1. Approve Resolution 2023-43 as presented.
2. Approve with modifications.
3. Do not approve Resolution 2023-43 and provide alternative direction to staff.

ATTACHMENTS:

1. Proposed City Council Resolution 2023-43
<https://banningca.gov/DocumentCenter/View/12326/Att-1-Resolution-2023-43-Transit-Vehicle-Purchase>
2. Approved City Council Resolution 2022-140
<https://banningca.gov/DocumentCenter/View/12327/Att-2-CC-Resolution-No-2022-140>
3. Approved City Council Resolution 2021-86
<https://banningca.gov/DocumentCenter/View/12323/Att-3-CC-Resolution-No-2021-086>
4. A-Z Bus Sales Quote
<https://banningca.gov/DocumentCenter/View/12324/Att-4-Banning-Electric-Van-Quote>
5. Creative Bus Sales Quote
<https://banningca.gov/DocumentCenter/View/12325/Att-5-Creative-Bus-Quote>

Approved by:



Douglas Schulze
City Manager



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Adam Rush, Community Development Director

MEETING DATE: February 28, 2023

SUBJECT: Consideration of Resolution 2023-44, Approving Amendment No. 3 to the Professional Services Agreement (PSA C00608) with Willdan Engineering, Inc. for Building and Safety Plan Check and Landscape Design Review Services

RECOMMENDATION:

That City Council Adopt Resolution 2023-44, approving Amendment No. 3 to the Professional Services Agreement, with Willdan Engineering, Inc. f(a) building and safety plan check and plans examination services, (b) landscape design plan check and plans examination services and, (c) building permit and landscaping installation inspection services in an amount not-to-exceed Six Hundred and Twelve Thousand Dollars (\$612,000), for a total amount of Two Million, Seven Hundred and Ninety-Seven Thousand, Eight Hundred and Sixty-Two Dollars and Fifty Cents (\$2,797,902.50), for a contract term through June 30, 2024.

BACKGROUND:

Willdan Engineering, Inc. has provided Building & Safety staffing, plan check, and inspection services since October of 2019. The City continues to receive strong permit activity, from residential, commercial, and industrial development. For example, *SoCal-West Coast-Electric* construction two large industrial office buildings on 8th and Lincoln. The City recently announced Sketchers will occupy the million square-foot industrial building, located on John St.; and the construction of several hundred new homes in the Atwell master plan residential community, located on Highland Springs.

JUSTIFICATION:

The engagement of these additional services has increased the contract amount above the previously approved financial limits set by the City Council. As such, additional commitment of resources is required; however, all of the Willdan fees are considered a "pass-through" as costs are reimbursed through developer review fees on the plans and permits submitted to the City.

FISCAL IMPACT:

The existing contracted amount is for \$2,797,862.50, over a four-year period, beginning in October 2019 and expiring on June 30, 2024, unless otherwise amended. Staff requests an additional \$612,000, that will cover approximately \$96,000 in current payments due and providing approximately \$516,000 for anticipated invoices due and approximately \$30,000.00 in contingency funds:

<u>Year</u>	<u>Estimated Amount</u>
2022/2023	\$306,000
2023/2024	\$306,000

ALTERNATIVES:

1. Adopt Resolution 2023-44 as recommended.
2. Adopt Resolution 2023-44 with modifications.
3. Do not approve Resolution 2023-44 and provide alternative direction to staff.

ATTACHMENTS:

1. Proposed City Council Resolution 2023-44
<https://banningca.gov/DocumentCenter/View/12347/Att-1-Resolution-2023-44-Willdan-Amendment>
2. Draft Professional Services Agreement, Amendment No. 3
<https://banningca.gov/DocumentCenter/View/12348/Att-2-Draft-Professional-Services-Agreement---Willdan-C006683>
3. City Council Resolution 2019-122
<https://banningca.gov/DocumentCenter/View/12351/Exh-A-Resolution-No-2019-122>
4. City Council Resolution 2022-09
<https://banningca.gov/DocumentCenter/View/12349/Exh-B-Resolution-No-2022-009>
5. City Council Resolution 2023-20
<https://banningca.gov/DocumentCenter/View/12350/Exh-C--Resolution-No-2023-020>

Approved by:



Douglas Schulze
City Manager



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Lincoln Bogard, Administrative Services Director
Barbara Mason, Purchasing Manager

MEETING DATE: February 28, 2023

SUBJECT: Consideration of Resolution 2023-45, Approving a Professional Services Agreement for Managed Investment Services to Chandler Asset Management, Inc. for Three Years with an Option of Two Additional One-Year Extensions

RECOMMENDATION:

Adopt Resolution 2023-45:

1. Award a three (3) year Professional Services Agreement ("Agreement") for managed investment services to Chandler Asset Management Inc. (Chandler) with an option to extend the agreement in one-year periods, for a minimum of two fiscal years with a not to exceed amount of Eighty-Four Thousand Dollars (\$84,000.00) per fiscal year.
2. Authorize City Manager to sign and execute the investment management agreement (Attachment 1) with Chandler Asset Management, Inc. and authorize staff to enact any necessary budget entries.

BACKGROUND:

Over the past several years, the Administrative Services Director, Deputy Finance Director, and City Manager have been designated to manage the City's investment portfolio. The City does not currently contract for investment advisory or management services.

As per California Government Code Section 53600.5 and the City's Investment policy, the goals while investing City funds are safety, liquidity and yield. During the last few years, both Finance and Administration have experienced incremental increased workloads. It has been increasingly clear that the City's portfolio would benefit from a dedicated full-time expert management by a professionally managed investment firm. Chandler Asset Management uses industry benchmarks to ensure returns are inline or better than other market participants that are governed by the same Government Code investment criteria. A diverse and managed investment portfolio will garner the City a

higher yield and reduce risk. Additionally, as part of the Scope of Services, Chandler will review and update the City's investment policy.

