

**AGENDA
REGULAR MEETING
CITY OF BANNING
BANNING, CALIFORNIA**

September 13, 2011
5:00 p.m.

Banning Civic Center
Council Chambers
99 E. Ramsey St.

Per City Council Resolution No. 2010-38 matters taken up by the Council before 9:00 p.m. may be concluded, but no new matters shall be taken up after 9:00 p.m. except upon a unanimous vote of the council members present and voting, but such extension shall only be valid for one hour and each hour thereafter shall require a renewed action for the meeting to continue.

I. CALL TO ORDER

- Invocation – Pastor Esther De La Cruz, Canann Assembly of God
- Pledge of Allegiance
- Roll Call – Councilmembers Botts, Franklin, Machisic, Robinson, Mayor Hanna

II. REPORT ON CLOSED SESSION

III. PUBLIC COMMENTS/CORRESPONDENCE/PRESENTATIONS

PUBLIC COMMENTS – On Items Not on the Agenda

A three-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. A thirty-minute time limit is placed on this section. No member of the public shall be permitted to “share” his/her three minutes with any other member of the public. (Usually, any items received under this heading are referred to staff or future study, research, completion and/or future Council Action.) (See last page. PLEASE STATE YOUR NAME AND ADDRESS FOR THE RECORD.)

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

The City of Banning promotes and supports a high quality of life that ensures a safe and friendly environment, fosters new opportunities and provides responsive, fair treatment to all and is the pride of its citizens.

IV. CONSENT ITEMS

(The following items have been recommended for approval and will be acted upon simultaneously, unless any member of the City Council wishes to remove an item for separate consideration.)

Motion: That the City Council approve Consent Item 1 through 9

Items to be pulled _____, _____, _____, _____ for discussion.

(Resolutions require a recorded majority vote of the total membership of the City Council)

1.	Approval of Minutes – Special Meeting – 08/23/11 (Study Session)	1
2.	Approval of Minutes – Joint Meeting – 08/23/11 (Closed Session)	13
3.	Approval of Minutes – Regular Council Meeting – 08/23/11.	14
4.	Ordinance No. 1439 – 2 nd Reading: An Ordinance of the City Council of the City of Banning, California, Approving Zoning Text Amendment No. 11-97501 Amending the Review Requirements for Accessory Structures.	28
5.	Ordinance No. 1441 – 2 nd Reading: An Ordinance of the City Council of the City of Banning, California, Determining It Will Comply with the Voluntary Alternative Redevelopment Program Pursuant to Part 1. 9 of Division 24 of the California Health and Safety Code in Order to Permit the Continued Existence and Operation of the Redevelopment Agency of the City of Banning.	33
6.	Resolution No. 2011-77, Accepting Community Development Block Grant Program Funds for Fiscal Year 2011-2012.	38
7.	Resolution No. 2011-78, Approving the Airport Improvement Program Grant Agreement Offer with the Federal Aviation Administration for AIP project No. 3-06-0018-11-2011(D), Taxiway “A” Relocation	85
8.	Resolution No. 2011-79, Awarding a Professional Services Agreement To C&S Engineers, Inc. OF San Diego, California in an amount “Not to Exceed” \$200,128.00 for Design of the Taxiway “A” Relocation at the Banning Municipal Airport.	89
9.	Resolution No. 2011-80, Authorizing the Acceptance and Expenditure of FY 2011 State Homeland Security Grant Program Funds in the Amount of \$150,000 for the Purchase of Multi-Band Vehicle Radio Through ComSerCo Communications	93

- Open for Public Comments
- Make Motion

V. REPORTS OF OFFICERS

1.	Resolution No. 2011-65, Adopting the 2011-2016 Strategic Plan Staff Report	97
	Recommendation: That the City Council adopt Resolution No. 2011-65, adopting the 2011-2016 Strategic Plan. It is appropriate for the City Council, which has led this strategic planning effort, to officially adopt this plan and direction.	

VI. ANNOUNCEMENTS/REPORTS *(Upcoming Events/Other Items if any)*

- City Council
- City Committee Reports
- Report by City Attorney
- Report by City Manager

VII. ITEMS FOR FUTURE AGENDAS

New Items –

Pending Items – City Council

1. Schedule Meetings with Our State and County Elected Officials
2. Review of Fees and Rates
3. Policy Discussion Re. Code Enforcement *(study session)*
4. General Management of Council Meetings *(Sept. 27, 2011)*
5. Update on Loans
6. Polices & Procedures for Applicant re. Projects and Applicants for Commissions & Committees

VIII. ADJOURNMENT

Pursuant to amended Government Code Section 54957.5(b) staff reports and other public records related to open session agenda items are available at City Hall, 99 E. Ramsey St., at the office of the City Clerk during regular business hours, Monday through Thursday, 8 a.m. to 5 p.m.

NOTICE: Any member of the public may address this meeting of the Mayor and Council on any item appearing on the agenda by approaching the microphone in the Council Chambers and asking to be recognized, either before the item about which the member desires to speak is called, or at any time during consideration of the item. A five-minute limitation shall apply to each member of the public, unless such time is extended by the Mayor and Council. No member of the public shall be permitted to “share” his/her five minutes with any other member of the public.

Any member of the public may address this meeting of the Mayor and Council on any item which does not appear on the agenda, but is of interest to the general public and is an item upon which the Mayor and Council may act. A three-minute limitation shall apply to each member of the public, unless such time is extended by the Mayor and Council. A thirty-minute time limit is placed on this section. No member of the public shall be permitted to “share” his/her three minutes with any other member of the public. The Mayor and Council will in most instances refer items of discussion which do not appear on the agenda to staff for appropriate action or direct that the item be placed on a future agenda of the Mayor and Council. However, no other action shall be taken, nor discussion held by the Mayor and Council on any item which does not appear on the agenda, unless the action is otherwise authorized in accordance with the provisions of subdivision (b) of Section 54954.2 of the Government Code.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office (951) 922-3102. **Notification 48 hours prior to the meeting** will enable the City to make reasonable arrangements to ensure accessibility to this meeting. [28 CFR 35.02-35.104 ADA Title II].

MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

08/23/11
SPECIAL MEETING

A special meeting (study session) of the Banning City Council was called to order by Mayor Hanna on August 23, 2011 at 3:00 p.m. at the Banning Civic Center Council Chambers, 99 E. Ramsey Street, Banning, California.

COUNCIL MEMBERS PRESENT: Councilmember Botts
Councilmember Franklin
Councilmember Machisic
Councilmember Robinson
Mayor Hanna

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT: Andrew Takata, City Manager
David J. Aleshire, City Attorney
Duane Burk, Public Works Director
Marie A. Calderon, City Clerk

PUBLIC COMMENTS – On Items Not on the Agenda

STUDY SESSION ITEM

1. Presentation by the San Gorgonio Pass Water Agency Regarding Additional Development Fees for the Pipeline

Duane Burk, Public Works Director addressed the Council stating that the workshop is from the San Gorgonio Pass Water Agency's Chief Engineer and General Manager, Jeff Davis to discuss the Pass Water Agency's capacity fee and infrastructure as needed for the Pass Area within the serving area of the agency. He stated that the following people were in attendance: John Covington from Morongo Band of Mission Indians, Jack Nelson from Yucaipa Valley Water District.

Jeff Davis, General Manager addressed the Council reminding them that the San Gorgonio Pass Water Agency is celebrating their 50th Anniversary this year and they are going to have a single-event celebration on Thursday, Sept. 29, 2011 and you should be receiving invitations soon and hope to see everyone there.

Mr. Davis said he was asked by the City Manager and Director of Public Works to come and talk about their proposed capacity fee, what it means, what is the status, etc. At this time Mr. Davis started his power-point presentation (see Exhibit "A") and stated that it was in the form

of questions and answers and gave information on each of those questions. In regard to the backbone distribution system is actually mentioned in studies done by the Agency as early as 1966 so the Agency has been looking at doing a backbone distribution system for almost 45 years. In this case the backbone distribution system consists primarily of storage reservoirs and added pipeline and some added long-term water supplies. That is really what they are really talking about paying for in the future with the growth that is coming. If you look at their sources of revenue there is just no way for them to get from Point A to Point B with the sources of revenue they have. If they were going to try to do that, they would have to raise their water rates so high you wouldn't be able to afford our water and it wouldn't do anybody any good. He said that the fee is to fund this backbone system that enables us to get the 60% reliability that we need out of the State Water Project by storing water in those wet years and then the second component is the additional water over and above our 17,300 acre feet. He said that their urban water management plan goes into great detail how the area is going to be short of water even with our recycled system and all the rest it some time in the decade of 2020.

Mr. Davis said in summary the City of Banning and other local retailers have your own developer fees for your local water supply and local water facilities. The San Gorgonio Pass Water Agency thinks that they need a similar fee for regional facilities and new regional water that would help the region. The City would clearly benefit from those fees to the facilities that they would build and the new water that they would purchase in the City's name. The Agency capacity fee won't cost the City anything. It will cost the developers and add to the price of a house a little bit. Also, cooperative agreements will be needed to implement the fee and would need to work closely assuming the Agency Board approves and adopts the fee.

Councilmember Botts addressed Mr. Davis stating that he talked about Agency Board action on the 7th of September and we are really sensitive to the taxpayers and he doesn't suggest that the Agency is not but having just raised water rates and had we not reduced what was proposed by staff you would be looking at five different Council people. Obviously the economy someday is going to be better but part of his concern is simply taxes and more costs that come back to just one person and that is the taxpayer. He believes that businesses don't pay taxes. They have a certain rate of return and a certain profit and most of the time they are going to pass on what we as government tax them. The problem is that then they cannot get away from that because they are the consumer and they are going to buy those houses that the developer is going to pass that fee on and he doesn't believe we ought to say, "developer's you can't pass that on." So who ends up paying the whole tab obviously is the taxpayer and consumer. But having come through and knowing what the sentiment is now, he is just concerned that you have already raised taxes. He understands that you have raised taxes last week, property tax, and he would guess that 99.9 tenths of every taxpayer in your district didn't know that and he can tell you that Sun Lakers didn't or they would have packed the meeting even though it was a penny and a half so his concern is that it isn't fair but we have to play a different ball game. We can't raise taxes without approval of the taxpayer. We can't even raise rates without approval of the taxpayer. He would guess that you should feel good that you don't have to do any of that and your Board can simply raise rates, raise the ad valorem.

Mr. Davis said that the Board agonized over that decision.

Councilmember Botts said he would suggest that we should have a couple of the elected officials from all of the areas looking at this and talking about it. He is glad they agonized over it but he has to come back to our taxpayer and ask what is the taxpayer getting for all of the money they already paid into this the system and he is assuming it is millions and millions that Banning had paid into the Pass Agency and he hears this all of the time what is this money on my tax bill for and he tries to answer here is what we are getting and he thinks that he understands it. We bought into this and signed that we are going to pay money for years and never get any water but someday we will and that is hard for the taxpayer to understand. We have put millions into this and what does the City of Banning have to show for it in any physical way – infrastructure, pipeline and so forth.

Mr. Davis said he thinks the benefit to the City is that the property values are a lot higher than they would be if you were not in the service area of a State Water Contract. If you had no opportunity to get supplemental water to this area, some of the houses that have been built might not have been able to be built but certainly there would be risk of this area turning into a dust bowl and property values would be lower than they are. He said he cannot demonstrate that to you.

Councilmember Botts said that he doesn't want to debate that but we are moving and spending millions of dollars on recycled water so we don't have to depend on a very undependable source. Anyone that says State water is dependable he feels is being dishonest. We have a really interesting mess in Sacramento with our governor and legislature. San Francisco and Northern California can't stand us and don't want to send us any water. So it is terribly unreliable so we are really working to move towards a more reliable source and that is recycled water. Though he started understanding the importance of water he just looks at what we don't have in any kind of an infrastructure in Banning, you're going to impose new taxes and new fees and all of your projects have nothing to do with Banning other than you are going to fill up the basins. He asked are going to pay for the pipeline from Cherry Valley through Banning to Cabazon. Mr. Davis said that was correct. Councilmember Botts said that is new and a change because when we started this when he was elected five years ago we were told we had to pay for it and pay for the design which we have done. You wanted to upsize it and said you would pay for the upsizing as he recalls.

Mr. Davis said your Director of Public Works at the time who was a different person than you have now said we need to build this pipeline and we are going to build this pipeline and at some point in time there was hope of trying to get Pardee to build it. We have to build this pipeline and we are going to move forward with it and do you want to partner with this or not and he said why not and we put in a couple of hundred thousand dollars to pay for an upsize design. If you were to move forward with that pipeline, we would make a decision whether we want to upsize that or not. He told the Director of Public Works, actually the Director of Utilities at the time, if you can wait a few years, we will build it by ourselves. But we just can't do it right now.

Councilmember Botts said so you are saying that if this were to move forward, you in fact will build a pipeline from Cherry Valley through Beaumont to Cabazon and you are going to pay for it. Mr. Davis said if the City is not going to build it, we will and pay for it.

Councilmember Franklin said you talk about the money and we've talked about the ad valorem tax and all the different taxes that people are paying for so can you talk about how much you pay per acre foot for water and than how much does our City pay for an acre foot of water to you.

Mr. Davis said the amount that we pay to the Department of Water Resources (DWR) for water actually changes every single month, all the time the direct cost of delivering it. We pay to the Department of Water Resources over \$13 million dollars this year without taking one drop of water. But on top of that the cost to deliver it is about \$200 an acre foot and the City of Banning pays approximately \$317 but last year the cost was higher in DWR and next year it is likely to be higher; it changes all the time.

Councilmember Franklin said because if there is a difference of like \$117.00 then, what happens to that difference.

Mr. Davis said that some of that goes into a reserve fund specifically for new water for reliability with the City's name on it, some of it goes into a rate stabilization fund so if DWR raises it rates on us all of sudden with no advance warning, we don't have to change our rates to you. We pull that additional money out of the rate stabilization fund and some of it goes to pay some of our overhead/operations costs.

Councilmember Franklin said she wanted to let Councilmember Botts know that part of the reason they are here tonight she thinks is because she has been talking with Andy Takata and Duane Burk and we talked about what has been going on at those meetings because she does represent the City and she thanked Andy and Duane for following up on the conversations that we have had so that the information could come to the whole Council.

Councilmember Robinson said that he did go to the workshop on January 12th and wrote quite a few notes down and talked to Andy Takata and Duane about these notes and concerns also and had asked for this meeting to occur. He was surprised it wasn't going to occur before the vote and didn't understand that logic. We are asked to do things like collect fees and yet the Board wasn't going to come before us before September 6th unless we asked you to come and that is kind of concerning to him. He said this study/nexus goes back to 2005 and even said it includes our 2005 Banning Urban Water Management Plan (UWMP) in its entirety as an exhibit but we have had a new census since then and our projections going forward don't match the projections of that nexus at all. We are not going to hit those numbers no way, no how. We didn't even have one new building permit last year. How in the world do we justify this to our taxpayers?

Mr. Davis said that this is a question that he has gotten asked before. He said the 2005 Urban Water Management Plan for the City of Banning was attached as an exhibit to the Nexus Study not for any reason relating to water demand projections whatsoever. It had nothing to do with that. It had to do with that pipeline that we were talking about that might come out here and there was some language in there that talked about that pipeline and that was the only reason it

was include. There was no demand projections and nothing having to do with any numbers from the 2005 UWMP that went into their Nexus Study whatsoever.

Councilmember Robinson said the numbers that project out forward we know are not realistic (any numbers that predict that we are going to build so many homes in the city of Banning). We are not going to hit the numbers that are in these projections or any other projections that he has seen so far so how do we tell our taxpayers you have to pay for something that we are not going to hit those numbers anyway but the State agency wants to go ahead and tax us for that.

Mr. Davis said he would guess the Council likes to use the word "tax" and to him it is an "impact fee" just as you have thousands of dollars in impact fees on every house that gets built. But you have an Urban Water Management Plan that your City Council adopted and are you saying those numbers were wrong or were right. He said the urban water management plan only comes out every five years so we did an urban water management plan and you did an urban water management plan and those are the best numbers we have right now and in five years we will have different numbers and will use those different numbers. But the numbers that we have right now are as good as we have. He cannot project the future.

Mayor Hanna said that these fees would be for new residents and not existing residents so when we talk about our taxpayers we have to be careful we are not talking about our existing taxpayers but people who would be coming. She agrees with your assumption that new residents should pay their way and existing residents should not pay for the cost of development.

Mayor Pro Tem Machisic congratulated Mr. Davis on 50 years of being in business. That takes us back to the early 60's when we passed the State Water Bond and he assumed that was when your organization was established. He asked how far to the west is your organization go? Mr. Davis said that they include the city of Calimesa and some areas in San Timetao and Live Oak Canyon, the unincorporated Riverside County that is included in their service area.

Mayor Pro Tem Machisic said that you built a pipeline recently about 7 or 8 years ago and did any of those agencies where that pipeline went through did they pay for the pipeline in any amount of money. You built a pipeline from the State pipeline area out to Cherry Valley and it passed through a number of municipalities and areas and country territories and did they every contribute any money to the pipeline.

Mr. Davis said what we are talking about is an internal distribution pipeline that would belong to the San Gorgonio Pass Water Agency. What we talked about the pipeline coming out here is part of the State's system. They are really like apples and oranges. They are not funded the same way and not built to the same standards but are different animals.

Mayor Pro Tem Machisic asked did the County of Riverside, did Yucaipa, did Calimesa contribute above and beyond the normal allocation the San Gorgonio Pass Water Agency charges. Did they have an extra fee to pay for the pipeline? Mr. Davis said just the same tax rate that you did.

Mayor Pro Tem Machisic said do we have been paying for it since 1961/62 and that pipeline was built without an individual contribution from the area that it went through; the kind of contribution that you are asking us to make and is that true. Mr. Davis said yes, but it is a completely different animal than what we are talking about.

Mayor Pro Tem Machisic said if the pipeline is built to Cabazon will Cabazon, the Morongo Tribe or the County of Riverside contribute anything to the pipeline like we are contributing \$1000 per house. Mr. Davis said the City is not contributing. People who purchases houses and developers will pay for that. The Reservation is out of the equation completely. Cabazon and the unincorporated area of Riverside will be contributing \$1100 for any house that is built in those areas.

Mayor Pro Tem Machisic said based on \$1100 per house how much do you anticipate that will eventually raise. Mr. Davis said that all of those numbers are in the Capacity Fee Study and he can't remember what they are but it is all there. Mayor Pro Tem Machisic asked will the line be built with San Gorgonio Pass Water Agency money. Mr. Davis said yes, what they collect from this fee. That is the only money that they have. We don't have any other money.

Mayor Pro Tem Machisic said just for an understanding you mentioned the fees that the City collects and there are also fees collected by the County such as TUMF (Transportation Uniform Mitigation Fee), RCA (Regional Conservation Authority) and so on and he would image a fee on a new house has to be \$25,000.

Mr. Davis said that is a small fraction of that amount. If you don't want to build a pipeline, the consequences of not collecting a fee is that we don't build the infrastructure and we take our chances of what happens in the region in the future.

Councilmember Franklin said you mentioned that you wanted to get a cooperative agreement with all the different cities and what happens if only one or two cities out of the whole area sign and the other ones don't.

Mr. Davis said that is a problem obviously. Anybody who doesn't sign a cooperative agreement obviously is not going to be eligible for any additional water at least not through us so he thinks that city or district is taking a big risk that they are going to have to figure that out how to do that in the future but he is pretty confident that everybody is going to sign on.

Councilmember Franklin said if some don't sign, then the cities that do sign will get their allocation of new water purchased with that money. Mr. Davis said yes.

Councilmember Franklin said that you bought five acres in Cherry Valley and 53 acres in Beaumont and you mentioned about buying in Banning and at what point down the line are you thinking about looking at Banning for storage.

Mr. Davis said it is really going to depend on the growth. If no houses get built any time soon, there is probably no reason to move forward with the storage reservoir out here any time soon.

But as development picks up we will be looking at that every year and he thinks the time will come when they would move forward and he would guess probably in the next 10 years.

Councilmember Franklin asked if the City would have to pay for part of that study and getting the water to it or would that be just under the Pass Agency view. Mr. Davis said their view is that is something they will do.

Councilmember Botts aid that he knows the word guarantee makes you nervous and he thinks that our Urban Water Management Plan said 25% of our water would or could come from Table A Water but we asked could you say you guarantee that and he thinks the answer was no.

Mr. Davis said that it is their intent to meet everybody's needs. But there could be an earthquake or any number of things that could happen that could prevent them from doing that for some period of time. Councilmember Botts said when you said anything could happen does that include political issues, droughts, and all of those things could have a major impact and not an earthquake for two years but there is no guarantee really to what you are saying.

Mr. Davis said that is why their reliability is 60% and not 100%. So on an average year we think we can deliver 60% of that 17,300 acre feet and some years it may be less than average or more than average.

Councilmember Botts said and if we were not to participate and he is not suggesting that we are going down that path but certainly he needs more information. We would have our continuing agreements that we already have with your under Table A money and could we still buy from you. Mr. Davis said you can continue to buy water from us.

Councilmember Robinson said he hasn't seen anything that told him that there are going to be any houses built in Cabazon in the X number of years and there doesn't seem to be anything in the study that would indicate that there is but if we put a storage basin down there that means that we are going to pump that water back from Cabazon into Banning or Beaumont or wherever it is needed.

Mr. Davis said that is not the way it would work. He said as he sees it you would pre-deliver it down there in the wet years and then in the dry years we just don't deliver any more water down there and we just deliver more water in this end of the system. You wouldn't pump it back out. It doesn't really pencil out and it would involve a lot more facilities that we don't want to put in and you don't have to do it that way. You just do it by substitution.

Councilmember Robinson said then it is going to be \$32 million dollars, if he remembers right, for Cabazon water for their use and none of it is every going to get pumped back to Banning or Beaumont or back to the places where funds were collected. Mr. Davis said he thinks that it is said in your Urban Water Management Plan that you are going to pump water out of the Cabazon Basin as well so that benefits the city. The City is a huge beneficiary of water stored in the Cabazon Basin and the Beaumont Basin. You are in great shape. There is no reason to pump the water back west because it is already in the service area.

Mayor Hanna said that we do have a development impact fee to acquire additional imported water. She knows that with the lack of construction it probably hasn't accumulated very much money. If this were to be approved, would we reconsider that fee? Mr. Burk said he thinks that it would be at the discretion of the Council what they want to do with the item of that fee. Currently there is a mechanism in the fee, impact fee or capacity fee, for new water. But again, we would have to come back to the Council. It is obviously not \$5500 an acre foot.

Councilmember Botts said that these are a little less important in his mind but as you were talking you generated some more questions. You said that "there is a real plus and no pollutants down there" was your quote and you were talking about the Beaumont Basin and is that really true. I thought we had dead salts and there was going to be a need to mix water and that is why you bought the new property and spreading grounds and paid \$3 million for that.

Mr. Davis said that he sees that as a separate issue. He meant that you don't have any heavy metals or anything like that down there. You have some salinity in the water that we are bringing in is about the same as the salinity that is down there right now. Maybe our water is a little bit better especially in a wet year and about the same in a dry year. There is no appreciable different in that at all. It is not a primary drinking standard and has no impact on the ability of that water to be used for drinking or anything else.

Councilmember Botts said that you used the words "we are going to run out of space to jam the water into the basin." I thought we had serious, serious overdraft on all of our basins particularly, Beaumont's so he is trying to reconcile that we are going to quickly fill them up and have no place to jam more water in and can you clarify what you meant by that.

