



AGENDA

REGULAR MEETING OF THE BANNING CITY COUNCIL

CITY OF BANNING, CALIFORNIA

March 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=d0JCK0oyeGhOQk5Cek1kd3FJUmlsQT09>

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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
- 1.2. Pledge of Allegiance
- 1.3. Roll Call

2. AGENDA APPROVAL

- 2.1. Approve Agenda

3. PRESENTATION(S)

3.1. Gilman Ranch Lobby Displays

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

None

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 6.12.

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

- | | | |
|-------|--|----|
| 6.1. | Approval of Minutes of the March 14, 2023 City Council Meetings..... | 7 |
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| 6.9. | Consideration of Resolution 2023-53, Amending Banning City Council Resolution 2012-49 which Repealed Resolution 2006-04, A Recruitment and Incentive Program for Specified Classifications of Employment in the City of Banning..... | 19 |
| 6.10. | Consideration of Resolution 2023-58, Accepting an Emergency Management Performance Grant (EMPG) Award of \$10,607..... | 21 |
| 6.11. | Accept Various Public Improvements for the Banning Distribution Center Project ("Banning One") and Authorize the 90% Bond Reduction for Affiliated Bonds..... | 23 |
| 6.12. | Approval of a Landscape Maintenance Agreement between LPC Banning, LP and the City of Banning for the Banning Distribution Center Project ("Banning One")..... | 25 |

7. **PUBLIC HEARING(S)**

None

8. **REPORTS OF OFFICERS**

- | | | |
|---|--|----|
| 8.1. | Consideration of Resolution 2023-50, Approving the City of Banning Transit Advertising Program, Policy and Rates | 27 |
| <i>(Staff Report: Art Vela, Director of Public Works)</i> | | |

Recommendation: Staff recommends that City Council adopt Resolution 2023-50, approving the proposed City of Banning Transit Advertising Program, Policy and Rates for the purpose of using transit assets as advertising spaces.

- 8.2. Consideration of Resolution 2023-59, Approving the Tentative Agreement with Teamsters Local 1932, Representing the Mid-Management and Professional Bargaining Unit.....**30**
(Staff Report: Lincoln Bogard, Administrative Services Director)

Recommendation: Adopt Resolution 2023-59, approving the ratified tentative agreement with Teamsters Local 1932, representing the mid-management and professional bargaining unit employees, and authorizing the City Manager or designee to finalize and execute a successor Memorandum of Understanding (MOU).

- 8.3. Consideration of Resolution 2023-54, Approving Amendment No. 1 to the Contract with NEOGOV to obtain end-to-end Human Resources and Payroll functionality (HRIS Module).....**32**
(Staff Report: Lincoln Bogard, Administrative Services Director)

Recommendation: Adopt Resolution 2023-54 to implement Amendment 1 to add NEOGOV HRIS Module for end-to-end Human Resources and Payroll solution for an Amendment total of \$371,537.71 and a total contract not-to-exceed amount of \$421,537.71 through June 30, 2026.

- 8.4. Consideration of Resolutions 2023-55 through 57, Establishing CalPERS as the City's Health Benefit Provider for Employees as of July 1, 2023.....**35**
(Staff Report: Lincoln Bogard, Administrative Services Director)

Recommendation: Staff recommend City Council adopt Resolutions 2023-55, 2023-56, and 2023-57 to establish CalPERS as the City Health Benefit Provider as of July 1, 2023.

- 8.5. Fiscal Year 2021-22 Annual Comprehensive Financial Report.....**37**
(Staff Report: Lincoln Bogard, Administrative Services Director)

Recommendation: Receive and file presentation of the final draft of the Fiscal Year 2021-22 Annual Comprehensive Financial Report.

9. DISCUSSION ITEM(S)

None

10. ITEMS FOR FUTURE AGENDAS

10.1. New Items

10.2. Pending Items:

1. Grow Banning (Sanchez)
2. Potential Grants to Fund Playhouse Bowl Improvements (Sanchez)
3. Food Desert Zoning Overlay (Minjares)
4. Historic Site Preservation Board/Mills Act? (Minjares)
5. Roadside Services (Minjares)
6. Beautification of San Gorgonio Overpass Funding (Gonzales)
7. Update to Elected Official Reimbursement Policy Section D (Wallace)
8. Format of Meeting Minutes and Staff Reports (Flynn)
9. Updating Street Signage throughout the City/Highland Springs (Flynn)
10. Revisit the Banning Animal Shelter and Agreement Renewal (Flynn)

11. ADJOURNMENT

Next Regular Meeting – April 11, 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.
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 - 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.
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- The chat function will be disabled for all City Council meetings on Zoom.

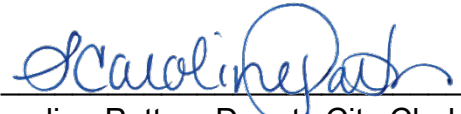
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- Su cámara debe estar apagada a menos que sea reconocido por el alcalde.
- Para indicar el deseo de hacer un Comentario Público, debe utilizar la función Levantar la mano. El alcalde no reconocerá a quienes no hayan utilizado la función Levantar la 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 March 2023.