JUSTIFICATION:

The engagement of these additional services will provide for a dedicated team to manage the investment activities in an effort to conform to the City's investment goals by increasing returns while maintaining safety and liquidity of funds.

FISCAL IMPACT:

The fiscal impact based on the projected portfolio performance is as follows:

<u>Year</u>	<u>Estimated Amount</u>
2022/2023	\$84,000
2023/2024	\$84,000
2024/2025	\$84,000
2025/2026	\$84,000
2026/2027	\$84,000

ALTERNATIVES:

1. Approve Staff Report and Adopt Resolution 2023-45 as recommended.
2. Approve Staff Report and Adopt Resolution 2023-45 with modifications.
3. Do not approve Resolution 2023-45 and provide alternative direction to staff.

ATTACHMENTS:

1. Resolution 2023-45
<https://banningca.gov/DocumentCenter/View/12344/Att-1-Resolution-2023-45-Chandler-Asset-Management-Contract>
2. Agreement with Chandler Asset Management, Inc.
<https://banningca.gov/DocumentCenter/View/12342/Att-2-Proposal>
3. City's Investment Policy and Procedures
<https://banningca.gov/DocumentCenter/View/12343/Att-3-Admin-Policy-B-11-Statement-of-Investment-Policy>

Approved by:



Douglas Schulze
City Manager



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Tom Miller, Electric Utility Director

MEETING DATE: February 14, 2023

SUBJECT: Belovac located at 435 East Lincoln Street Suite A Custom Electric Service Agreement

RECOMMENDATION:

Receive and File.

BACKGROUND:

Belovac is a local manufacturing company that makes vacuum thermoforming machinery. The equipment includes electric resistance heaters to soften the sheet plastic as part of the thermoforming process. These electric heaters can be as large as 60kW each. For quality control, Belovac tests its machinery creating a short-lived draw of power on distribution system when testing the electric heaters.

Their local facility is served by the City of Banning Electric Utility sharing a 3-phase, 1000kVa transformer providing 277/480 Voltage for electrical energy service. This is an industrial sized electric service. Their monthly consumption ranges from 3,000-5,000 kWh and their monthly peak demand ranges from 40-90 kW. The load factor is very low around 6%. This load is categorized as a medium commercial customer for rate assignment.

Load factor is the relationship of kWh to kW over the number of hours in a month. The higher the percentage load factor the more efficiently the customer uses the electric distribution system. A low load factor is indicative of the power demand "pounding" the equipment and distribution system in place to serve the customer's needs in short time bursts. Not only is the short-lived draw of power hard on the distribution system but it is equally hard to have electricity available to serve the customer's needs. Essentially, BEU must have 60kW of energy available for these short bursts 24 hours a day.

BEU's electric rates are designed to reward customers with above average load factors (for BEU greater than 55%) and penalize customers with poor load factors such as Belovac's load factor of 6%. For the Belovac case, the average penalty is approximately

\$0.35/kWh. The current overall cost per kWh is over \$0.50. Unfortunately for this situation, Belovac is unable to change its processes to improve the load factor resulting in a reasonable request for relief.

JUSTIFICATION:

Belovac is a valued local manufacturing business in Banning. They have a current business license, contribute to the City's sale tax revenue, and are in good standing with the City.

Staff is implementing an electric service agreement with Belovac that will result in an average rate of approximately \$0.23/kWh assuming no significant changes in Belovac's consumption patterns. The City has agreed to adjust the bills back to January 1, 2023.

The terms of the agreement is Belovac must keep BEU informed of any known changes in their consumption patterns and must remain in good standing with the City.

FISCAL IMPACT:

Estimated \$1,620 loss of revenue used to recover power supply (generation) cost.

ALTERNATIVES:

1. Remain on the medium commercial rate structure and risk losing the customer.

ATTACHMENTS:

None

Approved by:



Douglas Schulze
City Manager



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Art Vela, Director of Public Works
Stephanie Sirls, Transit Manager

MEETING DATE: February 28, 2023

SUBJECT: Innovative Clean Transit (ICT) Regulations and Zero-Emission Bus (ZEB) Rollout and Implementation Plan

RECOMMENDATION:

Staff recommends that City Council receive and file this information regarding the Innovative Clean Transit (ICT) regulation in preparation for future discussions and actions related to the City's Zero-Emission Bus (ZEB) Rollout and Implementation Plan.

BACKGROUND:

California Air Resources Board (CARB) adopted the ICT regulation in December 2018. Per the regulation, all public transit agencies are required to gradually transition to a 100-percent zero-emission fleet by 2040. This goal is to be achieved through the purchase of new zero-emission buses in accordance with the purchasing rules and schedule, shown in the table below (schedule shown is for small transit agencies). Beginning in 2026 through 2028, 25% of bus purchases each year (if any) must comply with zero-emission technology. Starting in 2029 and thereafter 100% of fleet purchases must be zero-emission.

Starting January 1	ZEB Percentage of Total New Bus Purchases
2026	25%
2027	25%
2028	25%
2029	100%

CARB also requires the submission of a ZEB Rollout and Implementation Plan for small public transit agencies by July 1, 2023. The smaller transit agencies in the Riverside County area approached the Riverside County Transportation Commission (RCTC) for

assistance in the development of the ZEB Rollout and Implementation Plan to meet the ICT regulation. The smaller transit agencies include the cities of Banning, Beaumont, Corona, Riverside, and Palo Verde Valley Transit Agency.

RCTC agreed to assist and applied for grant funding from the California Department of Transportation (Caltrans) FY 2021-2022 Sustainable Transportation Planning Grant program under the Sustainable Communities Competitive-Technical category. In June 2021 RCTC secured a Caltrans grant in the amount of \$271,380 to match the \$202,420 in State Transportation Improvement Program Planning, Programming, and Monitoring funds.