Mr. Davis said in order to jam more water in you need more and more land. If you have an infinite amount of land, you can get a lot more water down there. But at some point in time you start putting a lot of water down there and if we are talking about putting ten of thousands of acre feet there per year, you are going to start bringing up water levels and in some point in time it is not like you are going to be directly impacting the water coming down and going up but the water going down is going to slow down because of having 400 feet to go down, its has only 380 feet to go down so it is going to slow down and not go into the ground as fast.

Councilmember Franklin said in regards to the ad valorem tax she knows that is for each property owner. Does that also impact the City as whole whereby the City is going to turn around and have to charge more to our local residents? Mr. Davis said it shouldn't, no. It will show up on everybody's individual tax role and the City is exempt from paying property taxes anyway so there is no impact on the City at all.

Councilmember Robinson asked how does conservation fit into this. It is in our Urban Water Management Plan and he can't remember what the numbers were but does this fit in to your Nexus Study. Mr. Davis said yes. The most recent one of your studies for your impact fees that he had a copy of was your 2004 and he thinks that you may have updated it since then and he hasn't see it but in 2004 that study assumed that each individual house would use approximately .67 acre feet of water per year. Our assumption here is about .55 so it is a huge reduction over what we were looking at 7 or 8 years ago. So it takes that into consideration.

Also urban water management plan by law has to take that in to consideration as does yours so that all goes into the numbers.

Councilmember Botts said he knows that it is late in the game and we can point fingers and blame and thinks that there are a lot of unanswered questions. We want to work with you and we have demonstrated that over time regionally but somehow he senses that we have missed the boat and that is his personal opinion from an elected standpoint and staff may meet all the time. He doesn't know how about the Tribe and he would include them in this whether they are going to have water or not and they are part of the region. He would like to see how quickly we can put together just an Ad Hoc committee of two representatives from each of the elected representatives from Calimesa, Beaumont, Banning, Cherry Valley and appropriate staff and obviously the Pass just to bring this together more as a region. He just senses that we have missed that and he is not blaming anybody. This is too important not to come together and try to talk a little more and he would hope that all of us get on the same page. He said he is not there yet, but would sure like to get there. He would like to ask his colleagues if they are willing to support that.

Mayor Hanna opened this item for public comments.

The following people spoke in favor or against or had some questions or concerns or general comments in regards to this item (*any written comments handed to the City Clerk will be attached as an exhibit to the minutes*):

Art Norringa, Building Industry Association oppose this fee and explained.

Mike Taylor, Pardee Homes echo the comments by Mr. Norringa and explained.

Councilmember Botts said that he asked for a consensus or discussion of his colleagues. Mayor Hanna said this was a study session and asked the City Attorney what he would suggest.

City Attorney said you mean that you want to have a discussion as a part of this agenda item. Councilmember Botts said just that his colleagues support trying to put together quickly an Ad Hoc to improve communications.

City Attorney said the formation of an Ad Hoc you would need an agenda item to deal with it that.

ADJOURNMENT

By common consent the meeting adjourned the meeting at 4:18 p.m.

Marie A. Calderon, City Clerk

THE ACTION MINUTES REFLECT ACTIONS TAKEN BY THE CITY COUNCIL. A COPY OF THE MEETING IS AVAILABLE IN DVD FORMAT AND CAN BE REQUESTED IN WRITING TO THE CITY CLERK'S OFFICE.

Proposed SGPWA Capacity Fee

August 23, 2011

What is a Capacity Fee?

- * Connection fee
 - * Any new retail connection
 - * Any retailer that receives all or part of its water from SGPWA
- * SGPWA Act explicitly gives this right to the Agency
- * Similar to "impact fees"

Why Does the Agency Need a Fee?

- * Current sources of revenue
 - * Ad valorem tax rate (restricted use)
 - * 1% tax revenues
 - * Water sales
- * Future supplies and facilities required
 - * Backbone distribution system
 - * Pipelines
 - * Storage
 - * Additional long-term water supplies

Who Would Pay the Capacity Fee?

- * Developers would pay it on new construction on a per-EDU basis
- * It would be added to the cost of new homes and commercial and industrial property
- * Basic philosophy: Growth pays for its fair share of new water and facilities.

What Would the Fee Pay For?

- * Nexus study explains in detail the Agency's plans
 - * Backbone facilities
 - * New storage (recharge) facility in Beaumont Basin
 - * New storage (recharge) facility in Cabazon Basin
 - * Extension of pipeline from Cherry Valley to Cabazon (through Banning)
 - * Additional capacity in East Branch Extension
 - * Additional water
 - * New permanent water sources above 17,300 AF

How Much Would the Fee Be Per House?

- * Fee has two components
 - * Infrastructure component (pipelines, storage facilities)—approximately \$1100 per EDU
 - * Additional permanent water sources
 - * Based on additional demand
 - * Decided by local retail agency
 - * Approximately \$5500 per AF (\$3000 for an average house with no other water source)
 - * Fees collected could only be used for water for Banning

How Would This Affect City Impact Fees for New Water?

- * City currently collects fees for each new home to offset impacts, including a water supply component
- * How City uses this is up to the City
- * City and Agency water supply fees complement each other
- * Agency fee does not compromise City's discretion

Why Should City Pay for Facilities that Benefit Lands Outside the City?

- * Backbone system helps everyone
 - * More water in wet periods—maintain reliability even with new growth
 - * More storage
 - * This gets the region through the dry periods
 - * Even more critical once "temporary surplus" ends in 2014
- * Fees would be paid by developers, not the City

Can't City Buy Its Own New Water Supplies?

- * Most new water supplies are transfers from farmers—very savvy
- * They want to know buyers have a pipeline to move the water
- * They want to see cash up front or the secure ability to pay over time
- * They prefer working with State Water Contractors

Continued

- * If City were to buy its own supplies, it would have to pay for new water as well as a wheeling charge to use others' facilities
- * Cost of new water plus wheeling charge will be more than cost of new water purchased by Agency

Would Capacity Fee Represent a Commitment by the Agency?

- * The intent of the fee is that the Agency will meet all future supplemental water demands in its service area.
- * This could be formalized in a cooperative agreement between the Agency and the City

Does the City Have Any Say in this Process?

- * YES!
- * City would determine the water component of the fee for any new house
- * Staff level discussions have been ongoing for nearly two years—several changes since original fee study was published
- * Agency and City would have to sign a cooperative agreement to provide funding to acquire facilities and water supplies and to document Agency's commitment to City

What is the Status of the Proposed Fee?

- * Capacity fee study has been discussed at a number of workshops over the past two years
- * Study has changed significantly due to input received at those workshops
- * Capacity fee study was adopted in May
- * Fee will be considered in September

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How Important is Signing a Cooperative Agreement?

- * Board will likely vote to adopt the fee
- * Primary issue will be cooperative agreements to enable Agency to fund regional facilities
- * If cooperative agreements are not signed:
 - * No funds available for additional water
 - * No funds available for storage to take advantage of wet years (improved reliability)
 - * Risk of reduced reliability of SWP below 60%

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What are the Next Steps in Adopting the Fee?

- * Assuming Board approves fee in September, Agency will begin negotiating cooperative agreements with retailers and County
- * Purpose of cooperative agreements will be to enable funding for additional regional facilities and water supply as part of development approval process

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Summary

- * Local water retailers (including the City) have developer fees for local water supply and facilities
- * Agency fees will fund regional supply and facilities to keep up with new growth
- * City benefits from Agency capacity fees
- * Agency capacity fees cost city nothing
- * Cooperative agreements needed to implement fee

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MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

08/23/2011
JOINT MEETING

A joint meeting of the Banning City Council and the Community Redevelopment Agency was called to order by Mayor Hanna on August 23, 2011 at 4:18 p.m. at the Banning Civic Center Council Chambers, 99 E. Ramsey Street, Banning, California.

COUNCIL MEMBERS PRESENT: Councilmember Botts
Councilmember Franklin
Councilmember Machisic
Councilmember Robinson
Mayor Hanna

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT: Andrew Takata, City Manager/Executive Director
David J. Aleshire, City Attorney/Agency Counsel
Colin Tanner, Attorney-Aleshire & Wynder
Duane Burk, Public Works Director
Zai Abu Bakar, Community Development Director
Rita Chapparosa, Deputy Human Resources Director
Marie A. Calderon, City Clerk/Secretary

CLOSED SESSION

City Attorney said the closed session are three cases of potential litigation pursuant to the provisions of Government Code Section 54956.9., labor negotiations involving all of the bargaining units pursuant to Government Code Section 54957.6. and an existing litigation matter pursuant to the provisions of Government Code Section 54956.9 regarding Kimble v. City of Banning Police Department - Case No. RIC 542285.

Mayor Hanna opened the items for public comments. There were none. Meeting went into closed session at 4:19 p.m. Meeting recessed at 4:58 p.m.

Meeting reconvened at 8:45 p.m. to continue with the items regarding potential litigation. **Motion Machisic/Robinson to continue the meeting past 9:00 p.m. to 9:15 p.m. Motion carried, all in favor.**

City Attorney reported that the Agency Board met to discuss matters of potential litigation and direction was given and there was no reportable action taken.

ADJOURNMENT

By common consent the meeting adjourned at 9:17 p.m.

Marie A. Calderon, City Clerk

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MINUTES
CITY COUNCIL
BANNING, CALIFORNIA

08/23/11
REGULAR MEETING

A regular meeting of the Banning City Council and a Joint Meeting of the Banning City Council and the Banning Utility Authority was called to order by Mayor Hanna on August 23, 2011 at 5:12 p.m. at the Banning Civic Center Council Chambers, 99 E. Ramsey Street, Banning, California.

COUNCIL MEMBERS PRESENT: Councilmember Botts
Councilmember Franklin
Councilmember Machisic
Councilmember Robinson
Mayor Hanna

COUNCIL MEMBERS ABSENT: None

OTHERS PRESENT: Andrew Takata, City Manager
David J. Aleshire, City Attorney
Duane Burk, Public Works Director
Zai Abu Bakar, Community Development Director
Fred Mason, Electric Utility
Phil Holder, Lieutenant
John McQuown, City Treasurer
Marie A. Calderon, City Clerk

The invocation was given by Pastor Jerry Westholder, Highland Springs Fellowship Church. Mayor Pro Tem Machisic invited the audience to join him in the Pledge of Allegiance to the Flag.

REPORT ON CLOSED SESSION

City Attorney said that the City Council and Agency Board met in closed session. We discussed the labor negotiations with the City's bargaining units and direction was given for further negotiations and no reportable action was taken. We discussed a litigation matter Kimble v. City of Banning Police Department and a status report was given and there was no reportable action taken. With regards to the three cases of potential litigation matters we did not have time to discuss those and we will go back in closed session after the regular session to discuss those matters.

PUBLIC COMMENTS/CORRESPONDENCE/PRESENTATIONS

Councilmember Botts said that something arose at our 3:00 p.m. workshop meeting and he understands that he can request to add something to our agenda and that would be in

relationship to the new fees proposed to be imposed by the San Gorgonio Pass Water Agency and he would like to add this to the agenda specifically asking to create an Ad Hoc Committee to quickly pursue those issues.

Motion Botts to add this item to the agenda, seconded by Councilmember Robinson. Motion carried, all in favor.

Mayor Hanna said that this would be taken up under Reports of Officers.

PUBLIC COMMENTS – On Items Not on the Agenda

Sue Palmer, 651 N. 17th Street addressed the Council stating that she was the Committee Chairman for Stagecoach Days and announced that Stagecoach Days will be held September 9th, 10th, and 11th and she passed out some flyers regarding Stagecoach Days. She has heard that all of the Council will be riding in the parade and will see everyone Saturday morning. She went over the new events happening this year.

CORRESPONDENCE: There were none.

CONSENT ITEMS

1. Approval of Minutes – Joint Meeting – 01/27 & 28/11 (Workshop)

Recommendation: That the minutes of the Joint Meeting of January 27, 2011 and January 28, 2011 be approved.

2. Approval of Minutes – Joint Meeting – 07/26/11 (Closed Session)

Recommendation: That the minutes of the Joint Meeting of July 26, 2011 be approved.

3. Approval of Minutes – Regular Council/CRA Jt. Meeting – 07/26/11

Recommendation: That the minutes of the Regular Council Meeting/Community Redevelopment Agency Joint Meeting of July 26, 2011 be approved.

4. Approval of Minutes – Regular CRA/Council Jt. Meeting – 07/26/11

Recommendation: That the minutes of the Regular Community Redevelopment Agency/City Council Joint Meeting of July 26, 2011 be approved.

5. Approval of Minutes – Joint Special Meeting (Study Session) – 07/26/11

Recommendation: That the minutes of the Joint Special Meeting of the City Council and Community Redevelopment Agency of July 26, 2011 be approved.

6. Resolution No. 2011-67, Adopting a Statement of Investment Policy.

Recommendation: That the City Council adopt Resolution No. 2011-67.

7. Resolution No. 2011-76, Approving the Award of a Professional Services Agreement to LSA Associates, Inc. for the Preparation of an Environmental Impact Report for the Banning Circulation Element General Plan Amendment and Updating the Traffic Fee Component of the Development Fee Program.

Recommendation: That the City Council adopt Resolution No. 2011-76, Awarding the Professional Services Agreement to LSA Associates, Inc. of Irvine, California in an amount "Not to Exceed" \$238,000.00 for the preparation of an Environmental Impact Report for the Banning Circulation Element General Plan Amendment and Updating the Traffic Fee Component of the Development Fee Program.

8. Report of Investments for May 2011

Recommendation: That the City Council receive and place these required months Report of Investments on file.

9. Report of Investments for June 2011

Recommendation: That the City Council receive and place these required months Report of Investments on file.

10. Approval of Accounts Payable and Payroll Warrants for Month of April 2011.

Recommendation: That the City Council review and ratify the following reports per the California Government Code.

11. Approval of Accounts Payable and Payroll Warrants for Month of May 2011.

Recommendation: That the City Council review and ratify the following reports per the California Government Code.

12. Approval of Accounts Payable and Payroll Warrants for Month of June 2011.

Recommendation: That the City Council review and ratify the following reports per the California Government Code.

Motion Machisic/Franklin that Consent Items 1 through 12 be approved.

Mayor Hanna said that in regards to Consent Item No. 7 because it involves Pardee and her home is 306 feet from Highland Home Road she would have to abstain.

Mayor Hanna opened the item for public comments. There were none. **Motion carried, with Mayor Hanna abstaining on Consent Item No. 7 only.**

PUBLIC HEARINGS

1. Zone Text Amendment No. 11-97501: Amendment to Municipal Code Section 17.08.050 pertaining to Accessory Structures.
(Staff Report – Zai Abu Bakar, Community Development Director)

Director Abu Bakar gave the staff report as contained in the agenda packet. She said that this relates to accessory structures located in a specific plan area, a planned unit development or other approved development plan that it is best that the homeowners association review the plans and stamp and approve it and then submit the plan directly to building and safety. That would expedite the building permit process. She said that this was presented to the Planning Commission on August 3rd and they voted unanimously to recommend approval to the Council.

Mayor Hanna opened the public hearing for comments from the public. Seeing no one coming forward Mayor Hanna closed the public hearing.

Mayor Hanna asked the City Clerk to read the title of Ordinance No. 1439. City Clerk read: An Ordinance of the City Council of the City of Banning, California, Approving Zoning Text Amendment No. 11-97501 Amending the Review Requirements for Accessory Structures.”

Motion Robinson/Machisic to waive further reading of Ordinance No. 1439. Motion carried, all in favor.

Motion Franklin/Robinson that Ordinance No. 1439 pass its first reading. Motion carried, all in favor.

2. Ordinance No. 1441, Regarding Voluntary Alternative Redevelopment Program as required by AB 1X 26 and AB 1X 27 for the Continued Existence of the Community Redevelopment Agency of the City of Banning.
(Staff Report – Zai Abu Bakar, Community Development Director)

Director Abu Bakar gave the staff report as contained in the agenda packet. She said that we are required to do this under AB 1X 26 and AB 1X 27 that was adopted by the Governor on June 29, 2011. The critical point at this time with this is so the Redevelopment Agency can continue to stay active even though you cannot enter into any new contracts. She said that Doug Anderson, Urban Futures Financial Consultant to the Agency is present and will answer any questions on the financial analysis.

City Manager said that the Supreme Court made some stays on AB 1X 27, as well as, a small one on AB 1X 26. He said that AB 1X 27 is the one that allows you to actually pay to play but basically that is the one that they stayed which means we are doing this and we may have to redo it because what has happened is that AB 1X 27 is stayed but since it has specific dates on it we felt those dates still needed to continue just in case so basically we are going to have our hands tied with the contract until the ruling on January 15th.

City Attorney said, as you know, Community Redevelopment Agency (CRA) on behalf of all of the redevelopment agencies including Banning filed a lawsuit directly with the California Supreme Court contending that this legislation is unconstitutional and violates various constitutional provisions both with redevelopment law and Prop 22 which was recently enacted by the voters. One of the things that the CRA was trying to do was to get a stay because there is a requirement in AB IX 26 that \$1.7 billion dollars be paid to the State from redevelopment agencies for various purposes so it is basically claiming all of our redevelopment monies. So CRA wanted a stay while the litigation is pending so that those payments would not have to be made. There is actually bad and good news. The good news is that the stay was granted which does for the time being with this litigation suspends the obligation to make the payment. However, the cup is also half empty because what the court was trying to do was freeze everything and have no change in position. And, if you recall, if you made the payment you got the opportunity to then go ahead, if you adopted these ordinances and so forth, to stay in business and keep entering into new agreements and so forth. So the court felt that since the payment obligation was being stayed that if we are trying to keep everybody in the same position, agencies should not be allowed to go ahead and enter into new contracts during this period of time. So the stay order actually keeps us from having to make this payment but also it freezes us from being able to enter other contract and so forth. We think the way things sit it doesn't hurt to go forward and take this action. Depending upon how this stay gets modified perhaps the stay would be modified in a way that would allow us to enter into contracts and in that case it would be good that we had adopted this.

Doug Anderson, Urban Futures addressed the Council stating that they have been working with the Agency to try to gauge the effects of all this. While we are still hopeful that the CRA will prevail in the lawsuit we have nevertheless been planning for the fact that it may come down to the Agency having to make the payments to opt in and make the ransom payments. The State Department of Finance determined a payment amount for every redevelopment agency and those have been published as part of AB 1X 27 and the amount for this agency is just over \$1.6 million. We have been working with staff to identify possible payment methods. The only carrot that the State threw out in trying to make this payment is that they are allowing agencies to be exempt from setting aside the 20% housing payment in this year only and that equivalent amount can then be used to help make the payment. In the case of this agency it is about half so it goes a long way towards that \$1.6 million. Unfortunately, the other half of that would probably have to come out of your project fund so on a cash flow basis there is just no way for this agency right now to write a check for \$1.6 million out of annual tax increment so we feel the combination of housing set aside deferral with some project monies could make that payment for this year. The payment for next year is a percentage and it will be smaller but if this were allowed to take place, AB IX 27, the payments would be on-going over time. Those on-going payments would be about a quarter of that some where of \$400,000 or so. One thing to note because of the way the stay order was worded it is a little confusing as the City Attorney was mentioning. You are being asked to look at two things tonight: 1) under the City Council considering the ordinance to opt into the payment program, and 2) later on as the Redevelopment Agency on the other end of the spectrum we are asking you to look at an enforceable payment obligation schedule that assumes the Redevelopment Agency would be eliminated. So it may seem a little bit confusing but all redevelopment agencies are going through this right now and all are taking these same steps so you are not alone in this. Again, at

this point we have identified some payment possibilities for this but there is no need to commit to a payment tonight. You are just being asked to consider the ordinance to opt into the payment program.

Councilmember Botts said somewhere in the documents we received it will tell me what the return over the next 20 years will be.

Mr. Anderson said sure and he will summarize. We have determined that the long-term affect of dissolving the Agency would result in a net loss of \$5 million dollars to the City. That is a combination of the \$20 million dollars of assets that go away with some small benefit to the City General Fund looking at it from the General Fund side rather than the CRA side. The City General Fund would benefit somewhat as a taxing entity. But the net loss because of the size of the assets that would be liquidated is about \$5 million dollars. If the Agency were to remain in business and make the payments overtime, the net gain to the Redevelopment Agency would be about \$80 million dollars over the life of the project areas. Those are the summary numbers.

Councilmember Franklin said if we decided to opt out, can you then go back and set up again. Mr. Anderson said not under your current structure, no.

Mayor Hanna opened the public hearing for comments from the public. Seeing no one coming forward Mayor Hanna closed the public hearing.

Mayor Hanna asked the City Clerk to read the title of Ordinance No. 1441. City Clerk read: An Ordinance of the City Council of the City of Banning, California, Determining it will comply with the Voluntary Alternative Redevelopment Program Pursuant to Part 1.9 of Division 24 of the California Health and Safety Code in Order to Permit the Continued Existence and Operation of the Redevelopment Agency of the City of Banning.

Motion Robinson/Machisic to waive further reading of Ordinance No. 1441. Motion carried, all in favor.

Motion Robinson/Machisic that Ordinance No. 1441 pass its first reading. Motion carried, all in favor.

REPORTS OF OFFICERS

1. Lease Agreement for a Temporary Fire Museum at 5261 W. Wilson Street.
(Staff Report – Zai Abu Bakar, Community Development Director)

Director Abu Bakar said that it is staff's recommendation that the Council adopt Resolution No.2011-74, entering into a lease agreement with the Fire Memories, Inc. for a temporary fire museum on City-owned property located at 5261 W. Wilson Street. The lease agreement is for a time not to exceed one-year at a cost of \$1.00. She continued her staff report as contained in the agenda packet.

City Manager said he believes there is a Letter of Intent for Fire Memories to move to Beaumont at Noble Creek Park and this would just be for a temporary use and hopefully by that time they will have their building and everything will be up at the Beaumont site.

Director Abu Bakar also said that it is staff's recommendation that the City Council authorize the City Manager to sign the contract with Fire Memories, Inc. which is being drafted by the City Attorney's office right now.

Mayor Pro Tem Machisic said when we lease an agreement for \$1.00 a year that includes no additional expenses, no commitment of services, and refurbishing the building in way, shape or form. City Manager said that was correct. They will be paying for the utilities and they said they want to paint the building.

Mayor Pro Tem Machisic said he is also concerned that if it is opened on Friday and Saturday he remembers attending a blood bank at that location and if you have five cars, it was a crowd as far as parking in front. He understands that there is some parking in the back but the street parking is very limited. He understands that we have notified everyone within 300 feet and did we have any reaction from the neighbors.

City Manager said there was a courtesy notification to all the neighbors because there could be traffic going through the neighborhood into the back parking lot at the fire department.

Director Abu Bakar said that she did not receive any comments in response to the notice that was sent out but there was one email.

Doug Hammer addressed the Council stating that they are concerned about the parking especially if they do have some events that we do plan on having. There are several parking spots in the back of the building and they do have a meeting with the church next door to talk about using that for parking. They don't plan on being open on Sunday because we all go to church also. We have concerns definitely and this is why it is maybe going to be a temporary building. They feel it is a great opportunity for them to get a door open and show the people who we are and what we are about and what we are able to do.

There was some further discussion regarding parking concerns and renewal of the lease if needed.

Councilmember Robinson said that a couple of things made this necessary and the public needs to know that the Hammers and Fire Memories Museum acquired a large museum and they had to go to the state of Washington to get it. He thinks that this puts them at about 16 fire engines and a lot of other apparatus now and what that means is that those are parked outside so that necessitates getting these out of the weather and preserving them. The important part of this is that these are all California engines and equipment except for a New York engine. The engines actually served in this area and a lot of them came from Cathedral City and you have seen one run around town from Beverly Hills. So these are California engines anyway and they belong back here so they have made a great effort to bring them back here. We appreciate the effort they do during the parades and all the things that they have done for the City. There will also

be a learning center here and children will be able to learn about fire safety and how the firemen actually live in a fire station.