Caroline Patton, Deputy City Clerk
Secretario adjunto de la ciudad

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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

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

MEETING DATE: March 28, 2023

SUBJECT: Approval of Minutes of the March 14, 2023 City Council Meetings

RECOMMENDATION:

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

ALTERNATIVES:

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

ATTACHMENTS:

1. Minutes of the March 14, 2023 Special City Council Meeting – Closed Session
https://banningca.gov/DocumentCenter/View/12442/2023-03-14_Minutes_Special-Meeting---Closed-Session
2. Minutes of the March 14, 2023 Regular City Council Meeting – Workshop
https://banningca.gov/DocumentCenter/View/12443/2023-03-14_Minutes_Special-Meeting---Workshop
3. Minutes of the March 14, 2023 Regular City Council Meeting
https://banningca.gov/DocumentCenter/View/12444/2023-03-14_Minutes_Regular-Meeting

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: March 28, 2023

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

RECOMMENDATION:

That City Council review and ratify the warrants for period ending **February 28, 2023**, per California Government Code Section 37208.

WARRANT SUMMARY:

Checks:			
Checks Issued during Month	185681-185680	\$ 4,309,120.47	
Voided / Reissue Check		\$ 4,865.90	
Check Total			\$ 4,304,254.57
Wires Total	1105-1107		\$ 2,564,341.53
ACH payments:	9007481-9007500		
Payroll Direct Deposit	2/5/2023	\$ 495,987.04	
Payroll Direct Deposit	2/24/2023	\$ 489,481.62	
Other Payments		\$ 875,101.23	
ACH Total			\$ 1,860,569.89
Payroll Checks:	12916-12942		
Payroll - Regular	2/10/2023	\$ 6,315.12	
Payroll - Regular	2/22/2023	\$ 5,578.34	
Other Payroll Check	2/24/2023	\$ 3,292.29	
Payroll Check Total			\$ 15,185.75
Total Warrants Issued for February 2023			\$ 8,744,351.74

ATTACHMENTS:

1. Fund List
<https://banningca.gov/DocumentCenter/View/12447/Att-1-Fund-List>
2. Warrant Report February 2023
<https://banningca.gov/DocumentCenter/View/12448/Att-2-Warrant-Report-February-2023>
3. Warrant Report Detail February 2023
<https://banningca.gov/DocumentCenter/View/12445/Att-3-Warrant-Report-Detail-February-2023>
4. Voided Check Log, Payroll Log & Registers – February 2023
<https://banningca.gov/DocumentCenter/View/12446/Att-4-Void-Check-Log-Payroll-Log-and-Payroll-Registers>

Approved by:

A handwritten signature in black ink, appearing to read "Douglas Schulze", written over a horizontal line.

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: March 28, 2023

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

RECOMMENDATION:

That City Council receive and file Cash, Investment and Reserve Report for **February 28, 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 & SCPA			
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 Reserve	\$ 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 February 2023
<https://banningca.gov/DocumentCenter/View/12452/Att-1-Cash-Investment-and-Reserves-February-2023>
2. Investment Report
<https://banningca.gov/DocumentCenter/View/12453/Att-2-Investment-Report-February-2023>
3. City of Banning Broker Investment Report
<https://banningca.gov/DocumentCenter/View/12449/Att-3-City-of-Banning-Broker-Report-February-2023>
4. LAIF Market Valuation Report
<https://banningca.gov/DocumentCenter/View/12450/Att-4-LAIF-Market-Valuation-February-2023>
5. PMIA-LAIF Performance Report
<https://banningca.gov/DocumentCenter/View/12451/Att-5-PMIA-LAIF-Performance-Report-February-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: March 28, 2023

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

RECOMMENDATION:

Receive and file Fire Department statistics for the month of February 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 February 2023
<https://banningca.gov/DocumentCenter/View/12456/Banning-February-2023-Fire-Report>

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
Maria Vargas, Police Assistant II

MEETING DATE: March 28, 2023

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

RECOMMENDATION:

Receive and file Police Department statistics for the month of February 2023.

BACKGROUND:

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

ATTACHMENT:

1. Police Statistics – February 2023
<https://banningca.gov/DocumentCenter/View/12454/Att-1-Feb-Stats>

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

MEETING DATE: March 28, 2023

SUBJECT: Receive and File Public Works Capital Improvement Project Tracking List

RECOMMENDATION:

This monthly update is informational only; 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. In an effort to keep the City Council and the public informed of the progress made and current status of each project, staff have prepared and will continue to update the attached Public Works CIP Tracking List. The list will be presented to City Council monthly.