On April 13, 2022, RCTC awarded a contract to the Center for Transportation and the Environment (CTE), a 501c-3 nonprofit engineering and planning firm, to develop the Riverside County ZEB Rollout and Implementation Plan for the five smaller transit agencies. Following the award of the contract, RCTC and CTE, initiated the kickoff meeting with Banning on June 16, 2022, to discuss the key activities and schedule the development of the ZEB Plans.

As part of CTE's scope, they are to conduct a financial analysis of technology options (i.e. Fuel Cell Electric Buses and Battery Electric Buses) available to meet the requirement of ICT. As part of the financial analysis, which will be presented to City Council in a separate workshop, CTE estimates costs for: fleet procurement, fuel, maintenance, infrastructure and total cost of ownership.

Schedule and Timing

To meet the ICT submission deadline, the following timeline has been scheduled to develop and submit the Banning ZEB Rollout Plan:

Tasks	Task Due	Status
#1 Development of Existing Conditions Report	October 2022	Completed
#2 Presentation to City Council to introduce ICT regulation as well as the ZEB Rollout Plan Scope of Work	February 2023	In Progress
#3 Workshop and subsequent Council selection of zero-emission bus technology	March 2023	CC Workshop March 14, 2023, CC Approval March 28, 2023
#4 Council approval of the ZEB Plans based on bus technology selected on March 28, 2023	May 2023	CC Approval May 23, 2023
#5 RCTC submittal of ZEB Rollout and Implementation Plan to CARB	June 2023	On track to submit June 30, 2023

Although the deadline is nearing, staff believes that it is necessary to provide this informational presentation first to provide Council time to become familiar with the requirement of ICT. Therefore, as outlined above, staff will return to Council on March

14th, 2023, to host a workshop and answer any associated questions prior to seeking direction (selection) on the preferred zero-emission technology.

FISCAL IMPACT:

There is no fiscal impact related to this staff report. Costs for implementing the City's ZEB Rollout and Implementation Plan will be presented at future meetings.

ATTACHMENTS:

1. ICT Regulation
<https://banningca.gov/DocumentCenter/View/12340/Att-1-ICT-Clean-Final-Reg>
2. ICT Regulation Fact Sheet
<https://banningca.gov/DocumentCenter/View/12339/Att-2-Innovative-Clean-Transit-ICT-Regulation-Fact-Sheet-Media>

Approved by:



Douglas Schulze
City Manager



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Lincoln Bogard, Administrative Services Director

MEETING DATE: February 28, 2023

SUBJECT: Presentation of the Fiscal Year 2021-22 Annual Comprehensive Financial Report

RECOMMENDATION:

Receive and file.

BACKGROUND:

After the conclusion of each fiscal year, an independent auditor (currently CliftonLarsonAllen LLP) reviews the reporting of the City's financial statements in accordance with industry accounting standards. The result is an "Annual Comprehensive Financial Report (ACFR)". It includes financial statements for the City of Banning, the Banning Utility Authority, and the Banning Successor Agency of the Former RDA. It also contains the independent auditor's report, which describes the scope of the audit as well as the auditor's opinion on the financial statements. For this past Fiscal Year 2021-22 ACFR, the City is expected to receive an "unmodified" opinion. An "unmodified" opinion is only issued when there are no significant reporting issues, the financial statements are free of material misstatements, and information is presented in accordance with Generally Accepted Accounting Principles (GAAP). This opinion indicates that the City's financial condition, position, and operations are fairly presented in the financial statements. This is important to financial statement users and provides comfort to the City's creditors, while enabling the City to obtain better interest rates on any new debt issuances.

City management assumes full responsibility for the completeness and reliability of all the information presented in the ACFR. The City is continuing to establish a comprehensive internal control framework designed to protect the City's assets from loss, theft, or misuse and provide sufficient reliable information that the City of Banning's financial statements are in conformity with GAAP. The cost of internal controls should not outweigh the resulting benefits and internal controls are designed to provide reasonable assurance, not absolute assurance, that the financial statements will be free from material misstatements. City management asserts that, to the best of our knowledge and belief, the financial data provided to the auditor is complete and reliable in all material respects.

JUSTIFICATION:

Staff has received the Fiscal Year 2020-21 ACFR for the Certificate of Achievement for Excellence in Financial Reporting issued by the Government Finance Officers Association and is expecting to receive the same award for this year's ACFR.

The "Management Letter" from last year's ACFR noted three matters for consideration that staff has fully corrected for this fiscal year.

During the audit, staff provided all requested information to the auditors and the final quality control review of the ACFR is underway. We expect the final audit opinion on Thursday February 28, 2023. The ACFR will be posted below at Attachment 1 link below immediately upon receipt. The Final Draft of the ACFR was presented to the Budget & Finance Committee on February 21 and that agenda is posted below at Attachment 2.

Staff also identified that the City should have been reporting an Other Post-Employment Benefit liability in prior years. We hired a consultant to prepare the necessary actuarial data to identify whether that liability is material. It did turn out to be material and the results are included in the final ACFR draft currently undergoing quality control review.

Staff successfully implemented new reporting requirements for GASB 87 – Leases, but that was the only GASB requirement due for implementation by the City this year.

FISCAL IMPACT:

The cost of the audit was consistent with the approved contract amount will have no impact on the City's Budget.

Implied in all City Council Goals, Objectives, and Work Programs is the fundamental principle that the City will follow the City Council's adopted Fiscal Policy and will exercise the utmost financial discipline and accountability. In accordance with, and pursuant to, Section 37208 of the Government Code, the City Manager is responsible for preparing an audited Comprehensive Financial Report each year.