Councilmember Machisic said that he wanted the public to know that Doug Hammer submitted an outstanding business plan for a museum and he complimented him on it and was certainly hoping we could accommodate him but unfortunately we didn't and he wanted to congratulate him.

Mayor Hanna opened the item for public comments.

The following people spoke in favor or against or had some questions or concerns or general comments in regards to this item (*any written comments handed to the City Clerk will be attached as an exhibit to the minutes*):

Jacqueline Atwood, 2384 N. Murray – concerns with complying with Americans with Disabilities Act.

Jerry Westholder, Pastor of church next door – needs to meet with his board.

Motion Robinson/Franklin that the City Council adopt Resolution No. 2011-74, Authoring the City Manager to enter into a lease agreement with the Fire Memories, Inc. for a temporary fire museum for a cost not to exceed \$1 per year on city-owned property located at 5261 W. Wilson Street and authorize the City Manager to execute the lease agreement with Fire Memories, Inc. Motion carried, all in favor.

2. Consideration of Contract Services Agreement between the City of Banning and Willdan Engineering for Building and Safety Services.
(Staff Report – Zai Abu Bakar, Community Development Director)

Director Abu Bakar said that it is staff's recommendation that the Council adopt Resolution No.2011-73. She continued her staff report as contained in the agenda packet.

Mayor Hanna opened the item for public comments. There were none.

Motion Franklin/Machisic that the City Council 1) adopt Resolution No. 2011-73, Approving the Contract Services Agreement with Willdan Engineering for staffing for Building and Safety services; 2) Authorize the City Manager to enter into contract services with Willdan Engineering as to form as approved by the City Attorney; and 3) Authorize the Administrative Services Director to make the necessary budget adjustments for FY 2010-11 and FY 2011-12 to effectuate the contract. Motion carried, all in favor.

City Manager added that during that tuff budget time we had three individuals that were working for us in the Building and Safety Department and now we basically have one and a building official that comes in part-time so it has been a great cost savings and he gets very little complaints from Willdan as far as building and safety so we are very happy with their services.

3. Approval of a Contract Services Agreement between the City of Banning and Willdan Financial Services for the Preparation of the Fiscal Impact Analysis for Butterfield Specific Plan (Pardee Homes).
(Staff Report – Zai Abu Bakar, Community Development Director)

Mayor Hanna said since her home is 306 feet from Highland Home Road she cannot participate in the discussion. She left the room at this time.

Director Abu Bakar said that it is staff's recommendation that the Council adopt Resolution No.2011-75. She continued her staff report as contained in the agenda packet.

Mayor pro Tem Machisic opened the item for public comments. There were none.

Motion Botts/Robinson that the City Council 1) adopt Resolution No. 2011-75, Approving the Contract Services Agreement with Willdan Financial Services for the Preparation of the Fiscal Impact Analysis for the Butterfield Specific Plan; and 2) Authorize the City Manager to execute the contract as to form as approved by the City Attorney; and 3) Authorize the Administrative Services Director to make the necessary budget adjustments in the amount of \$49,000.00. Motion carried, with Mayor Hanna not voting.

Mayor Pro Tem Machisic recessed the regular City Council Meeting and called to order a Joint Meeting of the Banning City Council and the Banning Utility Authority.

Mayor Hanna returned to the Council Chambers at this time.

Councilmember Botts said that we had a workshop earlier with the San Gorgonio Pass Water Agency with them making a presentation to us and subsequent to that he sees the need for some improved communications and coordination with the San Gorgonio Pass Water Agency on what they are proposing. They are proposing increased taxes and fees on the citizens of all cities in their area including Banning. They have already passed a property tax increase on all of us last week of approximately \$40.00 per year and obviously we can't do anything about that but they are proposing fees on new houses of approximately \$1,100 that would go to them coming from people who purchases those new houses and then there is a sliding scale subject to the amount of water that might be used on new homes that could another \$2,000 to \$3,000 on the cost of a house. He said it is going to be a huge amount of money that the taxpayers in Banning are going to be paying, though in general, we would agree that water is a critical issue. It appears historically that it was going to be very little investment of that money in Banning. Pipelines would go through Banning out to Cabazon and recharge in Cabazon and Beaumont basins and to be fair ultimately we would benefit from that. This seems to be moving so quickly that he asked that this be put on the agenda tonight and what he is asking for from his colleagues is support in Banning taking the lead on creating an Ad Hoc Committee of two representatives from Banning and two representatives from each of the other cities (Calimesa, Beaumont, Beaumont-Cherry Valley, Cabazon, Supervisor Ashley and his strategy is that this needs to be done on a regional basis. They are going to vote to move this forward on Sept. 6th and we should also include the Tribe in this.

Mayor Hanna said that she thinks he is mischaracterizing what they are asking. That it is a fee only for new houses. It is not for existing residents. It is only for new housing so that they can pay the way for the infrastructure.

Councilmember Robinson said that he thinks that we have looked at reducing fees in the last year and we have also given a request to the City Manager to look at our fees that we charge now for new home production and he thinks that this is a doubling of fees for new housing. Not necessarily for our existing taxpayers but these are going to be taxpayers in the future to this city so we really need to look at this as a regional approach and at least voice our concern to the Agency.

City Manager said would you also include all the water districts in the area. Councilmember Botts said that would be his intent to include Beaumont-Cherry Valley, Cabazon, Yucaipa Water District.

City Manager said that you should also if the Council is going to vote for this, is that obviously they are having a hearing at the very beginning of September and that you request that they continue that hearing after being heard.

Councilmember Botts said he was also going to include in his motion that we write them tomorrow asking them formally to postpone this.

City Attorney said that including asking for a postponement you might want to also want to raise the issues that were suggested by the BIA (Building Industry Association) and Pardee and that should be put into a comment letter.

Councilmember Machisic said that he is supportive of this particular recommendation but we also already have one member that represents us at the San Gorgonio Pass Water Agency Meetings.

Mayor Hanna said that Debbie Franklin represents us on the Board so if we have a 2x2 she would be one of those individuals.

Councilmember Franklin said that she supports the idea of having an Ad Hoc but wanted to let people know that the information coming from the Pass Water Agency is on-line and it is open to the public and in the few months that she has been involved in it no other city attends those meetings. Cities have been invited to those meeting and Banning is the only city represented not only by herself but also by Duane Burk. She finds it very distressing that other cities are not interested in what is going on there to come out on a regular basis.

Councilmember Botts said his concern is where are the other elected representatives and do they know in fact what is going on. He said he didn't mean to mischaracterize it. Clearly this is new development but if it is new folks coming to Banning, they are our folks and they are going to have to pay more money and he would ask what the benefit is?

Mayor Hanna opened the item for public comments.

The following people spoke in favor or against or had some questions or concerns or general comments in regards to this item (*any written comments handed to the City Clerk will be attached as an exhibit to the minutes*):

Jacqueline Atwood, 2384 N. Murray – asked if these were development fees on houses and not taxes on individuals.

The response was that it would cost those buying new homes extra.

Councilmember Franklin clarified that the San Gorgonio Pass Water Agency just passed an Ad Valorem tax where they increased the amount that we pay as current property owners to 1.8 cents. For example, if your house was valued at \$200,000 this would amount to \$30.00 a year in property taxes and they do not have to follow Prop 218-like cities do.

Motion Machisic/Robinson to have an Ad Hoc Committee of Councilmembers Botts and Franklin. Motion carried, all in favor.

REPORTS OF OFFICERS – JOINT MEETING

1. Resolution No. 2011-12 UA, Amending the Professional Services Agreement for the Whitewater Flume Restoration Project with Roy McDonald, Environmental and Regulatory Consultant.
(Staff Report – Duane Burk, Public Works Director)

Mr. Burk gave the staff report as contained in the agenda packet. He said that the Whitewater Flume sits at about an 8,000 foot elevation at the San Gorgonio Mountains and it was diversion that was established before 1914. This City entered into an agreement in 1928 to be part of the flume. We have been working with Roy McDonald in a four-party agreement that includes Edison, San Gorgonio Pass Water Agency, Banning Heights Municipal Water Company and the City of Banning. We have taken a lead as it relates to the decommissioning of the current hydro-electric plants with Edison. This would be an additional \$50,000 to Mr. McDonald's contract contact to make the necessary adjustments in the professional services contract and hopefully all the environmental concerns should be addressed by the end of 2011. He says hopefully because there are a great number of environmental concerns as it relates to the restoration of the flume and/or the current footprint that we would need to destroy and put back. He was assured that this would take us to the end of December and then would be moving forward with a scoping document to restore the flume and/or put in new pipe.

Mayor Hanna opened the item for public comments. There were none.

Motion Franklin/Robinson that the Utility Authority 1) adopt Resolution No. 2011-12 UA, Amending the Professional Services Agreement with Roy McDonald, Environmental and Regulatory Consultant of Sacramento, CA in an amount of \$50,000.00 for services related to the Whitewater Flume Restoration Project for a total contact amount “not to exceed”

\$160,000.00; and 2) Authorize the Administrative Services Director to make necessary adjustments and appropriations in an amount of \$50,000.00 from the Banning Utility Authority Water Capital Facility Fund to Account No. 661-6300-471.33-11 (Professional Services). Motion carried, all in favor.

Mayor Hanna adjourned the Joint Meeting of the Banning City Council and the Banning Utility Authority and reconvened the regular City Council Meeting.

ANNOUNCEMENTS/REPORTS *(Upcoming Events/Other Items if any)*

City Council

Mayor Pro Tem Machisic –

- On Wed., August 17th along with Council Members Robinson and Franklin they attending the San Gorgonio Memorial Hospital Quarterly Meeting where they gave an update on the progress that they have made. If you remember, there was a bond election about 5 or 6 years ago and they had a plan put forward that they were going to build certain additions to the facility. They have now divided this into two phases and the first phase dealt with \$108 million that was approved by the voting public about six years ago and they are working on that but now they are planning for Phase II and Phase II includes a six-story building for new rooms, etc. and there is a new cost associated with Phase II for \$182 million in addition to the \$108 million.
- He attended the WRCOG (Western Riverside Council of Governments) Annual Setting of Goals and Objectives with the City Manager and the Mayor and this is an organization that has been in existence for about 10 years and as soon as these are published by WRCOG he will provide it to the Council Members, as well as, the general public.
- The RCA (Regional Conservation Authority) is a group that is buying land in western Riverside county for preservation of Flora and Fauna and they have now accumulated approximately 45,000 acres and their ultimate goal is 150,000 acres which they will purchase and it will be added to the Department of Land Management which has 350,000 acres and at some point in the future as soon as the acquisitions are completed we will have a half a million acres that will be preserved. This is probably the largest program of its kind in America. At this particular time land prices are very low, income is very low so we have not been able to purchase but we have some good news. We have approached Senator Feinstein about sponsoring a bill where the Department of Interior will loan us about \$300,000 million dollars that we will be able to go out and buy some land at times when the prices are low and we will pay it back when times are good. The good news is that on April 14th the time was right for the introduction by Senator Feinstein of Senate Bill 826, Infrastructure Facilitation and Habitat Conservation Act of 2011. Less than a month later, May 13th, Representative Ken Calvert introduced the House version of this Bill and he also has picked up Representative Isa out of Orange County. So it is moving forward but at the same time the climate for financial rewards coming out of Washington are very limited so we are optimistic and hoping that we will be able to get some money.

Councilmember Franklin –

- From the Transportation NOW Meeting she reported that service did resume on Sundays and we are starting a student route that will be able to go by the high school in a more timely fashion and so hopefully we will get some of out students on the bus and not in the cars.
- She thanked Senator Emmerson's Office and Assembly Member Cook's Office because a couple of weeks ago they sponsored a "Senior Scam Workshop". We had over 70 people come out and the workshop was excellent. The information provided was very practical and everyday information. Representatives from the District Attorney's Office, from Consumer Affairs, from Office on Aging and from Officer Diaz were all very good.
- Also in regards to her water report everything that you heard about water happened since our last Council Meeting and today. The San Gorgonio Pass Water Agency is moving very quickly.
- There is a free Tax Seminar for non-profit and faith-based organizations being put on by the State Board of Equalization and anyone can attend. They will cover regulations of charities and fundraisers, property tax exemptions, compliance for exempt organizations and federal tax issues.

Mayor Hanna –

- Stagecoach Days – the parade will be held on Saturday, Sept. 10th at 10:00 a.m. starting at San Gorgonio and Ramsey heading west to 16th Street.
- Banning Rotary and Habitat for Humanity are having the 25th Annual Spaghetti Dinner on Wednesday, Sept. 7th at 4:00 to 6:30 p.m. at the Banning Community Center. Tickets are \$7.00 per person and children under 5 eat free with a paid adult.

City Committee Reports – There were none.

Report by City Attorney – None at this time.

Report by City Manager

- The off-ramps are supposed to be closed from August 11, 2011 to October, 2011 for rehabbing. First of all, not all the off-ramps will be closed at the same time. It is going to happen in the evening but at this time we cannot get a schedule from Caltrans. They will be working on the off-ramps one at a time.
- Reminder that on October 12th at 6:00 p.m. at Sun Lakes the public is invited to a Town Hall Meeting concerning the Scalping Plant or Package Treatment Facility (or basically about the recycled water process). The Package Treatment Facility is currently being proposed between Serrano Del Vista and Sun Lakes.

ITEMS FOR FUTURE AGENDAS

New Items – There were none.

Pending Items – City Council

1. Schedule Meetings with Our State and County Elected Officials
2. Review of Fees and Rates
3. Policy Discussion Re. Code Enforcement (*study session*)
4. FEMA Training – Senior Officials (*Aug. 30, 2011*)

5. General Management of Council Meetings (*Sept. 27, 2011*)
6. Update on Loans
7. Policies & Procedures for Applicant re. Projects and Applicants for Commissions & Committees

ADJOURNMENT

By common consent the meeting adjourned the meeting at 6:18 p.m.

Marie A. Calderon, City Clerk

THE ACTION MINUTES REFLECT ACTIONS TAKEN BY THE CITY COUNCIL. A COPY OF THE MEETING IS AVAILABLE IN DVD FORMAT AND CAN BE REQUESTED IN WRITING TO THE CITY CLERK'S OFFICE.

2nd Read.

ORDINANCE NO. 1439

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BANNING,
CALIFORNIA APPROVING ZONING TEXT AMENDMENT NO. 11-97501
AMENDING THE REVIEW REQUIREMENTS FOR ACCESSORY STRUCTURES**

WHEREAS, the proposed Zoning Text Amendment No. 11-97501 was duly initiated by the City of Banning; and

WHEREAS, the Municipal Code provides for “Zoning Ordinance” amendments consistent with the goals and policies of the General Plan; and

WHEREAS, the City desires to amend the “Zoning Ordinance” to streamline the permitting process by allowing local active architectural review boards or committees to review and approve the design of accessory structures; and

WHEREAS, on July 22, 2011, the City published a public hearing notice for Zoning Text Amendment No. 11-97501 in the *Record Gazette* newspaper in compliance with state law and Chapter 17.68 of the Banning Zoning Ordinance; and

WHEREAS, on 3rd day of August 2011, the Planning Commission held a noticed public hearing at which time interested persons had an opportunity to testify in support of, or opposition to Zoning Text Amendment No. 11-97501 and at which time the Planning Commission considered the proposed Zoning Text Amendment and recommended City Council approval; and

WHEREAS, on August 12, 2011, the City published a public hearing notice for Zoning Text Amendment No. 11-97501 in the *Record Gazette* newspaper in compliance with state law and Chapter 17.68 of the Banning Zoning Ordinance; and

WHEREAS, on August 23, 2011, the City Council held a noticed public hearing at which time interested persons had an opportunity to testify in support of, or opposition to Zone Text Amendment No. 11-97501; and

WHEREAS, at said public hearing on August 23, 2011, the City Council considered and heard public testimony and comments regarding Zoning Text Amendment No. 11-97501; and

WHEREAS, at this public hearing, the City Council analyzed the proposed project and determined that it is exempt from the California Environmental Quality Act (“CEQA”) under Section 15061(b)(3) of the CEQA Guidelines which provides that CEQA only applies to projects that have the potential for causing a significant effect on the environment; and

WHEREAS, the City Council has carefully considered all pertinent documents and the staff report offered in this case as presented at the public hearing held on August 23, 2011.

NOW THEREFORE, BE IT HEREBY ORDAINED by the City Council of the City of Banning as follows:

SECTION 1: ENVIRONMENTAL.

The City Council, in light of the whole record before it, including but not limited to, the City's Local CEQA Guidelines, the recommendation of the Planning Commission as adopted in Resolution No. 2011-05 and the information as provided in the Staff Report dated August 23, 2011, and documents incorporated therein by reference, and any other evidence (within the meaning of Public Resources Code § 21080(e) and § 21082.2) within the record or provided at the public hearing of this matter, hereby finds and determines as follows:

1. California Environmental Quality Act (CEQA):

The City Council has analyzed this proposed project and has determined that it is exempt from the California Environmental Quality Act ("CEQA") under Section 15061(b)(3) of the CEQA Guidelines which provides that CEQA only applies to projects that have the potential for causing a significant effect on the environment. Where, as here, it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment; the activity is not subject to CEQA. The amendments to the Zoning Code do not relate to any one physical project and will not result in any physical change to the environment. Further, projects subject to this resolution will trigger individual analysis and documentation related to CEQA. Therefore, it can be seen with certainty that there is no possibility that this ordinance may have a significant adverse effect on the environment, and therefore the adoption of this ordinance is exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines.

2. Multiple Species Habitat Conservation Plan (MSHCP):

The amendments to the Zoning Ordinance do not relate to any one physical project and are not subject to the MSHCP. Further, projects subject to this resolution will trigger individual project analysis and documentation related to the requirements of MSHCP including mitigation through payment of the MSHCP Mitigation Fee.

SECTION 2: REQUIRED FINDINGS.

1. The proposed Zone Text Amendment is consistent with the goals and policies of the General Plan.

Findings of Fact:

The Zone Text Amendment is consistent with the goals and policies of the General Plan, insofar as the General Plan designations and Zoning designations will not change, and the text amendments will result in clarifying the goals, policies and programs of the General Plan. The primary General Plan Land Use Goal is "*A balanced, well planned community including businesses which provides a functional pattern of land uses and*

enhances the quality of life for all Banning residents". The design standards for a specific plan, planned unit development, or other development plan area are reviewed in accordance with General Plan requirements; therefore, any accessory structure will be required to meet the approved design standards and the General Plan Land Use Goal of a well planned community.

2. The proposed Zone Text Amendment is internally consistent with the Zoning Ordinance.

Findings of Fact:

The proposed Zone Text Amendment is consistent with the existing provisions of the Zoning Ordinance. The amendment will streamline the review and approval process by allowing the local active architectural review board or committee to be responsible for design review of accessory structures. This is consistent with other parts of the Zoning Ordinance such as the Downtown Commercial zoning district where design review is not required for the commercial development of improved sites (see Section 17.12.050H).

3. That the Planning Commission has independently reviewed and considered the requirements of the California Environmental Quality Act.

Findings of Fact:

The Planning Commission has analyzed this proposed project and has determined that it is exempt from the California Environmental Quality Act ("CEQA") under Section 15061(b)(3) of the CEQA Guidelines which provides that CEQA only applies to projects that have the potential for causing a significant effect on the environment. Where, as here, it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment; the activity is not subject to CEQA. Amendments to the Municipal Code do not relate to any one physical project and will not result in any physical change to the environment. Further, projects subject to this resolution will trigger individual analysis and documentation related to CEQA through the building permit process. Therefore, it can be seen with certainty that there is no possibility that this resolution may have a significant adverse effect on the environment, and therefore the adoption of this resolution is exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines.

SECTION 3: ZONING ORDINANCE AMENDMENT.

Section 17.08.050 of the Municipal Code is amended to read as follows:

17.08.050 Accessory Structures.

"Accessory structures in residential zoning districts shall be compatible with the materials and architecture of the primary dwelling of the property. Accessory structures may only be constructed on a lot containing a main dwelling unit. Accessory structures may be built to the interior side and rear property lines as long as these structures are not closer than 10 feet to any other structure. Building Code regulations may further restrict the distance to be maintained from property lines or other structures. The accessory structure may be a maximum of 50% of the footprint of the primary structure, and may be the same height as the principal structure. Second units are not considered accessory structures, and have specific development standards enumerated in Section 17.08.100. No design review shall be required for accessory structures located in a specific plan area, a planned unit development, or other approved development plan area with an active architectural review board, or committee."

SECTION 4: SEVERABILITY.

If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision will not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

SECTION 5: EFFECTIVE DATE.

This Ordinance shall take effect thirty (30) days after its 2nd reading in accordance with California law.

PASSED, APPROVED, AND ADOPTED this 13th day of September, 2011.

Barbara Hanna, Mayor
City of Banning

ATTEST:

Marie A. Calderon, City Clerk

**APPROVED AS TO FORM AND
LEGAL CONTENT:**

David J. Aleshire, City Attorney
Aleshire & Wynder, LLP

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that Ordinance No. 1439 was duly introduced at a regular meeting of the City Council of the City of Banning, held on the 23rd day of August, 2011, and was duly adopted at a regular meeting of said City Council on the 13th day of September, 2011, by the following vote, to wit:

AYES:

NOES: _____

ABSENT:

ABSTAIN:

Marie A. Calderon, City Clerk
City of Banning, California

2nd Read.

ORDINANCE NO. 1441

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, DETERMINING IT WILL COMPLY WITH THE VOLUNTARY ALTERNATIVE REDEVELOPMENT PROGRAM PURSUANT TO PART 1.9 OF DIVISION 24 OF THE CALIFORNIA HEALTH AND SAFETY CODE IN ORDER TO PERMIT THE CONTINUED EXISTENCE AND OPERATION OF THE REDEVELOPMENT AGENCY OF THE CITY OF BANNING

WHEREAS, on June 12, 1978, the City Council adopted Ordinance No. 709, which approved the Redevelopment Plan (the "Plan") for the Downtown Redevelopment Project (the "Downtown Project Area") and has amended the Plan for the Downtown Project Area on several occasions. On June 10, 1986, the City Council adopted Ordinance No. 906, which approved the Plan for the Midway Redevelopment Project (the "Midway Project Area") and has amended the Plan for the Midway Project Area on several occasions. On February 26, 2002, the City Council adopted Ordinance No. 1280, which merged the Downtown Project Area and the Midway Project Area (the "Merged Project Area") and has amended the Plan for the Merged Project Area on several occasions.