FISCAL IMPACT:

None

ATTACHMENTS:

1. CIP Project List
<https://banningca.gov/DocumentCenter/View/12457/Att-1-CIP-Update-March-2023>

Approved by:

Douglas Schulze
City Manager



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Carla Young, Electric Business Support Manager
Tom Miller, Electric Utility Director

MEETING DATE: March 28, 2023

SUBJECT: Consideration of Resolution 2023-51, Awarding the Professional Services Agreement (C00818) to MJ Consulting LLC, for Substation and Electrical Equipment Consulting

RECOMMENDATION:

City Council adopt Resolution 2023-51:

1. Approving the award of the Professional Services Agreements to MJ Consulting, LLC in the amount of \$300,000 substation and electrical equipment consulting services.
2. Authorizing the City Manager or his designee to make necessary budget adjustments, appropriations and transfers related to the Professional Services Agreement with MJ Consulting LLC.
3. Authorizing the City Manager or his designee to execute the Professional Services Agreement with MJ Consulting LLC.

BACKGROUND:

Banning Electric Utility (BEU) has identified the continued need to upgrade the 12.4kV distribution system substations along with the need to provide reliable affordable power by constructing a 220kV sub transmission substation within the Utility's property west of Sunset Substation. On January 10, 2023, the Council adopted resolution 2023-05 to prepare application for the feasibility of construction of a 220kV substation with interconnection to SCE and CAISO. SCE has not dictated the specification requirements, so this specialized knowledge is imperative to ensure the substations are equipped to meet the needs of the system and connection.

MJ Consulting is the premier consultant in this field and has previously consulted with BEU on the existing Midway Substation equipment. MJ Consulting is also familiar with BEU's existing system and the needs of the upcoming unique projects.

JUSTIFICATION:

With the forecasted loading of the Utility's infrastructure, it is necessary to prepare for the ever-expanding need for electric power and complete the ongoing electrical system upgrade projects. These tasks require specific knowledge of substation and electrical equipment relating our current utility plant to the needed 220kV substation and its interconnection.

FISCAL IMPACT:

<u>Year</u>	<u>Estimated Amount</u>
2022/2023	\$100,000
2023/2024	\$100,000
2024/2025	\$100,000

ALTERNATIVES:

1. Adopt Resolution 2023-51 as recommended.
2. Adopt Resolution 2023-51 with modifications.
3. Do not approve Resolution 2023-51 and provide alternative direction to staff.

ATTACHMENTS:

1. Resolution 2023-51
<https://banningca.gov/DocumentCenter/View/12459/Att-1-Resolution-2023-51-MJ-Consulting-LLC>
2. Draft Contract Agreement
<https://banningca.gov/DocumentCenter/View/12458/Att-2-Draft-Contract-Services-Agreement>

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: March 14, 2023

SUBJECT: Consideration of Resolution 2023-52, Approving the Technology for the City of Banning's Zero-Emission Bus (ZEB) Rollout and Implementation Plan

RECOMMENDATION:

Staff recommends that City Council adopt Resolution 2023-52, approving Battery-Electric Buses (BEB) as the City of Banning's transit technology selection for inclusion into the final ZEB Roll-out Plan.

BACKGROUND:

Staff presented information on CARB's Innovative Clean Transit (ICT) regulation and Zero-Emission Bus (ZEB) Rollout and Implementation Plan to Council on February 28, 2023. Subsequently, staff held an ICT and ZEB Rollout and Implementation Plan workshop March 14, 2023, and advised that Council selection of zero-emission bus technology would be scheduled for March 28, 2023.

As previously mentioned, the approved zero-emission fuel technology solutions include battery electric and hydrogen fuel cell under CARB's ICT regulations as shown below:

Battery Electric Buses (BEBs)

- Fueling time longer than CNG bus
- Overnight depot charging and opportunity on-route charging would be required
- Fuel cost highly variable but could prove to be preferred based on internal partnerships with Banning Electric Utility
- Comparative total cost of ownership is the lowest of all options
- No additional land needed for infrastructure (per staff assessment)

Fuel Cell Electric Buses (FCEB) (aka hydrogen fuel)

- Comparable range to CNG bus – 1:1 replacement ratio
- Fueling time comparable to CNG bus
- Fuel cost significantly higher than fossil fuel and BEB
- Bus cost higher than BEB

- High infrastructure costs but may reduce per bus when scaled up
- Greater resilience
- Land acquisition unknown (not analyzed by CTE as part of this report)

Per the financial analysis, BEBs were found to currently be the most cost-effective and operationally feasible technology. They also come with an opportunity to partner with Banning Electric Utility. For these reasons, staff is recommending that Council adopt Battery-Electric Buses as the City of Banning's transit technology selection for inclusion into the final ZEB Roll-out Plan.

Additionally, the technology recommendation for inclusion into the City's ZEB Roll-out Plan is specific to transit and is separate from CARB's Advanced Clean Fleets (ACF) regulation. ACF regulation would require State and local government fleets, drayage trucks, high priority fleets, and federal fleets to phase in medium- and heavy-duty zero emission vehicles over time.

It should be noted that the ZEB Roll-out plan, which is due to CARB July 1, 2023, is considered a living document that will be reviewed and revised over time when needed to reflect advancement in technologies and changes to total cost of ownership estimates.

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.