ATTACHMENTS:

1. Fiscal Year 2021-22 Annual Comprehensive Report
<http://www.ci.banning.ca.us/Archive.aspx?AMID=65&Type=&ADID=>
2. February 21, 2023, Budget & Finance Committee Agenda
<http://www.ci.banning.ca.us/ArchiveCenter/ViewFile/Item/2776>

Approved by:



Douglas Schulze
City Manager



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Lincoln Bogard, Administrative Services Director
A'ja Wallace, Deputy Finance Director

MEETING DATE: February 28, 2023

SUBJECT: Consideration of City Council Resolutions 2023-38 and 2023-39,
Recommended Adoption of Fiscal Year 2022-23 Mid-Year
Budget Adjustments and Quarter 2 Budget-To-Actuals

RECOMMENDATION:

Adopt Resolutions 2023-38 and 2023-39:

1. Adopt Resolution No. 2023-38 approving the Mid-Year Budget Adjustments for Fiscal Year 2022-23 for the City of Banning.
2. Adopt Resolution No. 2023-39 Updated Classification and Compensation plan.
3. Authorizing the City Manager or his designee to make necessary budget adjustments, appropriations, and transfers.

BACKGROUND:

GENERAL FUND – The three largest revenue streams for the City of Banning General Fund are property tax, sales tax, and transient occupancy tax (TOT).

PROPERTY TAX

The one percent (1.00%) base property tax base in California is shared by many agencies and in Riverside County, the current distribution of each property tax dollar for the City of Banning is illustrated on the following page. The City General Fund receives 12.33% of each property tax dollar and Citywide receives a weighted average share of about 19.59% of each property tax dollar.

Fiscal Year 2022-23 property taxes are based on property valuations as of January 1, 2022. Based on those valuations, the City is expecting strong property tax growth during this fiscal year. Historically, growth averages at about five percent (5%) per year. We are expecting over twelve percent (12%) growth this year. After that, growth is expected to moderate significantly to around four percent (4%) per year in the following four years. This is based on current consultant estimates. While the consultant is not calling for a prolonged recession, they do expect minimal growth for some time. In the event that the

economy doesn't meet expectations, the future expectations of four percent (4%) growth may be reduced.

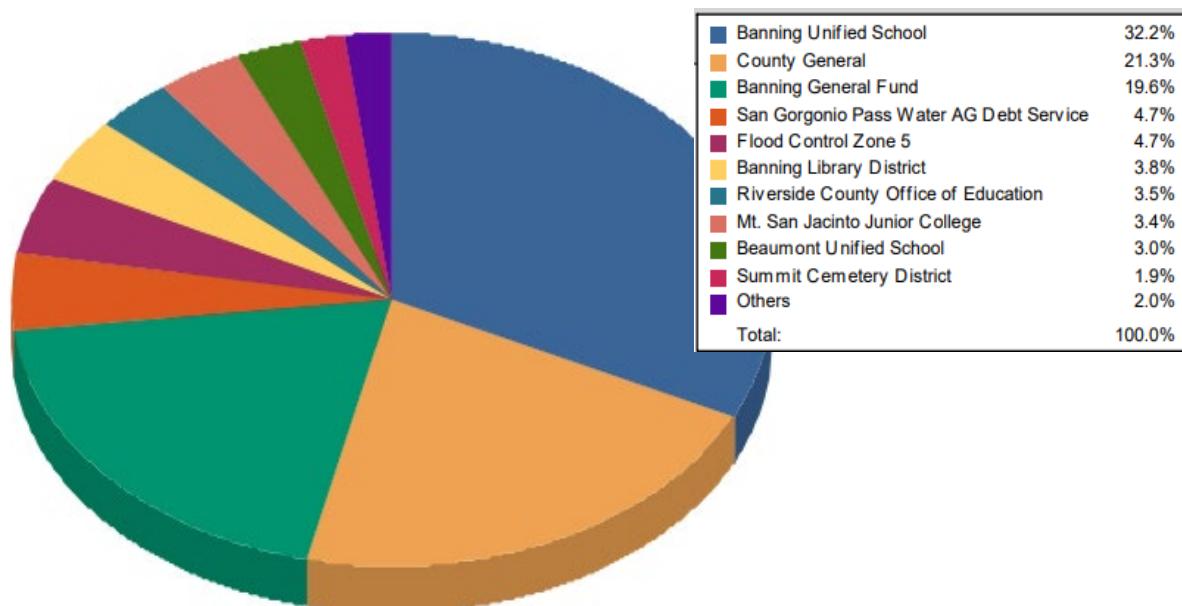
In Fiscal Year 2021-22, the City's share of the one percent (1.00%) base property tax was 2.99 million and is expected to come in around \$3.4 million this year.