WHEREAS, the Redevelopment Agency of the City of Banning ("Agency") is engaged in activities to execute and implement the Redevelopment Plan pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code § 33000, *et seq.*) ("CRL"); and

WHEREAS, since adoption of the Redevelopment Plan, the Agency has undertaken redevelopment projects in the Project Area to eliminate blight, to improve public facilities and infrastructure, to renovate and construct affordable housing, and to enter into partnerships with private industries to create jobs and expand the local economy; and

WHEREAS, over the next few years, the Agency hopes to implement a variety of redevelopment projects and programs to continue to eliminate and prevent blight, stimulate and expand the Project Area's economic growth, create and develop local job opportunities and alleviate deficiencies in public infrastructure, to name a few; and

WHEREAS, as part of the 2011-12 State budget bill, the California Legislature has recently enacted and the Governor has signed, companion bills AB 1X 26 and AB 1X 27, requiring that each redevelopment agency be dissolved unless the community that created it enacts an ordinance committing it to making certain payments; and

WHEREAS, specifically, AB 1X 26 prohibits agencies from taking numerous actions, effective immediately and purportedly retroactively, and additionally provides that agencies are deemed to be dissolved as of October 1, 2011; and

WHEREAS, AB 1X 27 provides that a community may participate in an “Alternative Voluntary Redevelopment Program,” in order to enable a redevelopment agency within that community to remain in existence and carry out the provisions of the CRL, by enacting an ordinance agreeing to comply with Part 1.9 of Division 24 of the Health and Safety Code; and

WHEREAS, the Alternative Voluntary Redevelopment Program requires that the community agree by ordinance to remit specified annual amounts to the county auditor-controller; and

WHEREAS, under the threat of dissolution pursuant to AB 1X 26, and upon the contingencies and reservations set forth herein, the City shall make the Fiscal Year 2011-2012 community remittance, currently estimated to be One Million Six Hundred Forty-Four Thousand Three Hundred Ninety-Seven Dollars (\$1,644,397.00), as well as the subsequent annual community remittances as set forth in the CRL; and

WHEREAS, the City reserves the right to appeal the California Director of Finance’s determination of the Fiscal Year 2011-12 community remittance, as provided in Health and Safety Code Section 34194; and

WHEREAS, the City understands and believes that an action challenging the constitutionality of AB 1X 26 and AB 1X 27 will be filed on behalf of cities, counties and redevelopment agencies; and

WHEREAS, while the City currently intends to make these community remittances, they shall be made under protest and without prejudice to the City’s right to recover such amounts and interest thereon, to the extent there is a final determination that AB 1X 26 and AB 1X 27 are unconstitutional; and

WHEREAS, the City reserves the right, regardless of any community remittance made pursuant to this Ordinance, to challenge the legality of AB 1X 26 and AB 1X 27; and

WHEREAS, to the extent a court of competent jurisdiction enjoins, restrains, or grants a stay on the effectiveness of the Alternative Voluntary Redevelopment Program’s payment obligation of AB 1X 26 and AB 1X 27, the City shall not be obligated to make any community remittance for the duration of such injunction, restraint, or stay; and

WHEREAS, all other legal prerequisites to the adoption of this Ordinance have occurred.

**THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, DOES
ORDAIN AS FOLLOWS:**

SECTION 1. Recitals. The Recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. Participation in the Alternative Voluntary Redevelopment Program. In accordance with Health and Safety Code Section 34193, and based on the Recitals set forth above, the City Council hereby determines that the City shall, to the extent required by law, comply with the provisions of Part 1.9 of Division 24 of the Health and Safety Code, as enacted by AB 1X 27.

SECTION 3. Payment Under Protest. Except as set forth in Section 4, below, the City Council hereby determines that the City shall make the community remittances set forth in Health and Safety Code section 34194 *et seq.*

SECTION 4. Effect of Stay or Determination of Invalidity. City shall not make any community remittance in the event a court of competent jurisdiction either grants a stay on the enforcement of AB 1X 26 and AB 1X 27 or determines that AB 1X 26 and AB 1X 27 are unconstitutional and therefore invalid, and all appeals therefrom are exhausted or unsuccessful, or time for filing an appeal therefrom has lapsed. Any community remittance shall be made under protest and without prejudice to the City's right to recover such amount and interest thereon in the event that there is a final determination that AB 1X 26 and AB 1X 27 are unconstitutional. If there is a final determination that AB 1X 26 and AB 1X 27 are invalid, this Ordinance shall be deemed to be null and void and of no further force or effect. This Ordinance shall not effect or give rise to any waiver of rights or remedies that the City may have, whether in law or in equity, to challenge AB 1X 26 or AB 1X 27. This Ordinance shall not be construed as the City's willing acceptance of, or concurrence with, either AB 1X 26 or AB 1X 27; nor does this Ordinance evidence any assertion or belief whatsoever on the part of the City that said bills are constitutional or lawful.

SECTION 5. Implementation. The City Council hereby authorizes and directs the City Manager to take any action and execute any documents necessary to implement this Ordinance, including but not limited to notifying the Riverside County Auditor-Controller, the Controller of the State of California, and the California Department of Finance of the adoption of this Ordinance and the City's agreement to comply with the provisions of Part 1.9 of Division 24 of the Health and Safety Code, as set forth in AB 1X 27.

SECTION 6. Additional Understandings and Intent. It is the understanding and intent of the City Council that, once the Agency is again authorized to enter into agreements under the CRL, the City will enter into an agreement with the Agency as authorized pursuant to Section 34194.2, whereby the Agency will transfer annual portions of its tax increment to the City in amounts not to exceed the annual community remittance payments to enable the City, directly or indirectly, to make the annual remittance payments. The City Council does not intend, by enactment of this Ordinance, to pledge any of its general fund revenues or assets to make the remittance payments. The City reserves the right to withdraw from making the payments required by AB 1X 27 should the amount of such payments (as will be determined by the State Department of Finance) prove to be in excess of the City's available funds not otherwise obligated for other uses.

SECTION 7. CEQA. The City Council finds, under Title 14 of the California Code of Regulations, Section 15378(b)(4), that this Ordinance is exempt from the requirements of the California Environmental Quality Act ("CEQA") in that it is not a "project," but instead consists of the creation and continuation of a governmental funding mechanism for potential future

projects and programs, and does not commit funds to any specific project or program. The City Council, therefore, directs that a Notice of Exemption be filed with the County Clerk of the County of Riverside in accordance with CEQA Guidelines.

SECTION 8. Custodian of Records. The documents and materials that constitute the record of proceedings on which these findings are based are located at the City Clerk's office located at 99 E. Ramsey Street, Banning, CA 92220. The custodian for these records is Marie Calderon, City Clerk.

SECTION 9. Severability. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable. The City Council hereby declares that it would have adopted this Ordinance irrespective of the invalidity of any particular portion thereof.

SECTION 10. Certification; Publication. The City Clerk shall certify to the adoption of this Ordinance and cause it, or a summary of it, to be published once within 15 days of adoption in the Record Gazette, a newspaper of general circulation printed and published within the City of Banning, and shall post a certified copy of this Ordinance, including the vote for and against the same, in the Office of the City Clerk in accordance with Government Code § 36933.

SECTION 11. Effective Date. This Ordinance shall become effective thirty (30) days from its adoption.

PASSED, APPROVED AND ADOPTED this 13th day of September, 2011.

Barbara Hanna, Mayor
City of Banning

ATTEST:

Marie A. Calderon, City Clerk

**APPROVED AS TO FORM
AND LEGAL CONTENT:**

David J. Aleshire, City Attorney
Aleshire & Wynder, LLP

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that Ordinance No. 1441 was duly introduced at a regular meeting of the City Council of the City of Banning, held on the 23rd day of August, 2011, and was duly adopted at a regular meeting of said City Council on the 13th day of September, 2011, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Marie A. Calderon, City Clerk
City of Banning, Banning, California

CITY COUNCIL AGENDA

DATE: September 13, 2011

TO: City Council

FROM: Kahono Oei, City Engineer

(pt)

SUBJECT: Resolution No. 2011-77, "Accepting Community Development Block Grant Program Funds for Fiscal Year 2011-2012"

RECOMMENDATION: Adopt Resolution No. 2011-77, "Accepting Community Development Block Grant Program Funds for Fiscal Year 2011-2012".

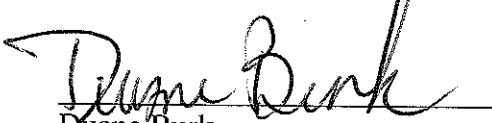
JUSTIFICATION: This Supplemental Agreement is essential in order for the City to obtain and utilize funds for Community Development Block Grant projects.

BACKGROUND: On an annual basis, the City of Banning has participated in the federally funded Community Development Block Grant (CDBG) program. On November 9, 2010 the City Council adopted Resolution No. 2010-77, approving the projects as shown in Exhibit "A" for funding by the CDBG program, Fiscal Year 2011-2012. The City submitted these projects and requested funding in the amount of \$184,000.00 to the Riverside County Economic Development Agency (EDA) and was approved in an amount of \$137,829.00.

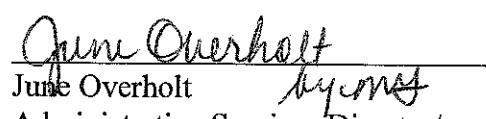
In order to utilize these funds for Fiscal Year 2011-2012, the City is required to execute a Supplemental Agreement. The Supplemental Agreement is attached herein as Exhibit "B". A copy of the Supplemental Agreement will also be available at the City Clerk's Office for review by the public.

FISCAL DATA: These projects are funded through Community Development Block Grant (CDBG) program funds, Fiscal Year 2011-2012, and the City anticipates receiving \$137,829.00.

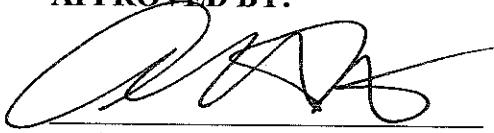
RECOMMENDED BY:


Duane Burk
Director of Public Works

REVIEWED BY:


June Overholt
Administrative Services Director/
Deputy City Manager

APPROVED BY:


Andy Takata
City Manager

RESOLUTION NO. 2010-77

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING,
CALIFORNIA, ACCEPTING THE COMMUNITY DEVELOPMENT BLOCK GRANT
PROGRAM FUNDS FOR FISCAL YEAR 2011-2012”**

WHEREAS, on an annual basis, the City of Banning has participated in the federally funded Community Development Block Grant (CDBG) program; and

WHEREAS, the proposed projects for Fiscal Year 2011-2012 were approved by the City Council under Resolution No. 2010-77 on November 9, 2010; and

WHEREAS, the City submitted these projects and requested funding in the amount of \$184,000.00 to the Riverside County Economic Development Agency (EDA) and was approved in an amount of \$137,829.00; and

WHEREAS, in order to utilize Community Development Grant Funds, the City Council is required to execute the Supplemental Agreement, as attached herein, for FY 2011-2012.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Banning as follows:

SECTION 1. The City Council of the City of Banning hereby approves the acceptance of Fiscal Year 2011-2012 Community Development Block Grant program funds.

SECTION 2. The City Council of the City of Banning authorizes the Mayor to execute any Supplemental Agreement for Fiscal Year 2011-2012 covering the use of Community Development Block Grant funds allocated by the Riverside County Economic Development Agency.

SECTION 3. The City Council of the City of Banning authorizes the Administrative Services Director to make necessary budget adjustments and appropriations related to Fiscal Year 2011-2012 Community Development Block Grant program funds in an amount “Not to Exceed” \$137,829.00.

PASSED, APPROVED AND ADOPTED this 13th day of September, 2011.

Barbara Hanna, Mayor
City of Banning

ATTEST:

Marie A. Calderon, City Clerk

**APPROVED AS TO FORM AND
LEGAL CONTENT:**

David J. Aleshire, City Attorney
Aleshire & Wynder, LLP

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2011-77, was adopted by the City Council of the City of Banning at a Regular Meeting thereof held on the 13th day of September, 2011, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

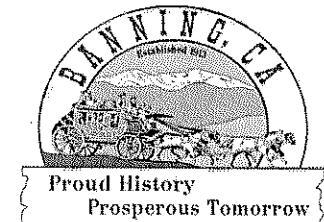
Marie A. Calderon, City Clerk
City of Banning, California

EXHIBIT “A”

**FY 2011/2012 PROJECTS RECOMMENDED BY COUNCIL AT
THE NOVEMBER 9, 2010 COUNCIL MEETING**

CDBG Fiscal Year 2011-12

Requested City Project

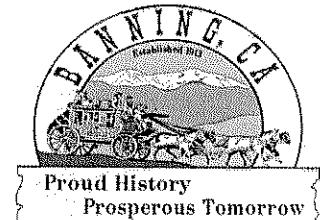


No.	Project Name	Description	Council Recommendation
1.	Repllier Park Bowl Rehabilitation	Construction Services	\$160,000.00
	Total		\$160,000.00

CH

CDBG Fiscal Year 2011-12

Requested Service Related Projects



No.	Agency	Description	Council Recommendation
1.	Boys and Girls Club	Youth Development	\$9,000.00
2.	Court Appointed Special Advocates (CASA)	Advocacy for Abused and Neglected Children in Banning	\$2,000.00
3.	San Gorgonio Child Care Consortium	Special Needs	\$9,000.00
4.	Soroptimist House of Hope	Residential 24 HR Substance Recovery	\$4,000.00
	Total		\$24,000.00

ER

EXHIBIT “B”

PROPOSED SUPPLEMENTAL AGREEMENT

A handwritten signature in black ink, appearing to read "H.H." or a similar initials.

4 **SUPPLEMENTAL AGREEMENT FOR THE USE OF
5 2011-2012 COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS**

6 The COUNTY OF RIVERSIDE of the State of California, herein called, "COUNTY,"
7 and the CITY OF BANNING, herein called "CITY," mutually agree as follows:

8 1. GENERAL. COUNTY and CITY have executed a Cooperation Agreement, dated
9 July 2008, whereby CITY elected to participate with COUNTY, which has qualified as an
10 "Urban County" for purposes of receiving Community Development Block Grant (CDBG)
11 funds, and to assist and undertake essential community development and housing assistance
12 activities pursuant to the Housing and Community Development Act of 1974, Title 1, as
13 amended, Public Law 93-383 hereinafter referred to as "Act". Said Cooperation Agreement,
14 dated July 2008, is incorporated herein by reference and made a part of this Agreement as if each
15 and every provision was set forth herein.

16 2. PURPOSE. CITY promises and agrees to undertake and assist with the
17 community development activities, within its jurisdiction, by utilizing the sum of **137,829**,
18 CDBG Entitlement Funds, as specifically identified in Exhibits A, B, C and D are attached
19 hereto and by this reference are incorporated herein, for the projects:

5.BN.21-11 Repllier Park Bowl Improvement	\$121,970
5.BN.22-11 Youth After-School Program	\$7,000
5.BN.23-11 San Gorgoino Special Needs Program	\$7,000
0.90-11 Children of the Court Advocate Scholarship Program	\$1,859

24 3. TERM OF AGREEMENT. The term of this Agreement for the projects shall
25 be for a period of one (1) year from July 1, 2011 to June 30, 2012, and proceed consistent with
26 the completion schedule set forth in Exhibits A, B, C and D. In the event that the projects are
27 not substantially completed by the time set forth in the completion schedule due to unforeseen
28

1 or uncontrollable causes, the COUNTY may consider extending the schedule for the completion
2 of the project. Times of performance for other activities may also be extended in writing by
3 COUNTY. If substantial progress toward completion in conformance with the completion
4 schedule, as determined by COUNTY, of the projects are not made during the term of the
5 Supplemental Agreement, COUNTY may suspend or terminate this agreement by the
6 procedures set forth in the Section titled "Termination", of this agreement and the entitlement
7 funds associated with the projects may be reprogrammed by COUNTY after appropriate notice
8 is given.

9 4. DISPOSITION OF FUNDS.

10 A. COUNTY's Board of Supervisors shall determine the final disposition and
11 distribution of all funds received by COUNTY under the Act consistent with the provisions of
12 Paragraphs 2 and 3 of this Agreement. COUNTY, through its Economic Development Agency,
13 shall: (1) Make payment of the grant funds to CITY as designated in Exhibits A, B, C and D;
14 and (2) It is the CITY's responsibility to monitor all project activities of Exhibits A, B, C and D
15 to ensure compliance with applicable federal regulations and the terms of this Agreement.

16 B. CITY shall comply with timely drawdown of CDBG funds by
17 expeditiously implementing and completing County-approved, CDBG-funded projects. CITY
18 acknowledges that CITY's drawdown performance directly impacts the COUNTY's overall
19 program drawdown rate. If the CITY's unobligated CDBG fund balance, as of January 15, 2012,
20 exceeds two-times (200%) the CITY's 2011-2012 CDBG allocation, the COUNTY may take the
21 necessary administrative actions to reduce the CITY's CDBG fund balance. Necessary actions
22 include reprogramming the excess CDBG fund balance to other eligible activities as selected by
23 COUNTY. COUNTY may authorize CITY in writing, prior to January 15, 2012, to exceed the
24 CDBG fund balance requirement.

25 C. CITY shall comply with timely drawdown of funds by submitting monthly
26 requests for reimbursement or other County-approved reimbursement schedule. All
27 disbursements of grant funds will be on a reimbursement basis and made within thirty (30) days
28

1 after the CITY has submitted its letter identifying payments and documentation supporting
2 expenditures.

3 D. All authorized obligations incurred in the performance of the Agreement
4 for projects eligible under the following regulations must be reported to COUNTY no later than
5 by June 15, 2012:

- 6 1. Public Services [24 CFR 570.201 (e)]
- 7 2. Acquisition [24 CFR 570.201 (a)]
- 8 3. Clearance Activities [24 CFR 570.201 (d)]
- 9 4. Interim Assistance [24 CFR 570.201 (f)]
- 10 5. Code Enforcement [24 CFR 570.202 (c)]

11 All other eligible activities under this Agreement must be implemented, completed, and
12 obligations reported by the CITY no later than the completion schedules set forth in the Exhibits
13 to this Agreement.

14 The COUNTY will directly manage and monitor the project identified in Exhibit D. This
15 projects has been determined to be of Countywide benefit, receiving grant funding from multiple
16 sources; therefore, this project will be managed and monitored by the COUNTY.

17 5. COOPERATION WITH HOUSING ACTIVITIES. CITY shall cooperate with
18 COUNTY in undertaking essential community development and housing assistance activities,
19 specifically urban renewal and public assistance housing, and shall assist COUNTY in carrying
20 out its Strategic Plan of the Consolidated Plan and other requirements of the Community
21 Development Block Grant Program.

22 6. LEAD AGENCY FOR COMPLIANCE WITH THE CALIFORNIA
23 ENVIRONMENTAL QUALITY ACT (CEQA). Pursuant to Section 15051(d) of Title 14 of the
24 California Administrative Code, CITY is designated as the lead agency for the projects that are
25 the subject matter of this Agreement.

26 7. HOLD HARMLESS AND INDEMNIFICATION. In contemplation of the
27 provisions of Section 895.2 of the California Government Code imposing certain tort liability
28

1 jointly upon public entities solely by reason of such entities being parties to an agreement as
2 defined by Section 895 of the Code, the Parties hereto, pursuant to the authorization contained in
3 Section 895.4 and 895.6 of the Code, agree that each Party shall be liable for any damages
4 including, but not limited to, claims, demands, losses, liabilities, costs and expenses including
5 reasonable attorneys fees, resulting from the negligent or wrongful acts or omissions of their
6 employees or agents in the performance of this Agreement, and each Party shall indemnify,
7 defend and hold harmless the other Parties from such claims, demands, damages, losses or
8 liabilities for their negligence

9
10 8. INSURANCE. Without limiting or diminishing the CITY'S obligation to
11 indemnify or hold the COUNTY harmless, CITY shall procure and maintain or cause to be
12 maintained, at its sole cost and expense, the following insurance coverage's during the term of
13 this Agreement.

14 A. Workers' Compensation:

15 If the CITY has employees as defined by the State of California, the CITY shall maintain
16 statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State
17 of California. Policy shall include Employers' Liability (Coverage B) including Occupational
18 Disease with limits not less than \$1,000,000 per person per accident. The policy shall be
19 endorsed to waive subrogation in favor of The County of Riverside, and, if applicable, to provide
20 a Borrowed Servant/Alternate Employer Endorsement.

21 B. Commercial General Liability:

22 Commercial General Liability insurance coverage, including but not limited to, premises
23 liability, contractual liability, products and completed operations liability, personal and
24 advertising injury, and cross liability coverage, covering claims which may arise from or out of
25 CITY 'S performance of its obligations hereunder. Policy shall name the County of Riverside, its
26 Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board
27 of Supervisors, employees, elected or appointed officials, agents or representatives as Additional
28

1 Insureds. Policy's limit of liability shall not be less than \$1,000,000 per occurrence combined
2 single limit. If such insurance contains a general aggregate limit, it shall apply separately to this
3 agreement or be no less than two (2) times the occurrence limit.

4 C. Vehicle Liability:

5 If vehicles or mobile equipment are used in the performance of the obligations under this
6 Agreement, then CITY shall maintain liability insurance for all owned, non-owned or hired
7 vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. If
8 such insurance contains a general aggregate limit, it shall apply separately to this agreement or
9 be no less than two (2) times the occurrence limit. Policy shall name the County of Riverside, its
10 Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board
11 of Supervisors, employees, elected or appointed officials, agents or representatives as Additional
12 Insureds.

13 D. General Insurance Provisions - All lines:

14 1) Any insurance carrier providing insurance coverage hereunder
15 shall be admitted to the State of California and have an A M BEST rating of not less than A: VIII
16 (A:8) unless such requirements are waived, in writing, by the County Risk Manager. If the
17 County's Risk Manager waives a requirement for a particular insurer such waiver is only valid
18 for that specific insurer and only for one policy term.

19 2) The CITY'S insurance carrier(s) must declare its insurance self-
20 insured retentions. If such self-insured retentions exceed \$500,000 per occurrence such
21 retentions shall have the prior written consent of the County Risk Manager before the
22 commencement of operations under this Agreement. Upon notification of self insured retention
23 unacceptable to the COUNTY, and at the election of the Country's Risk Manager, CITY 'S
24 carriers shall either; 1) reduce or eliminate such self-insured retention as respects this Agreement
25 with the COUNTY, or 2) procure a bond which guarantees payment of losses and related
26 investigations, claims administration, and defense costs and expenses.

27 3) CITY shall cause CITY'S insurance carrier(s) to furnish the

1 County of Riverside with either 1) a properly executed original Certificate(s) of Insurance and
2 certified original copies of Endorsements effecting coverage as required herein, and 2) if
3 requested to do so orally or in writing by the County Risk Manager, provide original Certified
4 copies of policies including all Endorsements and all attachments thereto, showing such
5 insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall
6 contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given
7 to the County of Riverside prior to any material modification, cancellation, expiration or
8 reduction in coverage of such insurance. In the event of a material modification, cancellation,
9 expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the County
10 of Riverside receives, prior to such effective date, another properly executed original Certificate
11 of Insurance and original copies of endorsements or certified original policies, including all
12 endorsements and attachments thereto evidencing coverage's set forth herein and the insurance
13 required herein is in full force and effect. *CITY shall not commence operations until the
14 COUNTY has been furnished original Certificate (s) of Insurance and certified original copies of
15 endorsements and if requested, certified original policies of insurance including all
16 endorsements and any and all other attachments as required in this Section.* An individual
17 authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for
18 each policy and the Certificate of Insurance.

19 4) It is understood and agreed to by the parties hereto that the CITY'S
20 insurance shall be construed as primary insurance, and the COUNTY'S insurance and/or
21 deductibles and/or self-insured retention's or self-insured programs shall not be construed as
22 contributory.

23 5) If, during the term of this Agreement or any extension thereof,
24 there is a material change in the scope of services; or, there is a material change in the equipment
25 to be used in the performance of the scope of work which will add additional exposures (such as
26 the use of aircraft, watercraft, cranes, etc.); or, the term of this Agreement, including any
27 extensions thereof, exceeds five (5) years the COUNTY reserves the right to adjust the types of
28

1 insurance required under this Agreement and the monetary limits of liability for the insurance
2 coverage's currently required herein, if, in the County Risk Manager's reasonable judgment, the
3 amount or type of insurance carried by the CITY has become inadequate.

4 6) CITY shall pass down the insurance obligations contained herein
5 to all tiers of subcontractors working under this Agreement.

6 7) The insurance requirements contained in this Agreement may be
7 met with a program(s) of self-insurance acceptable to the COUNTY.

8 8) CITY agrees to notify COUNTY of any claim by a third party or
9 any incident or event that may give rise to a claim arising from the performance of this
10 Agreement.

11 9. RECORDS AND INSPECTIONS.