ALTERNATIVES:

1. Adopt Resolution 2023-52 as presented.
2. Adopt Resolution 2023-52 with modifications.
3. Don't adopt Resolution 2023-52 and provide staff alternate direction.

ATTACHMENTS:

1. Resolution 2023-52
<https://banningca.gov/DocumentCenter/View/12462/Att-1-Resolution-2023-52-ZEB-Technology>
2. CTE Financial Analysis Presentation Slide Deck
<https://banningca.gov/DocumentCenter/View/12460/Att-2-Banning-Scenario-Comparison-Financial-Analyses>
3. March 14, 2023 Workshop Presentation Slide Deck
<https://banningca.gov/DocumentCenter/View/12461/Att-3-Zero-Emission-Bus-ZEB-Rollout-and-Implementation-Plan>

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: March 28, 2023

SUBJECT: Consideration of Resolution 2023-53, Amending Banning City Council Resolution 2012-49, Reinstating A Recruitment and Incentive Program for Specified Classifications of Employment in the City of Banning

RECOMMENDATION:

Staff recommend City Council adopt Resolution 2023-53, amending Resolution 2012-49 to reinstate language for a Recruitment and Incentive Program for specified classifications of employment in the City of Banning, but otherwise does not change the removal of the incentive program.

BACKGROUND:

Resolutions 2005-125 and 2006-04 created an incentive program for specified classifications of employment in the City of Banning. Resolution 2012-49 repealed Resolution 2006-04 and ended the incentive program for all new employees. It also acted to terminate the incentive program for any employee upon new promotions.

There are currently only five employees remaining in the program. Two employees are still in the positions held at the time of the rescinding resolution and three received promotions between that time and 2017. A prior City Manager gave written authorization for one employee to retain his incentive payments upon promotion and City management had not historically removed the incentive payments upon employee promotions.

JUSTIFICATION:

There are three employees that have been receiving incentive payments after being promoted. As stated, one has a written agreement to maintain those payments. Another has been promoted to an at-will contract position. Staff proposes that Resolution 2012-49 be amended to remove the termination upon promotion language, unless the employee becomes governed by an at-will contract. Staff believes the prior Resolution 2012-49 lack of implementation would single out one individual at this time and that continuing the incentive pay for that one individual is appropriate.

FISCAL IMPACT:

There is no real fiscal impact of implementing this resolution. In effect, one employee will not receive the pay going forward and two will continue to receive the pay, one of which has written authorization.

ALTERNATIVES:

1. Adopt Resolution 2023-53 as recommended.
2. Adopt Resolution 2023-53 with modifications.
3. Do not approve Resolution 2023-53 and provide alternative direction to staff.

ATTACHMENTS:

1. Resolution 2023-53
<https://banningca.gov/DocumentCenter/View/12464/Att-1-Resolution-2023-53-Amendment-to-Resolution-2012-49>
2. Resolution 2012-49
<https://portal.laserfiche.com/Portal/DocView.aspx?id=265582&repo=r-edac489c>
3. Resolution 2006-04
<https://portal.laserfiche.com/Portal/DocView.aspx?id=183172&repo=r-edac489c>
4. Resolution 2005-125
<https://portal.laserfiche.com/Portal/DocView.aspx?id=182883&repo=r-edac489c>

Approved by:



Douglas Schulze
City Manager



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Jeff Horn, Police Captain
Brandon Smith, Lieutenant

MEETING DATE: March 28, 2023

SUBJECT: Consideration of Resolution 2023-58, Accepting an Emergency Management Performance Grant (EMPG) Award of \$10,607

RECOMMENDATION:

Staff recommend the City Council adopt Resolution 2023-58, authorizing the acceptance of the FY22 Emergency Management Performance Grant (EMPG) award in the amount of \$10,607 for the purchase of computer equipment and monitor.

BACKGROUND:

The Banning Police Department applied for an Emergency Management Performance Grant based on the funding formula for the State of California. The amount requested was determined by the State based on population. The Grant requires a Governing Body Resolution for acceptance.

JUSTIFICATION:

The purchase of up-to-date computer equipment improves the communication link with Riverside County, the State of California, and our public safety dispatch center, for emergency management.

FISCAL IMPACT:

No additional funds will be allocated from the current budget. There is a 100% match of funds which is being offset by the cost of the part-time Emergency Management employee.

ALTERNATIVES:

The City Council may choose to reject the staff's recommendation and provide alternative direction.

ATTACHMENTS:

1. Resolution 2023-58
<https://banningca.gov/DocumentCenter/View/12467/Att-1-Resolution-2023-58-Acceptance-of-2022-EMPG-Grant>
2. EMPG Information
<https://banningca.gov/DocumentCenter/View/12465/Att-2-FY22-EMPG-Information>
3. EMPG Award Letter
https://banningca.gov/DocumentCenter/View/12466/Att-3-Banning_FY22-EMPG_Award-Letter

Approved by:

A handwritten signature in black ink, appearing to read "Douglas Schulze", written over a horizontal line.