THE CITY OF BANNING 2021/22 WEIGHTED AVERAGE SHARES

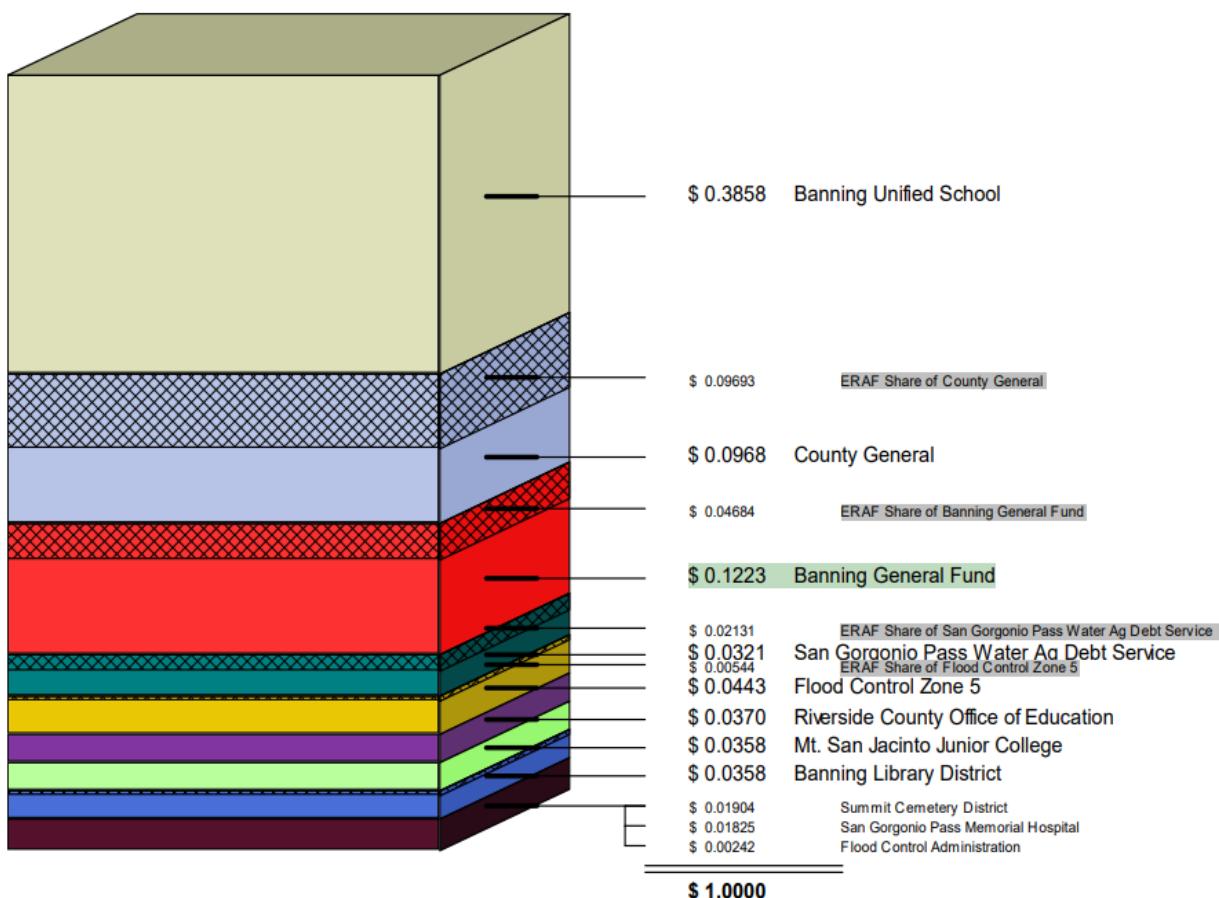
ATI Revenue by Agency for all NON SA TRAs within Selected Agency

Agency	Agency Description	Weighted Avg Share
03-0801	Banning Unified School	32.227599%
01-1001	County General	21.276057%
02-2051	Banning General Fund	19.593595%
04-5171	San Gorgonio Pass Water AG Debt Service	4.706208%
04-1365	Flood Control Zone 5	4.690891%
04-4455	Banning Library District	3.842824%
03-9896	Riverside County Office of Education	3.488428%
03-9201	Mt. San Jacinto Junior College	3.379366%
03-1101	Beaumont Unified School	2.969644%
04-4005	Summit Cemetery District	1.866813%
04-4391	San Gorgonio Pass Memorial Hospital	1.721649%
04-1351	Flood Control Administration	0.228022%
04-1110	Riverside County Reg. Park & Open Space	0.008196%
04-4606	Beaumont Cherry Valley Recreation & Park	0.000707%
		100.000000%





THE CITY OF BANNING PROPERTY TAX DOLLAR BREAKDOWN



The next charts show the historic receipts and future projections for property taxes, including Property Tax in Lieu of Vehicle License Fees, also called Vehicle License Fee Adjustment Amount (VLFAA) receipts that the City also receives. VLFAA receipts are tied to property valuations and are additional property tax revenue for the City. VLFAA is currently being reassessed by the State to determine whether to end the program. That could result in a loss of over \$3 million annually to the City. The California League of Cities is working with State Legislators to maintain this crucial revenue source for cities in California. The City expects approximately \$6.7 million in property taxes this year, which is in line with the current budget.



THE CITY OF BANNING REVENUE HISTORY

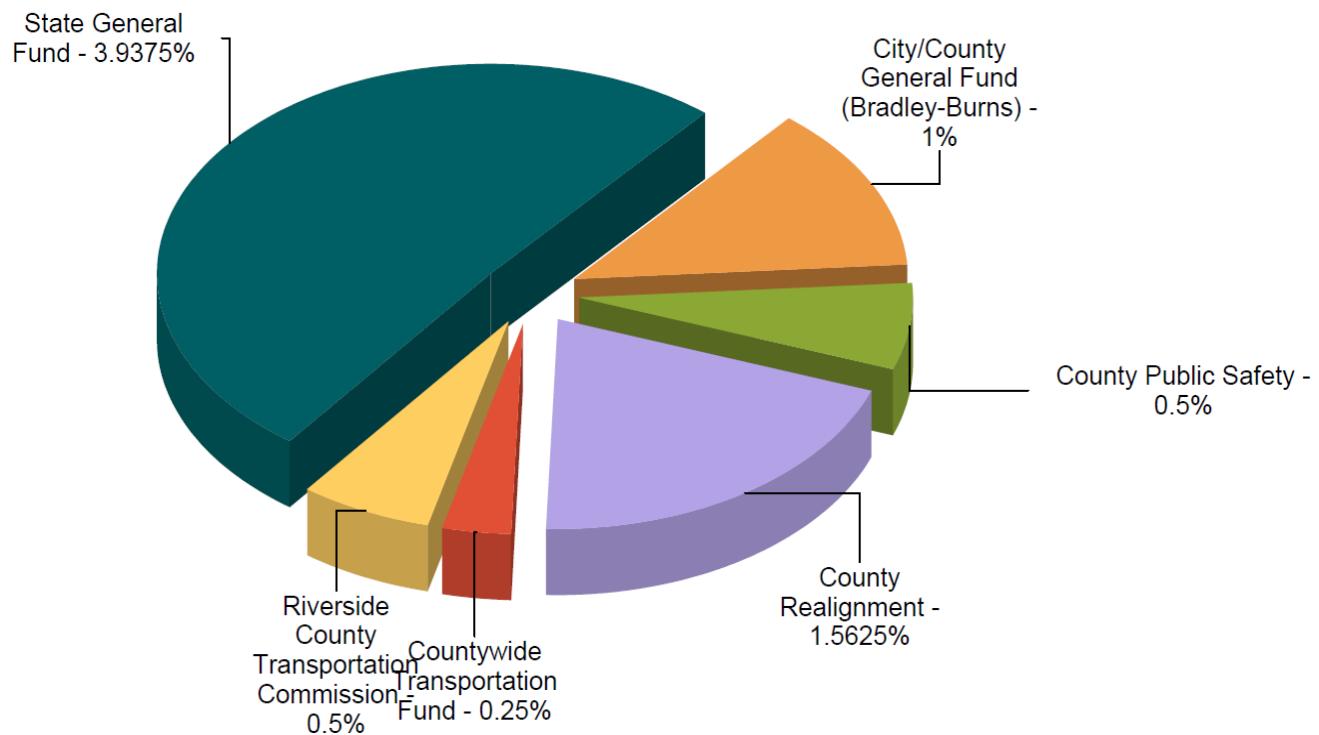
Roll Year	Total 1% Share Revenue	% Chg	VLFAA Property Tax Revenue	% Chg
2012-13	\$1,946,357		\$1,815,321	
2013-14	\$2,022,328	3.9%	\$1,900,005	4.7%
2014-15	\$2,171,966	7.4%	\$2,029,045	6.8%
2015-16	\$2,286,206	5.3%	\$2,135,247	5.2%
2016-17	\$2,374,961	3.9%	\$2,222,606	4.1%
2017-18	\$2,507,986	5.6%	\$2,359,485	6.2%
2018-19	\$2,624,950	4.7%	\$2,488,858	5.5%
2019-20	\$2,727,683	3.9%	\$2,601,101	4.5%
2020-21	\$2,831,884	3.8%	\$2,709,985	4.2%
2021-22	\$2,988,505	5.5%	\$2,850,476	5.2%