12 A. CITY shall establish and maintain records in accordance with 24 CFR Part
13 570, Part 85, OMB Circular A-87, and 24 CFR 91.105, as applicable, and as they relate to the
14 acceptance and use of federal funds under this Agreement.

15 B. CITY shall maintain a separate account for CDBG Entitlement funds
16 received as set forth in Exhibits (A, B, C and D).

17 C. CITY shall, during the normal business hours, make available to
18 COUNTY, the U.S. Department of Housing and Urban Development (HUD), or other authorized
19 representative, for the examination and copying, all of its records and other materials with
20 respect to matters covered by this Agreement.

21 D. CITY shall not retain any program income as defined in Section 570.500
22 of Title 24 of the Federal Code of Regulations. Said program income shall be used only for the
23 activities that are the subject of this Agreement. Further, all provisions of this Agreement shall
24 apply to such activities.

25 E. The CITY shall ensure that at least fifty-one percent (51%) of the persons
26 benefiting from all CDBG-funded activities or projects designated as serving limited clientele
27 [570.208(a)(2)(i)] are of low and moderate-income and meet the program income guidelines
28

1 attached as Exhibits (A, B, C and D). The CITY and City's Sub-recipients must provide the
2 required income certification and direct benefit documentation.

3 10. COMPLIANCE WITH LAWS. CITY shall comply with all applicable federal,
4 state, and local laws, regulations, and ordinances and any amendments thereto and the federal
5 regulations and guidelines now or hereafter enacted pursuant to the Act. More particularly, CITY
6 is to comply with those regulations found in Part 85 and Part 570 of Title 24 of the Code of
7 Federal Regulations. CITY is to comply with OMB Circular A-87, or any subsequent
8 replacement. CITY is to abide by the provisions of the Community Development Block Grant
9 Manual, prepared by COUNTY and cited in the above-mentioned Cooperation Agreement.
10 CITY will comply with Section 3 of the Housing & Urban Development Act of 1968, as
11 amended, attached hereto as Exhibit "S". CITY will comply with the provisions of 24 CFR Part
12 570.200 (j), attached as Exhibit "R," pertaining to inherently religious activities.

13 11. INDEPENDENT CONTRACTOR. CITY and its agents, servants, and employees
14 shall act at all times in an independent capacity during the term of this Agreement, and shall not
15 act as, shall not be, nor shall they in any manner be construed to be agents, officers, or
16 employees of the COUNTY.

17 12. TERMINATION.

18 A. CITY. CITY may not terminate this Agreement except upon express
19 written consent of COUNTY.

20 B. COUNTY. Notwithstanding the provisions of Paragraph 12a, COUNTY
21 may suspend or terminate this Agreement upon a thirty (30) day written notice to CITY of action
22 being taken and the reason for such action:

23 (1) In the event CITY fails to perform the covenants herein contained
24 at such times and in such manner as provided in this Agreement; and

25 (2) In the event there is a conflict with any federal, state or local law,
26 ordinance, regulation or rule rendering any of the provisions of this Agreement invalid or
27 untenable; or

4 C. Upon suspension of this Agreement, CITY agrees to return any
5 unencumbered funds which it has been provided by COUNTY. In accepting said funds,
6 COUNTY does not waive any claim or cause of action it may have against CITY for breach of
7 this Agreement.

D. Reversion of Assets

9 1. Upon expiration of this Agreement, the CITY shall transfer to the
10 COUNTY any CDBG funds on hand at the time of expiration of the Agreement as well as any
11 accounts receivable held by CITY which are attributable to the use of CDBG funds awarded
12 pursuant to this Agreement.

23 13. NONDISCRIMINATION. CITY shall abide by Sections 570.601 and 570.602 of
24 Title 24 of the Federal Code of Regulations which requires that no person in the United States
25 shall on the grounds of race, color, national origin, or sex, be excluded from participation in, be
26 denied the benefits of, or be subjected to discrimination under any program or activity funded in
27 whole or in part with Community Development funds.

1 14. PROHIBITION AGAINST CONFLICTS OF INTEREST

2 A. CITY and its assigns, employees, agents, consultants, officers and elected
3 and appointed officials shall become familiar with and shall comply with the CDBG regulations
4 prohibiting conflicts of interest contained in 24 CFR 570.611, attached hereto as Exhibit "CI"
5 and by this reference incorporated herein.

6 B. CITY and its assigns, employees, agents, consultants, officers, and elected
7 and appointed officials shall become familiar with and shall comply with Section A-11 of the
8 County's CDBG Policy manual, attached hereto as Exhibit "CI" and by this reference
9 incorporated herein.

10 C. CITY understands and agrees that no waiver of exception can be granted
11 to the prohibition against conflict of interest except upon written approval of HUD pursuant to
12 24 CFR 570.611 (d). Any request by CITY for an exception shall first be reviewed by COUNTY
13 to determine whether such request is appropriate for submission to HUD. In determining whether
14 such request is appropriate for submission to HUD, COUNTY will consider the factors listed in
15 24 CFR 570.611 (e).

16 D. Prior to any funding under this Agreement, CITY shall provide COUNTY
17 with a list of all employees, agents, consultants, officers and elected and appointed officials who
18 are in a position to participate in a decision making process, exercise any functions or
19 responsibilities, or gain inside information with respect to the CDBG activities funded under this
20 Agreement. CITY shall also promptly disclose to COUNTY any potential conflict, including
21 even the appearance of conflict that may arise with respect to the CDBG activities funded under
22 this Agreement.

23 E. Any violation of this section shall be deemed a material breach of this
24 Agreement, and the Agreement shall be immediately terminated by the COUNTY.

25 15. PROJECT ELIGIBILITY. As to CITY or its claimants, COUNTY shall bear no
26 liability for any later determination by the United States Government, the Department of
27 Housing and Urban Development or any other person or entity that CITY is or is not eligible

1 under 24 CFR Part 570 to receive CDBG funds.

2 16. USE OF PROPERTY. Whenever federal CDBG funds or program income are
3 used, in whole or in part, for the purchase of equipment or personal property, the property shall
4 not be transferred from its originally funded use, by CITY or sub-recipient, for a period of five
5 (5) years from the close-out date of the grant from which CDBG assistance was provided. The
6 CITY shall maintain a current inventory for COUNTY monitoring and review.

7 17. EMPLOYMENT OPPORTUNITIES TO BE CAUSED BY PROJECT. CITY
8 agrees to notify and to require any lessee or assignee to notify Riverside County Workforce
9 Development Center of any and all job openings that are caused by this project.

10 18. PUBLICITY. Any publicity generated by CITY for the project funded pursuant to
11 this Agreement, during the term of this Agreement, will make reference to the Contribution of
12 the County of Riverside, the Economic Development Agency, and the Community Development
13 Block Grant Program in making the project possible.

14 19. PROGRAM MONITORING AND EVALUATION. CITY and its sub-recipients
15 shall be monitored and evaluated in terms of its effectiveness and timely compliance with the
16 provisions of this Agreement and the effective and efficient achievement of the Program
17 Objectives. Quarterly reports shall be due on the last day of the month immediately following the
18 end of the quarter being reported. The quarterly written reports shall include, but shall not be
19 limited to, the following data elements:

20 A. Title of program, listing of components, description of
21 activities/operations.

22 B. The projected goals, indicated numerically, and also the goals achieved
23 (for each report period). In addition, identify by percentage and description, the progress
24 achieved towards meeting the specified goals and identify any problems encountered in meeting
25 goals.

26 C. If the CDBG-funded Activity meets a National Objective under 24 CFR
27 570.208 (a)(2)(i), CITY will report the following:

1 1) Total number of direct beneficiaries (clientele served) with
2 household incomes at:

- 3 • Above 80% MHI
- 4 • Between 50% and 80% MHI (Low-Income)
- 5 • Between 30% and 50% MHI (Very Low-Income)
- 6 • Less than 30% MHI (Extremely Low-Income)

7 2) Total number and percent (%) of the clientele served that have
8 household incomes at or below 80% MHI

9 3) Racial ethnicity of clientele

10 4) Number of Female-Headed Households

11 D. CITY and its sub-recipients shall report beneficiary statistics monthly to
12 EDA on the pre-approved *Direct Benefit Form* and *Self-Certification Form* (certifying income,
13 family size, and racial ethnicity) as required by HUD. Updated forms are to be provided to CITY
14 by EDA should HUD implement changes during the term of this agreement. CITY and sub-
15 recipients will collect and provide all necessary data required by HUD pertaining to the Specific
16 Outcome Indicators as identified in the CPD Outcome Performance Measurement System.

17 20. SOURCE OF FUNDING. CITY acknowledges that the source of funding
18 pursuant to this Agreement is Community Development Block Grant (CFDA 14.218).

19 21. ENTIRE AGREEMENT. It is expressly agreed that this Agreement together with
20 the cooperation Agreement between the parties, embodies the entire agreement of the parties in
21 relation to the subject matter thereof, and that no other Agreement or understanding, verbal or
22 otherwise, relative to this subject matter, exists between the parties at the time of execution.

23 22. MINISTERIAL ACTS. The Assistant County Executive Officer/EDA or
24 designee(s) are authorized to take such ministerial actions as may be necessary or appropriate to
25 implement the terms, provisions, and conditions of this Agreement as it may be amended from
26 time to time by COUNTY.

27 23. PRIOR AUTHORIZATION. CITY shall obtain COUNTY's written approval

1 from the Economic Development Agency prior to implementing the following "high risk"
2 activities funded with CDBG assistance:

- 3 A. Construction of public facilities (project plans and specifications);
- 4 B. Acquisition of real property;
- 5 C. Historic Preservation;
- 6 D. Relocation; and
- 7 F. Economic Development

8 23. MODIFICATION OF AGREEMENT. This Agreement may be modified or
9 amended only by a writing signed by the duly authorized and empowered representative of
10 COUNTY and CITY respectively.

11 IN WITNESS WHEREOF, the COUNTY and the CITY have executed this Agreement as
12 of the date listed below.

13
14 DATED: _____

15
16 COUNTY OF RIVERSIDE

17
18 By: _____
19 Suzanne Holland
20 Assistant Director
Economic Development Agency

21
22 CITY OF BANNING

23
24 By: _____
25 Mayor

26
27
28 SH:JT:SS:ew

**SUPPLEMENTAL AGREEMENT
SCOPE OF WORK
(NON-PUBLIC SERVICE)**

I. GENERAL INFORMATION

CITY NAME: City of Banning

ADDRESS: 99 E. Ramsey St.
Banning, CA 92220

PROGRAM CONTACTS: Kahono Oei, City Engineer

PHONE: (951) 922-3105 FAX: (951) 849-0639

E-MAIL: koei@ci.banning.ca.us

PROJECT NAME: Repplier Park Bowl Improvement

PROJECT LOCATION: 201 W. George St., Banning, CA 92220

LEVEL OF ENVIRONMENTAL CLEARANCE: Categorical Exclusion

CDBG ELIGIBILITY CODE: 570.201 (c)

PROJECT FUNDING SUMMARY:

City Funding **\$118,470**

Project to be administered by County (EDA) on behalf of City: YES NO

II. SCOPE OF SERVICE

A. Activities

City will be responsible for administering a **2011-2012** Community Development Block Grant for the **Repplier Park Bowl Improvement** in a manner satisfactory to the County of Riverside and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant program:

Activity #1 *The City of Banning will use CDBG funds leveraged with existing funds for the design and construction of improvements to the Repplier Park Bowl. Renovations include the stage area, restrooms, and landscaping. CDBG funds will be used for design cost.*

B. National Objective

All activities funded with CDBG funds must comply with one of more of the CDBG program's National Objective Criteria as required under 24 CFR 570.200(a)(2). City certifies that the activity(ies) carried out under this Agreement will meet the following National Objective:

National Objective Criteria: 570.208 (a) (1) (i)

CFR Reference: Low Mod Area

C. Levels of Accomplishment – Goals and Performance Measures

The City agrees to implement and complete the following activity(ies):

Activity #1 Complete design and specifications for facility improvements

Activity #2 Implement and complete construction activities

CPD OUTCOME PERFORMANCE MEASUREMENT

Objectives (select one): Creating Suitable Living Environments
 Providing Decent Affordable Housing
 Creating Economic Opportunities

Outcome (select one): Availability/Accessibility
 Affordability
 Sustainability (promoting livable or viable communities)

D. City Capacity

By executing this Supplemental Agreement, the City certifies that it has the appropriate number of trained and knowledgeable staff, adequate facilities, proper equipment, required licensing and permitting, and sufficient amount of financial resources necessary to implement and carry out the activities funded with CDBG funds.

City will immediately notify County of any significant changes in organizational management, assigned staff, change in facilities, loss or change in matching funds, or any other event that could potentially impact the City or subrecipient's performance under this Agreement. Any changes in the above items are subject to the prior approval of the County.

E. Performance Monitoring

The County of Riverside will monitor the performance of the City and its subrecipients against goals and performance standards as stated above. Substandard performance as determined by the County will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the City within a reasonable period of time after being notified by the County, contract suspension or termination procedures will be initiated.

F. Program Budget

It is expressly agreed and understood that the total amount to be paid by the County under this Agreement shall not exceed **\$118,470** Drawdowns for the payment of eligible expenses shall be made against the line item budgets specified in this Section and in accordance with performance. Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the standards specified in 24 CFR 84.21.

The County may require a more detailed budget breakdown than the one contained herein, and the City shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the County. Any amendments to the budget must be approved in writing by both the County and City.

<u>Line Item</u>	
Design/Engineering Costs	<input checked="" type="checkbox"/>
Project Administration Costs	<input type="checkbox"/>
Construction Costs	<input checked="" type="checkbox"/>
Acquisition Costs	<input type="checkbox"/>
Relocation Costs	<input type="checkbox"/>
Capital Equipment Costs	<input type="checkbox"/>
Code Enforcement	<input type="checkbox"/>
Clearance	<input type="checkbox"/>
Interim Assistance	<input type="checkbox"/>
Other:	<input type="checkbox"/>
Total: \$118,470	

G. Total Amount of Non- CDBG Leveraging

TYPE	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	TOTAL
FEDERAL							0.00
STATE/LOCAL							NONE
PRIVATE							
OTHER							
TOTAL: \$ <u>NONE</u>							

III. ADMINISTRATIVE REQUIREMENTS

A. Accounting Standards

The City agrees to comply with 24 CFR 84 or 85 as applicable and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

B. Cost Principles

The City shall administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," A-21, "Cost Principles for Educational Institutions," or OMB Circular A-87, "Cost Principles for State, Local and Indian Tribal Governments as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

C. Documentation and Record Keeping

1. Records to be Maintained

The Subrecipient shall maintain all records required by the Federal regulations specified in 24 CFR 570.506, that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

- i. Records providing a full description of each activity undertaken;
- ii. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- iii. Records required to determine the eligibility of activities;
- iv. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- v. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- vi. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21-28; and
- vii. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Records Retention

The City shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of five (5) years. The retention period begins on the date of the submission of the County's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the five-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the five-year period, whichever occurs later.

3. Client Data

The City shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to County monitors or their designees for review upon request.

4. Disclosure

The City understands that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration of the County's or City's responsibilities with respect to services provided under this contract, is prohibited by applicable federal and State law unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs

The City's obligation to the County shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the County), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the City has control over CDBG funds, including program income.

6. Audits & Inspections

All City records with respect to any matters covered by this Agreement shall be made available to the County, HUD, and the Controller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the City within 30 days after receipt by the City. Failure of the City to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The City hereby agrees to have an annual agency audit conducted in accordance with current County policy concerning subrecipient audits and OMB Circular A-133.

IV. PROJECT IMPLEMENTATION AND SCHEDULE

Unless pre-approved by County, City will perform and complete the activities described in Section II in conformance with the schedule of tasks and milestones listed below:

<u>Tasks / Milestone</u>	<u>Start Date</u>	<u>Completion Date</u>
Attend Mandatory Cooperating City Training	July 2011	August 2011
Implement Project Activities	July 2011	June 2012
Execute Supplemental Agreement & Notice to Incur Cost	August 2011	September 2011
<u>Tasks / Milestone</u>	<u>Start Date</u>	<u>Completion Date</u>
Submit Quarterly Performance Reports to County		October 15, 2011 January 15, 2012 April 15, 2012 July 31, 2012
County Monitoring of City Program/Performance	To be determined by Program Manager	
Specific Project Activities	Completion of Design Construction	
City Submits Reimbursement Requests		
Monthly Submittal	<input type="checkbox"/>	
Other Schedule	<input checked="" type="checkbox"/>	
CDBG-funded Project Complete		May 2013
City Submits Monthly Direct Benefit Reports	LMA	

V. SPECIAL CONDITIONS /PERFORMANCE REQUIREMENTS

City must follow proper procurement and construction policies and procedures of the City and Riverside County, EDA as deemed by HUD. No construction will shall commence using CDBG funding without prior Notice to Proceed. Pre-Construction meeting required.

City is required to contact the County Program Manager for review prior to submission of RFP, construction activity or cost without prior written approval. County must be contacted 10 days in advance for attendance of Pre-Construction meeting. Original Certified payrolls to be submitted on a weekly basis to County.

**SUPPLEMENTAL AGREEMENT
SCOPE OF WORK
(PUBLIC SERVICE)**

I. GENERAL INFORMATION

CITY NAME: City of Banning

ADDRESS: 99 E. Ramsey St.

Banning, CA 92220

CITY PROGRAM CONTACTS: Kahono Oei, City Engineer

SUBRECIPIENT NAME: Boys & Girls Club of San Gorgonio Pass

ADDRESS: 99 E. Ramsey St., Banning, CA 92220

PROGRAM CONTACT: Kahono Oei, City Engineer

PHONE: (951) 922-3130 FAX: (951) 922-3141

E-MAIL: _____

PROJECT NAME: Youth After-School Program

PROJECT LOCATION: 1101 E. George St., Banning, CA 92220

LEVEL OF ENVIRONMENTAL CLEARANCE: EXEMPT [24 CFR 58.34 (a)(4)]

CDBG ELIGIBILITY CODE: 24 CFR 570.201 (e) Public Services

PROJECT FUNDING SUMMARY: _____

City Funding **\$7000**

Project to be administered by County (EDA) on behalf of CITY: YES NO

II. SCOPE OF SERVICE

A. Activities

City will be responsible for administering a 2011-2012 Community Development Block Grant for the Youth After-School Program in a manner satisfactory to the County of Riverside and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant program:

Activity #1 *The Boys and Girls Club of San Gorgonio Pass provides a Skills Mastery and Resistance Training (SMART) after-school program for low-income youth in the community. Activities include character building, substance abuse prevention, health and nutrition program and other related activities. CDBG funds will be used for staff salaries (direct cost) and consumable supplies.*

B. National Objective

All activities funded with CDBG funds must comply with one or more of the CDBG program's National Objective Criteria as required under 24 CFR 570.200(a)(2). CITY certifies that the activity (ies) carried out under this Agreement will meet the following National Objective:

National Objective Criteria: 570.208 (a) (2) (i) (B)

CFR Reference: Low Mod Limited Clientele Income Certification

C. Levels of Accomplishment – Goals and Performance Measures

The City agrees to provide the following levels of program services:

Activity	Units per Month	Total Units/Year	Total
			<u>Unduplicated Persons</u>
		40	40

Activity #1 Provide after-school program for low-income children

Activity #2 Conduct health, nutrition program, and substance prevention program for youth

Unit of Service is defined as: children served

CPD OUTCOME PERFORMANCE MEASUREMENT

Objectives (select one): Creating Suitable Living Environments
 Providing Decent Affordable Housing
 Creating Economic Opportunities

Outcome (select one): Availability/Accessibility
 Affordability
 Sustainability (promoting livable or viable communities)

D. City Capacity

By executing this Supplemental Agreement, the City certifies that it and its subrecipients have the appropriate number of trained and knowledgeable staff, adequate facilities, proper equipment, required licensing and permitting, and sufficient amount of financial resources necessary to implement and carry out the activities funded with CDBG funds.

City will immediately notify County of any significant changes in organizational management, assigned staff, change in facilities, loss or change in matching funds, or any other event that could potentially impact City's performance under this Agreement. Any changes in the above items are subject to the prior approval of the County.

E. Performance Monitoring

The County of Riverside will monitor the performance of the City and its subrecipients against goals and performance standards as stated above. Substandard performance as determined by the County will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the City within a reasonable period of time after being notified by the County, contract suspension or termination procedures will be initiated.

F. Program Budget

It is expressly agreed and understood that the total amount to be paid by the County under this Agreement shall not exceed **\$7,000**. Drawdowns for the payment of eligible expenses shall be made against the line item budgets specified in this Section and in accordance with performance. Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the standards specified in 24 CFR 84.21.

The County may require a more detailed budget breakdown than the one contained herein, and the City shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the County. Any amendments to the budget must be approved in writing by both the County and City.

Line Item	Amount	Notes
Total Direct Program Expenses	\$ 7,000	
Salaries	<input checked="" type="checkbox"/>	
Fringe	<input checked="" type="checkbox"/>	
Office Space (Program Only)	<input type="checkbox"/>	
Utilities	<input type="checkbox"/>	
Communications	<input type="checkbox"/>	
Reproduction/Printing	<input type="checkbox"/>	
Supplies and Materials	<input checked="" type="checkbox"/>	
Mileage	<input type="checkbox"/>	
Equipment (Program Only)	<input type="checkbox"/>	
Audit	<input type="checkbox"/>	
Transportation	<input type="checkbox"/>	
Other (Specify)	<input type="checkbox"/>	
Total Indirect Program Expenses	\$	
Indirect Costs (Specify)*	<input type="checkbox"/>	
TOTAL CDBG BUDGET	\$ 7,000	

* All indirect costs must be pre-approved by the County. City must submit an Indirect Cost Allocation Plan to County, in a form specified by County, demonstrating the appropriate share of general and administrative costs.

G. Total Amount of Non- CDBG Leveraging

TYPE	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	TOTAL
FEDERAL							
STATE/LOCAL	Office of Juvenile Prevention	62,000					62,000
PRIVATE							
OTHER							

TOTAL: \$62,000

III. ADMINISTRATIVE REQUIREMENTS

A. Accounting Standards

The City agrees to comply with 24 CFR 84 or 85 as applicable and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

B. Cost Principles

The City shall administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," A-21, "Cost Principles for Educational Institutions," or OMB Circular A-87, "Cost Principles for State, Local and Indian Tribal Governments as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

C. Documentation and Record Keeping

1. Records to be Maintained

The City and its subrecipients will maintain all records required by the Federal regulations specified in 24 CFR 570.506, that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

- i. Records providing a full description of each activity undertaken;
- ii. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- iii. Records required to determine the eligibility of activities;
- iv. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- v. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- vi. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21-28; and
- vii. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Records Retention

The City shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of five (5) years. The retention period begins on the date of the submission of the County's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the five-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the five-year period, whichever occurs later.

3. Client Data

The City shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to County monitors or their designees for review upon request.

4. Disclosure

The City understands that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration of the County's or City's responsibilities with respect to services provided under this contract, is prohibited by applicable federal and State law unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs

The City's obligation to the County shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the County), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the City has control over CDBG funds, including program income.

6. Audits & Inspections

All City records with respect to any matters covered by this Agreement shall be made available to the County, HUD, and the Controller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the City within 30 days after receipt by the City. Failure of the City to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The City hereby agrees to have an annual agency audit conducted in accordance with current County policy concerning subrecipient audits and OMB Circular A-133.