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
Nate Smith, Deputy Director of Public Works/City Engineer

MEETING DATE: March 28, 2023

SUBJECT: Accept Various Public Improvements for the Banning Distribution Center Project (“Banning One”) and Authorize the 90% Bond Reduction for Affiliated Bonds

RECOMMENDATION:

City Council accept various public improvements constructed for the Banning Distribution Center and authorize the 90% bond reductions for said improvements.

BACKGROUND:

On December 11, 2018, City Council adopted Resolution 2018-144 approving the various applications for the Banning Distribution Center. The adopted Conditions of Approval required the property owner to provide Performance and Labor and Material Bonds for the required public improvements.

On April 26, 2022, City Council adopted Resolution 2022-45 approving the Project Improvement Agreement and accepting the Performance, Labor/Materials, and Warranty Bonds for public improvements for the Banning Distribution Center.

JUSTIFICATION:

Staff has verified that the improvements related to the bonds were completed per City standards and specifications and recommends that the City Council accept the improvements and authorize the 90% bond reduction for the following bonds:

<u>Bond #</u>	<u>Bond Amount</u>	<u>Improvements</u>
0777891	\$4,184,115.00	Water, Sewer and Street

FISCAL IMPACT:

Not applicable

ALTERNATIVES:

Do not accept staff's recommendation and provide alternative direction to staff.

ATTACHMENTS:

1. Resolution 2018-144
<https://portal.laserfiche.com/Portal/DocView.aspx?id=1810843&repo=r-edac489c>
2. Bonds and Project Improvement Agreement
<https://banningca.gov/DocumentCenter/View/12469/Att-2-Bonds-and-Agreements>

Approved by:

A handwritten signature in black ink, appearing to read "Douglas Schulze", written over a horizontal line.

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
Nate Smith, Deputy Director of Public Works/City Engineer

MEETING DATE: March 28, 2023

SUBJECT: Approval of a Landscape Maintenance Agreement between LPC Banning, LP and the City of Banning for the Banning Distribution Center Project ("Banning One")

RECOMMENDATION:

Staff recommend City Council approve the Agreement and Equitable Servitudes for Landscape Installation and Maintenance of City of Right of Way.

BACKGROUND:

The project known as the Banning Distribution Center or "Banning One" is the approximately 1-million square foot distribution center located south of I-10, north of the Banning Airport, adjacent to the eastern city limit. The City Council adopted resolution 2018-144 on December 11, 2018 approving the project and subject conditions of approval.

One condition of approval was for the applicant to install and maintain landscaping from the project site along the new John Street to Lincoln Street. The applicant has prepared, processed, and received approved landscaping and irrigation plans, which have subsequently been installed.

This agreement establishes the requirement for the applicant or its successors in interest to perpetually maintain the landscape and irrigation along John Street within the City of Banning right of way.

JUSTIFICATION:

Approval of the agreement implements a condition of approval required for this project and ensures that the property owner continues to maintain the landscaping and irrigation as required with the project conditions.

FISCAL IMPACT:

No fiscal impact or commitment by the City of Banning.

ALTERNATIVES:

1. Approve the agreement for execution.
2. Do not approve the agreement and provide alternative direction to staff.

ATTACHMENTS:

1. Agreement and Equitable Servitudes for Landscape Installation and Maintenance of City Right of Way
<https://banningca.gov/DocumentCenter/View/12470/Att-1-Landscape-Maintenance-Agreement>
2. Resolution 2018-144
<https://portal.laserfiche.com/Portal/DocView.aspx?id=1810843&repo=r-edac489c>

Approved by:

A handwritten signature in black ink, appearing to read "Douglas Schulze", written over a horizontal line.

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: March 28, 2023

SUBJECT: Consideration of Resolution 2023-50, Approving the City of Banning Transit Advertising Program, Policy and Rates

RECOMMENDATION:

Staff recommends that City Council adopt Resolution 2023-50, approving the proposed City of Banning Transit Advertising Program, Policy and Rates for the purpose of using transit assets as advertising spaces.

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.

The Transportation Development Act (TDA) of 1971 provides two sources of funding for public transit operators:

- Local Transportation Funds (LTF), which is derived from a ¼ cent of the general sales tax collected statewide is primarily used for operating expenses; and
- State Transit Assistance (STA) Fund, which is derived from the statewide sales tax on gasoline and diesel fuel is primarily used for capital expenses.

To be eligible for funding, public operators must maintain a ratio of fare revenues to operating costs of at least 10 percent for non-urbanized areas and 20 percent for urbanized areas – referred to as farebox recovery requirements. The City of Banning is currently required to meet a 10% farebox recovery ratio.

To assist the City in meeting their farebox recovery match of 10% per TDA requirements, City staff engaged TransTrack Solutions Group to assist in developing a transit advertising

program outlining how the City can generate additional revenue to support transit operations.

The City's Transit Advertising Program, if approved, would offer access to transit shelters and exterior/interior bus advertising space for an affordable rate. Advertising on City buses and shelter helps to support public transit, a vital community service and a responsible way to help the environment. The intent of the advertising program is to build partnerships within the community and provide opportunities for local organizations to promote events and services in the transit service area.