General Fund	2022-23	2023-24	2024-25	2025-26	2026-27
General Fund and BY Values	\$2,019,565,090	\$2,275,789,358	\$2,364,678,944	\$2,454,937,313	\$2,551,551,998
Real Property Value (Incl. Prop 8 parcels)	\$1,849,495,339	\$2,105,719,607	\$2,194,609,193	\$2,284,867,562	\$2,381,482,247
CPI of Non Prop 8 Parcels (2022-23 @ 2.000%)	\$34,350,681	38,452,170	43,418,546	45,534,645	47,506,293
Transfer of Ownership Assessed Value Chang	\$199,565,781	40,692,707	44,909,371	50,330,529	52,439,072
Est. SFR Prop 8 Adj Based on Recent Price	\$22,307,806	\$9,744,710	\$1,930,452	\$749,511	\$520,918
Estimated Real Property Value	\$2,105,719,607	\$2,194,609,193	\$2,284,867,562	\$2,381,482,247	\$2,481,948,530
Base Year Values	\$160,006,123	\$160,006,123	\$160,006,123	\$160,006,123	\$160,006,123
Secured Personal Property Value (see notes)	\$1,936,854	\$1,936,854	\$1,936,854	\$1,936,854	\$1,936,854
Unsecured Personal Property Value (see notes)	\$8,126,774	\$8,126,774	\$8,126,774	\$8,126,774	\$8,126,774
Nonunitary Utility Value (0.0% growth)	\$0	\$0	\$0	\$0	\$0
Enter Completed New Construction					
Estimated Net Taxable Value	\$2,275,789,358	2,364,678,944	2,454,937,313	2,551,551,998	2,652,018,281
Estimated Total Percent Change	12.69%	3.91%	3.82%	3.94%	3.94%
Revenue Calculations					
Net Taxable Value Tax @ 1%	\$22,757,894	\$23,646,789	\$24,549,373	\$25,515,520	\$26,520,183
City Share of 1% Tax @ 14.76648882%	\$3,360,542	\$3,491,801	\$3,625,080	\$3,767,746	\$3,916,100
Aircraft Value Tax @ 1%	18,948	18,948	18,948	18,948	18,948
City Share of Aircraft Tax @ 33.3%	\$6,316	\$6,316	\$6,316	\$6,316	\$6,316
Net GF Estimate	\$3,366,858	\$3,498,117	\$3,631,397	\$3,774,062	\$3,922,416
Taxable Value Revenue Categories					
Secured Revenue	3,257,709	3,384,951	3,514,153	3,652,453	3,796,267
Unsecured Revenue	102,833	106,849	110,927	115,293	119,833
Aircraft Revenue	\$6,316	\$6,316	\$6,316	\$6,316	\$6,316
Rev from Taxable Val*	\$3,366,858	\$3,498,117	\$3,631,397	\$3,774,062	\$3,922,416
Unitary Revenue (Budgeted Flat)	\$102,299	\$102,299	\$102,299	\$102,299	\$102,299
Admin Fee (Not Deducted Above)	-29,757	-30,885	-32,030	-33,256	-34,531
Enter Suppl. Apportionment - Avg 3 Yrs					
Enter Delinquent Apportionment - Avg 3 Yrs					