IV. PROJECT IMPLEMENTATION AND SCHEDULE

Unless pre-approved by County, CITY will perform and complete the activities described in Section II in conformance with the schedule of tasks and milestones listed below:

<u>Tasks / Milestone</u>	<u>Start Date</u>	<u>Completion Date</u>
Attend Mandatory Cooperating City Training	July 2011	July 2011
Execute Subrecipient Agreements (EDA must approve)	July 1, 2011	September 2011
Implement Program Activities	July 1, 2011	May 15, 2012
Execute Supplemental Agreement & Notice to Incur Cost	August 2011	September 2011
City Submit Quarterly Performance Reports to County	October 15, 2011 January 15, 2012 April 15, 2012 July 31, 2012	October 15, 2011 January 15, 2012 April 15, 2012 July 31, 2012
County Monitoring of City Performance	TBD	TBD
City submit Monthly Direct Benefit Reports	September 2011	July 2012
City Submits Reimbursement Requests		
Monthly Submittal <input type="checkbox"/>	September 2011	<u>May 15, 2012</u>
Other Schedule <input type="checkbox"/>		
CDBG Program Services Complete		May 15, 2012

V. SPECIAL CONDITIONS /PERFORMANCE REQUIREMENTS

Sponsor must collect **income self-certifications** from every individual or family participating in CDBG-funded activities or the parent or legal guardian of every child participating in CDBG-funded activities. This includes family income, family size, and ethnicity. Income verifications are required from at least 10% of all clientele. **Sponsor must submit reimbursement request monthly or in accordance with other EDA approved schedule. Final reimbursement requests must be received by EDA no later than May 15, 2012.**

**SUPPLEMENTAL AGREEMENT
SCOPE OF WORK
(PUBLIC SERVICE)**

I. GENERAL INFORMATION

CITY NAME: City of Banning

ADDRESS: 99 E. Ramsey St.

Banning, CA 92220

CITY PROGRAM CONTACTS: Kahono Oei, City Engineer

SUBRECIPIENT NAME: San Gorgonio Child Care Consortium

ADDRESS: 99 E. Ramsey St., Banning, CA 92220

PROGRAM CONTACT: Kahono Oei, City Engineer

PHONE: (951) 922-3130 FAX: (951) 922-3141

E-MAIL: _____

PROJECT NAME: San Gorgonio Special Needs Program

PROJECT LOCATION: 671 N. Florida St., Suite A, Banning, CA 92220

LEVEL OF ENVIRONMENTAL CLEARANCE: **EXEMPT [24 CFR 58.34 (a)(4)]**

CDBG ELIGIBILITY CODE: **24 CFR 570.201 (e) Public Services**

PROJECT FUNDING SUMMARY: _____

City Funding **\$7,000**

Project to be administered by County (EDA) on behalf of CITY: YES NO

II. SCOPE OF SERVICE

A. Activities

City will be responsible for administering a **2011-2012** Community Development Block Grant for the **San Gorgonio Special Needs Program** in a manner satisfactory to the County of Riverside and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant program:

Activity #1 **The San Gorgonio Childcare Consortium program provides services from trained staff to enhance the social/emotional well being of Special Needs Children. CDBG funds will be used for program related supplies and staff benefits/salaries (direct cost).**

B. National Objective

All activities funded with CDBG funds must comply with one of more of the CDBG program's National Objective Criteria as required under 24 CFR 570.200(a)(2). CITY certifies that the activity (ies) carried out under this Agreement will meet the following National Objective:

National Objective Criteria: 570.208 (a) (2) (i) (B)

CFR Reference: Low Mod Limited Clientele Income Certification

C. Levels of Accomplishment – Goals and Performance Measures

The City agrees to provide the following levels of program services:

Activity	Units <u>per Month</u>	Total <u>Units/Year</u>	Total <u>Unduplicated Persons</u>
		18	18

Activity #1 Provide childcare services to special needs children

Unit of Service is defined as: clients served

CPD OUTCOME PERFORMANCE MEASUREMENT

Objectives (select one): Creating Suitable Living Environments
 Providing Decent Affordable Housing
 Creating Economic Opportunities

Outcome (select one): Availability/Accessibility
 Affordability
 Sustainability (promoting livable or viable communities)

D. City Capacity

By executing this Supplemental Agreement, the City certifies that it and its subrecipients have the appropriate number of trained and knowledgeable staff, adequate facilities, proper equipment, required licensing and permitting, and sufficient amount of financial resources necessary to implement and carry out the activities funded with CDBG funds.

City will immediately notify County of any significant changes in organizational management, assigned staff, change in facilities, loss or change in matching funds, or any other event that could potentially impact City's performance under this Agreement. Any changes in the above items are subject to the prior approval of the County.

E. Performance Monitoring

The County of Riverside will monitor the performance of the City and its subrecipients against goals and performance standards as stated above. Substandard performance as determined by the County will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the City within a reasonable period of time after being notified by the County, contract suspension or termination procedures will be initiated.

F. Program Budget

It is expressly agreed and understood that the total amount to be paid by the County under this Agreement shall not exceed \$7,000. Drawdowns for the payment of eligible expenses shall be made against the line item budgets specified in this Section and in accordance with performance. Payments may be contingent upon certification of the Subrecipients financial management system in accordance with the standards specified in 24 CFR 84.21.

The County may require a more detailed budget breakdown than the one contained herein, and the City shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the County. Any amendments to the budget must be approved in writing by both the County and City.

Line Item	Amount	Notes
Total Direct Program Expenses	\$ 7,000	
Salaries	<input checked="" type="checkbox"/>	
Fringe	<input checked="" type="checkbox"/>	
Office Space (Program Only)	<input type="checkbox"/>	
Utilities	<input type="checkbox"/>	
Communications	<input type="checkbox"/>	
Reproduction/Printing	<input type="checkbox"/>	
Supplies and Materials	<input checked="" type="checkbox"/>	
Mileage	<input type="checkbox"/>	
Equipment (Program Only)	<input type="checkbox"/>	
Audit	<input type="checkbox"/>	
Transportation	<input type="checkbox"/>	
Other (Specify)	<input type="checkbox"/>	
Total Indirect Program Expenses	\$	
Indirect Costs (Specify)*	<input type="checkbox"/>	
TOTAL CDBG BUDGET	\$ 7,000	

* All indirect costs must be pre-approved by the County. City must submit an Indirect Cost Allocation Plan to County, in a form specified by County, demonstrating the appropriate share of general and administrative costs.

G. Total Amount of Non- CDBG Leveraging

TYPE	SOURCE	AMOUNT	SOURCE	AMOUNT	SOURCE	AMOUNT	TOTAL
FEDERAL							
STATE/LOCAL							
PRIVATE	United Way	2,500.00					2,500.00
OTHER	Donations	320.00	Fundraising	300.00			620.00

TOTAL: \$ 3,120.00

III. ADMINISTRATIVE REQUIREMENTS

A. Accounting Standards

The City agrees to comply with 24 CFR 84 or 85 as applicable and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

B. Cost Principles

The City shall administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," A-21, "Cost Principles for Educational Institutions," or OMB Circular A-87, "Cost Principles for State, Local and Indian Tribal Governments as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

C. Documentation and Record Keeping

1. Records to be Maintained

The City and its subrecipients will maintain all records required by the Federal regulations specified in 24 CFR 570.506, that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

- i. Records providing a full description of each activity undertaken;
- ii. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- iii. Records required to determine the eligibility of activities;
- iv. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- v. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- vi. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21–28; and
- vii. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Records Retention

The City shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of five (5) years. The retention period begins on the date of the submission of the County's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the five-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the five-year period, whichever occurs later.

3. Client Data

The City shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to County monitors or their designees for review upon request.

4. Disclosure

The City understands that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration of the County's or City's responsibilities with respect to services provided under this contract, is prohibited by applicable federal and State law unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs

The City's obligation to the County shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the County), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the City has control over CDBG funds, including program income.

6. Audits & Inspections

All City records with respect to any matters covered by this Agreement shall be made available to the County, HUD, and the Controller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the City within 30 days after receipt by the City. Failure of the City to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments. The City hereby agrees to have an annual agency audit conducted in accordance with current County policy concerning subrecipient audits and OMB Circular A-133.

IV. PROJECT IMPLEMENTATION AND SCHEDULE

Unless pre-approved by County, CITY will perform and complete the activities described in Section II in conformance with the schedule of tasks and milestones listed below:

<u>Tasks / Milestone</u>	<u>Start Date</u>	<u>Completion Date</u>
Attend Mandatory Cooperating City Training	July 2011	July 2011
Execute Subrecipient Agreements (EDA must approve)	July 1, 2011	September 2011
Implement Program Activities	July 1, 2011	May 15, 2012
Execute Supplemental Agreement & Notice to Incur Cost	August 2011	September 2011
City Submit Quarterly Performance Reports to County	October 15, 2011 January 15, 2012 April 15, 2012 July 31, 2012	October 15, 2011 January 15, 2012 April 15, 2012 July 31, 2012
County Monitoring of City Performance	TBD	TBD
City submit Monthly Direct Benefit Reports	September 2011	July 2012
City Submits Reimbursement Requests		
Monthly Submittal <input checked="" type="checkbox"/>	September 2011	<u>May 15, 2012</u>
Other Schedule <input type="checkbox"/>		
CDBG Program Services Complete		May 15, 2012

V. SPECIAL CONDITIONS /PERFORMANCE REQUIREMENTS

Sponsor must collect income self-certifications from every individual or family participating in CDBG-funded activities or the parent or legal guardian of every child participating in CDBG-funded activities. This includes family income, family size, and ethnicity. Income verifications are required from at least 10% of all clientele. **Sponsor must submit reimbursement request monthly or in accordance with other EDA approved schedule. Final reimbursement requests must be received by EDA no later than May 15, 2012.**

EXHIBIT D**SPONSOR'S AGREEMENT
SCOPE OF WORK
(PUBLIC SERVICE)****I. GENERAL INFORMATION**SPONSOR NAME: Court Appointed Special Advocates for Riverside County, Inc. (CASA)ADDRESS: P.O. Box 3008
Indio, CA 92202PROGRAM CONTACTS: Deborah Sutton, Executive DirectorPHONE: (760) 863-7424 FAX: (760) 863-7431

E-MAIL: _____

PROJECT NAME: Children of the Court Advocate Scholarship ProgramPROJECT LOCATION: 44-199 Monroe Street, Suite B, Indio, CA 92201LEVEL OF ENVIRONMENTAL CLEARANCE: EXEMPT [24 CFR 58.34 (a)(4)]CDBG ELIGIBILITY CODE: 24 CFR 570.201 (e) Public Services

PROJECT FUNDING SUMMARY:

2 nd District	\$6,527
3 rd District	\$4,000
Banning	\$1,859

Project to be administered by County (EDA) on behalf of CITY: YES NO **II. SCOPE OF SERVICE****A. Activities**

Sponsor will be responsible for administering a **2011-2012** Community Development Block Grant for the **Children of the Court Advocate Scholarship Program** in a manner satisfactory to the County of Riverside and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant program:

Activity #1 *The "Scholarship" Program provides trained volunteers to independently investigate an abused child's circumstances, report findings to the Juvenile Courts, monitor the delivery of services, and advocate on the child's behalf throughout the process. CDBG funds will be used to provide Advocate "Scholarships" for abused children that will be paired with a volunteer to follow the child's case until permanently resolved.*

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EXHIBIT CI

Prohibition Against Conflicts of Interest

Page 1 of 4

§ 570.611 Conflict of interest.

(a) Applicability.

(1) In the procurement of supplies, equipment, construction, and services by recipients, and by subrecipients (including those specified at § 570.204(c)), the conflict of interest provisions in 24 CFR 85.36 and OMB Circular A 110, respectively, shall apply.

(2) In all cases not governed by 24 CFR 85.36 and OMB Circular A-110, the provisions of this section shall apply. Such cases include the acquisition and disposition of real property and the provision of assistance by the recipient, by its subrecipients, or to individuals, businesses and other private entities under eligible activities which authorize such assistance (e.g., rehabilitation, preservation, and other improvements of private properties or facilities pursuant to § 570.202, or grants, loans and other assistance to businesses, individuals and other private entities pursuant to § 570-203, § 570.204 or § 570.455).

(b) Conflicts prohibited. Except for the use of CDBG funds to pay salaries and other related administrative or personnel costs, the general rule is that no persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from a CDBG assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter. For the UDAG program, the above restrictions shall apply to all activities that are a part of the UDAG project, and shall cover any such interest or benefit during, or at any time after, such person's tenure.

(c) Persons covered. The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the recipient, or of any designated public agencies, or subrecipients which are receiving funds under this part.

(d) Exceptions: threshold requirements. Upon the written request of the recipient, HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it determines that such an exception will serve to further the purposes of the Act and the effective and efficient administration of the recipient's program or project. An exception may be considered only after the recipient has provided the following:

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EXHIBIT CI

Prohibition Against Conflicts of Interest Page 2 of 4

(1) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

(2) An opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law.

(e) Factors to be considered for exceptions. In determining whether to grant a requested exception after the recipient has satisfactorily met the requirements of paragraph (d) of this section, HUD shall consider the cumulative effect of the following factors, where applicable:

(1) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project which would otherwise not be available;

(2) Whether an opportunity was provided for open competitive bidding or negotiation;

(3) Whether the person affected is a member of a group or class of low or moderate income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

(4) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision making process with respect to the specific assisted activity in question;

(5) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (b) of this section;

(6) Whether undue hardship will result either to the recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

(7) Any other relevant considerations.

MB

EXHIBIT CI

Prohibition Against Conflicts of Interest
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Community Development Block Grant
Policy Manual
I.D. # A-11
(pg. 1 of 2)

TOPIC: CONFLICT OF INTEREST CODED
RIVERSIDE COUNTY
ECONOMIC DEVELOPMENT AGENCY

DATE: October 1989

This Conflict of Interest Code is written to comply with Federal Regulations (24 CFR Part 85). These Regulations. "Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments" require that grantees and sub-grantees will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts.

- 1) No employee, officer or agent of the grantee shall participate in the selection, in the award or in the administration of a contract supported by Federal Funds if a conflict of interest, real or apparent, would be involved.
- 2) Such a conflict will arise when:
 - i) The employee, officer or agent;
 - ii) Any member of the immediate family;
 - iii) His/Her partners, or;
 - iv) An organization which employs, or is about to employ any of the above has a financial or other interest in the firm's selection for award.
- 3) The grantee's or sub-grantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors or parties to sub-agreements except as noted in Section 4.
- 4) A grantee's or sub-grantee's officers, employees or agents will be presumed to have a financial interest in a business if their financial interest exceeds the following:
 - i) Any business entity in which the official has a direct or indirect investment worth one thousand dollars (\$1,000) or more.
 - ii) Any real property in which the official has a direct or indirect interest worth one thousand dollars (\$1,000) or more.

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EXHIBIT CI

Prohibition Against Conflicts of Interest

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Community Development Block Grant
Policy Manual
I.D. # A-11
(pg. 2 of 2)

TOPIC: CONFLICT OF INTEREST CODE
RIVERSIDE COUNTY
ECONOMIC DEVELOPMENT AGENCY

DATE: October 1989

- iii) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating two hundred fifty dollars (\$250) or more in value provided to, received by or promised to the official within 12 months prior to the time when the decision is made.
- iv) Any business entity in which the official is a director, officer, partner, trustee, employee, or holds any position of management.
- v) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating two hundred fifty dollars (\$250) or more in value provided to, received by, or promised to the official within 12 months prior to the time when the decision is made.

5) For purposes of Section 4, indirect investment or interest means any investment or interest owned by the spouse or dependent child of an official, by an agent on behalf of an official, or by a business entity or trust in which the official, the official's agents, spouse, and dependent children own directly, indirectly, or beneficially a 10-percent interest or more.

EXHIBIT "R"

Constitutional Prohibition

In accordance with First Amendment Church/State Principles, as a general rule, CDBG/ESG assistance may not be used for religious activities or provided to primarily religious entities for any activities, including secular activities. The following restrictions and limitations therefore apply to the use of CDBG/ESG funds.

(1) CDBG/ESG funds may not be used for the acquisition of property or the construction or rehabilitation (including historic preservation and removal of architectural barriers) of structures to be used for religious purposes or which will otherwise promote religious interests. This limitation includes the acquisition of property for ownership by primarily religious entities and the construction or rehabilitation (including historic preservation and removal of architectural barriers) of structures owned by such entities (except as permitted under paragraph (j)(2) of this section with respect to rehabilitation and under paragraph (j)(4) of this section with respect to repairs undertaken in connection with public services) regardless of the use to be made of the property or structure. Property owned by primarily religious entities may be acquired with CDBG/ESG funds at no more than fair market value for a non-religious use.

(2) CDBG/ESG funds may be used to rehabilitate buildings owned by primarily religious entities to be used for a wholly secular purpose under the following conditions:

(i) The building (or portion thereof) that is to be improved with the CDBG/ESG assistance has been leased to an existing or newly-established wholly secular entity (which may be an entity established by the religious entity);

(ii) The CDBG/ESG assistance is provided to the lessee (and not the lessor) to make the improvements;

(iii) The leased premises will be used exclusively for secular purposes available to persons regardless of religion;

(iv) The lease payments do not exceed the fair market rent of the premises as they were before the improvements are made;

(v) The portion of the cost of any improvements that also serve a non-leased part of the building will be allocated to and paid for by the lessor;

(vi) The lessor enters into a binding agreement that unless the lessee, or a qualified successor lessee, retains the use of the leased premises for a wholly secular purpose for at least the useful life of the improvements, the lessor will pay to the lessee an amount equal to the residual value of the improvements;

(vii) The lessee must remit the amount received from the lessor under subparagraph (2)(vi) of this section to the recipient or subrecipient from which the CDBG/ESG funds were derived.

EXHIBIT "R"

Constitutional Prohibition

Page 2

The lessee can also enter into a management contract authorizing the lessor religious entity to use the building for its intended secular purpose, e.g., homeless shelter, provision of public services. In such case, the religious entity must agree in the management contract to carry out the secular purpose in a manner free from religious influences in accordance with the principles set forth in paragraph (j)(3) of this section.

(3) As a general rule, CDBG/ESG funds may be used for eligible public services to be provided through a primarily religious entity, where the religious entity enters into an agreement with the recipient or subrecipient from which the CDBG/ESG funds are derived that, in connection with the provision of such services:

(i) It will not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion.

(ii) It will not discriminate against any person applying for such public services on the basis of religion and will not limit such services or give preference to persons on the basis of religion;

(iii) It will provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing, and exert no other religious influence in the provision of such public services;

(iv) The portion of a facility used to provide the public services shall contain no religious symbols or decorations, other than those permanently affixed to or part of the structure.

(4) Where the public services provided under paragraph (j)(3) of this section are carried out on property owned by the primarily religious entity, CDBG/ESG funds may also be used for minor repairs to such property which are directly related to carrying out the public services where the cost constitutes in dollar terms only an incidental portion of the CDBG/ESG expenditure for the public services.

EXHIBIT "S"

Page 1 of 2

Economic Opportunities for Section 3 Residents and Section 3 Business Concerns

Sec. 135.38 Section 3 clause.

All Section 3 covered contracts shall include the following clause (referred to as the Section 3 Clause):

A. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

D. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

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EXHIBIT "S"

Page 2 of 2

E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

F. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

G. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

H. With respect to work performed in connection with Section 3 covered Indian housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).

CITY COUNCIL AGENDA

Date: September 13, 2011

TO: City Council

FROM: Duane Burk, Director of Public Works

SUBJECT: Resolution No. 2011-78, "Approving the Airport Improvement Program Grant Agreement Offer from the Federal Aviation Administration for AIP Project No. 3-06-0018-11-2011(D), 'Taxiway 'A' Relocation'"

RECOMMENDATION:

- I. Adopt Resolution No. 2011-78, "Approving the Airport Improvement Program Grant Agreement Offer from the Federal Aviation Administration for AIP Project No. 3-06-0018-11-2011(D), 'Taxiway 'A' Relocation'".
- II. Authorize the City Manager to execute the Grant Agreement Offer and subsequent Grant Agreement with the Federal Aviation Administration.

JUSTIFICATION: City Council's authorization is essential in order to obtain and utilize Federal funds for AIP Project No. 3-06-0018-11-2011(D), "Taxiway 'A' Relocation" at the Banning Municipal Airport. Due to the competitive nature of this grant funding and in response to the Federal Aviation Administration staff's urgency to program grant funds in this fiscal year, City staff was required to sign and approve this grant agreement offer prior to Council authorization.

BACKGROUND: In April of 2007, the Airport Master Plan Update was completed by C&S Engineers, Inc. and submitted to the Federal Aviation Administration (FAA) for review. FAA approval was obtained in May of 2007. Consequently, the Airport Master Plan Update was submitted to the County of Riverside Airport Land Use Commission (ALUC) in June of 2007. ALUC found this update to be consistent with the 2004 Banning Airport Land Use Compatibility Plan and therefore approved the new Airport Master Plan in August of 2007.

The main objective of the Airport Master Plan update was to determine the extent, type, and schedule of development needed to accommodate existing needs and future aviation demand at the airport. The Airport Master Plan took inventory of current conditions of the airport's infrastructure and recommended alternatives for airside and landside facility improvements at the airport which consequently developed the Airport Improvement Program (AIP) which included the Taxiway "A" Relocation project.

In May of 2011, the Public Works Department, Engineering Division, submitted a grant request to the FAA to design the Taxiway "A" Relocation project at the Banning Municipal Airport. Currently, Taxiway "A" is 200 feet from the centerline of Runway 8/26. Given the ARC B-II designation of Runway 8/26, Taxiway "A" needs to be a minimum of 240 feet away from the runway centerline. The scope of work for this project includes the relocation of approximately 4,211 feet of the existing 40-foot wide asphalt concrete Taxiway "A". The project will also include

new taxiway lighting, signage and striping to meet FAA marking and lighting standards and will include upgrades to the existing electrical vault to accommodate the new taxiway lighting and signage.

FAA staff evaluated the proposed project and awarded the City of Banning an amount of \$193,922.00. As mentioned, due to the competitive nature of this grant and urgency of FAA staff to program funds in this fiscal year, the agreement needed to be signed and approved by the City Manager prior to City Council authorization in order to meet FAA deadlines.

FISCAL DATA: As part of the Grant Agreement, the FAA will reimburse the City ninety-five percent (95%) of the design costs up to \$193,922.00, the City is required to fund the remaining design costs and other miscellaneous expenses. The remaining costs will be funded using the Airport Fund Balance which has an estimated balance of \$225,713.00. As explained in Resolution No. 2011-79, the remaining costs to be funded by the City of Banning are for an amount of \$6,206.00.

RECOMMENDED BY:



Duane Burk

Director of Public Works

REVIEWED BY:

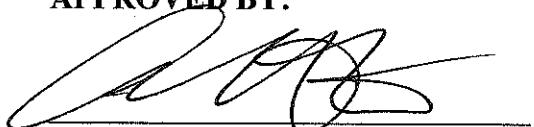


June Overholt

by msj

June Overholt
Administrative Services Director/
Deputy City Manager

APPROVED BY:



Andy Takata

City Manager

RESOLUTION NO. 2011-78

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING, CALIFORNIA, APPROVING THE AIRPORT IMPROVEMENT PROGRAM GRANT AGREEMENT OFFER WITH THE FEDERAL AVIATION ADMINISTRATION FOR AIP PROJECT NO. 3-06-0018-11-2011(D), TAXIWAY "A" RELOCATION

WHEREAS, the Banning Municipal Airport Master Plan Update was submitted to the County of Riverside Airport Land Use Commission (ALUC) in June of 2007 and found to be consistent with the 2004 Banning Airport Land Use Compatibility Plan and therefore approved; and

WHEREAS, the Airport Master Plan took inventory of current conditions of the airport's infrastructure and recommended alternatives for airside and landside facility improvements at the airport which consequently developed the Airport Improvement Program (AIP) which included the Taxiway "A" Relocation project in order to meet current Federal Aviation Administration (FAA) standards; and

WHEREAS, in May of 2011, the Public Works Department, Engineering Division, submitted a grant request to the FAA to design the Taxiway "A" Relocation project; and

WHEREAS, FAA staff evaluated the proposed project and offered and agreed to pay ninety five percent (95%) of the allowable costs up to \$193,922.00 for design of the Taxiway "A" Relocation project; and

WHEREAS, due to the competitive nature and urgency of FAA staff to program this grant funding in the current fiscal year the City of Banning was required to approve and execute the Grant Offer prior to City Council authorization in order to meet the FAA deadline.