The City's Transit Advertising Program would include thirty-six interior bus posters and full/partial exterior bus wraps of up to nine different buses. Additionally, there are eleven bus shelters that would be available as opportunities to advertise a client's subject of choice (subject to approval and in accordance with the City's Transit Advertising Policy):

Revenues generated by advertising sales will be directed back to the operation of the transit system to help offset increasing costs and assist in meeting the City's farebox recovery match of 10%.

JUSTIFICATION:

The adoption of Resolution 2023-50 would approve the proposed Transit Advertising Programs, which will enhance community partnerships and generate additional revenue for the Transit Division. Revenues generated will be utilized to meet the City's 10% farebox recovery in order to remain in compliance with transit funding requirements.

For these reasons staff recommends that City Council adopt Resolution 2023-47, approving the proposed City of Banning Transit Advertising Program, Policy and Rates for the purpose of using transit assets as advertising spaces in an effort to create community partnerships and generate additional revenue to support transit operations.

FISCAL IMPACT:

All operating and capital expenses for the City's Transit Advertising Program are supported with state transportation grant funds. Acceptance of this agreement may generate additional revenues to offset expenses consistent with City policy.

A comprehensive Revenue and Expenditure estimate is available as Attachment 3 (attached). This is an annual estimate of both costs and revenues based on full capacity and will only be achieved as a result of full advertising capacity being met. Based on conservative estimates for six (6)-month agreements, offered at a discounted rate, and full capacity of advertising space filled, the City of Banning has the potential to generate up to \$269,600 annually on this effort. This is the peak revenue generation, which would be the overall goal for the program, but likely not achievable for the first few years.

Year 1 targets for the program should be both attainable and realistic, with a target of 20% capacity for year one (\$53,920) and increasing 10% annually thereafter until peak

advertising is achieved. The City may also elect to only sell one advertising space per bus shelter, leaving one framed poster space for Route Information and Service Update Information. This will impact the overall revenue potential but will also provide the public with more communication on Banning Connect services.

ALTERNATIVE:

Do not approve Resolution 2023-50 and provide alternative direction to staff.

ATTACHMENTS:

1. Resolution 2023-50
<https://banningca.gov/DocumentCenter/View/12476/Att-1-Resolution-2023-50-Transit-Advertising>
2. Transit Advertising Program Public Information Guide
<https://banningca.gov/DocumentCenter/View/12473/Att-2-City-of-Banning-Transit-Advertising-Program-Public-Information-Guide---3-17-23>
3. Transit Advertising Policy
<https://banningca.gov/DocumentCenter/View/12474/Att-3-Banning-Connect-Transit-Advertising-Policy-PDF-3-17-23>
4. Revenue and Expenditure Estimate
<https://banningca.gov/DocumentCenter/View/12475/Att-4-Revenue-and-Expenditure-Estimate>
5. Advertising Rate Sheet
<https://banningca.gov/DocumentCenter/View/12471/Att-5--Banning-Advertising-Program---Rate-Sheet-Addition>
6. Examples of Advertising Locations
<https://banningca.gov/DocumentCenter/View/12472/Att-6-Example-of-Advertising-Locations>

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
Nicole Jews, Human Resources Manager

MEETING DATE: March 28, 2023

SUBJECT: Consideration of Resolution 2023-59, Approving the Tentative Agreement with Teamsters Local 1932, Representing the Mid-Management and Professional Bargaining Unit

RECOMMENDATION:

Adopt Resolution 2023-59, approving the ratified tentative agreement with Teamsters Local 1932, representing the mid-management and professional bargaining unit employees, and authorizing the City Manager or designee to finalize and execute a successor Memorandum of Understanding (MOU).

BACKGROUND:

The City recognizes Teamsters Local 1932 as the exclusive recognized employee organization representing full-time, permanent employees in the mid-management and professional unit, relative to wages, hours, and other terms and conditions of employment as provided by Sections 3500 - 3510 of the California Government Code, otherwise known as the Meyers-Milias-Brown Act (MMBA). The prior MOU between the City and the Teamsters Unit employees expired on June 30, 2022.

Except as otherwise provided, the expired MOU between the City and Teamsters shall extend and not be terminated until such time as a successor MOU is approved by City Council or City Council unilaterally implements its last, best and final offer after impasse procedures have been followed, whichever occurs first.

On March 20, 2023, the negotiation teams reached the Tentative Agreement that was presented to Council during Closed Session before this meeting and will be included as Exhibit A to Resolution 2023-59 that staff is bringing for Council consideration for approval. The Tentative Agreement will be posted as Exhibit A upon any Council approval in Open Session tonight.

JUSTIFICATION:

At the instruction of City Council, representatives of the City of Banning have negotiated in good faith regarding wages, hours, and other terms and conditions of employment with authorized representatives of Teamsters. The MMBA provides that the governing body shall vote to accept or reject the tentative agreement within 30 days of the date it is first considered at a duly noticed public meeting.