VLFAA	2022-23	2023-24	2024-25	2025-26	2026-27
Citywide Net Taxable Value	\$2,566,477,055	\$2,889,193,493	\$3,008,196,669	\$3,130,412,156	\$3,261,359,150
Real Property Value (Incl. Prop 8 parcels)	\$2,535,180,071	\$2,857,896,509	\$2,976,899,685	\$3,099,115,172	\$3,230,062,166
CPI of Non Prop 8 Parcels (2022-23 @ 2.00%)	\$47,766,777	\$53,044,271	\$58,974,305	\$61,787,040	\$64,462,925
Transfer of Ownership Assessed Val Change	\$250,495,569	\$54,971,224	\$60,903,217	\$68,256,428	\$71,115,843
Est. SFR Prop 8 Adj Based on Recent SFR Price	\$24,454,092	\$10,987,681	\$2,337,966	\$903,526	\$597,154
Estimated Real Property Value	\$2,857,896,509	\$2,976,899,685	\$3,099,115,172	\$3,230,062,166	\$3,366,238,087
Secured Personal Property Value (see notes)	\$3,429,987	\$3,429,987	\$3,429,987	\$3,429,987	\$3,429,987
Unsecured Personal Property Value (see notes)	\$27,810,747	\$27,810,747	\$27,810,747	\$27,810,747	\$27,810,747
Nonunitary Utility Value (0.0% growth)	\$56,250	\$56,250	\$56,250	\$56,250	\$56,250
Enter Completed New Construction					
Estimated Net Taxable Value	\$2,889,193,493	\$3,008,196,669	\$3,130,412,156	\$3,261,359,150	\$3,397,535,071
Estimated Total Percent Change	12.57%	4.12%	4.06%	4.18%	4.18%
Base Value of VLFAA	\$2,850,476	\$3,208,781	\$3,340,983	\$3,476,626	\$3,621,949
Estimated Change to VLFAA	\$358,305	\$132,202	\$135,644	\$145,323	\$151,397
VLFAA Estimate	\$3,208,781	\$3,340,983	\$3,476,626	\$3,621,949	\$3,773,347

SALES TAX

There is a seven and three quarter percent (7.75%) sales tax rate in the City of Banning. The City share of that is one percent (1.00%) or twelve and nine-tenths percent (12.9%) of all sales tax receipts. The state gets just over half, and the remainder goes to the County for various purposes. See illustrative chart and table below.



The table below depicts the last two fiscal years' sales tax receipts and the estimated projection for Fiscal Year 2022-23. We are estimating a five plus percent (5%+) increase.

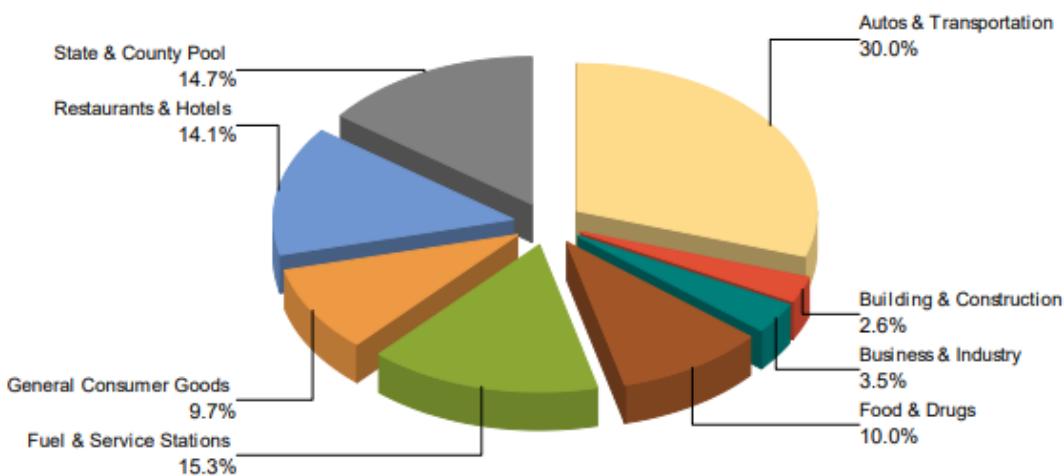
HdL CITY OF BANNING
SALES TAX ALLOCATION CASH PROJECTIONS

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Payment Month	ACTUAL		FORECAST *	
	Fiscal Year 2020-21	Fiscal Year 2021-22	Fiscal Year 2021-22	Fiscal Year 2022-23
1st Advance June	\$ 154,110	\$ 300,060	\$ 300,060	\$ 260,500
2nd Advance July	249,122	280,583	280,583	260,500
Clean Up August	258,030	350,797	350,797	435,403
2nd Quarter Allocation	661,262	931,439	931,439	956,403
1st Advance September	227,105	256,437	256,437	287,100
2nd Advance October	256,811	312,009	312,009	287,100
Clean Up November	348,886	374,954	374,954	480,039
3rd Quarter Allocation	832,802	943,400	943,400	1,054,239
1st Advance December	210,013	288,801	288,801	288,400
2nd Advance January	237,354	302,740	302,740	288,400
Clean Up February	412,437	373,049	373,049	482,265
4th Quarter Allocation	859,805	964,590	964,590	1,059,065
1st Advance March	186,781	262,437	262,437	243,800
2nd Advance April	204,290	274,414	262,437	243,800
Clean Up May	419,247	377,011	363,368	407,581
1st Quarter Allocation	810,317	913,861	888,242	895,181
1st Advance June	300,060	268,961	260,500	263,000
2nd Advance July	280,583	325,769	260,500	263,000
Clean Up August	350,797	333,711	435,403	439,821
2nd Quarter Allocation	931,439	928,441	956,403	965,821
Fiscal Year Reconciliation				
Accrual	\$ 3,434,363	\$ 3,750,292	\$ 3,752,635	\$ 3,974,305

* Based on budget prepared 04/12/22 by bem

Currently, the City has a broad base of sale tax receipt sources and is not overly reliant on any one business or industry. That helps to add stability during times of economic uncertainty. Our sales taxes for Fiscal Year 2021-22 were composed of the following industries. The City expects approximately \$3.8 million in sales taxes this year. That is inline with the current budget.



TRANSIENT OCCUPANCY TAX (TOT)

According to Visit California's industry research, California's room demand has fully recovered to the 2019 pre-pandemic levels. According to YTD August data, room demand stood 1% above the 2019 benchmark. Occupancy is on track to recover to 68% this year - still having some way to go to reach the pre-pandemic 75% occupancy. Risks to their forecasts are slightly skewed to the downside. Their tourism experts are projecting 11%, 7%, and 3% growth in California occupancy for calendar years 2022-2024, respectively. In non-gateway regions that growth is 0%, 3%, and 2% for those same periods. Based on the City's receipts for Fiscal Year 2020-21 of \$1.12 million and Fiscal Year 2021-22 receipts of \$1.29 million, our receipts grew by 15.2% year-over-year. Based on that, we expect actual receipts to be well over the current budget of \$1.24 million at around \$1.36 million using an estimated 5% growth rate.