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Banning as follows:

SECTION 1. City Council adopts Resolution No. 2011-78, Approving the Airport Improvement Program Grant Agreement Offer from the Federal Aviation Administration for AIP Project No. 3-06-0018-11-2011(D), 'Taxiway 'A' Relocation.'"

SECTION 2. The City Manager is authorized to execute the Grant Agreement Offer and upcoming Grant Agreement with the Federal Aviation Administration

PASSED, APPROVED, AND ADOPTED this 13th day of September, 2011.

Barbara Hanna, Mayor
City of Banning

ATTEST:

Marie A. Calderon, City Clerk
City of Banning

**APPROVED AS TO FORM AND
LEGAL CONTENT:**

David J. Aleshire, City Attorney
Aleshire & Wynder, LLP

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2011-78, was adopted by the City Council of the City of Banning at a Regular Meeting thereof held on the 13th day of September, 2011, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Marie A. Calderon, City Clerk
City of Banning, California

CITY COUNCIL AGENDA

DATE: September 13, 2011

TO: City Council

FROM: Duane Burk, Director of Public Works

SUBJECT: Resolution No. 2011-79, "Awarding a Professional Services Agreement to C&S Engineers, Inc. for Design Services at the Banning Municipal Airport"

RECOMMENDATION:

- I.** Award the Professional Services Agreement to C&S Engineers, Inc. of San Diego, California in an amount "Not to Exceed" \$200,128.00 for the design of the Taxiway "A" Relocation at the Banning Municipal Airport.
- II.** Authorize the Administrative Services Director to make necessary budget adjustments and appropriations from the Airport Fund to Account No. 600-5100-435.33-11 in the amount of \$200,128.00.

JUSTIFICATION: The award of this agreement is necessary in order to design the Taxiway "A" Relocation project so that runway 8/26 can meet the requirements of the Federal Aviation Administration (FAA).

BACKGROUND: In June of 2007 staff submitted the Airport Master Plan Update to the County of Riverside Airport Land Use Commission (ALUC). ALUC found this update to be consistent with the 2004 Banning Airport Land Use Compatibility Plan and therefore approved the new Airport Master Plan in August of 2007.

The main objective of the Airport Master Plan update was to determine the extent, type, and schedule of development needed to accommodate existing needs and future aviation demand at the airport. The Airport Master Plan took inventory of current conditions of the airport's infrastructure and recommended alternatives for airside and landside facility improvements at the airport which consequently developed the Airport Improvement Program (AIP).

The scope of work under this contract is to design the relocation of approximately 4,211 feet of the existing 40-foot wide asphalt concrete Taxiway "A" including lighting, signage and striping. The project is currently listed in the Airport's AIP. The cost for the design is eligible for a ninety-five percent (95%) reimbursement from FAA grants.

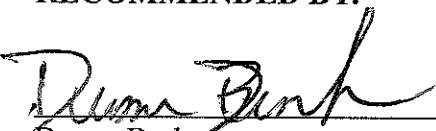
In August of 2011 staff requested a proposal from C&S Engineers, Inc. (C&S) of San Diego, California for the design of the relocation Taxiway "A". C&S assisted the City of Banning in the preparation of the update to the Airport Master Plan and is a well-established engineering firm with advanced knowledge in the requirements of FAA. C&S submitted a proposal in the amount

of \$200,128.00. Per the recommendations of FAA, staff solicited the services of RBF Consulting of Irvine, California to perform an Independent Fee Estimate (IFE) to compare to the proposal submitted by C&S. FAA Advisory Circular 150/5100-14D states that an IFE is an acceptable method to determine fair and reasonable consultant fees. The IFE submitted by RBF Consulting equaled an amount of \$244,633.00, \$44,505.00 above the proposal submitted by C&S.

FISCAL DATA: Staff respectfully requests an appropriation in the amount of \$200,128.00 from the Airport Fund to Account No. 600-5100-435.33-11 in order to fund the proposed Professional Services Agreement.

Staff has also prepared Resolution No. 2011-78, "Approving the Airport Improvement Program Grant Agreement Offer from the Federal Aviation Administration for AIP Project No. 3-06-0018-11-2011(D), 'Taxiway 'A' Relocation'". As part of the grant agreement, FAA will reimburse the City 95% of the design costs up to \$193,922.00. The remaining balance of \$6,206.00 will be funded using the Airport Fund which has an estimated balance of \$225,713.00.

RECOMMENDED BY:



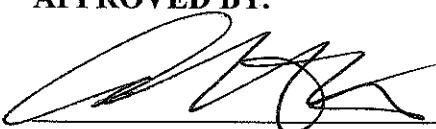
Duane Burk
Duane Burk
Director of Public Works

REVIEWED BY:



June Overholt
June Overholt *by my*
Administrative Services Director/
Deputy City Manager

APPROVED BY:



Andy Takata
Andy Takata
City Manager

RESOLUTION NO. 2011-79

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING,
CALIFORNIA, AWARDING A PROFESSIONAL SERVICES AGREEMENT TO C&S
ENGINEERS, INC. FOR DESIGN SERVICES AT THE BANNING MUNICIPAL
AIRPORT**

WHEREAS, in June of 2007 staff submitted the Airport Master Plan Update to the County of Riverside Airport Land Use Commission (ALUC), who found the update to be consistent with the 2004 Banning Airport Land Use Compatibility Plan and therefore approved the new Airport Master Plan in August of 2007; and

WHEREAS, the Airport Master Plan took inventory of current conditions of the airport's infrastructure and recommended alternatives for airside and landside facility improvements at the airport which consequently developed the Airport Improvement Program (AIP); and

WHEREAS, the scope of work under the proposed contract with C&S Engineers, Inc. is to design the relocation of approximately 4,211 feet of the existing 40-foot wide asphalt concrete Taxiway "A" including lighting, signage and striping; and

WHEREAS, the proposed project is currently listed in the Airport's AIP; and

WHEREAS, the costs for design of the project listed above is eligible for a ninety-five percent (95%) reimbursement up to \$193,922.00 from FAA grants.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Banning as follows:

SECTION 1. City Council adopts Resolution No. 2011-79, Awarding the Professional Services Agreement to C&S Engineers, Inc. of San Diego, California in a amount "Not to Exceed" \$200,128.00.

SECTION 2. The Administrative Services Director is authorized to make necessary budget adjustments and appropriations from the Airport Fund to Account No. 600-5100-435.33-11 in an amount of \$200,128.00.

SECTION 3. The City Manager is authorized to execute the contract agreement with C&S Engineers, Inc. of San Diego, California. This authorization will be rescinded if the contract agreement is not executed by the parties within sixty (60) days of the date of this resolution.

PASSED, ADOPTED AND APPROVED this 13th day of September, 2011.

Barbara Hanna, Mayor
City of Banning

ATTEST:

Marie A. Calderon, City Clerk
City of Banning

**APPROVED AS TO FORM AND
LEGAL CONTENT:**

David J. Aleshire, City Attorney
Aleshire & Wynder, LLP

CERTIFICATION:

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2011-79, was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 13th day of September, 2011.

AYES:

NOES:

ABSTAIN:

ABSENT:

Marie A. Calderon, City Clerk
City of Banning, California

**CITY COUNCIL AGENDA
CONSENT ITEM**

Date: **September 13, 2011**

TO: **City Council**

FROM: **Leonard Purvis, Chief of Police**

SUBJECT: **Resolution No. 2011-80. Accepting and authorizing expenditures under the FY11 State Homeland Security Grant Program and Sole Source Purchase through ComSerCo Communications for Motorola APX7500 Tri-Band Vehicle Radios.**

RECOMMENDATION: "Adopt Resolution No. 2011-80 authorizing the acceptance and expenditure of \$150,000 received from the Riverside County Fire Department Office of Emergency Services, under the FY11 State Homeland Security Grant Program (SHSGP), for the purchase of state-of-the-art APX 7500 Motorola Tri-Band Vehicle Radios. Additionally, approve the Police Department's request to purchase the radios from ComSerCo Communications, as a sole source provider in the amount of the grant."

JUSTIFICATION: Funds from the 2011 State Homeland Security Grant Program will be used to purchase state-of-the-art interoperable vehicle radios capable of transmitting on both VHF and 700/800 MHZ frequencies. The upgraded radios will enable Banning Police Officers to communicate with allied law enforcement agencies operating on the Eastern Riverside County Interoperable Communications Authority (E.R.I.C.A) and the Public Safety Enterprise Communication (P.S.E.C.) systems. Additionally, the radios will allow officers to communicate using secure analog and digital modes while meeting the federal P25 public safety standards for communications.

ComSerCo Communications is the only authorized Motorola dealer and service center for public safety radio systems in Riverside County. Subsequently, a full and open competition is unfeasible because there are no other Motorola dealers or service centers in the Riverside County area to participate. Additionally, ComSerCo Communications is currently under contract to maintain and repair the Banning Police Department's public safety radio system, which includes vehicle radios. The Banning Police Department intends on extending this maintenance contract to include the new Motorola APX 7500 Tri-Band Vehicle Radio.

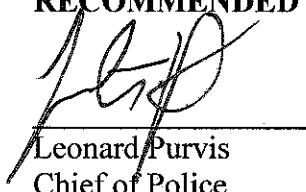
BACKGROUND: On May 3, 2011, the Banning Police Department submitted a proposal for the FY11 SHSGP to the Riverside County Office of Emergency Services in the amount of \$158,911. The proposal identified the police department's need for state-of-the-art vehicle radios with tri-band frequency capabilities.

On August 24, 2011, FY11 SHSGP Administrator Dana Kim notified the Banning Police Department that the Riverside County Anti Terrorism Approval Authority had approved the police department's grant request in the amount of \$150,000.

STRATEGIC PLAN INTEGRATION: Council approval of this recommendation will help facilitate the Police Department's goals of improving the Department's image in the community, while improving its technology and equipment.

FISCAL DATA: The funds for the FY11 SHSGP must first be appropriated from the General Fund in the amount of \$150,000 to pay for the equipment. Upon purchase of the equipment, paid invoices will be submitted to the Riverside County Fire Department Office of Emergency Services who will reimburse the entire amount of \$150,000 to the City's General Fund. This grant does not require matching funds.

RECOMMENDED BY: **REVIEWED BY:**



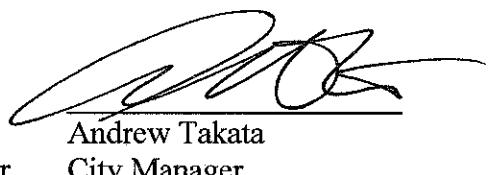
Leonard Purvis
Chief of Police



June Overholt
June Overholt *by msj*

Administrative Services Director

APPROVED BY:



Andrew Takata
City Manager

RESOLUTION NO. 2011-80

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BANNING AUTHORIZING THE ACCEPTANCE AND EXPENDITURE OF FY11 STATE HOMELAND SECURITY GRANT PROGRAM FUNDS IN THE AMOUNT OF \$150,000 FOR THE PURCHASE OF MULTI-BAND VEHICLE RADIOS THROUGH COMSERCO COMMUNICATIONS.

WHEREAS, the City of Banning Police Department is responsible for the security and safety of the Citizens of the City; and

WHEREAS, the City of Banning Police Department operates a 24 hour a day operation; and

WHEREAS, it is imperative the Banning Police Department maintain the optimal level of communication with allied law enforcement agencies in the area; and

WHEREAS, state-of-the-art technology is necessary for the daily operations of the Police Department; and

WHEREAS, there is a need to purchase upgraded vehicle radios; and

WHEREAS, the City's procedures requires the City Council to adopt a resolution authorizing the expenditure of funds procured through grants.

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Banning authorizes the Banning Police Department to accept the 2011 State Homeland Security Grant in the amount of \$150,000 to purchase state-of-the-art vehicle radios through ComSerCo Communications. Furthermore, the City Council authorizes the appropriation of City Funds into the appropriate Banning Police Department Technology account in the amount of \$150,000. The Finance Department is authorized to make the necessary budget adjustments related to these funds.

PASSED, APPROVED, AND ADOPTED this 13th day of September, 2011.

Barbara Hanna, Mayor
City of Banning

ATTEST:

Marie A. Calderon, City Clerk
City of Banning

APPROVED AS TO FORM
AND LEGAL CONTENT:

David J. Aleshire, City Attorney
Aleshire & Wynder, LLP

CERTIFICATION:

I, Marie Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2011-80 was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 13th day of September 2011, by the following to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Marie A. Calderon, City Clerk
City of Banning, California

CITY COUNCIL AGENDA

DATE: September 13, 2011

TO: Honorable Mayor and City Council

FROM: Andy Takata, City Manager

SUBJECT: Resolution No. 2011-65, "Adopting the 2011-2016 Strategic Plan"

RECOMMENDATION: Adopt Resolution No. 2011-65, "Adopting the 2011-2016 Strategic Plan." It is appropriate for the City Council, which has led this strategic planning effort, to officially adopt this plan and direction.

JUSTIFICATION: This agenda item is for the City Council to officially adopt the 2011-2016 Strategic Plan which shall formally define the City's core mission of constantly striving to improve the quality of life for our citizens. To help guide the decision-making at all levels of the organization, and to focus the City's effort on our core businesses, it is important that we develop a workable strategic plan for the City. As we move towards the next budget cycle, this new strategic plan will prove beneficial in setting budget priorities and is intended to serve as a major policy statement to guide the direction of the City of Banning.

This new Strategic Plan, in final form, will also further define and support the City's Vision Statement, "The City of Banning promotes and supports a high quality of life that ensures a safe and friendly environment, fosters new opportunities and provides responsive, fair treatment to all and is the pride of its citizens."

The last Strategic Plan was released in 2007. Based on a new set of challenges, and the need for a planning document to support future budget cycles, staff has developed a new strategic plan. The priorities in the strategic plan would assist in allocating or reallocating limited resources.

BACKGROUND: In January 2011, the City Council and City Management Team participated in a strategic planning workshop which formulated City goals and priorities. The Council directed the City Manager to refine the strategic goals, seek input from staff and to bring back the draft strategic plan for discussion.

As requested, the draft plan was brought forth for review and comment as part of a Study Session held at a regular City Council meeting on July 26, 2011. Staff has revised the draft plan to reflect the changes discussed at the Study Session in July 2011. At this time, staff brings forth the revised plan for formal adoption.

Attached as Exhibit "A" is the 2011-2016 Strategic Plan developed by staff for formal adoption by the Council.

The 2011-2016 Strategic Plan continues to be focused on seven key goals (approved at a regular City Council Meeting on March 22, 2011), as follows:

Goal #1

FISCAL STABILITY

Achieve fiscal stability by managing city finances, services and assets to produce a balanced budget, to increase reserves and to maintain desired city services and facilities.

Goal#2

PUBLIC SAFETY

Provide police, fire and emergency services to maintain a safe and secure community.

Goal #3

INFRASTRUCTURE AND CITY FACILITIES

Provide infrastructure improvements needed to provide auto, bicycle and pedestrian mobility recreation opportunities, electricity, water and recycled water for the community.

Goal #4

ECONOMIC DEVELOPMENT

Adopt and implement marketing, investment, and planning strategies to increase Banning's tax base, provide local jobs and increase shopping, restaurants and entertainment choices for residents and visitors and provide reasons for visitors to come to Banning.

Goal #5

QUALITY OF LIFE

Build and maintain a high standard of community appearance, character and livability by effective planning and code enforcement, attention to long-term vision and citizen involvement and recreation facilities and services.

Goal #6

COMMUNITY RELATIONS

Implement pro-active policies and programs which enhance resident-friendly service, responsiveness, two-way communication and transparency to achieve citizen trust of and respect of and involvement in the City.

Goal #7

REGIONAL COOPERATION AND PARTNERSHIPS

Advocate, create and participate in regional efforts, partnerships and cooperative arrangements to assist in achieving the City's Goals.

The above goals are further defined through a set of specific objectives to include performance measures and impacts, please refer to the attached 2011-2016 Strategic Plan, Exhibit "A". Implementation of these goals is intended to support the City of Banning Vision and Mission Statements adopted on May 12, 2009, attached hereto as Exhibit "B".

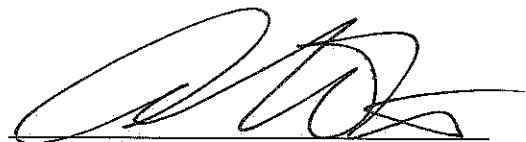
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This focus is clearly driven by the tight fiscal and staffing constraints we will be facing. The economic climate remains as a significant consideration in our ability to achieve the proposals.

Staff will bring forth updates to the City Council concerning the progress of the Strategic Plan at an interval of every six (6) months.

FISCAL DATA: Wherever possible, budgetary considerations and cost assumptions have been identified in each of the individual strategic initiatives and brought forth as part of the 2011-2016 Strategic Plan.

RECOMMENDED BY:

A handwritten signature in black ink, appearing to read "Andy Takata".

Andy Takata
City Manager

RESOLUTION NO. 2011-65

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING,
CALIFORNIA, ADOPTING THE 2011-2016 STRATEGIC PLAN**

WHEREAS, the City of Banning City Council has heard from its citizens and has discussed its goals for the City; and

WHEREAS, the following goals were approved at a regular City Council meeting held on March 22, 2011:

1. Fiscal Stability
2. Public Safety
3. Infrastructure and City Facilities
4. Economic Development
5. Quality of Life
6. Community Relations
7. Regional Cooperation and Partnerships

WHEREAS, the economic downturn has exacerbated financial shortfalls and created further need for different strategic approaches to the level and scope of City services and the City's financial structure; and

WHEREAS, a policy document referred to as a strategic plan is needed to guide decision making and planning regarding City services and financial structure; and

WHEREAS, a Strategic Plan framework was developed by the City Council during 2010-2011 and it is appropriate to formally adopt the 2011-2016 Strategic Plan.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Banning, California, as follows:

SECTION 1: The 2011-2016 Strategic Plan in the form attached as Exhibit "A" is hereby adopted.

SECTION 2: The 2011-2016 shall guide policy, budget, administrative and planning decisions of the City of Banning.

PASSED, APPROVED AND ADOPTED this 13th day of September, 2011.

Barbara Hanna, Mayor
City of Banning

100

**APPROVED AS TO FORM
AND LEGAL CONTENT:**

David J. Aleshire, City Attorney
Aleshire & Wynder, LLP

ATTEST:

Marie A. Calderon, City Clerk

CERTIFICATION

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2011-65, was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 13th day of September, 2011, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Marie A. Calderon, City Clerk
City of Banning, California

EXHIBIT "A"

ATTACHED HERETO

CITY OF BANNING

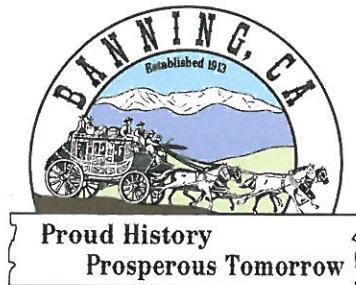
2011-2016 STRATEGIC PLAN

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CITY OF BANNING



**STRATEGIC PLAN
2011-2016**



City Council

Barbara Hanna..... Mayor
John Machisic Mayor Pro Tem
Bob Botts Council Member
Debbie Franklin Council Member/Housing Authority Chairperson
Don Robinson Council Member/Community Redevelopment Agency Chairman
John McQuown City Treasurer
Marie Calderon..... City Clerk

Executive Management Team

Andy Takata..... City Manager
June Overholt Administrative Services Director
Zai Abu Bakar..... Community Development Director
Heidi Meraz Community Services Director
Vacant..... Economic Development/Redevelopment Director
Fred Mason Electric Utilities Director
Jeff Stowells..... Fire Battalion Chief
Leonard Purvis..... Police Chief
Duane Burk..... Public Works Director

TAG LINE

“Proud History, Prosperous Tomorrow”

VISION STATEMENT

The City of Banning promotes and supports a high quality of life that ensures a safe and friendly environment, fosters new opportunities and provides responsive, fair treatment to all and is the pride of its citizens.

MISSION STATEMENT

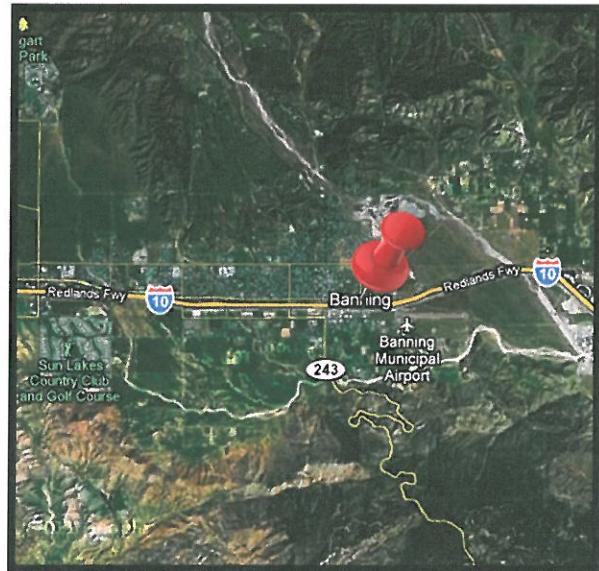
Our Banning City Government is actively concerned with the quality of life offered to our citizens and is constantly striving to improve that quality by:

- Maintaining the highest level of police, fire and paramedic services possible
- Maintaining well-planned and safe neighborhoods for a strong community
- Creating a downtown where you can live, work, shop and play.
- Generating new business opportunities and support existing businesses that generate jobs and revenue.
- Fostering post-high school education and training opportunities.
- Reducing traffic congestion and maintaining streets and sidewalks.
- Beautifying and keeping the city clean with landscaped corridors and gateways along with reducing all areas of blight.
- Maintaining City parks, recreation services and facilities.
- Improving airport, rail, streets and highways, and public transit uses for the betterment of the Pass Area residents and businesses.
- Supporting growth and maintenance of utilities and infrastructure to allow for responsible city growth and sustainability.
- Improving and creating safe public schools.
- Partnering and communicating with local entities.
- Celebrating the diversity that is the heritage of Banning's past and future.
- Overseeing revenue and budget expenditures that best serve the citizens of Banning.
- Promoting transparency and accountability as a requirement to good, fiscally responsible government.

CITY of BANNING

Historical Information

The City of Banning is strategically located in Riverside County along the route of U.S. Interstate 10 approximately 25 miles northwest of Palm Springs and 82 miles east of Los Angeles. Beautifully located in the San Gorgonio Pass between the two highest mountain peaks in Southern California, Banning is only minutes away from many desert and mountain resorts. One of Banning's unique characteristics is that it provides the serenity of a rural setting yet has easy access to major metropolitan areas. Its unique location is at a relatively high altitude (2,350 feet) in the pass which provides a favorable year-round climate and air quality. Its municipal boundaries encompass 22.117 square miles.



Banning has a rich and colorful history. Its first permanent landmark, an adobe house, was built on a tract of land now known as the Gilman place, in 1854. The house was used as a stagecoach station and meal stop for many years. The Colorado Stage and Express Line included Banning on its route from Los Angeles to the Colorado River in 1862, where gold had been discovered. The railroad replaced the stagecoach in 1876. Banning, however, is still called "Stagecoach Town, U.S.A."