On March 20, 2023, the City and Teamsters reached a tentative agreement on certain deal points, which is expected to be subsequently ratified by Teamsters Local 1932 membership prior to Closed Session on Tuesday, March 28th. In the event that the ratification by membership does not occur prior to the Closed Session Meeting, this item will need to be continued until ratification occurs.

FISCAL IMPACT:

The details of the Tentative Agreement may not be communicated publicly until after the ratification by Teamsters Local 1932 membership and acceptance by Council in Closed Session. Therefore, no fiscal impacts are being reported currently.

ALTERNATIVES:

1. Adopt Resolution 2023-59 as recommended.
2. Adopt Resolution 2023-59 with modifications.
3. Do not approve Resolution 2023-59 and provide alternative direction to staff.

ATTACHMENTS:

1. Resolution 2023-59
<https://banningca.gov/DocumentCenter/View/12477/Att-1-Resolution-2023-59-Teamsters-TA>

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: March 28, 2023

SUBJECT: Consideration of Resolution 2023-54, Approving Amendment No. 1 to the Contract with NEOGOV to obtain end-to-end Human Resources and Payroll functionality (HRIS Module)

RECOMMENDATION:

Adopt Resolution 2023-54 to implement Amendment 1 to add NEOGOV HRIS Module for end-to-end Human Resources and Payroll solution for an Amendment total of \$371,537.71 and a total contract not-to-exceed amount of \$421,537.71 through June 30, 2026.

BACKGROUND:

The City has been using NaviLine by CentralSquare for its Enterprise Resource Planning System (ERP), including Human Resources and Payroll, since 1993. Version upgrades have been performed over the years, but the system is outdated and complex and does not contain any user-friendly reporting options. Currently processing biweekly payroll requires one full-time payroll employee and two additional employees conducting payroll functions on payroll weeks. Another Human Resources employee also spends payroll week working on processing payroll. The amount of staffing required for just this function is excessive when compared to modern solutions.

The City Council approved the implementation of Oracle NetSuite for Governments on March 14, 2023. As a part of that contract, the City has the option of adding its Human Resources and Payroll modules within 12 months at a significant discount.

Staff have compared several HR and Payroll solutions and has decided that NEOGOV HRIS is the best solution currently.

JUSTIFICATION:

There are several reasons why staff have determined to expand our relationship with NEOGOV. Oracle NetSuite for Governments is a relatively newer solution that began offering government-specific solutions in 2020. NetSuite has a much longer history and

has offered not-for-profit solutions for many years. Governmental accounting is extremely similar to not-for-profit accounting; there are similar funds and fund types and for accounting purposes staff were comfortable with the system capabilities.

The City is NetSuite for Governments' first client in California. Human Resources and Payroll law is unique in California and staff believes that implementing a proven governmental solution in California is the best option.

NEOGOV also offers features that many other comparable systems do not, such as the ability to process backdated employee changes in HR and have the system automatically calculate any necessary retroactive pay. The solution can also code employee time electronically and can charge time per set distribution or to projects or work orders. It has portals for employees and management to see their accruals, performance reviews, direct deposit, tax information, etc. Staff believes that the biweekly payroll process can be performed with one full-time Payroll employee, one Payroll approver, and HR entry of employee changes for each payroll. This efficiency will allow Finance staff currently spending significant time on Payroll to pickup other functions related to their positions.

Finally, the City currently uses NEOGOV for recruitment, hiring, and onboarding, and is designed as seamless module with the HRIS solution. It is easier to integrate this NEOGOV solution with NetSuite for Governments, than to move forward with NetSuite for Governments HR and Payroll solution and integrate with our current NEOGOV recruitment, hiring, and onboarding. This is because all employee data resides in NEOGOV and only financial data transfers to NetSuite for Governments.

FISCAL IMPACT:

The total cost of this amendment for March 28, 2023, through June 30, 2026, is \$371,537.71, of which \$133,200 is for implementation costs. Implementation costs have already been appropriated by Council to be paid from American Rescue Plan Act funding. The ongoing maintenance costs are \$3,148.21 for the remainder of FY 2022-23 and as illustrated below for future years. NEOGOV has offered the City its best incentive pricing available. The incentives end in FY 2025-26 and ongoing maintenance costs thereafter will be close to those identified below with cost escalation factors.

The City currently pays about \$115,000 per year in maintenance costs for NaviLine. The contract with NetSuite for Governments is \$70,194 in maintenance fees per year for the first five years. The cost to the City will be similar to NaviLine's costs initially but will be about \$60,000 higher beginning in FY 2025-26. With that said, the City's second choice ERP solution was similar to the total FY 2025-26 budget for both solutions proposed by the City. Total implementation costs are lower and the first two years' maintenance fees are also lower than our second choice solution.

<u>Year</u>	<u>Estimated Amount</u>
2022-2023	\$136,348.21 (\$133,200 Implementation)
2023-2024	\$55,783.00
2024-2025	\$73,728.20
2025-2026	\$105,678.30

ALTERNATIVES:

1. Adopt Resolution 2023-54 as recommended.
2. Adopt Resolution 2023-54 with modifications.
3. Do not approve Resolution 2023-54 and provide alternative direction to staff.