GENERAL FUND OVERALL REVENUES (Funds 001, 002, 005, and 300)

Fiscal Year 2021-22 General Fund Revenues including Other Financing Sources was \$26.43 million and Fiscal Year 2022-23 adopted revenues budget was \$26.42 million, which we expect to revise upward to \$27.65 million with the proposed mid-year adjustments. Material adjustments proposed include:

- Decreased Engineering revenues by \$662 thousand due to delays in permits and plan reviews
- Increased General Fund discretionary revenue by \$544 thousand due to revised tax estimates
- Increased Public Safety revenue by \$621 thousand for revised PS Sales Tax estimate and Special Program estimates

The timing of revenues for local governments do not line up with the timing of expenditures. Most Property Tax receipts occur in two lump payments in late December or early January and late April or early May for each fiscal year. Sales Tax receipts are received two months in arrears with a quarterly true-up. Transient Occupancy Tax

receipts are also received up to two months in arrears. Those three revenue streams are the largest in the General Fund.

Based on the timing of revenues the General Fund normally shows an increasingly negative net income from July through December and then moves towards a positive net income thereafter. That increases the importance of accurate budgeting for the City.

GENERAL FUND EXPENDITURES (Funds 001, 002, 005, and 300)

Fiscal Year 2021-22 General Fund Expenditures including Other Financing Uses was \$26.57 million and the adopted budget for Fiscal Year 2022-23 was \$26.02 million, which was revised upward by Council appropriations this fiscal year to \$28.57 million and by proposed mid-year adjustments to \$28.59 million. Material adjustments include:

- Previous Council approved appropriations fiscal year-to-date:
 - Increased Engineering Services by \$1.1 million
 - Police Vehicles increase of \$456 thousand
 - Contract Employment Services for Finance of \$90 thousand and HR of \$60 thousand
 - General Plan Update increase of \$130 thousand
 - Computer Services for Building Maintenance of \$51 thousand
 - Impacts of Classification & Compensation Study implementation and results of labor negotiations (including estimates for the last outstanding bargaining group)
 - All others immaterial
- Proposed Material Mid-Year adjustments:
 - Central Services has approximately an increase of \$300 thousand to accommodate interfund transfers.
 - Approximately \$50 thousand increase in expenditures in each of the following:
 - City Council (Training, Conferences & Professional Services)
 - City Manager's Office (Professional Services)
 - Police Operations (Training, Repair/Maintenance Software)
 - Aquatics (Increase in utility rates)

OTHER FUNDS

Summary of other Non-General Fund funds is included in Attachment 4.

CLASSIFICATION AND COMPENSATION

The positions requested at Mid-Year either have an offsetting revenue or have been Council approved over the past few months and are being added to the workforce.

- Communications Manager (Council approved 12/13/2023)
- Assistant Water/Wastewater Superintendent (Offset by Water/Wastewater Rates)
- Wastewater Collection Specialist (Offset by Water/Wastewater Rates)
- Water Production Operator (Offset by Water/Wastewater Rates)
- Water Service Worker (Offset by Water/Wastewater Rates)
- Water Service Crew Lead (Offset by Water/Wastewater Rates)
- Building Maintenance Specialist (Public Works)

- CIP Manager (Reclass Associate Engineer)
- Bus Driver (Removed 2 PT Bus Drivers)
- Maintenance Worker (Parks, Offset by removing PT Maintenance Worker)
- AutoCAD GIS Technician (Electric, Reorganization back to Administrative Services left a vacancy within Fund 670)

FISCAL IMPACT:

Current expectations are far lower than the adopted budget. Current estimated net loss for the Fiscal Year after mid-year adjustments is approximately \$907 thousand, down from an adopted budget estimated net income of \$590 thousand, but far better than the current budgeted net loss after Council appropriations this year of (\$1.92 million). Staff is still looking to identify additional savings to balance the budget. Impacts of labor negotiations were estimated in the adopted budget, but actual numbers are included in the current budget numbers in Attachment 4. Estimates were made for the one remaining labor group yet to agree to a new contract.

ALTERNATIVES:

1. Adopt Resolutions 2023-38 approving the Mid-Year Budget Adjustments for Fiscal Year 2022-23 for the City of Banning and 2023-39 approving the updated Classification and Compensation plan.
2. Provide direction for staff to amend the Mid-Year Budget Adjustments for Fiscal Year 2022-23.

ATTACHMENTS:

1. Resolution 2023-38
<https://banningca.gov/DocumentCenter/View/12358/Att-1-Resolution-2023-38-FY22-23-Mid-Year-Proposed-Budget-Adjustments>
2. Resolution 2023-39
<https://banningca.gov/DocumentCenter/View/12359/Att-2-Resolution-2023-39-FY22-23-Classification-and-Compensation-Plan>
3. Approved Budget and Fiscal Policies
<https://banningca.gov/DocumentCenter/View/12360/Att-3-FY22-23-and-23-24-Budgetary-and-Fiscal-Policies>
4. Proposed Mid-Year Adjustments by Fund
<https://banningca.gov/DocumentCenter/View/12355/Att-4-FY22-23-Proposed-Mid-Year-Adjustments-by-Fund>
5. CIP Additions, Reclassification and Reductions by Fund
<https://banningca.gov/DocumentCenter/View/12356/Att-5-CIP-Additions-Reclassification-and-Reductions>
6. Fiscal Year 2022-23 Classification and Compensation Plan
<https://banningca.gov/DocumentCenter/View/12357/Att-6-FY22-23-Classification-and-Compensation-Plan>

February 28, 2023

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Approved by:



Douglas Schulze
City Manager