Incorporated in 1913, Banning is a general law city with a council/manager type administration. The City has five elected council members, one of which is chosen mayor by the Council. The City Manager is the Chief Administrative Officer and is appointed by the City Council.

The City of Banning is a full service municipal government, which owns and operates its own electric and water utilities. It also offers its residents an airport, local police protection, municipal bus service, seven parks, a swimming complex, a seasonally operated play house bowl, as well as youth and leisure programs. Recreation opportunities are also abundant in nearby areas, which offer golfing, fishing, hiking, and equestrian trails.



Proud History
Prosperous Tomorrow

City of Banning Goals

(Approved by the City Council on March 22, 2011)



Fiscal Stability - Achieve fiscal sustainability by managing city finances, services and assets to produce a balanced budget, to increase reserves and to maintain desired city services and facilities.



Public Safety - Provide police, fire and emergency services to maintain a safe and secure community.



Infrastructure and City Facilities - Provide infrastructure improvements needed to provide auto, bicycle and pedestrian mobility recreation opportunities, electricity, water and recycled water for the community.



Economic Development - Adopt and implement marketing, investment, and planning strategies to increase Banning's tax base, provide local jobs and increase shopping, restaurants and entertainment choices for residents and visitors (provide reasons for visitors to come to Banning).



Quality of Life - Build and maintain a high standard of community appearance, character and livability by effective planning and code enforcement, attention to long term vision and citizen involvement and recreation facilities and services.



Community Relations - Implement pro-active policies and programs which enhance resident-friendly service, responsiveness, two-way communication and transparency to achieve citizen trust of and respect of and involvement in the City.



Regional Cooperation and Partnerships - Advocate, create and participate in regional efforts, partnerships and cooperative arrangements to assist in achieving the City's goals.



EXECUTIVE SUMMARY

In January 2011, the City Council, City Manager and City Executive Management Team Members met in an open Strategic Planning Workshop to discuss the goals and direction of the City. At the conclusion of the workshop, the Council directed staff to begin working on a draft strategic plan. The goals identified in the workshop were brought back to council and approved on March 22, 2011.

In July 2011, the City Council, City Manager and City Executive Management Team met in an open Study Session to review the draft strategic plan and comment on any changes to the draft document. As a result of the Study Session, revisions were made to the draft plan and the final document has now been compiled and is incorporated herein as Exhibit "A".

The document before you contains a number of policy initiatives identified by the City Council as well as specific goals and objectives that support these initiatives. Lastly, this document also contains milestones and information relative to progress of a certain goal and/or necessary resources needed to accomplish the same.

At this time, I would like to extend my personal gratitude to the Executive and Administrative staff whose dedication and input proved invaluable in the preparation and implementation of this plan.

Respectfully submitted,

Andy Takata
City Manager
City of Banning

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City of Banning

Strategic Plan

Action Steps / Strategic Priority



Goal #1: FISCAL STABILITY - Achieve fiscal sustainability by managing city finances, services and assets to produce a balanced budget, to increase reserves and to maintain desired city services and facilities.

Strategic Priority Action Steps	Dept.	Priority 1-3 (1-Highest; 3-Least Urgent)	Project Name and Description	Milestone Targets (MM/YR)	Completion Date	Necessary Resources/Additional Costs/Comments (Hours w/ Personnel or Consultant Budget where applicable)
A-1	Admin Svcs Finance	1	Balanced Budget		FY2013	Difficult to quantify. Desire is to be able to provide forecasting but not enough staffing bandwidth to accomplish.
B-1	Admin Svcs Finance	1	Revenues – Advocate against State Takeaways	Ongoing	Ongoing	Elected Officials; City Manager = Time & Travel Costs Lobbyist = Retainer
C-1	Admin Svcs Finance	1	Revenues – Increase revenue streams (address revenue leakage)	Ongoing	Ongoing	Hours = unknown; need dept. staff to create database and analyze contracts. Limited by staff reductions. Audit contracts to ensure City is collecting all \$ per terms of contracts.
D-1	Admin Svcs Finance	1	Revenue – Increase revenue streams (existing revenues)	Ongoing	Ongoing	No proactive action at this time due to lack of staffing. If dept. had a staff person, would be able to do analysis, question deviations and contact other agencies.
E-1	Admin Svcs Finance	1	Revenue – Increase revenue streams (NEW revenues)	Ongoing	Ongoing	No staff available to evaluate options and ideas.
F-1	Admin Svcs Finance	1	Expenditures – Reduce costs (employee negotiations)		Fall 2011	+/- (City Atty., Admin Svcs., Director, Deputy Human Resources Director) = negotiations time.
G-1	Admin Svcs Finance	1	Expenditures – Reduce costs (other)			Hire Finance staff person (purchasing focus). Research deals/negotiate cost reductions.
H-1	Admin Svcs Finance	2	Revenues – Fee Review	Under review	Phased Approach	Depts. currently reviewing master list; need to define strategy for revisions vs. NEW fees. Phased approach goal - gain approval of escalator index by Dec 2011. No staff available; finance hours to complete = +/- 200 hrs. depending on who is involved and continuity of project. \$ needed for consultant; OR current strategy is phased approach of utilizing an intern. Establish escalator index where allowed by Prop. 26.

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STRATEGIC PLAN
2011-2016

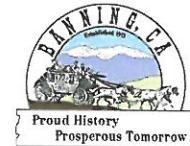


Goal #1: FISCAL STABILITY - Achieve fiscal stability by managing city finances, services and assets to produce a balanced budget, to increase reserves and to maintain desired city services and facilities.

Strategic Priority Action Steps	Dept.	Priority 1-3 (1-Highest; 3-Least Urgent)	Project Name and Description	Milestone Targets (MM/YR)	Completion Date	Necessary Resources/Additional Costs/Comments (Hours w/ Personnel or Consultant Budget where applicable)
I-1	Admin Svcs Finance	2	Revenues – Fee review		Winter 2013 or Spring 2014	Possible increase in Winter 2013 or Spring 2014 – Rates for utilities (water, sewer, electric) not scheduled for update since they have been recently approved. However, review of the financials, compliance with bond covenants will continue. If needed, corrective action will be recommended.
J-1	Admin Svcs Finance	2	Reserves – Update policy	Complete	June 2011	40 to 80 hours for director to analyze changes required by GASB 54, prepare staff report, etc.
K-1	Admin Svcs Finance	2	Reserves – Increase		Unknown	Ability to increase reserves is subject to a balanced budget and excess revenues.
L-1	Admin Svcs Finance	3	Enterprise Resource Planning (ERP) Software		Unknown	Staff time and consultants to conduct business process review, project development, bid requests, proposal evaluations and implementation strategies. Changing software is not the top priority. However, achieving efficiencies and functionality for staff and citizens is a high priority. The perspective on the priority may eventually lead to changing the software but the goal should not be the software.
M-1	Electric	2	Ongoing Electric Rate Evaluation	Ongoing	Ongoing	Utilize computer software tool developed by Navigant Consulting to determine Electric rate requirements. This evaluation is performed on a regular basis. Staff will keep Council informed of issues affecting the Electric Utility costs and potential rate impact.
N-1	Public Works	1	Submittal of Grant Applications	Ongoing		Utilize eCivis online grant management to locate information on all available grants.



STRATEGIC PLAN
2011-2016



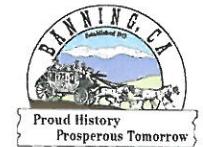
Goal #2: PUBLIC SAFETY - Provide police, fire and emergency services to maintain a safe and secure community.

Strategic Priority Action Steps	Dept.	Priority 1-3 (1-Highest; 3-Least Urgent)	Project Name and Description	Milestone Targets (MM/YR)	Completion Date	Necessary Resources/Additional Costs/Comments (Hours w/ Personnel or Consultant Budget where applicable)
A-2	Fire	1	Continue current staffing through contract with CalFire	1/1/2012	6/30/2012	Current agreement ends 2012. \$780,000 currently shared between County and Beaumont.
B-2	Fire	2	Fund inspector position	Jul-11	Jan-12	\$106,000
C-2	Fire	2	Increase staffing as city grows FYI: SQ = Paramedic Squad E = Engine 5 = 5 person staffing 4 = 4 person staffing	As growth happens	As growth happens	CFD for staffing; mitigation funds for equipment. Squad (SQ) = \$809,400 for 5 person staffing; Engine (E) = \$1,113,000; Squad (SQ) = \$650,000 for 4 person staffing; 4 person increase staffing uses a person from the current engine staffing, but this will increase OT.
D-2	Police	1	CFD's – Impact based on level of new developments.	Ongoing	Ongoing	
E-2	Police	1	Rewarding of Grants through State and Federal Programs throughout the year.	Ongoing	Ongoing	Continue to seek federal grants.
F-2	Police	1	Sign new contract with BUSD for High School SRO and Middle School SRO for FY2011-12	July-11	6/30/2010 (FY 2010-11)	School funded positions
G-2	Police	2	Morongo Agreement	Ongoing	Ongoing	
H-2	Police	3	Influence perceptions (increase awareness of low crime rates/interaction with Press to manage positive articles, etc.)	Ongoing	Ongoing	Police Admin Staff – Coordinate community meetings. CM/Police Chief/Admin Staff – Meet with Press to produce positive articles, etc.

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STRATEGIC PLAN

2011-2016



Goal #3: INFRASTRUCTURE AND CITY FACILITIES - Provide infrastructure improvements needed to provide auto, bicycle and pedestrian mobility recreation opportunities, electricity, water and recycled water for the community.

Strategic Priority Action Steps	Dept.	Priority 1-3 (1-Highest; 3-Least Urgent)	Project Name and Description	Milestone Targets (MM/YR)	Completion Date	Necessary Resources/Additional Costs/Comments (Hours w/ Personnel or Consultant Budget where applicable)
A-3	Comm. Develop.	1	Amendment to the General Plan Circulation Element	Jul-11	Jul-12	\$200,000 – Consultant costs; cost estimates to amend the Level of Service (LOS) standards and deletion of Highland Home Road from the Circulation Element. Overlap with Public Works.
B-3	Comm. Develop.	2	Amendment to the General Plan Parks and Recreation Element to correspond with the adoption of the current Parks Master Plan.	Jul-11	Dec-11	Using internal staff which is already budgeted in the current and next fiscal year. Will need to take another General Plan Amendment to ensure that the City is keeping with the maximum 4 amendments per year.
C-3	Electric	2	Update Electric Utility 10-Year Master Plan	Jul-12	Dec-12	Consultant budget \$120,000. Will also require assistance from Electric Utility personnel. The consultant cost estimate is based on the previous Master Plan, which was completed in 2004. Actual cost may be higher.
D-3	Fire	1	Retain Engine 20	Jul-11	Jan-12	\$35,500; approximate annual cost.
E-3	Public Works	1	Restoration of the Whitewater Diversion Pipeline Flume	Dec-14	2015	10% of total costs of repairs (unknown)
F-3	Public Works	1	Irrigation Water System. Phase 1 of the recycled water system (Design only)	Dec-11	2012	Completed in 2011 for Phase 1 – Segment A.
G-3	Public Works	1	Improvements to the Existing Wastewater Treatment Plant	Ongoing	Ongoing	2011 Design complete and modification to scalping plant idea.
H-3	Public Works	1	Continual discussion regarding the Packaging/Scalping Plant	Ongoing	Ongoing	2011 – Funding available community approval needed.
I-3	Public Works	1	SB-821 Grant Submittal	Mar-11	Apr-11	30 hours; complete/pending results.
J-3	Public Works	1	Annual Street Overlay Project	Sep-11	Jan-12	Measure "A" (RAC Grant)
K-3	Public Works	1	Sunset Avenue Grade Separation	Dec-12	Dec-14	CFD/AD needed for add'l. 10 mil. (\$20 mil. in hand via grant)
L-3	Public Works	1	Courthouse Infrastructure	Sep-11	Feb-12	Project out to bid
M-3	Public Works	1	Joshua Palmer	Sep-11	Dec-12	Cooperation w/ other agencies required; private funding.
N-3	Public Works	2	Annual Waterline Replacement Program. Replacement of various waterlines within the City.	Jan-12	Ongoing	Completed 2011; new design would go out 2011-12.

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STRATEGIC PLAN
2011-2016



Goal #3: INFRASTRUCTURE AND CITY FACILITIES - *Provide infrastructure improvements needed to provide auto, bicycle and pedestrian mobility recreation opportunities, electricity, water and recycled water for the community.*

Strategic Priority Action Steps	Dept.	Priority 1-3 (1-Highest; 3-Least Urgent)	Project Name and Description	Milestone Targets (MM/YR)	Completion Date	Necessary Resources/Additional Costs/Comments (Hours w/ Personnel or Consultant Budget where applicable)
O-3	Public Works	2	SCADA System. Replacement of existing system to manage water production and reliability.	Jan-12	2014	Funding unknown; design.
P-3	Public Works	2	Airport	June-11	June-11	2011 AWOS System complete; 2011-12 Taxi-way modifications awaiting FAA approval.
Q-3	Public Works	2	Banning Water Canyon Replacement Phase 1. Replacement of transmission waterline which supplies the majority of the City's water.	Jan-12	2015	Apply SRF
R-3	Public Works	3	Sun Lakes Blvd. (Extension to Westward)		Unknown	No Funding
S-3	Public Works	3	Pre-Amps at Signals (Highland Springs)		Unknown	No Funding

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STRATEGIC PLAN
2011-2016

Goal #4: ECONOMIC DEVELOPMENT - Adopt and implement marketing, investment, and planning strategies to increase Banning's tax base, provide local jobs and increase shopping, restaurants and entertainment choices for residents and visitors (provide reasons for visitors to come to Banning).

Strategic Priority Action Steps	Dept.	Priority 1-3 (1-Highest; 3-Least Urgent)	Project Name and Description	Milestone Targets (MM/YR)	Completion Date	Necessary Resources/Additional Costs/Comments (Hours w/ Personnel or Consultant Budget where applicable)
A-4	Comm. Develop.	2	Inventory of vacant commercial and industrial properties in the City and making it available on the City's website.	Complete	May 2011 + semi-annual updates	.25 person/\$15,000. The inventory is published on the City's website. The cost relates to continuing updates and working with relators/brokers and property owners.
B-4	Comm. Develop.	2	Improvements to the City's website for marketing purposes.	Jul-11	Monthly Update	.25 person/\$15,000. This includes initial redesign and ongoing updates.
C-4	Comm. Develop.	3	Business Retention and Expansion Survey	May-11	Dec-11	Using Economic Development Committee to do initial contacts with businesses.
D-4	Comm. Develop.	3	ICSC Membership for 8 people and attendance at 2 ICSC events.	May/Sep Annually	Same as milestone	\$20,000; this includes memberships, travel and hotel accommodations.
E-4	Comm. Develop.	1	Economic Development Plan	TBD	TBD	New Director position to be filled – recruitment/interviews in progress. Action steps to be added at a later date as part of bringing a Strategic Plan update to City Council (every 6 months).
F-4	Comm. Develop.	1	Hire an Economic Development/Redevelopment Director	Jul-11	Dec-11	\$216,246.20 annually; recruitment in progress.
G-4	Comm. Develop.	1	Economic Development Brochure and Marketing Packet	Apr-11	Complete	
H-4	Electric	1	Promote Electric Utility Incentives for Large Commercial customers and Existing Large Commercial customers that expand their business.	Ongoing	Ongoing	The Electric Utility implemented two new programs (Economic Dev. Rate Program and the Business Retention Rate Program) to attract new large commercial customers and retain existing customers.

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STRATEGIC PLAN
2011-2016



Goal #5: QUALITY OF LIFE - *Build and maintain a high standard of community appearance, character and livability by effective planning and code enforcement, attention to long term vision and citizen involvement and recreation facilities and services.*

Strategic Priority Action Steps	Dept.	Priority 1-3 (1-Highest; 3-Least Urgent)	Project Name and Description	Milestone Targets (MM/YR)	Completion Date	Necessary Resources/Additional Costs/Comments (Hours w/ Personnel or Consultant Budget where applicable)
A-5	Comm. Develop.	1	Continue to build attractive and walkable Downtown.	Ongoing as part of land develop.	Ongoing as part of land develop.	Utilize existing staff; done as part of development review and verify during construction. Multi-tenant commercial development must have property management to ensure the ongoing maintenance of properties.
B-5	Comm. Develop.	1	Effective planning	Jan-12	Ongoing	\$65,000 for an assistant planner; cost is also indicated in the row labeled "encourage new residential development". An additional planner is needed to provide and improve customer service to "mom and pop" developers who are not as familiar with development regulations, including state and environmental laws.
C-5	Comm. Develop.	1	Establish priorities for Code Enforcement (communicate with residents, be pro-active)	Jun-11	Ongoing	Use existing staff plus an additional officer = \$70,000 (salary + benefits) for enhanced code enforcement; for pro-active code enforcement - need 1 more code officer.
D-5	Comm. Develop.	3	Art in Public Places	Ongoing	Ongoing	Ongoing as part of land development - Due to budget constraints and reduced staffing, this item shall be limited to a Downtown only focus at this time. We cannot accomplish the full citywide implementation with our current staffing. Art in Public Places is required only in the Downtown Commercial District. Staff is to develop policies and standard criteria.
E-5	Comm. Develop.	3	Encourage new residential development	Jun-12	Ongoing	\$65,000 (salary + benefits) for an assistant planner. Please Note: This is the same position as listed above (A-5 & B-5).
F-5	Comm. Svcs.	3	Long term vision for Community Services Department (Involvement, Facilities and Programs). – Moved to priority level 3 – cannot recommend unless programs pay to fund this position.			\$78,000 (Salary & Benefits) – Annual cost for the creation of a Recreation Manager position. Staff and P&R Commission can begin working on this using the updated master plan. The creation of this position will allow the director to spend more time on programming issues in lieu of staffing various committees.
G-5	Comm. Svcs.	2	Marketing & Development of Programs	TBD	TBD	

STRATEGIC PLAN
2011-2016

Goal #5: QUALITY OF LIFE - *Build and maintain a high standard of community appearance, character and livability by effective planning and code enforcement, attention to long term vision and citizen involvement and recreation facilities and services.*

Strategic Priority Action Steps	Dept.	Priority 1-3 (1-Highest; 3-Least Urgent)	Project Name and Description	Milestone Targets (MM/YR)	Completion Date	Necessary Resources/Additional Costs/Comments (Hours w/ Personnel or Consultant Budget where applicable)
H-5	Electric	2	Downtown Electric Underground Project	Jun-11	Dec-13	Cost for this project is estimated at \$2.8 mil. This project will help clean up the Downtown Corridor and make it more attractive to potential Commercial customers.
I-5	Fire	1	Fund Inspector (this is listed on Goal #2 but will also apply to Goal#5)			Listed in Goal#2 (to avoid duplication there is no cost shown w/ Goal#5). Inspecting all public buildings can improve this goal.
J-5	Public Works	1	City Monuments	2012	2012	No Funding
K-5	Public Works	2	Repllier Park Bowl	Jun-11	Jun-11	Grant Prop. 84; application in process. No funding – dependent upon outcome of redevelopment elimination.
L-5	Public Works	3	Roosevelt Williams Park	2011	2012	No funding – dependent upon outcome of redevelopment elimination.

STRATEGIC PLAN
2011-2016

Goal #6: - Implement pro-active policies and programs which enhance resident-friendly service, responsiveness, two-way communication and transparency to achieve citizen trust and respect of involvement in the City.

Strategic Priority Action Steps	Dept.	Priority 1-3 (1-Highest; 3-Least Urgent)	Project Name and Description	Milestone Targets (MM/YR)	Completion Date	Necessary Resources/Additional Costs/Comments (Hours w/ Personnel or Consultant Budget where applicable)
A-6	Comm. Develop.	2	Community Forums and Meetings	Ongoing	Ongoing	Utilize existing staff; this is to be done in conjunction with land development or general plan amendment of specific issues that are of citywide or of neighborhood concern.
B-6	Electric	2	Utility Customer Service Software and Phone Systems.			The Electric Utility will continue to work with the Finance Dept. to fully utilize the existing systems, while looking at the feasibility of implementing new more effective systems.
C-6	Public Works	1	Effective Management of Waste Management	Ongoing	Ongoing	Utilize existing staff/continual communications and coordination with Waste Management, etc.



Goal #7: REGIONAL COOPERATION AND PARTNERSHIPS - Advocate, create and participate in regional efforts, partnerships and cooperative agreements to assist in achieving the City's Goals.

Strategic Priority Action Steps	Dept.	Priority 1-3 (1-Highest; 3-Least Urgent)	Project Name and Description	Milestone Targets (MM/YR)	Completion Date	Necessary Resources/Additional Costs/Comments (Hours w/ Personnel or Consultant Budget where applicable)
A-7	Comm. Develop.	3	SCAG – Activities	Ongoing	Ongoing	0.25 persons (or \$20,000) to monitor SCAG activities. Cost sharing as part of an Assistant Planner position.
B-7	Electric	2	Participation in Electric Industry organizations that benefit the City (SCPPA, CMUA, APPA, WUC, etc.)	Ongoing	Ongoing	Approximately 680 man-hours per year are spent participating in Electric industry organizations. The City obtains a tremendous ROI on our participation in the SCPPA and CMUA organizations. Staff will continue to maximize this benefit.
C-7	Fire	2	Regional Fire Costs	Jul-11	Jul-12	Pass Area Cities and County. Unknown cost – Banning is currently receiving funding from the County and Beaumont. Banning will be asked for funds under the regional concept.
D-7	Public Works	1	Member of Riverside Council of Governments Solid Waste Technical Committee	Bi-monthly Mtgs.	Bi-monthly Mtgs.	\$3,900 annually – Funded.
E-7	Public Works	1	Member of the Western Riverside Council of Governments Public Works Committee (TAC TUMF participation)	Monthly Meetings	Monthly Meetings	Staff time to attend meetings.
F-7	Public Works	1	Imported Water Meeting, discussion of delivery in regards to State Project Water.	Monthly	Monthly	\$5,400 Annually
G-7	Public Works	1	Watermaster, development of Beaumont management zone.	Qrtrly. Meetings	Qrtrly. Meetings	Staff time to attend meetings.
H-7	Public Works	2	Member of Western Riverside County Clean Cities Coalition	Monthly Meetings	Monthly Meetings	\$6,000 annually – Funded.
I-7	Public Works	2	Desert Task Force, discussion on updates/revisions to the City's Stormwater Discharge Permits.	Monthly	Monthly	\$12,000 Annually; total = \$24,000 annually for permit.
J-7	Public Works	3	Inland County Water Agencies, discussion of water issues within the county and agencies.	Monthly	Monthly	\$1,300 Annually

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EXHIBIT "B"

ATTACHED HERETO

CITY OF BANNING

VISION AND MISSION STATEMENTS **(adopted on May 12, 2009)**

TAG LINE

“Proud History, Prosperous Tomorrow”

VISION STATEMENT

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- Reducing traffic congestion and maintaining streets and sidewalks.
- Beautifying and keeping the city clean with landscaped corridors and gateways along with reducing all areas of blight.
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- Improving airport, rail, streets and highways, and public transit uses for the betterment of the Pass Area residents and businesses.
- Supporting growth and maintenance of utilities and infrastructure to allow for responsible city growth and sustainability.
- Improving and creating safe public schools.
- Partnering and communicating with local entities.
- Celebrating the diversity that is the heritage of Banning’s past and future.
- Overseeing revenue and budget expenditures that best serve the citizens of Banning.
- Promoting transparency and accountability as a requirement to good, fiscally responsible government.

Adopted: 5/12/09

Adopted Tag Line: 5/26/09