ATTACHMENTS:

1. Resolution 2023-54
<https://banningca.gov/DocumentCenter/View/12480/Att-1-Resolution-2023-54-NeoGov-Amendment-1>
2. Resolution 2022-100
<https://portal.laserfiche.com/Portal/DocView.aspx?id=2546220&repo=r-edac489c>
3. NEOGOV HRIS Deep Dive Product Offering
<https://banningca.gov/DocumentCenter/View/12479/Att-3-HRIS-Deep-Dive>

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: March 28, 2023

SUBJECT: Consideration of Resolutions 2023-55 through 57, Establishing CalPERS as the City's Health Benefit Provider for Employees as of July 1, 2023

RECOMMENDATION:

Staff recommend City Council adopt Resolutions 2023-55, 2023-56, and 2023-57 to establish CalPERS as the City Health Benefit Provider as of July 1, 2023.

BACKGROUND:

The City currently has a contract with Keenan and Associates to find the best benefit pricing for the City and another contract with Building Blocks for benefit administration. HR and Payroll staff have had many significant and time-consuming errors that have been associated with those providers. While some items were primarily due to communications issues with Keenan, the Building Blocks issues took many staff hours to resolve.

Staff decided to look at alternatives and found that CalPERS Health Groups are the most cost-effective option identified. The ability for CalPERS to negotiate rates on a much larger scale results in saving to its participants. The administration costs are also much lower than the City currently pays. Other participants have shared that they have minimal errors or issues with CalPERS offerings.

JUSTIFICATION:

The employees eligible for CalPERS Health Plans cover more employees than our current offering as well. All CalPERS employees may participate, which would make any part-time CalPERS employees eligible for the Health Insurance Groups. The City only has two CalPERS part-time employees currently.

The lineup of plans offered is similar to the City's current offering, with the exception that CalPERS does not offer a high-deductible plan (HDP) for Kaiser Permanente.

PEMHCA Government Code Section 22772 defines an (active) employee eligible to participate in the program as a person employed by the contracting agency and participates in a retirement system provided by the agency, or an officer or elected official of the agency.

PEMHCA Government Code Section 22760 defines an annuitant (retiree or survivor) eligible to participate in the program as a person who retires within 120 days of separation of employment, and who receives a monthly retirement allowance.

Consequently, Elected Officials will often qualify for health as active employees, as participation in a retirement system is not required for them. However, they will not qualify for health once they are no longer serving their term, as they are neither active employees, nor are they annuitants (because they cannot “retire within 120 days” or “receive a monthly retirement warrant,” as they did not participate in a retirement system to retire from). They would not be eligible to continue health in the CalPERS Health Program as “former” Elected Officials, nor receive any employer contribution though such.

FISCAL IMPACT:

None to the City. There will be a reduction in Employee Health Benefit Costs for the same plans. Currently, employees pay all of their own benefit costs and receive a cafeteria allowance from the City.

ALTERNATIVES:

1. Adopt Resolutions 2023-55, 2023-56, and 2023-57 as recommended.
2. Adopt Resolutions 2023-55, 2023-56, and 2023-57 with modifications.
3. Do not approve Resolutions 2023-55, 2023-56, and 2023-57 and provide alternative direction to staff.

ATTACHMENT:

1. Resolution 2023-55 (In CalPERS-required formatting)
<https://banningca.gov/DocumentCenter/View/12486/Att-1-Resolution-2023-55>
2. Resolution 2023-56 (In CalPERS-required formatting)
<https://banningca.gov/DocumentCenter/View/12484/Att-2-Resolution-2023-56>
3. Resolution 2023-57 (In CalPERS-required formatting)
<https://banningca.gov/DocumentCenter/View/12485/Att-3-Resolution-2023-57>

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: March 28, 2023

SUBJECT: Fiscal Year 2021-22 Annual Comprehensive Financial Report

RECOMMENDATION:

Receive and file presentation of the final draft of the Fiscal Year 2021-22 Annual Comprehensive Financial Report.

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 received 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:

The City received the Certificate of Achievement for Excellence in Financial Reporting issued by the Government Finance Officers Association for its Fiscal Year 2020-21 ACFR and Fiscal Year 2021-22 ACFR.

During the audit, staff provided all requested information to the auditors and the final opinion and financial statement issuance was provided on March 15, 2023. The ACFR is posted below at Attachment 1. 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 not turn out to be material. The results are included in the final ACFR but did not result in a beginning balance restatement of net position.

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. The “Management Letter” from last year’s ACFR noted three matters for consideration that staff has fully corrected for this fiscal year’s issuance.

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
<https://banningca.gov/ArchiveCenter/ViewFile/Item/2792>
2. February 21, 2023, Budget & Finance Committee Agenda
<http://www.ci.banning.ca.us/ArchiveCenter/ViewFile/Item/2776>

Approved by:



Douglas Schulze
City Manager